



CITY OF LONG BEACH

R-18

DEPARTMENT OF HUMAN RESOURCES

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

October 13, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt the attached Resolution approving amendments to the Memoranda of Understanding with the Long Beach Management Association, the Long Beach Association of Confidential Employees and Long Beach Lifeguard Association; adopt the attached Amendments to the October 2, 2004 through September 30, 2008 Memoranda of Understanding with the Long Beach Management Association and the Long Beach Association of Confidential Employees; adopt the attached Amendment to the November 1, 2005 through September 30, 2008 Memoranda of Understanding with the Long Beach Lifeguard Association; and allow those matters that affect compensation to be implemented on the effective dates set forth in the October 2, 2004 through September 30, 2010 Amended Memoranda of Understanding with the Long Beach Management Association and the Long Beach Association of Confidential Employees and on the effective dates set forth in the November 1, 2005 through September 30, 2010 Amended Memoranda of Understanding with the Long Beach Lifeguard Association.
(Citywide)

DISCUSSION

City management representatives and representatives of the Long Beach Management Association (LBMA), Long Beach Association of Confidential Employees (LBACE) and Long Beach Lifeguard Association (LBLGA) have held discussions over the last several months regarding the fiscal impacts of the FY10 budget. These meetings have resulted in agreements that provide amendments to the October 2, 2004 through September 30, 2008 Memoranda of Understanding (MOU) with the LBMA and the LBACE, and to the November 1, 2005 through September 30, 2008 MOU with the LBLGA. All units have agreed to receive no general salary adjustments during the term of their amended MOUs. In exchange, the unions were given considerations as indicated in Attachment A extending the MOUs for two years through September 30, 2010. The agreements have been ratified by the members of the Associations and signed by the City Manager and other appropriate management representatives.

This matter was reviewed by Deputy City Attorney Christina Checél, and Budget and Performance Management Bureau Manager David Wodynski on September 28, 2009.

HONORABLE MAYOR AND CITY COUNCIL

October 13, 2009

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TIMING CONSIDERATIONS

City Council action is requested on October 13, 2009, to ensure timely implementation of the amended MOU provisions.

FISCAL IMPACT

The LBMA, LBACE and LBLGA agreed to extend and maintain the terms and conditions of their agreements through September 30, 2010 and receive no general salary adjustments during the term of their Amended MOUs; therefore, there is no fiscal impact due to general salary increases for FY10.

The City will agree to provide a supplement to retirees' retirement health insurance account by 288 hours of sick leave if any permanent member of the LBACE or LBLGA retires on or before December 31, 2009 and who is in a classification subject to layoff. This supplement will be funded by setting aside an amount in the Employee Benefits Fund.

SUGGESTED ACTION:

Approve recommendation.


APPROVED:

Respectfully submitted,



DEBORAH R. MILLS
ACTING DIRECTOR OF HUMAN RESOURCES

DRM:KW:ph/sk/tb



PATRICK H. WEST
CITY MANAGER

Attachments

ATTACHMENT A

Associations without current agreements:

Long Beach Association of Confidential Employees

- No salary adjustments during extension period. *
- Per the existing MOU, due to retention issues, classifications shared/similar to the IAM will receive like adjustments during the extension period.
- Two-year extension of previous agreement term to September 30, 2010.
- Compensation study with existing resources.
- Reduce CalPERS pension formula from 2.5% to 2% @ 55, with PARS supplement.
- Retirement by December 31, 2009 incentive for classifications facing layoff: 288 Sick Leave hours.
- Reopener to discuss mutually agreeable pension changes.

Long Beach Management Association

- No salary adjustments during extension period. *
- Two-year extension of previous agreement term to September 30, 2010.
- Reduce CalPERS pension formula from 2.5% to 2% @ 55, with PARS supplement.
- Reopener to discuss mutually agreeable pension changes.
- Clarify language regarding severance and vacation payoff at retirement.
- Review Pay for Performance approach.

