



# CITY OF LONG BEACH

DEPARTMENT OF HUMAN RESOURCES

# R-39

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

July 11, 2006

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

1. Adopt the attached Memoranda of Understanding with the Long Beach Association of Confidential Employees, the Long Beach Association of Engineering Employees, and the Long Beach Management Association;
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 employees as approved by the applicable appointing authorities;
3. Adopt the attached Resolutions for Paying and Reporting the Value of the Employer Paid Member Contributions to the California Public Employees' Retirement System for the Long Beach Association of Confidential Employees, the Long Beach Association of Engineering Employees, and the Long Beach Management Association. (Citywide)

## DISCUSSION

City representatives and representatives of the Long Beach Association of Confidential Employees, the Long Beach Association of Engineering Employees, and the Long Beach Management Association have had numerous meet and confer sessions regarding changes in wages, hours and working conditions. Meetings have been concluded and Memoranda of Understandings (MOUs) have been jointly executed with representatives of the named employee organizations. The MOUs with all three Associations cover the period from October 2, 2004 through September 30, 2008. All MOUs have been executed by City representatives and representatives of the three employee organizations.

Major provisions of the MOUs with the Confidential Association and the Engineering Association are: across the board cost-of-living increases over the four-year term of the agreement totaling 11 percent; a new lower tier of retirement benefits for new employees; a 1 percent increase in the employee contribution payment toward retirement benefits beyond the 1 percent they are currently paying; and increased participation in the cost for health insurance benefits. In addition, representatives of the Engineering Association will receive a market rate adjustment of 8 percent over the term of the agreement to address the City's inability to attract candidates with these skills. The agreement with the Management Association contains similar provisions for retirement and health insurance. Although it does not provide for any automatic cost-of-living adjustments, the agreement reaffirms the City's commitment to implement a performance-based compensation plan for management employees.

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This matter was reviewed by Deputy City Attorney Christina Checel and Budget Management Officer David Wodynski on June 30, 2006.

TIMING CONSIDERATIONS

City Council action is requested on July 11, 2006 to ensure implementation of the MOU provisions.

FISCAL IMPACT

The estimated salary increase cost of the Confidential Association and Engineering Association MOUs to the General Fund for the remainder of Fiscal Year 2006 (FY 06) is approximately \$89,028 and approximately \$376,162 to all other funds. There are no across-the-board salary increases in the Management Association MOU. The estimated savings or cost avoidance in FY 06 for the Engineering and Management-Safety Associations paying an additional 1 percent of the employee contribution rate to CalPERS is approximately \$39,444 for the General Fund, \$118,264 for Other Funds, or \$157,708 for all funds. It is anticipated that the balance of the costs, net of CalPERS savings, will be supported by salary savings for the remainder of the current fiscal year. The total estimated cost for associated salary increases net of PERS cost avoidance in the MOUs is approximately \$487,452 to the General Fund and \$3,898,666 to all funds.

SUGGESTED ACTION

Approve recommendation.

Respectfully submitted,



KEVIN BOYLAN  
DIRECTOR OF HUMAN RESOURCES

KB:tb

Attachments

APPROVED:



GERALD R. MILLER  
CITY MANAGER