



Legislation Details (With Text)

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Date	Ver.	Action By	Action	Result
11/1/2022	1	City Council	approve recommendation and adopt	Pass

Recommendation to adopt resolution approving the 2022-2025 Memorandum of Understanding with the Long Beach Police Officers Association. (Citywide)

In accordance with discussions with the City Council, a Memorandum of Understanding (MOU) agreement has been reached with the Long Beach Police Officers (POA) bargaining unit. The POA represents approximately 800 employees in the Police Basic and Supervisory groups.

Since June 2022, City of Long Beach (City) management and POA representatives have held 17 negotiation sessions regarding a new POA MOU. The current POA MOU expired on September 30, 2022. A tentative agreement has been reached and jointly signed by representatives of the City and POA.

The tentative agreement contains general wage increases for all POA classifications and including new and modified skill pays to address the needs of the department, i.e., Detective 2 skill pay for Homicide Detectives, Patrol Premium pay for Patrol Officers, and Supervisory POST pay for Police Lieutenants. This agreement also addresses recruitment and retention issues by providing a referral bonus for current POA members who assist with the recruitment of new officers as well as retention bonuses and vacation accrual adjustment for new Lateral Police Officers. It also includes key benefit enhancements such as Longevity Pay for POA members completing 10 years of service and 20 years of service as well as increasing the percentage for members completing 15 years of service.

Tentative Agreement Major Provisions

The proposed MOU is for a three-year agreement from October 1, 2022 through September 30, 2025, and it includes the following major provisions:

1. General Wage Increase for all POA represented classifications:
 - a. 5.5 percent effective October 8, 2022
 - b. 3.5 percent effective October 7, 2023
 - c. 2.5 percent effective October 5, 2024
2. Retention Bonus:
 - a. Effective the first full pay period of Fiscal Year 2025 (FY 25) (October 5, 2024), a retention payment of \$5,000 to all active, permanent, full-time employees represented by POA (excluding Police Recruits and Non-Careers).
 - b. The one-time ad-hoc retention payment is in the sum of the \$5,000 only and is not considered regular compensation and does not include any compensation items such as, but not limited to, skill pay, bonus pay, higher classification pay, bilingual pay, deferred compensation, or overtime.
3. Longevity Pays
 - a. Effective October 8, 2022, the City will provide longevity pay as compensation to all permanent, full-time bargaining unit members (excluding Police Recruit and all Non-Career employees) under the following conditions:
 - i. Five percent (5%) of Step 6 Police Officer base hourly rate for ten (10) years of service as a Police Officer (Police Officers, Police Corporals, Police Sergeants, and Police Lieutenants) with the City.
 - ii. Seven and a half percent (7.5%) of Step 6 Police Officer base hourly rate for fifteen (15) years of service as a Police Officer (Police Officers, Police Corporals, Police Sergeants, and Police Lieutenants) with the City.
 - iii. Ten percent (10%) of Step 6 Police Officer base hourly rate for twenty (20) years of service as a Police Officer (Police Officers, Police Corporals, Police Sergeants, and Police Lieutenants) with the City.
4. Vacation Accrual Lateral Officers
 - a. Effective October 8, 2022, a newly hired Lateral Police Officer's vacation accrual may be adjusted upon hire to provide the Officer with credit for previous sworn public service upon the approval of the City Manager, or designee.
 - b. Current Police Department employees hired as Lateral Police Officers before October 1, 2022 may request an adjustment for their prior sworn police officer experience towards their vacation accrual rate. In order to receive this adjustment, POA will submit documentation in writing which shall be verified by the Police Department. This adjustment to the accrual rates and the corresponding accrual caps shall be effective on the date approved by the Human Resources Director.

5. Detective 2 Skill Pay for Homicide Detectives:

- a. Effective October 8, 2022, Detective 2 premium for specific detail (Homicide) will be paid at 12.5 percent of Step 5 Police Officer. This skill pay is not stackable with Detective pay.

6. Supervisory POST Pay for Police Lieutenants:

- a. Effective October 8, 2022, eligible Police Lieutenants can receive Supervisory POST pay of 10 percent of Step 5 Police Lieutenant base rate of pay.

7. Patrol Skill Pay Premium:

- a. POA members routinely and consistently assigned to the Patrol Division, as determined by the Chief of Police, will receive a Patrol Premium of three (3) percent at Step 5 of Police Officer. Classifications already receiving other premium skill pays (i.e., Helicopter Pilot, Helicopter Observer, Motorcycle, Detective, Canine, Port Security, Dive, and SWAT) will not be eligible for this skill pay.
- b. POA members assigned as qualified relief to the Patrol Division, as determined by the Chief of Police, will receive a Patrol Premium of three (3) percent at Step 5 of Police Officer at a per diem rate.

8. Bilingual Pay increase: Effective October 8, 2022, the Bilingual Pay for POA members shall increase from \$0.80 per hour to \$1.20 per hour.

