



# CITY OF LONG BEACH

# R-22

DEPARTMENT OF HUMAN RESOURCES

333 West Ocean Boulevard 13<sup>th</sup> Floor • Long Beach, CA 90802 • (562) 570.6621

**ALEJANDRINA BASQUEZ**  
DIRECTOR

April 18, 2017

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Adopt a Resolution approving the 2016-2019 Memoranda of Understanding with the Long Beach Association of Confidential Employees, Long Beach Managers Association, and the City Prosecutors Association; applying the terms of compensation of the Memoranda of Understanding to unrepresented miscellaneous and management employees, as approved by applicable appointing authorities or governing boards; and,

Adopt a Resolution amending Agreement No. 30228 with Patrick H. West, City Manager, to increase the City Manager's salary. (Citywide)

## DISCUSSION

In accordance with instructions from the City Council, a Memorandum of Understanding (MOU) agreement has been reached with three miscellaneous bargaining units. Since February 2016, City management has met with representatives of the following bargaining units to discuss their successor MOU terms:

- Long Beach Association of Confidential Employees (LBACE) – 37 employees
- Long Beach Managers Association (LBMA) – 292 employees
- City Prosecutors Association (CPA) – 19 employees

The proposed successor MOUs with these bargaining units and City Council Resolution to approve the MOUs are attached. In addition, the proposed City Council Resolution extends the general MOU terms outlined below to the unrepresented miscellaneous and management employees, as instructed by the City Council. The unrepresented miscellaneous and management employees account for approximately 106 employees.

The proposed compensation provisions are consistent with recent agreements reached with the International Association of Machinists and Aerospace Workers (IAM). The proposed MOUs include a four-year term, from October 1, 2015 through September 30, 2019, and the following major provisions:

HONORABLE MAYOR AND CITY COUNCIL

April 18, 2017

Page 2

1. General Wage Increase:

- 2 percent effective October 1, 2016
- 2 percent effective October 1, 2017
- 2 percent effective October 1, 2018

2. One-Time Lump Sum Payment - October 1, 2015, a one-time ad hoc payment of 3 percent of annual base pay will be provided on a prorated basis to current eligible employees that worked during October 1, 2015 to September 30, 2016.
3. Skill Pay - Effective June 1, 2017, the Floor Warden Skill pay will be eliminated.
4. Overtime – During the term of the MOU, the bargaining units agree to meet and confer over changes to City overtime policies.
5. Healthcare – The formula for employees' contribution towards healthcare costs is slightly adjusted to increase the employee portion. The maximum cap for increases to family coverage was raised from \$25 to \$30 and the employee premium share formula was adjusted to allow the City to place amounts over the cap into a bank that can be applied to the employee rates in the future. In addition, the bargaining units agreed to work through the Health Insurance Advisory Committee (HIAC) to manage employee benefit costs increases.
6. Economic Crisis Provision - Allows the City to re-open the MOU if the City faces a fiscal hardship as defined by Long Beach Municipal Code Section 3.94.030.C. Changes to the MOU provisions must be based on mutual agreement.

The proposed MOU agreements also contain specific provisions that are applicable to each respective bargaining unit as summarized in Appendix A.

At the February 14, 2017 Closed Session, the City Council approved changes to the City Manager's compensation and requested the City Attorney to prepare the attached Resolution and Employment Agreement amendment to extend the same general wage increase terms stated in No. 1 above to the City Manager. The compensation adjustment is similar to the adjustments provided to other miscellaneous managers with the exception of the 3 percent one-time lump sum payment. This proposed action would result in an increase to the City Manager's current base salary of \$259,956.

This matter was reviewed by Principal Deputy City Attorney Gary J. Anderson on April 10, 2017 and by Assistant Finance Director Lea Eriksen on April 5, 2017.

TIMING CONSIDERATIONS

City Council action is requested on April 18, 2017, to ensure timely implementation of the MOU provisions.