Long Beach Lifeguard Association

- No salary adjustments during extension period.
No furloughs in FY10 unless there is a \$5 million loss of revenue or a \$5 million expenditure increase in the Tidelands Fund.
Agree to meet 30 calendar days prior to furlough implementation to explore compensation/benefit alternative savings.
- Two-year extension of previous agreement term to September 30, 2010.
- Review efficiencies associated with limited Peace Officer status for Marine Safety Officers and Captains as currently provided to Marine Safety Sergeants.
- Retirement by December 31, 2009 incentive for classifications facing layoff: 288 Sick Leave hours.
- Reopener to discuss mutually agreeable pension changes.

* In exchange for: City agreement to no furloughs in FY10 unless there is a \$10 million loss of revenue or expenditure increase and agree to meet for 30 calendar days to explore compensation/benefit alternative savings.

AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF LONG BEACH AND
THE LONG BEACH ASSOCIATION OF CONFIDENTIAL EMPLOYEES

The City of Long Beach and the Long Beach Association of Confidential Employees (LBACE) agree to amend the October 1, 2004 to September 30, 2008 Memorandum of Understanding as follows:

The labor agreement will be extended by two years, to expire on September 30, 2010. All existing terms and conditions set forth in that agreement shall remain unchanged for the term of the extension, except as modified below.

1. There will be no general salary or equity adjustments during the term of the extension. Due to retention issues, classifications shared with or similar to the International Association of Machinists and Aerospace Workers (IAM) will receive like adjustments to corresponding IAM classifications during the extension period. Any adjustments made in accordance with this section shall be effective upon the date of the approval of this amendment and shall not be retroactive.
2. In consideration of the Long Beach Association of Confidential Employees' willingness to help address the City's financial challenges by agreeing to no general salary or equity adjustments, the City will not unilaterally impose furloughs during Fiscal Year 2010, unless there is a \$10 million or more loss of General Fund revenues or uncontrollable General Fund expenditures of \$10 million or more when compared to the Fiscal Year 2010 Adopted Budget. Any increase in discretionary revenue or available alternative funding sources will be taken into consideration prior to implementation of a furlough.

If based on the financial situation it is determined that furloughs will be necessary in accordance with this section, the City will provide notice in writing to the LBACE to include detailed financial information documenting the need to implement furloughs. This will initiate a 30-calendar day meeting period where the parties will meet to explore compensation and benefit related savings as alternatives to furloughs.

The City agrees that if it becomes necessary to implement furloughs during Fiscal Year 2010 any salary or equity adjustments that other Associations have received since October 1, 2008, or will receive during Fiscal Year 2010, will be taken into consideration when determining the extent of the furlough and associated compensation losses for the Long Beach Association of Confidential Employees members.

3. In the event that the City and another Miscellaneous Association agree to modify the parameters for the financial occurrence identified in No. 2 of this agreement to parameters more beneficial to the LBACE, then the

more beneficial parameters shall also apply to the LBACE and will supersede the parameters currently identified in No. 2 of this agreement.

4. The City and the LBACE agree that if resources can be identified to complete a classification and compensation review of the Personnel Analyst classification and the Administrative Analyst classification assigned to the Budget Office in the Department of Financial Management, such a review will be conducted and can serve to provide information for future negotiations.
5. To help incentivize early retirement and mitigate potential layoffs in Fiscal Year 2010, the City agrees to provide any permanent member of the LBACE who retires on or before December 31, 2009 and who is in a classification subject to layoff, an amount equivalent to 288 hours of sick leave (three years of sick leave accrual) to be used for post-retirement health insurance coverage.
6. In an effort to reduce future retirement costs, both parties agree to implement a new retirement option through a combination of the California Public Employees Retirement System (CalPERS) and the Public Agency Retirement Services (PARS) that will provide a similar benefit of 2.5% @ 55, for those employees hired after the CalPERS contract has been amended and a PARS contract and trust has been approved. Under this new retirement approach employees will receive a 2.0% @ 55 benefit with CalPERS as well as a supplement from PARS which will provide in combination with CalPERS a total benefit of 2.5% @ 55 benefit if they retire from the City of Long Beach with at least five (5) years of service and are age 55 or over.

Contributions

The City of Long Beach will make all contributions to fund the benefits available under the PARS Retirement Supplement Plan.