9. Police Referral Bonus Program: For every Police referral from a POA Member that is successfully hired, the referring POA Member will receive a Referral Incentive Bonus (paid in two parts). There shall be no limit as to how many referrals an employee can submit.

- a. Once a Police Recruit applicant successfully completes the Police Academy, the POA member shall be eligible to receive the first referral bonus.
- b. Once a Lateral Police Officer applicant successfully completes six (6) months of service as a City of Long Beach Police Officer, the POA member shall be eligible to receive the first referral bonus.
- c. Once an applicant (Police Recruit or Lateral Police Officer) has successfully completed the established probationary period, the POA member shall be eligible to receive the second and final referral bonus.
- d. For a referral from a POA member for an entry-level police officer position:

- i. Each bonus will be one-time ad hoc, non-pensionable amount of \$1,500 (\$3,000 total referral).
- e. For a referral from a POA member for a Lateral police officer position:
 - i. Each bonus will be a one-time ad hoc non-pensionable amount of \$2,000 (\$4,000 total referral).
- 10. Military Leave: Reopener during the term of the agreement to update language on Military Leave.
- 11. POA President: Reopener for the parties to engage in further discussions regarding the full-time Police Officer Association President.
- 12. Field Training Officer Program, Selection, Assignment and Incentive Pay: Reopener during the term of the agreement.

This matter was reviewed by Assistant City Attorney Gary J. Anderson on October 19, 2022 and by Budget Manager Grace H. Yoon on October 18, 2022.

City Council action is requested on November 1, 2022, to ensure timely implementation of the MOU provisions.

The agreement has a total structural annual net fiscal impact of \$24.19 million in the General Fund Group and \$25.28 million across All Funds once fully implemented in FY 25. The one-time retention payment, effective the first full pay period of FY 25, is anticipated to cost \$3.35 million in the General Fund Group and \$3.5 million across All Funds. Total combined structural and one-time costs once fully implemented in FY 25 is \$27.54 million in the General Fund and \$28.78 million across All Funds.

The estimated cost of the referral bonus and Vacation Accrual Lateral Officers program is unknown at this time as it is dependent on how many lateral bonuses are generated by the program. Any approved bonuses will be absorbed in the Police Department's current appropriations.

The table below shows the breakdown of these costs by fiscal year, by General Fund and All Funds, and by structural and one-time.

POA Net Contract Cost by Fiscal Year (in \$ millions)

Fund	FY 23	FY 24	FY 25	Total
General Fund Total	\$13.65	\$6.06	\$7.82	\$27.54

Structural	\$13.65	\$6.06	\$4.48	\$24.19
One-Time	\$--	\$--	\$3.35	\$ 3.35
All Funds Total	\$14.21	\$6.37	\$8.21	\$28.78
Structural	\$14.21	\$6.37	\$4.71	\$25.28
One-Time	\$--	\$--	\$3.50	\$ 3.50

This agreement is recommended as an important and necessary part of the City's ability to mitigate staffing challenges citywide and to support its current employees, as well as retain and attract new employees. These costs, however, will add to the projected General Fund shortfall, which was \$28.1 million for FY 24 based on the latest projection from Summer 2022 and inclusive of City Council adopted changes on budget adoption night. Based on this agreement, the General Fund shortfall will increase by \$8.97 million, \$1.23 million, and \$2.85 million for FY 23 through FY 25 respectively, adding a total of \$13.05 million to the out-year shortfall projections, resulting in a projected shortfall of \$38.30 million needing to be resolved in FY 24. When including the recently negotiated FFA contract, the FY 24 shortfall increases to \$42.83 million. While projections will be updated with new information that may have both positive or negative impacts, these costs along with any other negotiated contracts will be adding to the fiscal challenges that are anticipated to require reduction of services if other solutions are not identified. Additional details of the impact on the shortfall projections are provided below.

As the outcome of negotiations was unknown at the time of the FY 23 Budget adoption, a placeholder amount was included for all potential negotiated agreements in the FY 23 Budget and also included in the out-year projections. In FY 23, \$4.49 million of the \$13.65 million contract cost is included in the budget and the unbudgeted costs in FY 23 of \$8.97 million in the General Fund Group will need to be covered with one-time funds available in FY 22 or FY 23, which will be evaluated as part of FY 22 year-end close. An appropriation increase for FY 23 reflecting these costs will be brought to the City Council in a separate citywide budget adjustment letter, combined with other negotiated adjustments for other bargaining groups. The ongoing structural costs will be built into the projections as part of the Proposed FY 24 budget development. The estimated costs to the General Fund Group in FY 24 and FY 25 is \$1.23 million and \$2.85 million respectively, for a total impact of \$4.08 million beyond what is included in the latest out-year projections. In total, for FY 23 through FY 25, there is \$13.05 million being added to the out-year shortfall projections beyond what was already included (of which \$10.20 million will impact FY 24).

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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JOE AMBROSINI
HUMAN RESOURCES DIRECTOR