



CITY OF LONG BEACH

DEPARTMENT OF HUMAN RESOURCES

~~R-16~~

333 West Ocean Boulevard 13th Floor • Long Beach, CA 90802

UB-11

DEBORAH R. MILLS
DIRECTOR

October 22, 2013

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt the attached Resolution approving the Amendments to the existing Memoranda of Understanding with the Long Beach Association of Engineering Employees, Long Beach Managers Association, Long Beach Association of Confidential Employees and the Long Beach Lifeguards Association; applying the terms of compensation of the Amendments to the existing Memoranda of Understanding to the City Manager and amending his contract; applying the terms of compensation of the Amendments to the existing Memoranda of Understanding to unrepresented management employees as approved by applicable appointing authorities or governing boards;

Adopt the attached Resolution for paying and reporting the value of the Employer Paid Member Contributions (EPMC) to the California Public Employees Retirement System for employees represented by the Long Beach Association of Engineering Employees, Long Beach Managers Association, Long Beach Association of Confidential Employees, unrepresented managers; and,

Adopt the attached Resolution for paying and reporting the value of the Employer Paid Member Contributions (EPMC) to the California Public Employees Retirement System for employees represented by the Long Beach Lifeguards Associations. (Citywide)

DISCUSSION

Since May 2013, City management representatives and representatives of the Long Beach Association of Engineering Employees (LBAEE), Long Beach Managers Association (LBMA), Long Beach Association of Confidential Employees (LBACE), and the Long Beach Lifeguards Association (LBLGA) have had a number of negotiation sessions regarding their open contracts. Based upon the direction given to the City's negotiating team at the City Council's Closed Session of July 9, 2013, to extend the offer to the four open contracts and on August 13, 2013, to extend the same terms of that offer to the City Manager, these meetings have concluded and the amendments to the Memoranda of Understanding (MOU) have been jointly signed by City representatives and representatives of the four Associations.

The agreements use the same methodology as the previous agreements with the Police, Fire and IAM associations. The major provisions of the amendments are agreement for pension reform, full employee pick-up with six percent offset for Miscellaneous and seven percent offset for Safety, equity adjustments of five percent in FY 14, and four percent in FY 15 (1 percent for LBACE) to achieve parity and restore the balance throughout the organization, two-year contract terms through September 30, 2015, and contract re-openers for sick leave conversion and FLSA straight overtime. These four units have not received any salary increase since FY 08 (with the exception of 3 percent for Confidential in FY 09). The agreements provide an equivalent salary increase of 1.3 percent per year when averaged from FY 09 to FY 15.

Pursuant to the Amendments and pending approval of the Resolutions, effective October 1, 2013, or shortly thereafter, "classic" CalPERS employees represented by the four associations and unrepresented employees shall contribute an amount representing one hundred percent of their individual employee contribution (eight percent of their annual salary for miscellaneous and nine percent for Safety).

In order for the City to make changes to the employer paid member contribution, it is necessary for the City Council to adopt the attached Resolutions as prepared by the City Attorney.

This matter was reviewed by Senior Deputy City Attorney Christina L. Checel on October 4, 2013, and by Budget Management Officer Victoria Bell on October 4, 2013.

TIMING CONSIDERATIONS

City Council action is requested on October 22, 2013, to ensure implementation of the MOU Amendments' provisions and that CalPERS receives their Resolutions for processing consistent with the effective date of the action.

FISCAL IMPACT

In FY 14, the cost of the contracts is estimated to be \$0.8 million in the General Fund and \$4.3 million in All Funds. The annualized cost beginning in FY 15 is estimated to be \$1.8 million in the General Fund and \$8.2 million in All Funds. Based on the current economic climate, these unbudgeted costs are not expected to impact the City's General Fund projections for FY 14 and FY 15. Economic events and trends post FY 14 budget development indicate General Fund revenues in FY 14 and beyond will be sufficient to cover the additional cost. Assuming no economic slowdown, increased revenues are expected to cover the General Fund costs of these contracts in FY 14 and FY 15.

HONORABLE MAYOR AND CITY COUNCIL
October 22, 2013
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SUGGESTED ACTION:

Approve recommendation.

APPROVED:

Respectfully submitted, .



