



CITY OF LONG BEACH

DEPARTMENT OF HUMAN RESOURCES

R-27

333 West Ocean Boulevard 13th Floor • Long Beach, CA 90802

February 14, 2006

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

1. Adopt the attached Memorandum of Understanding with the International Association of Machinists and Aerospace Workers;
2. Adopt the attached 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;
3. Adopt the attached Resolution for Paying and Reporting the Value of the Employer Paid Member Contributions to the California Public Employees' Retirement System. (Citywide)

DISCUSSION

Since September of 2004, City management representatives and representatives 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 2, 2004 through September 30, 2007. 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 the compensation matters as provided in the MOU and as approved by the applicable appointing 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 major provisions of the MOU for miscellaneous employees represented by the IAM will include: cost-of-living increases totaling 8 percent over the term of the 3-year agreement; a new lower tier of retirement benefits for new employees; and a 1 percent increase in the employee contribution rate to the California Public Employees' Retirement System (CalPERS) in addition to the 1 percent they are currently paying.

This MOU provision shall also apply to unrepresented non-management miscellaneous employees. In order for the City to pay and report the value of the Employer Paid Member Contributions (EPMC) to CalPERS, it is also necessary for the City Council to adopt the attached Resolution as prepared by the City Attorney.

These items were reviewed by Deputy City Attorney Christina L. Checel on February 2, 2006 and by Budget Management Officer David Wodynski on February 3, 2006.

TIMING CONSIDERATIONS

City Council action is requested on February 14, 2006 to ensure the timely implementation of the MOU provisions.

FISCAL IMPACT

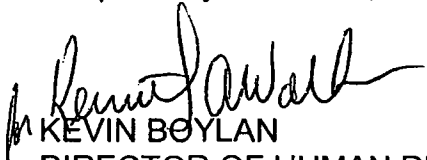
The estimated cost of this MOU to the General Fund for the remainder of Fiscal Year 2006 (FY 06) is approximately \$1.25 million. The estimated savings or cost avoidance in FY 06 for the miscellaneous employees paying an additional 1 percent of the employee contribution rate to CalPERS is approximately \$500,000 for the General Fund, \$700,000 for Other Funds, or \$1.2 million for all funds. It is anticipated that the balance of the costs will be supported by salary savings for the remainder of the current fiscal year. The total estimated net cost for associated salary increases in the MOU is approximately \$6.3 million to the General Fund.

Anticipated growth in structural revenue will provide the offset to cover these increased expenses.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


KEVIN BOYLAN

DIRECTOR OF HUMAN RESOURCES

APPROVED:

KB:KW:PH


GERALD R. MILLER
CITY MANAGER

Attachments