



CITY OF LONG BEACH

R-30

DEPARTMENT OF HUMAN RESOURCES

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802 • (562) 570-6621

November 17, 2009

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach
California

RECOMMENDATION:

Adopt the attached Resolution approving the amendment to the Memorandum of Understanding with the International Association of Machinists and Aerospace Workers; adopt the attached Amendment to the October 1, 2007 through September 30, 2012 Memorandum of Understanding with the International Association of Machinists and Aerospace Workers and allow those matters that affect compensation to be implemented on the effective dates set forth in the October 1, 2007 through September 30, 2013 Amended Memorandum of Understanding with the International Association of Machinists and Aerospace Workers. (Citywide)

DISCUSSION

City management representatives and representatives of the International Association of Machinists and Aerospace Workers (IAM) have held discussions over the past few months regarding the fiscal impacts of the FY10 budget. These meetings have resulted in an agreement that provides an amendment to the October 1, 2007 through September 30, 2012 Memorandum of Understanding (MOU) with the IAM. The IAM has agreed to defer their FY10 adjustments in light of the fiscal issues facing the City in exchange for no furloughs in FY10. If it is determined that a furlough will be necessary in FY10, the City will reinstate the FY10 general salary and equity adjustment effective upon implementation of the furlough. The agreement has been ratified by the members of the Association and signed by the City Manager and other appropriate management representatives.

This matter was reviewed by Deputy City Attorney, Christina Checel, and Budget and Performance Management Bureau Manager, David Wodynski, on November 5, 2009.

TIMING CONSIDERATIONS

City Council action is requested on November 17, 2009, to ensure implementation of the amended MOU provisions as soon as possible.

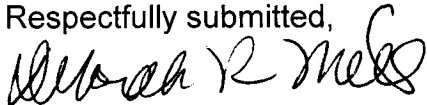
FISCAL IMPACT

The existing MOU with the IAM provided for a Fiscal Year 2010 (FY 10) general salary adjustment of two percent and an equivalent two percent value for equity adjustments with an estimated cost of \$3.4 million to the General Fund and \$9.6 million to all funds. The IAM agreed to extend the term of their agreement through September 30, 2013 and to defer the FY 10 adjustments resulting in a savings of \$3 million in the General Fund for FY 10 and \$8.5 million in all funds. The cost for any scheduled step increases will be absorbed within existing approved appropriations.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

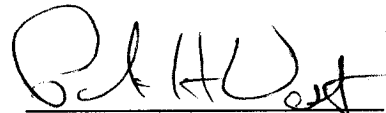


DEBORAH R. MILLS
ACTING DIRECTOR OF HUMAN RESOURCES

DRM:KW:tb

Attachments

APPROVED:



PATRICK H. WEST
CITY MANAGER

AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY
OF LONG BEACH AND
THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE
WORKERS

The City of Long Beach and the International Association of Machinists and Aerospace Workers (IAM) agree to amend the October 1, 2007 to September 30, 2012 Memorandum of Understanding as follows:

The labor agreement will be extended by one year, to expire on September 30, 2013. All existing terms and conditions set forth in that agreement shall remain unchanged for the term of the extended agreement, except as modified below.

1. Due to the current economic situation, the IAM agrees to defer the October 1, 2009 general salary and equity adjustments to October 1, 2010, and agrees to extend all other salary and equity adjustments in the MOU by one year as reflected in the revised attached Article Two Section IB and IC and Appendix D regarding the Classification and Compensation Study.
2. In consideration of the IAM's willingness to help address the City's financial challenges by agreeing to the deferral of the general salary and equity adjustments, the City will not unilaterally impose furloughs during Fiscal Year 2010 except as provided below.

If the City determines that furloughs will be necessary the City will provide notice in writing to the IAM and the parties will meet for up to 30 calendar days to discuss alternatives to mandatory furloughs. If, following this discussion acceptable solutions to mitigate the need for furloughs have not been agreed to, management will provide notice and begin the furlough process. At that time the City will also reinstate the FY 10 general salary and equity adjustment as provided in the MOU effective upon implementation of the furlough. Future salary and equity adjustments will be moved forward one year from the furlough implementation date. Non-careers and permanent, part-time employees working an average of thirty (30) hours per week or less will be exempt from the furlough. Both parties preserve their legal rights to pursue a judgment regarding the Management right to furlough.

In witness thereof, the parties hereto have caused this Amendment to the Memorandum of Understanding to be executed this _____ day of _____, 2009.