DEBORAH R. MILLS
DIRECTOR OF HUMAN RESOURCES



PATRICK H. WEST
CITY MANAGER

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING WITH THE LONG BEACH MANAGEMENT ASSOCIATION; APPLYING THE TERMS OF COMPENSATION OF THE AMENDMENT TO THE EXISTING MEMORANDUM OF UNDERSTANDING TO THE CITY MANAGER AND AMENDING HIS CONTRACT; APPLYING THE TERMS OF COMPENSATION OF THE AMENDMENT TO THE EXISTING MEMORANDUM OF UNDERSTANDING TO UNREPRESENTED MANAGEMENT EMPLOYEES AS APPROVED BY APPROPRIATE APPOINTING AUTHORITIES OR GOVERNING BOARDS; AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE THE AMENDMENTS TO SUCH MEMORANDA OF UNDERSTANDING; AND DIRECTING CERTAIN IMPLEMENTING AND RELATED ACTIONS

WHEREAS, on the date of this resolution, the City Council has considered the Memorandum of Understanding between the City of Long Beach and the Long Beach Management Association;

WHEREAS, on the date of this resolution, the City Council has considered applying the terms of compensation of the Amendment of the existing Memorandum of Understanding with the Long Beach Management Association to the City Manager and amending his contract;

WHEREAS, on the date of this resolution, the City Council has considered

1 applying the terms of compensation of the Amendment of the existing Memorandum of
2 Understanding with the Long Beach Management Association to unrepresented
3 management employees as approved by the City Manager and other applicable
4 appointing authorities and governing boards; and

5 WHEREAS, it is the desire of the City Council to approve the Amendment
6 to such Memorandum of Understanding and to provide for its implementation.

7 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
8 follows:

9 Section 1. That the Amendment to the Memorandum of Understanding
10 between the City of Long Beach and the Long Beach Management Association, which is
11 hereby incorporated by reference in this resolution as Exhibit "A", is hereby approved,
12 and the City Manager is hereby authorized to execute said Amendment to Memorandum
13 on behalf of the City and to implement, pursuant to Section 503 of the Long Beach City
14 Charter, all matters affecting compensation contained in and prescribed by the
15 Memorandum of Understanding as of the operative date of this resolution.

16 Section 2. That the terms of compensation of the Amendment to the
17 existing Memorandum of Understanding shall apply to the City Manager and his contract
18 shall be amended.

19 Section 3. That the terms of compensation of the Amendment to the
20 existing Memorandum of Understanding shall apply to unrepresented management
21 employees as approved by the City Manager and other applicable appointing authorities
22 or governing boards.

23 Section 4. The City Manager is also authorized and directed to cause the
24 preparation of amendments to the Long Beach Salary Resolution, and to such other
25 documents as may be necessary, to conform such resolution and documents to the
26 provisions of the Amendment to the Memorandum of Understanding and this resolution,
27 and to further cause such conforming amendments to be brought before the City Council
28 and such Boards and Commissions as may be required by law to act upon them, and the

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 City Attorney is requested to cooperate fully with the City Manager in order to cause the
2 required documents to be prepared as required by law and brought before the
3 appropriate bodies.

4 Section 5. This resolution shall take effect immediately upon its adoption
5 by the City Council. All dates contained in the attached Amendment to the Memorandum
6 that have retroactive application shall be given full force and effect as though adopted by
7 the City Council on the dates specified in the attached Amendments to the Memoranda.
8 The City Clerk shall certify the vote adopting this resolution.

9 I hereby certify that the foregoing resolution was adopted by the City
10 Council of the City of Long Beach at its meeting of _____, 20__ by the
11 following vote:

12 Ayes: Councilmembers: _____
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14 _____
15 _____

16 Noes: Councilmembers: _____
17 _____

18 Absent: Councilmembers: _____
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City Clerk

AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF LONG BEACH AND
THE LONG BEACH MANAGEMENT ASSOCIATION

The City of Long Beach and the Long Beach Management Association (LBMA) agree to amend the October 1, 2010 to September 30, 2011 Memorandum of Understanding as follows:

All existing terms and conditions set forth in that agreement shall remain unchanged for the term of the extension, except as modified below:

1) **Article One: Section II – Term**

The labor agreement will be extended to expire on September 30, 2015.

2) **Article Two: Section I – Compensation**

The Salary Resolution will be amended to provide for the following salary increases:

October 1, 2013 - 5%

October 1, 2014 - 4%

3) **Article Five: Section 1 – Retirement**

Effective October 1, 2013, or shortly thereafter, all represented CalPERS members agree to pay the full employee share of PERS. Eligible Safety members shall receive an equivalent offset to pick-up the remaining portion of the full 9% employee share of CalPERS. Eligible Miscellaneous members shall receive an equivalent offset to pick-up the remaining portion of the full 8% employee share of CalPERS. Effective October 1, 2013, or shortly thereafter, the City will no longer designate EPMC as compensation earnable and report it as such to PERS for members of the bargaining unit.

4) **Additionally**

The City and LBMA agree to a reopener on these topics if the City comes to new terms with the IAM prior to completion of the full term:

- a. The Fair Labor Standards Act (FLSA) application
- b. Sick Leave Conversion

In witness thereof, the parties hereto have caused this Amendment to the Memorandum of Understanding to be executed this _____ day of _____, 2013.

