



Legislation Text

File #: 17-0295, **Version:** 1

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

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:

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.

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

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.

Approve recommendation.

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ALEJANDRINA BASQUEZ
DIRECTOR OF HUMAN RESOURCES

APPROVED:

PATRICK H. WEST
CITY MANAGER