FOR THE LONG BEACH CITY EMPLOYEES LOCAL LODGE 1930, DISTRICT
LODGE 947, INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE
WORKERS – AFL-CIO:

Ray Rivera, Grand Lodge Representative
Western Territory

Janet Schabow
BR, IAMAW DL947

Cynthia Marlene Arrona

Roz Boger

Floyd Jerome Bramlett

Brett Engstrom

Dan Gonzalez

Kit Gonzalez

Surian Pete Pearson

Nancy Riano

Roy Robledo

Laura Sansenbach

Scott Sansenbach

Scott Schroyer

Karol Seehaus

Hans Tritten

Mike Ulichney

Norm White

Dan Zenovka

FOR THE CITY OF LONG BEACH:

Patrick H. West, City Manager

Ken Walker
Manager, Personnel Operations

Tara Brewer, Personnel Analyst III

APPROVED AS TO FORM:

Robert E. Shannon, City Attorney

ARTICLE TWO
SALARIES AND COMPENSATION

Section I – Classifications – Pay Rates – Salary Increases

B. General Salary Increase

1. Salary Ranges

The Salary Resolution will be amended to provide for the following salary increases for all represented employees included in Section 1.A above on the effective dates indicated:

10/01/2007 – 1%

04/01/2008 – 2%

10/01/2008 – 3%

10/01/2010 – 2%

10/01/2011 – 2%

10/01/2012 – 2%

2. The provisions of Article Two, Section I.B.1 shall not be subject to Article Seven, Grievance Procedures, of the MOU.

C. Additional Compensation

1. Classification and Compensation Study

The City and the Union agree to conduct and implement a classification and compensation study as a component of the compensation adjustments for Union represented employees over the life of the current agreement. The goal of the study is to:

- a. Review the current IAM classification specifications/descriptions and pay structure and propose revisions that provide fair and rational internal and external relationships.
- b. Identify the median pay of those same classifications within ten agreed upon comparable organizations, including Anaheim, Glendale, Huntington Beach, Los Angeles City, Los Angeles County, Orange County, Pasadena, Santa Ana, Santa Monica and Torrance.

- c. Bring the Long Beach pay up to the median as provided for in Article Two, Section I. C. 2. when it is determined that the pay of the Long Beach employees, within a classification, is below the median pay of the comparables.

A joint job evaluation/compensation committee will be established to oversee the Study and develop a plan to apply the negotiated increases for classification specific salary adjustments to all classifications determined to be below the median and work to bring as many classifications as possible to the median pay of the comparable organizations within the negotiated parameters over the life of the agreement. The Classification and Compensation Study Letter of Understanding included in Appendix D provides further detail on conducting and implementing the Classification and Compensation Study.

The City and Union agree to a reopener on October 1, 2012 to evaluate the status of median pay for all classifications determined to be below the median as part of the Classification and Compensation Study.

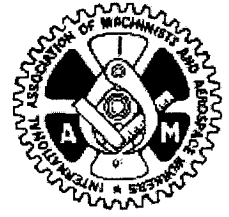
2. Classification and Compensation Study Equity Adjustments

10/01/2010 – Value of 2% of salaries and skill pays for IAM bargaining unit members included in the adopted FY 10 budget, prior to the 2% general salary increase provided 10/01/2010 in section I.B.1. In the event that the 2% is not allocated by 09/30/2011, 1% will be carried forward to FY 12 classification/compensation study adjustments and a 1% general increase, retroactive to 10/01/2010, will be implemented.

10/01/2011 – Value of 2% of salaries and skill pays for IAM bargaining unit members included in the adopted FY 11 budget, prior to the 2% general salary increase provided 10/01/2011 in section I.B.1., or value of 3% if 1% was carried forward from FY 11. In the event that disbursements have not commenced by 07/01/2012, then an expedited arbitration will be implemented, with authority limited to the values agreed upon for the classification/compensation study adjustments for the life of the agreement, which is further defined in the Classification and Compensation Study Letter of Understanding included in Appendix D.

10/01/2012 – Value of 2% of salaries and skill pays for IAM bargaining unit members included in the adopted FY 12 budget, prior to the 2% general salary increase provided 10/01/2012 in section I.B.1.

3. The provisions of Article Two, Section I.C shall not be subject to Article = Seven, Grievance Procedures, of the MOU.



LETTER OF UNDERSTANDING BETWEEN
THE CITY OF LONG BEACH
AND

THE LONG BEACH CITY EMPLOYEES LOCAL LODGE 1930, DISTRICT LODGE 947,
INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS

