

**R-11**

August 25, 2020

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

Adopt a Resolution approving Memoranda of Understanding with the Long Beach Lifeguards Association, Long Beach Management Association, Association of Confidential Employees, City Prosecutors Association, and City Attorneys Association. (Citywide)

**DISCUSSION**

In accordance with instructions from the City Council, Memoranda of Understanding (MOU) agreements have been reached with one safety and four miscellaneous bargaining units. Since July 2019, City management has met with representatives of the following bargaining units to discuss their successor MOU terms:

1. Long Beach Lifeguards Association (LGA) – approximately 200 employees
2. Long Beach Management Association (LBMA) – approximately 350 employees
3. Association of Confidential Employees (ACE) – approximately 40 employees
4. City Prosecutors Association (CPA) – approximately 20 employees
5. City Attorneys Association (CAA) – approximately 30 employees

The current MOUs expired on September 30, 2019. The proposed successor MOUs and summary of key provisions applicable to each respective bargaining unit are found in Attachments A to F of the Resolution.

**General MOU Terms**

The five tentative agreements include a phased-in approach for structural wage increases that are in line with the needs of each bargaining unit to remain competitive with other public sector agencies in their respective fields. The tentative agreements also contain key benefit enhancements that apply to all, to enhance employees' ability to balance work and personal lives. Benefit provisions found in all of the tentative agreements are:

1. New Paid Parental Leave: Full-time employees eligible for City health benefits who have completed 6 months of full-time City service will be eligible for up to 30 consecutive days (160 hours-4/10 shift; 192 hours-platoon shift) of Paid Parental Leave following the birth of a child, adoption of a child, or placement of a foster child in their home.
2. Additional City Holiday: In 2021, employees will receive one additional paid City holiday (Election Day – 1<sup>st</sup> Tuesday after November 1<sup>st</sup> every year).

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3. Short-Term/Long-Term Disability Insurance: Extend employer-paid short-term and long-term disability plan(s), in addition to a voluntary supplemental long-term disability option to miscellaneous employees.
4. Vacation, Holiday In-Lieu and Personal Holiday Accrual Maximum: In 2021, the City will implement revised vacation, personal holiday, and in-lieu holiday accrual maximums. This will provide greater clarity on the accruals and accommodate the City's LB COAST HR system requirements.
  - a. New employees may utilize accrued vacation hours upon completing 6 months of employment versus the current 12-month wait period.
  - b. In light of the COVID-19 pandemic, the vacation accrual maximum will be temporarily increased to four years through December 31, 2023 and will revert to the three years effective January 1, 2024.
5. Bereavement Leave: Replaces current bereavement leave provision with new language clarifying non-eligible employees, adding new eligible family members, and establishing clarifying language regarding annual maximums.
6. Sick Leave Usage: Expands the number of sick leave accruals employees can use for absence from duty for personal medical appointments or to attend to their ill, eligible family member(s) while on a protected leave.
7. 9/80 Schedule Policy: Guidelines regarding 9/80 work schedules, effective January 1, 2021.
8. Gympass: Pilot gym discount program for employees to promote and improve employee well-being, health, and fitness. Participation in the program is voluntary.

### COVID-19 Impact

In recognition of the emerging financial conditions caused by the COVID-19 pandemic, all associations have agreed to include a Labor Costing Savings Re-Opener clause in the event the Mayor and City Council officially declare an economic emergency.

Additionally, each group will participate in cost savings measures to address these financial impacts, LGA and LBMA Sworn have agreed to a holiday and/or vacation accrual reduction equivalent to 40 hours for employees on 40-hour work week schedules (48 hours for employees on a platoon schedule). Miscellaneous groups listed above for approval of a successor MOU have all agreed to a 26-day furlough in Fiscal Year 2021 (FY 21), with an alternative option for critical positions on an exception basis.

The Association of Long Beach Employees (ALBE) is the only miscellaneous group with a closed contract currently in place. ALBE has also agreed to participate in cost savings measures by forfeiting their upcoming \$1,500 ad-hoc lump sum payment and taking 6 days (48 hours) of furlough time in FY 21.

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**Unrepresented Employees**

The proposed City Council Resolution extends the LBMA MOU terms to unrepresented management employees as outlined in Attachment F of the Resolution.