Eligibility Requirements

Upon meeting **all** of the following requirements, employees will be eligible to receive the PARS Supplement benefit:

- (a) Is a CalPERS-eligible miscellaneous employee of the City of Long Beach, hired after the CalPERS contract has been amended, the PARS supplement has been adopted and all necessary contracts have been executed.
- (b) Is at least fifty-five (55) years of age;
- (c) Has completed five (5) or more years of full-time equivalent continuous employment with the City as of the

- last date of hire with the City;
- (d) Has terminated employment with the City and concurrently retires under CalPERS and remains in retired status under CalPERS*; and
 - (e) Has applied for benefits under this Plan.

*PARS benefit will cease upon the employee's return to active CalPERS status and will recommence the first day of the month after return to retired status under CalPERS at the same option and benefit amount the employee was receiving immediately prior to the suspension of his/her benefit.

PARS Benefit Description

The PARS RSP benefit augments the CalPERS benefit to provide a supplemental retirement benefit. The monthly lifetime benefit is calculated by taking the difference between (i) and (ii) below and multiplying it by one-twelfth (1/12).

- (i) $2.5\% \times \text{Benefit Service Years} \times \text{Final Pay}$
- (ii) $\text{CalPERS Age Factor (under the } 2\% \text{ @ } 55 \text{ formula)} \times \text{Benefit Service Years} \times \text{Final Pay}$

Benefit Service is defined as all CalPERS credited City of Long Beach service as of your last day of employment with the City of Long Beach, including service accrued before and after any breaks in service and excluding purchases of additional service time through CalPERS.

Any years of CalPERS-credited service that provides a benefit equal to or greater than the CalPERS "2.5% @ 55" formula shall not be included in Benefit Service under this Plan.

Final Pay is defined as your highest annual compensation reported to CalPERS on your behalf, including CalPERS Employer Paid Member Contributions (EPMC), if eligible, during any 12 consecutive months of employment with the City of Long Beach.

Example of Benefit Calculation

Age at Retirement = 55
Benefit Service = 20 years
Final Pay = \$50,000

- (i) $2.500\% \times 20 \text{ years} \times \$50,000 = \$25,000$
- (ii) $2.000\% \times 20 \text{ years} \times \$50,000 = \$20,000$

$$(i) - (ii) = \$5,000$$
$$\$5,000 / 12 = \$416.66$$

PARS Monthly Lifetime Benefit = \$416.66

A complete description of plan provisions is provided in the attached Plan Summary Document.

The implementation process is as follows:

- a. A PARS trust resolution will be prepared and sent to City Council for approval.
 - b. PARS trust, plan, adoption agreement, and administrative services agreement will be executed by City staff.
 - c. An amendment to the City's agreement with CalPERS for all Miscellaneous employees will be prepared and sent to City Council for approval.
 - d. City contributions will commence to the trust and plan.
 - e. Newly hired employees will receive plan summaries as they join City ranks after the effective date of the plan.
7. The City and the LBACE agree that during the term of the extension, either party may request a reopener with 30 days notice to discuss possible changes to pension plans. The outcome of the reopener must be mutually agreeable.

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 ASSOCIATION OF CONFIDENTIAL EMPLOYEES:

Sherriel Murry, President
Long Beach Association of Confidential Employees

Stephanie Kemp, Secretary
Long Beach Association of Confidential Employees

Mike Manning
Long Beach Association of Confidential Employees

Deborah McCluster
Long Beach Association of Confidential Employees

Omar Ramos
Long Beach Association of Confidential Employees

Julissa Jose-Murray
Long Beach Association of Confidential Employees

FOR THE CITY OF LONG BEACH:

Patrick H. West, City Manager

Suzanne R. Mason
Director of Human Resources

Ken Walker
Manager, Personnel Operations

Grace Yoon
Administrative Analyst III

APPROVED AS TO FORM:

Robert E. Shannon, City Attorney

AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF LONG BEACH AND
THE LONG BEACH MANAGEMENT ASSOCIATION

The City of Long Beach and the Long Beach Management Association (LBMA) agree to amend the October 1, 2004 to September 30, 2008 Memorandum of Understanding as follows:

The labor agreement will be extended by two years, to expire on September 30, 2010. All existing terms and conditions set forth in that agreement shall remain unchanged for the term of the extension, except as modified below.