FOR THE LONG BEACH MANAGEMENT ASSOCIATION:

Craig Beck, President
Long Beach Management Association

Diko Melkonian
Long Beach Management Association

Robert Luman Jr.
Long Beach Management Association

Tony Foster, Secretary-Treasurer
Long Beach Management Association

FOR THE CITY OF LONG BEACH:

Patrick H. West
City Manager

Deborah R. Mills
Director of Human Resources

Ken Walker
Manager, Personnel Operations

Tara McLean
Human Resources Officer

Dana Anderson
Personnel Analyst I

APPROVED AS TO FORM:

J. Charles Parkin, Acting City Attorney

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH RETRACTING IMPLEMENTATION
OF GOVERNMENT CODE SECTION 20636(c)(4)
PURSUANT TO SECTION 20691 AS TO PAYING AND
REPORTING THE VALUE OF EMPLOYER PAID MEMBER
CONTRIBUTIONS FOR EMPLOYEES REPRESENTED BY
THE LONG BEACH ASSOCIATION OF ENGINEERING
EMPLOYEES, LONG BEACH MANAGEMENT
ASSOCIATION, LONG BEACH ASSOCIATION OF
CONFIDENTIAL EMPLOYEES, AND UNREPRESENTED
MANAGEMENT EMPLOYEES TO THE CALIFORNIA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS)

WHEREAS, the City of Long Beach has the authority to implement
Government Code Section 20636(c)(4) pursuant to Section 20691; and

WHEREAS, the City of Long Beach has a written labor policy or agreement
which specifically provides for the normal member contributions to be paid by the
employer, and reported as special compensation; and

WHEREAS, the City has engaged in negotiations with the Long Beach
Association of Engineering Employees, Long Beach Management Association, and Long
Beach Association of Confidential Employees and the parties have agreed to amend the
Memorandum of Understanding with respect to payment and reporting of the value of
employer paid member contributions (EPMC); and

WHEREAS, members of the Long Beach Association of Engineering
Employees, Long Beach Management Association, and Long Beach Association of
Confidential Employees have agreed to pay the full member contribution; and

1 WHEREAS, one of the steps in the procedures to implement this change is
2 the adoption by the governing body of the City of Long Beach of a resolution giving notice
3 of its intention to cease paying and reporting the value of employer paid member
4 contributions (EPMC) as compensation for all members of the group or class as identified
5 herein.

6 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
7 follows:

8 Section 1. Effective as of November 16, 2013, the governing body of the
9 City of Long Beach shall retract its previous implementation of Government Code Section
10 20636(c)(4) pursuant to Section 20691 as to paying and reporting the value of Employer
11 Paid Member Contributions (EPMC) for all employees represented by Long Beach
12 Association of Engineering Employees, Long Beach Management Association, Long
13 Beach Association of Confidential Employees, and unrepresented management
14 employees. In so doing, the City will pay zero percent (0%) and report the same percent
15 (0%) and the member will pay one hundred percent (100%) of the normal member
16 contribution which is currently eight percent (8%) of the member's compensation.

17 Section 2. This resolution shall take effect immediately upon its adoption
18 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2013, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 RESOLUTION NO.
2

3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH RETRACTING IMPLEMENTATION
5 OF GOVERNMENT CODE SECTION 20636(c)(4)
6 PURSUANT TO SECTION 20691 AS TO PAYING AND
7 REPORTING THE VALUE OF EMPLOYER PAID MEMBER
8 CONTRIBUTIONS FOR EMPLOYEES REPRESENTED BY
9 THE LONG BEACH LIFEGUARDS ASSOCIATION TO THE
10 CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT
11 SYSTEM (CalPERS)
12

13 WHEREAS, the City of Long Beach has the authority to implement
14 Government Code Section 20636(c)(4) pursuant to Section 20691; and

15 WHEREAS, the City of Long Beach has a written labor policy or agreement
16 which specifically provides for the normal member contributions to be paid by the
17 employer, and reported as special compensation; and

18 WHEREAS, the City has engaged in negotiations with the Long Beach
19 Lifeguards Association and the parties have agreed to amend the Memorandum of
20 Understanding with respect to payment and reporting of the value of employer paid
21 member contributions (EPMC); and

22 WHEREAS, members of the Long Beach Lifeguards Association have
23 agreed to pay the full member contribution; and

24 WHEREAS, one of the steps in the procedures to implement this change is
25 the adoption by the governing body of the City of Long Beach of a resolution giving notice
26 of its intention to cease paying and reporting the value of employer paid member
27 contributions (EPMC) as compensation for all members of the group or class as identified
28 herein.

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NOW, THEREFORE, the City Council of the City of Long Beach resolves as follows:

Section 1. Effective as of November 16, 2013, the governing body of the City of Long Beach shall retract its previous implementation of Government Code Section 20636(c)(4) pursuant to Section 20691 as to paying and reporting the value of Employer Paid Member Contributions (EPMC) for miscellaneous employees represented by the Long Beach Lifeguards Association. In so doing, the City will pay zero percent (0%) and report the same percent (0%) and the member will pay one hundred percent (100%) of the normal member contribution which is currently nine percent (9%) of the member's compensation.

Section 2. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2013, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk