



## Legislation Text

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**File #:** 08-0434, **Version:** 1

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Recommendation to adopt Memorandum of Understanding with the International Association of Machinists and Aerospace Workers; and

Adopt resolution allowing these compensation matters to be implemented on the effective dates set forth in the Memorandum of Understanding and applying these compensation matters to other unrepresented non-management employees as approved by the applicable appointing authorities. (Citywide)

Since September of 2007, City management representatives and representative of the International Association of Machinists and Aerospace Workers (IAM) have had numerous meet and confer sessions regarding changes in wages, hours and working conditions. Meetings have been concluded and a Memorandum of Understanding (MOU) has been jointly executed with the IAM. City Council approval is now necessary to adopt the MOU that covers wages, benefits and other terms and conditions of employment from October 1, 2007 through September 30, 2012. The MOU provisions pertaining to matters of compensation shall also apply to all unrepresented non-management employees as approved by the City Manager and other applicable appointing authorities. In order to implement all of the compensation matters as provided in the MOU and as approved by the applicable authorities for unrepresented non-management employees, it is necessary for the City Council to adopt the attached Resolution prepared by the City Attorney. The Salary Resolution and any other documents as may be necessary to conform to the MOU provisions will be transmitted for approval at a later date.

The proposed long-term agreement attempts to address compensation challenges in hard to fill positions, currently well below market, over a five year period, with the goal of retaining and attracting a well qualified work force to deliver critical City services. Data collection conducted in conjunction with negotiations indicated that salary freezes taken over the last five years, when combined with increased employee contributions towards benefits and retirement, has impacted the City's ability to attract individuals to many critical positions. 93% of the benchmark classifications surveyed in conjunction with negotiations were below the market median, with 67% significantly below the market median. The IAM represents over 4,000 City employees that provide Long Beach residents with core city services, including trash collection, library services, water and gas utilities, public health services and many more. The proposed agreement provides cost-of-living increases totaling 12% over the term of the five-year agreement (averaging 2.4% per year), with an additional 2% of salaries per year set aside during the last three years of the contract to help address specific classifications that fall significantly below market based upon compensation data to be collected during the first two years of the agreement. The IAM has also agreed to pursue a new retirement approach, lowering the retirement formula for new employees, while providing an incentive to those employees who stay with the City through retirement. In addition, the proposed agreement provides incentives to improve workforce productivity and lower City costs. The long-term approach agreed to by the IAM will assist the City in making adjustments in a fiscally sound manner and insure adjustments are made to

classifications furthest below market. The goal will be to get as many classifications to the middle of our comparable agencies in the region by the end of the agreement in September 2012.

These items were reviewed by Deputy City Attorney Christina L. Checel and Budget Management Bureau Manager David Wodynski on May1, 2008.

City Council Action is requested on May 6,2008 to ensure the timely implementation of the MOU provisions.

The estimated cost of this MOU to the General Fund for Fiscal Year 2008 is \$1.7 million, and \$2.9 million to all other funds, which will be supported by current year budget savings.

The estimated cost for Fiscal Year 2009 is \$2.6 million to the General Fund and \$ 4.3 million to all other funds, which will be included in the Fiscal Year 2009 Budget.

Approximately 36% of IAM salaries and associated costs accrue to the General Fund. The average incremental cost for each year of the MOU is \$3 million to the General Fund and \$5 million to all other funds.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING THE MEMORANDUM OF UNDERSTANDING WITH THE LONG BEACH CITY EMPLOYEES LOCAL LODGE 1930, DISTRICT LODGE 947, INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE SUCH AMENDMENT AND DIRECTING CERTAIN IMPLEMENTING AND RELATED ACTIONS

Suzanne R. Mason  
Director of Human Resources

NAME  
TITLE

APPROVED:

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PATRICK H. WEST  
CITY MANAGER