CLASSIFICATION AND COMPENSATION STUDY

- **The parties have entered into an agreement to conduct and implement a classification and compensation study as a component of the compensation adjustments for IAM members over the life of the current Memorandum of Understanding. This study has three goals:**
 - Review the current IAM classification specifications/descriptions and pay structure and propose revisions that provide fair and rational internal and external relationships
 - Identifying the median pay of those same classifications within a specified list of comparable organizations
 - When it is determined that the pay of the Long Beach Employees, within a classification, is below the median pay of the comparables, to bring the Long Beach pay up to the median over time and within the negotiated parameters (see pages 10-11 in 2007-2012 IAM MOU)
- **Agreed to methodology for conducting the class and comp study will include:**
 - Formation of a joint job evaluation/ compensation committee made up of an equal number of persons appointed by the City and by IAM. The City must approve the IAM's appointments and the IAM must approve the City's appointments and any replacements during the life of the agreement. There will be no substitutes for committee members and all committee members must have completed the Resolve training.
 - The first decision of the committee is to select a neutral facilitator with expertise in classification and compensation systems
 - The Facilitator will chair the committee and act as the neutral/decision maker when the committee is not able to arrive at a decision. Decision making of the committee will be by majority vote. It is clearly understood that the decisions of the committee may not increase the overall financial obligation the City has made in these negotiations.
 - The committee will jointly select a Professional Compensation Consultant who will conduct the Classification and Compensation study and assist the committee in evaluating current City classifications and gather comparable compensation data.
 - Appropriate classifications will be determined and classification specifications/descriptions will be approved by the committee.
 - Gather comparable actual pay, including skill pays, for each of the Long Beach classifications from the following organizations, "the comparables".

The comparables will include Anaheim, Glendale, Huntington Beach, Los Angeles City, Los Angeles County, Orange County, Pasadena, Santa Ana, Santa Monica and Torrance. Where applicable, due to insufficient comparables, an alternative comparable market may be defined for classifications with industry specific responsibilities including, but not limited to, gas and water utilities, public health, airport, marina, harbor and other areas unique to Long Beach

- Establish a list which rank orders the pays of the comparables for each classification
- Determine the mathematical median of the pays of the comparables for each classification
- Compare the Long Beach pay of the classification, including contractually negotiated general salary increases, to the mathematical median (determined above)
- Develop a plan to apply the money negotiated for the purpose of achieving median to the job classifications identified above as being below median. Note: it is the intent of the parties that the money be allocated so that all job classifications identified as being below median receive some money on some equitable basis as determined by the committee
- Apply money to employees' salaries according to the plan.
- Develop a methodology to update compensation data gathered as part of the study in order to remain current with the market over the life of the agreement and evaluate pay for all Long Beach classifications

• **Expedited mediation/arbitration:**

- This study and its implementation is so important to the parties that they have agreed to expedited arbitration if the above steps are not completed and implemented by July 1, 2012.
- The issue before the arbitrator will be "did the parties implement the above methodology in a timely manner?" and "if not what is the appropriate resolution?"
- The arbitrator will be chosen from a list of mediators/arbitrators provided by the American Arbitration Association using an alternative strike method.
- The arbitrator will first attempt to mediate the dispute between the parties.
- If the attempt at mediation is not successful the arbitrator will use the information they have gathered in the mediation process to formulate an answer and a resolution to the issue within 10 working days of the last date of mediation.
- It is clearly understood that the arbitrator may not increase the overall financial obligation the City has made in these negotiations.
- The decision of the arbitrator will be final and binding on the parties.

Approved:

Suzanne R. Mason Date
Chief Negotiator
Director of Human Resources
City of Long Beach

Ray Rivera Date
Chief Negotiator
Grand Lodge Representative
Western Territory
International Association of
Machinists and Aerospace Workers

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING AMENDMENTS TO 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 MEMORANDUM; AND DIRECTING CERTAIN IMPLEMENTING AND RELATED ACTIONS

WHEREAS, on the date of this resolution, the City Council has considered an Amendment to the Memorandum of Understanding with The Long Beach City Employees Local Lodge 1930, District Lodge 947, International Association of Machinists and Aerospace Workers; and

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

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

Section 1. That the Amendment to the Memorandum of Understanding between the City of Long Beach and The Long Beach City Employees Local Lodge 1930, District Lodge 947, International Association of Machinists and Aerospace Workers, which is hereby incorporated by reference in this resolution as Exhibit "A", is hereby approved, and the City Manager is hereby authorized to execute said Amendment to the Memorandum of Understanding on behalf of the City and to implement, pursuant to Section 503 of the Long Beach City Charter, all matters affecting compensation contained in and prescribed by the Memorandum as of the operative date of this

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Janet Schabow
BR, IAMAW DL947

Exhibit "A"

Cynthia Marlene Arrona

Roz Boger

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Mike Ulichney

Norm White

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Patrick H. West, City Manager

Ken Walker
Manager, Personnel Operations

Tara Brewer, Personnel Analyst III

APPROVED AS TO FORM:

Robert E. Shannon, City Attorney