1. The LBMA acknowledges that there will be no salary adjustments during the term of the extension through September 30, 2010. The appointing authorities will consider an exception if a retention and/or compression issue exists or a significant change is made to the duties and responsibilities of a particular management position.
2. In consideration of the Management Association's willingness to help address the City's financial challenges by acknowledging that there will be no salary adjustments over a two-year period, the City will not unilaterally impose furloughs during Fiscal Year 2010, unless there is an occurrence resulting in a \$10 million or more loss of General Fund revenues or uncontrollable General Fund expenditures of \$10 million or more when compared to the Fiscal Year 2010 Adopted Budget. Any increase in discretionary revenue or available alternative funding sources will be taken into consideration prior to implementation of a furlough.

If based on the financial situation it is determined that furloughs will be necessary in accordance with this section, the City will provide notice in writing to the LBMA to include detailed financial information documenting the need to implement furloughs. This will initiate a 30-calendar day meeting period where the parties will meet to explore compensation and benefit related savings as alternatives to furloughs.

The City agrees that if it becomes necessary to implement furloughs during Fiscal Year 2010, any salary or equity adjustments that other Associations have received since October 1, 2008, or will receive during Fiscal Year 2010, will be taken into consideration when determining the extent of the furlough and associated compensation losses for the Long Beach Management Association members.

3. In the event that the City and another Miscellaneous Association agree to modify the parameters for the financial occurrence identified in No. 2 of this agreement to parameters more beneficial to the LBMA, then the more beneficial parameters shall also apply to the LBMA and will supersede the parameters currently identified in No. 2 of this agreement.

4. The City and the LBMA agree to clarify contract language regarding severance pay and vacation leave payoffs for retirees to ensure the original intent of both parties is realized. To clarify Article Two, Section V, managers represented by Management Association who are compelled to retire as a result of a budget reduction and the resulting elimination of their position will still qualify for severance benefits. To clarify Article Three, Section II, retirees with vacation balances at the time of retirement will have the option of converting 75 percent of the vacation balance to sick leave upon retirement.
5. The City and the LBMA agree to review pay for performance approach used for merit adjustments prior to the end of the extension period.
6. In an effort to reduce future retirement costs, both parties agree to implement a new retirement option through a combination of the California Public Employees Retirement System (CalPERS) and the Public Agency Retirement Services (PARS) that will provide a similar benefit of 2.5% @ 55, for those employees hired after the CalPERS contract has been amended and a PARS contract and trust has been approved. Under this new retirement approach employees will receive a 2.0% @ 55 benefit with CalPERS as well as a supplement from PARS which will provide in combination with CalPERS a total benefit of 2.5% @ 55 benefit if they retire from the City of Long Beach with at least five (5) years of service and are age 55 or over.

Contributions

The City of Long Beach will make all contributions to fund the benefits available under the PARS Retirement Supplement Plan.

Eligibility Requirements

Upon meeting all of the following requirements, employees will be eligible to receive the PARS Supplement benefit:

- (a) Is a CalPERS-eligible miscellaneous employee of the City of Long Beach, hired after the CalPERS contract has been amended, the PARS supplement has been adopted and all necessary contracts have been executed.
- (b) Is at least fifty-five (55) years of age;
- (c) Has completed five (5) or more years of full-time equivalent continuous employment with the City as of the last date of hire with the City;
- (d) Has terminated employment with the City and concurrently retires under CalPERS and remains in

- retired status under CalPERS*; and
(e) Has applied for benefits under this Plan.

*PARS benefit will cease upon the employee's return to active CalPERS status and will recommence the first day of the month after return to retired status under CalPERS at the same option and benefit amount the employee was receiving immediately prior to the suspension of his/her benefit.

PARS Benefit Description

The PARS RSP benefit augments the CalPERS benefit to provide a supplemental retirement benefit. The monthly lifetime benefit is calculated by taking the difference between (i) and (ii) below and multiplying it by one-twelfth (1/12).