This matter was reviewed by Principal Deputy City Attorney Gary J. Anderson and Budget Manager Grace H. Yoon on August 18, 2020.

**TIMING CONSIDERATIONS**

City Council action is requested on August 25, 2020, to ensure timely implementation of the MOU provisions.

**FISCAL IMPACT**

These agreements combined have a total estimated annual net fiscal impact of \$3.6 million in the General Fund Group and \$10.5 million across All Funds once completely implemented in FY 24. The total structural (ongoing) cost increase resulting from the agreements is estimated to be \$3.5 million in the General Fund Group and \$10.4 million across All Funds. The tables below show the breakdown of these costs by bargaining unit, fiscal year, and General Fund and All Funds:

**LGA Contract Cost by Fiscal Year (in \$ millions)**

<b>Fund</b>	<b>FY 20</b>	<b>FY 21</b>	<b>FY22</b>	<b>FY 23</b>	<b>FY 24</b>	<b>Total</b>
<b>General Fund</b>						
Structural costs	-	-	-	-	-	-
One-time payment	-	-	-	-	-	-
<b>Total General Fund</b>	-	-	-	-	-	-
<b>All Funds</b>						
Structural costs	0.1	0.1	0.3	0.1	-	0.5
One-time payment	-	-	-	-	-	-
<b>Total All Funds</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>0.1</b>	-	<b>0.5</b>

**LBMA Contract Cost by Fiscal Year (in \$ millions)**

<b>Fund</b>	<b>FY 20</b>	<b>FY 21</b>	<b>FY22</b>	<b>FY 23</b>	<b>FY 24</b>	<b>Total</b>
<b>General Fund</b>						
Structural costs	0.4	0.3	0.9	0.7	0.4	2.8
One-time payment	-	-	-	-	-	-
<b>Total General Fund</b>	<b>0.4</b>	<b>0.3</b>	<b>0.9</b>	<b>0.7</b>	<b>0.4</b>	<b>2.8</b>
<b>All Funds</b>						
Structural costs	1.2	1.2	2.3	2.2	1.6	8.5
One-time payment	-	-	-	-	-	-
<b>Total All Funds</b>	<b>1.2</b>	<b>1.2</b>	<b>2.3</b>	<b>2.2</b>	<b>1.6</b>	<b>8.5</b>

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ACE Contract Cost by Fiscal Year (in \$ millions)

Fund	FY 20	FY 21	FY22	FY 23	FY 24	Total
General Fund						
Structural costs	0.0	0.0	0.1	0.1	0.0	0.2
One-time payment	-	-	-	-	-	-
<b>Total General Fund</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.2</b>
All Funds						
Structural costs	0.1	0.1	0.2	0.2	0.0	0.6
One-time payment						-
<b>Total All Funds</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.0</b>	<b>0.6</b>

CPA Contract Cost by Fiscal Year (in \$ millions)

Fund	FY 20	FY 21	FY22	FY 23	FY 24	Total
General Fund						
Structural costs	0.0	0.0	0.1	0.1	0.0	0.3
One-time payment	0.01	-	0.01	-	-	0.03
<b>Total General Fund</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.3</b>
All Funds						
Structural costs	0.0	0.0	0.1	0.1	0.0	0.3
One-time payment	0.01	-	0.01	-	-	0.03
<b>Total All Funds</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.3</b>

CAA Contract Cost by Fiscal Year (in \$ millions)

Fund	FY 20	FY 21	FY22	FY 23	FY 24	Total
General Fund						
Structural costs	0.0	0.0	0.1	0.1	0.0	0.2
One-time payment	0.01	-	0.01	-	-	0.03
<b>Total General Fund</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.3</b>
All Funds						
Structural costs	0.1	0.1	0.2	0.2	0.1	0.6
One-time payment	0.02	-	0.02	-	-	0.05
<b>Total All Funds</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.6</b>

The net fiscal impact of the agreements includes the cost of the wage increases and other wage and benefit costs. For LGA and Sworn Management, the net fiscal impact includes the savings from additional pension pick-up amounts (cost-sharing) for Classic (pre-state pension reform) employees, which decrease over time as Classic employees retire or otherwise leave the City.

