



Legislation Details (With Text)

**File #:** 20-0894      **Version:** 1      **Name:** HR - MOU AEE  
**Type:** Resolution      **Status:** Adopted  
**File created:** 8/24/2020      **In control:** City Council  
**On agenda:** 9/8/2020      **Final action:** 9/8/2020  
**Title:** Recommendation to adopt resolution approving a Memorandum of Understanding with the Long Beach Association of Engineering Employees. (Citywide)  
**Sponsors:** Human Resources  
**Indexes:**  
**Code sections:**  
**Attachments:** 1. 090820-R-19sr&att Revised.pdf, 2. 090820-R-19 LBAEE MOU FY 20-23.pdf, 3. RES-20-0115.pdf

Date	Ver.	Action By	Action	Result
9/8/2020	1	City Council	approve recommendation and adopt	Pass

Recommendation to adopt resolution approving a Memorandum of Understanding with the Long Beach Association of Engineering Employees. (Citywide)

In accordance with instructions from the City Council, an agreement has been reached with the Long Beach Association of Engineering Employees (AEE), who represent approximately 300 City employees. City management has had 15 meetings with the association since July 2019. The current MOUs expired on September 30, 2019, and the proposed successor MOU provides for a four-year term that would expire on September 30, 2023. A summary of key unit-specific provisions is found in Attachment A of the Resolution.

**General MOU Terms**

The tentative agreement includes a phased-in approach for structural wage increases that are in line with the specific needs of the bargaining unit to remain competitive with other public sector agencies. The tentative agreement also contains key benefit enhancements that apply to other recently-approved bargaining units, in order to enhance employees’ ability to balance work and personal lives. General benefit provisions found in the tentative agreement are:

- 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.
- 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).

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, AEE has agreed to include a Labor Costing Savings Re-Opener clause in the event the Mayor and City Council officially declare an economic emergency.

Additionally, AEE will participate in cost savings measures to address these financial impacts. Specifically, the association has agreed to a 26-day furlough in Fiscal Year 2021 (FY 21), with an alternative option for select critical positions on an exception basis. The furloughs are expected to generate 4.2 million in one-time savings.

This matter was reviewed by Principal Deputy City Attorney Gary J. Anderson and Budget Manager Grace H. Yoon on September 4, 2020.

City Council action is requested on September 8, 2020, to ensure timely implementation of the MOU provisions.

The table below shows the breakdown of the cost of the contract by fiscal year, General Fund and All Funds:

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

Fund	FY 20	FY 21	FY22	FY 23	FY 24	Total
General Fur	0.1	0.1	0.2	0.2	0.1	0.6
All Funds	1.0	0.8	1.6	1.4	0.6	5.4

The net fiscal impact of the agreement includes the cost of the wage increases and other wage and benefit costs. The FY 21 cost savings related to furloughs or other similar concessions, 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		
Association	General Fund	All Funds
AEE	\$0.5 million	\$4.2 million

The net structural costs in the FY 20 (\$0.1 million in the General Fund Group and \$1.0 million in 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 \$0.2 million in the General Fund Group and \$1.8 million in 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.

Approve recommendation.

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APPROVED:

THOMAS B. MODICA  
CITY MANAGER