- (i) 2.5% x Benefit Service Years x Final Pay
- (ii) CalPERS Age Factor (under the 2% @ 55 formula) x Benefit Service Years x Final Pay

Benefit Service is defined as all CalPERS credited City of Long Beach service as of your last day of employment with the City of Long Beach, including service accrued before and after any breaks in service and excluding purchases of additional service time through CalPERS.

Any years of CalPERS-credited service that provides a benefit equal to or greater than the CalPERS "2.5% @ 55" formula shall not be included in Benefit Service under this Plan.

Final Pay is defined as your highest annual compensation reported to CalPERS on your behalf, including CalPERS Employer Paid Member Contributions (EPMC), if eligible, during any 12 consecutive months of employment with the City of Long Beach.

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 - b. PARS trust, plan, adoption agreement, and administrative services agreement will be executed by City staff.
 - c. An amendment to the City's agreement with CalPERS for all Miscellaneous employees will be prepared and sent to City Council for approval.
 - d. City contributions will commence to the trust and plan.
 - e. Newly hired employees will receive plan summaries as they join City ranks after the effective date of the plan.
7. The City and the LBMA agree that during the term of the extension, either party may request a reopener with 30 days notice to discuss possible changes to pension plans. The outcome of the reopener must be mutually agreeable.

8. 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 MANAGEMENT ASSOCIATION:

Georgia Pon, President
Long Beach Management Association

Jonathan Stafford
Long Beach Management Association

David White
Long Beach Management Association

Diko Melkonian
Long Beach Management Association

Jim Kuhl
Long Beach Management Association

Laura Farinella
Long Beach Management Association

Rebecca Jimenez
Long Beach Management Association

FOR THE CITY OF LONG BEACH:

Patrick H. West, City Manager

Suzanne Frick, Assistant City Manager

Richard Steinke
Executive Director, Harbor Department

Kevin Wattier
General Manager, Water Department

Suzanne R. Mason
Director of Human Resources

Ken Walker
Manager, Personnel Operations

Tara Brewer
Personnel Analyst III

APPROVED AS TO FORM:

Robert E. Shannon, City Attorney

AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF LONG BEACH AND
THE LONG BEACH LIFEGUARDS ASSOCIATION

The City of Long Beach and the Long Beach Lifeguards Association (LBLGA) agree to amend the November 1, 2005 to September 30, 2008 Memorandum of Understanding as follows:

The labor agreement will be extended by two years, to expire on September 30, 2010. All existing terms and conditions set forth in that agreement shall remain unchanged for the term of the extension, except as modified below.

1. There will be no general salary adjustments during the term of the extension.
2. In consideration of the Long Beach Lifeguards Association's willingness to help address the City's financial challenges by agreeing to no general salary adjustments over a two-year period, the City will not unilaterally impose furloughs during Fiscal Year 2010, unless there is an occurrence resulting in a \$5 million or more loss of the Tidelands Fund revenues or uncontrollable Tidelands Fund expenditures of \$5 million or more when compared to the Fiscal Year 2010 Adopted Budget. Any increase in discretionary revenue or available alternative funding sources will be taken into consideration prior to implementation of a furlough.

If based on the financial situation it is determined that furloughs will be necessary in accordance with this section, the City will provide notice in writing to the LBLGA to include detailed financial information documenting the need to implement furloughs. This will initiate a 30-calendar day meeting period where the parties will meet to explore compensation and benefit related savings as alternatives to furloughs.

The City agrees that if it becomes necessary to implement furloughs during Fiscal Year 2010 any salary or equity adjustments that other Associations have received since October 1, 2008, or will receive during Fiscal Year 2010, will be taken into consideration when determining the extent of the furlough and associated compensation losses for the Long Beach Lifeguards Association members.

3. In the event that the City and another Miscellaneous Association agree to modify the parameters for the financial occurrence identified in No. 2 of this agreement to parameters more beneficial to the LBLGA, then the more beneficial parameters shall also apply to the LBLGA and will supersede the parameters currently identified in No. 2 of this agreement.
4. Management agrees to study potential cost efficiencies and operational improvements that could result from assigning limited Peace Officer status

for Marine Safety Officers and Captains when carrying out their duties, as is currently provided to Marine Safety Sergeants.