The FY 21 cost savings related to furloughs or other similar concessions by bargaining unit, which are not included in the above net fiscal impact of the agreements, are estimated as follows (the savings only occur in one year – FY 21):

Cost Savings in FY 21 by Association

Association	General Fund	All Funds
ACE	\$0.2 million	\$0.4 million
CAA	\$0.2 million	\$0.5 million
CPA	\$0.2 million	\$0.2 million
LBMA	\$1.7 million	\$5.9 million

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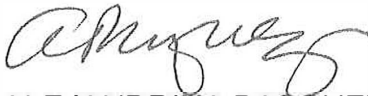
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The net structural costs in the FY 20 (\$0.5 million in the General Fund Group and \$1.8 million All Funds) will likely need to be funded in part or all from operating or emergency reserves for the General Fund, as it is currently expected that there will be no operating savings because of the pandemic. The most recent General Fund projection for FY 20 is a \$25 to \$41 million shortfall, which included an estimate for potential negotiated agreements. That projection will be updated as soon as practical. For FY 21, both the FY 20 and FY 21 structural costs (total of \$0.9 million in the General Fund Group and \$3.5 million All Funds) will need to be included in the FY 21 budget; the Proposed FY 21 Budget for the General Fund has already included a placeholder estimate for these potential bargaining results and is already factored into the Proposed FY 21 Budget balancing. For FY 22 and FY 23, the net cost (as different from any placeholders for those years) will be factored into future projections and any necessary adjustments to balance the budget will take place as part of the proposed budget development process in those years. This recommendation has a moderate staffing impact to implement the payroll changes but is within the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

## SUGGESTED ACTION

Approve recommendation.

Respectfully submitted,

ALEJANDRINA BASQUEZ  
HUMAN RESOURCES DIRECTOR

ATTACHMENT: RESOLUTION

APPROVED:

THOMAS B. MODICA  
CITY MANAGER

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
411 West Ocean Boulevard, 9th Floor  
Long Beach, CA 90802-4664

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING MEMORANDA OF UNDERSTANDING WITH THE LONG BEACH LIFEGUARDS ASSOCIATION, LONG BEACH MANAGEMENT ASSOCIATION, LONG BEACH ASSOCIATION OF CONFIDENTIAL EMPLOYEES, LONG BEACH CITY PROSECUTORS ASSOCIATION, AND LONG BEACH CITY ATTORNEYS ASSOCIATION; AND AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE SUCH MEMORANDA; AND DIRECTING CERTAIN IMPLEMENTING AND RELATED ACTIONS

WHEREAS, on the date of adoption of this resolution, the City Council has considered Memoranda of Understanding (MOU) with the Long Beach Lifeguards Association, Long Beach Management Association, Long Beach Association of Confidential Employees, Long Beach City Prosecutors Association, and Long Beach City Attorneys Association; and

WHEREAS, it is the desire of the City Council to approve such Memoranda of Understanding and to provide for its implementation;

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

Section 1. That Memoranda of Understanding between the Long Beach Lifeguards Association, Long Beach Management Association, Long Beach Association of Confidential Employees, Long Beach City Prosecutors Association, and Long Beach City Attorneys Association, which are hereby incorporated by reference in this resolution as Attachments A to E, respectively, are hereby approved.

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
411 West Ocean Boulevard, 9th Floor  
Long Beach, CA 90802-4664

Section 2. Additionally, the terms of the Long Beach Management Association ("LMBA") MOU shall be extended to unrepresented management employees, as indicated on Attachment F which is attached hereto and incorporated herein by this reference.

Section 3. The City Manager is also authorized and directed to cause the preparation of amendments to the Long Beach Salary Resolution, if necessary, and to such other documents as may be necessary, to conform such resolution and documents to the provisions of the Memoranda of Understanding and this resolution, and to further cause such conforming amendments to be brought before the City Council and such Boards and Commissions as may be required by law to act upon them, and the City Attorney is requested to cooperate fully with the City Manager in order to cause the required documents to be prepared as required by law and brought before the appropriate bodies.

Section 4. The City Manager is also authorized to correct any clerical errors or make necessary technical corrections with City Attorney concurrence subsequent to City Council approval.

Section 5. This resolution shall take effect immediately upon its adoption 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 \_\_\_\_\_, 2020, by the following vote:

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

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

\_\_\_\_\_

Recusal(s): Councilmembers: \_\_\_\_\_

\_\_\_\_\_

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

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
411 West Ocean Boulevard, 9th Floor  
Long Beach, CA 90802-4664