HONORABLE MAYOR AND CITY COUNCIL

April 18, 2017

Page 3

FISCAL IMPACT

These agreements combined have a total estimated annual net fiscal impact of \$2.1 million in the General Fund (GF) and \$5.2 million across All Funds once completely implemented in FY 19. The FY 17 portion of the cost is \$0.8 million in the General Fund (GF) and \$1.8 million across All Funds. In addition, in FY 17, there are one-time costs estimated at \$0.7 million in the General Fund (GF) and \$2.0 million across All Funds. It is projected that there will be no impact to the FY 17 General Fund budget as the FY 17 costs will be covered by higher than expected revenues, vacancy savings, and additional funding achieved from taking less conservative budgetary actions, such as reducing charges for insurance and funding for unfunded retirement liabilities. Costs for FY 18 and FY 19 will be addressed as part of those annual budget processes. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ALEJANDRINA BASQUEZ  
DIRECTOR OF HUMAN RESOURCES

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Attachments – Appendix A  
Resolutions

APPROVED:



PATRICK H. WEST  
CITY MANAGER

**Appendix A**  
**Summary of Major MOU Provisions by Bargaining Unit**

<b>Long Beach Association of Confidential Employees (LBACE) – 37 employees</b>	
<b>Overtime</b>	Reduction of overtime liability. Overtime calculation will be based on hours worked only (excludes compensative time off such as vacation time).
<b>Higher Class Pay</b>	Eliminate 40 hour wait period for employees to receive pay for taking on higher class duties on a temporary basis.

<b>Long Beach City Prosecutors Association (LBCPA) – 19 employees</b>	
<b>Overtime</b>	Reduction of overtime liability. Overtime calculation will be based on hours worked only (excludes compensative time off such as vacation time).

<b>Long Beach Managers Association (LBMA) – 292 employees</b>	
<b>Supervisory Differential</b>	Effective October 1, 2017, the City will provide a 5.50 percent salary differential between a bona fide supervisor and subordinates in accordance specific provisions and exclusions.
<b>Police Management POST Certificate Pay and Education Pay</b>	Allow qualified sworn members to receive the existing education incentive pay and Advance POST Certificate pay. Convert Management POST Certificate to a percent.
<b>Police Longevity Pay</b>	Effective January 1, 2018 eliminate existing 10-year longevity pay and add an equivalent 20-year longevity pay level. Police Sworn employees will continue to be eligible for a maximum of 10 percent of 5th Step Police Officer in longevity pay.
<b>Fire Education Pay</b>	Convert existing flat dollar education pay to a percent of top step Firefighter base pay.
<b>Fire Longevity Pay</b>	Effective October 1, 2016 add a 5 percent longevity pay for Fire sworn members with 20 years of service to align with the FFA proposed MOU.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF LONG BEACH APPROVING THE 2016-2019  
MEMORANDUM OF UNDERSTANDING WITH THE LONG  
BEACH ASSOCIATION OF CONFIDENTIAL EMPLOYEES,  
LONG BEACH MANAGERS ASSOCIATION, AND THE CITY  
PROSECUTORS ASSOCIATION; APPLYING THE TERMS  
OF COMPENSATION OF THE MEMORANDA OF  
UNDERSTANDING TO UNREPRESENTED  
MISCELLANEOUS AND MANAGEMENT EMPLOYEES AS  
APPROVED BY APPLICABLE APPOINTING AUTHORITIES  
OR GOVERNING BOARDS; AND AUTHORIZING AND  
DIRECTING THE CITY MANAGER TO EXECUTE SUCH  
MEMORANDA; AND DIRECTING CERTAIN  
IMPLEMENTING AND RELATED ACTIONS

WHEREAS, on the date of this Resolution, the City Council has considered  
the 2016-2019 Memoranda of Understanding (MOUs) with the Long Beach Association of  
Confidential Employees, Long Beach Managers Association, and the City Prosecutors  
Association; and

WHEREAS, on the date of this Resolution, the City Council has considered  
applying the general terms of the MOUs to unrepresented miscellaneous and  
management employees as approved by the City Manager and other applicable  
appointing authorities and governing boards; and

WHEREAS, it is the desire of the City Council to approve such MOUs and  
to provide for their implementation;

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

1 follows:

2           Section 1. That the 2016-2019 Memoranda of Understanding between  
3 the City of Long Beach and the Long Beach Association of Confidential Employees, Long  
4 Beach Managers Association, and the City Prosecutors Association, which are hereby  
5 incorporated by reference in this resolution as Exhibit "A," "B," and "C", respectively, are  
6 hereby approved, and shall also apply to unrepresented miscellaneous and management  
7 employees as approved by the City Manager and other applicable appointing authorities  
8 or governing boards;

9           Section 2. The City Manager is hereby authorized to execute said MOUs  
10 on behalf of the City and to implement, pursuant to Section 503 of the Long Beach City  
11 Charter, all documents all matters affecting compensation contained in and prescribed by  
12 the Memoranda as of the operative date of this Resolution.

13           Section 2. The City Manager is also authorized and directed to cause the  
14 preparation of amendments to the Long Beach Salary Resolution, if necessary, and to  
15 such other documents as may be necessary, to conform such resolution and documents  
16 to the provisions of the Memoranda and this Resolution, and to further cause such  
17 conforming MOUs to be brought before the City Council and such Boards and  
18 Commissions as may be required by law to act upon them, and the City Attorney is  
19 requested to cooperate fully with the City Manager in order to cause the required  
20 documents to be prepared as required by law and brought before the appropriate bodies.

21           Section. 3. This resolution shall take effect immediately upon its adoption  
22 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 \_\_\_\_\_, 2017, by the following vote:

Ayes: Councilmembers: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Noes: Councilmembers: \_\_\_\_\_  
\_\_\_\_\_

Absent: Councilmembers: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
City Clerk

1 RESOLUTION NO.

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3 A RESOLUTION OF THE CITY COUNCIL OF THE  
4 CITY OF LONG BEACH AMENDING THE CITY MANAGER'S  
5 CONTRACT TO SET FORTH PROVISIONS FOR  
6 COMPENSATION, BETWEEN THE CITY OF LONG BEACH  
7 AND PATRICK H. WEST, CITY MANAGER  
8

9 WHEREAS, on the date of this Resolution, the City Council has considered  
10 amending City Manager, Patrick H. West's contract with the City of Long Beach;

11 WHEREAS, the City Council of the City of Long Beach and City Manager,  
12 Patrick H. West, have mutually agreed to memorialize the provisions for compensation in  
13 an amendment to the existing contract;

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

16 Section 1. That an amendment in the form attached hereto as  
17 Exhibit "A", by and between the City of Long Beach and Patrick H. West, which sets forth  
18 the terms of compensation for Patrick H. West be approved and executed. This second  
19 amendment to the contract shall contain the following terms: The City shall increase the  
20 City Manager's current annual compensation of \$259,956.00 by two percent (2%)  
21 effective October 1, 2016. Thereafter, the City shall increase the City Manager's  
22 compensation by an additional two percent (2%) effective October 1, 2017, and by an  
23 additional two percent (2%) effective October 1, 2018.

24 Section 2. The City Attorney is authorized and directed to cause the  
25 preparation of an amendment to the City Manager's contract with the City of Long Beach.

26 Section 3. This Resolution shall take effect immediately upon its  
27 adoption by the City Council. The City Clerk shall certify the vote adopting this  
28 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 \_\_\_\_\_, 2017, by the following vote:

Ayes: Councilmembers: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Noes: Councilmembers: \_\_\_\_\_  
\_\_\_\_\_

Absent: Councilmembers: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
City Clerk

1                                    SECOND AMENDMENT TO AGREEMENT NO. 30228

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3                                    THIS SECOND AMENDMENT to Agreement No. 30228 is made and

4 entered this \_\_\_\_\_ day of \_\_\_\_\_, 2017, pursuant to a Resolution adopted by

5 the City Council of the City of Long Beach at its meeting on April 18, 2017, by and

6 between the CITY OF LONG BEACH, a municipal corporation ("City"), and PATRICK H.

7 WEST ("City Manager").

8                                    WHEREAS, it is the desire of the City Council to amend the City Manager's

9 contract with the City of Long Beach; and

10                                  WHEREAS, the City Council of the City of Long Beach and the City

11 Manager have mutually agreed to memorialize the provisions for compensation in an

12 amendment to the existing contract, and incorporate the amendment into the existing

13 contract.

14                                  NOW, THEREFORE, in consideration of the mutual covenants herein

15 contained, the parties agree as follows:

16                                  Section 1.    The language in Section 5 of Agreement No. 30228, including

17 the First Amendment, is deleted in its entirety and amended to read as follows:

18                                  5.        Compensation. The City shall increase the City Manager's

19 current annual compensation of \$259,956.00 by two percent (2%) effective October 1,

20 2016. Thereafter, the City shall increase the City Manager's compensation by an

21 additional two percent (2%) effective October 1, 2017 and by an additional two percent

22 (2%) effective October 1, 2018.

23                                  Section 2    Except as expressly amended in this Second Amendment, all

24 terms and conditions in Agreement 30228 are ratified and confirmed and shall remain in

25 full force and effect.

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

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IN WITNESS WHEREOF, the parties hereto have caused this document to be executed, in duplicate, with all the formalities required by law.

CITY OF LONG BEACH, a municipal corporation

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
TOM MODICA  
Assistant City Manager  
"City"

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
PATRICK H. WEST  
"City Manager"

This Second Amendment to Agreement No. 30228 is approved as to form on \_\_\_\_\_, 2017.

CHARLES PARKIN, City Attorney

By: \_\_\_\_\_  
Principal Deputy