5. To help incentivize early retirement and mitigate potential layoffs in Fiscal Year 2010, the City agrees to provide any permanent member of the LBLGA who retires on or before December 31, 2009 and who is in a classification subject to layoff, an amount equivalent to 288 hours of sick leave (three years of sick leave accrual) to be used for post-retirement health insurance coverage.
6. The City and the LBLGA agree that during the term of the extension, either party may request a reopener with 30 days notice to discuss possible changes to pension plans. The outcome of the reopener must be mutually agreeable.

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 LIFEGUARDS ASSOCIATION:

Shawn Parker
Long Beach Lifeguards Association

Dirk Crawford
Long Beach Lifeguards Association

Louis Martinet
Long Beach Lifeguards Association

Derek Pakiz
Long Beach Lifeguards Association

Donald Johnson
Long Beach Lifeguards Association

FOR THE CITY OF LONG BEACH:

Patrick H. West, City Manager

Suzanne R. Mason
Director of Human Resources

Ken Walker
Manager, Personnel Operations

Jeffrey Reeb
Deputy Fire Chief

Paul Wawrzynski
Marine Safety Chief

Stephanie Kemp
Personnel Analyst III

Grace Yoon
Administrative Analyst III

APPROVED AS TO FORM:

Robert E. Shannon, City Attorney

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING AMENDMENTS TO MEMORANDA OF UNDERSTANDING WITH THE LONG BEACH ASSOCIATION OF CONFIDENTIAL EMPLOYEES, LONG BEACH MANAGEMENT ASSOCIATION, AND LONG BEACH LIFEGUARD ASSOCIATION; AND APPLYING THE MEMORANDA OF UNDERSTANDING PROVISIONS PERTAINING TO MATTERS OF COMPENSATION TO UNREPRESENTED EMPLOYEES AS APPROVED BY THE CITY MANAGER AND OTHER APPLICABLE APPOINTING AUTHORITIES; AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE SUCH MEMORANDA; AND DIRECTING CERTAIN IMPLEMENTING AND RELATED ACTIONS

WHEREAS, on the date of this resolution, the City Council has considered Amendments to Memoranda of Understanding with the Long Beach Association of Confidential Employees; Long Beach Management Association; and Long Beach Lifeguard Association; and

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

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

Section 1. That the Amendments to Memoranda of Understanding between the City of Long Beach and the Long Beach Association of Confidential Employees, Long Beach Management Association, and Long Beach Lifeguard

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 Association, which are hereby incorporated by reference in this resolution as Exhibit "A",
2 "B", and "C", respectively, are hereby approved, and the City Manager is hereby
3 authorized to execute said Amendments to Memoranda on behalf of the City and to
4 implement, pursuant to Section 503 of the Long Beach City Charter, all matters affecting
5 compensation contained in and prescribed by the Memoranda as of the operative date of
6 this resolution.

7 Section 2. That the provisions of the Amendments to Memoranda of
8 Understanding relating to matters of compensation shall apply to unrepresented
9 employees, as approved by the City Manager and other applicable appointing authorities.

10 Section 3. The City Manager is also authorized and directed to cause the
11 preparation of amendments to the Long Beach Salary Resolution, if necessary, and to
12 such other documents as may be necessary, to conform such resolution and documents
13 to the provisions of the Memoranda and this resolution, and to further cause such
14 conforming amendments to be brought before the City Council and such Boards and
15 Commissions as may be required by law to act upon them, and the City Attorney is
16 requested to cooperate fully with the City Manager in order to cause the required
17 documents to be prepared as required by law and brought before the appropriate bodies.

18 Section. 3. This resolution shall take effect immediately upon its adoption
19 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

20 I hereby certify that the foregoing resolution was adopted by the City
21 Council of the City of Long Beach at its meeting of _____, 20__ by the
22 following vote:

23 Ayes: Councilmembers: _____

24 _____

25 _____

26 _____

27 Noes: Councilmembers: _____

28 _____

Absent: Councilmembers: _____

City Clerk

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OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

**AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF LONG BEACH AND
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2. In consideration of the Long Beach Association of Confidential Employees' willingness to help address the City's financial challenges by agreeing to no general salary or equity adjustments, the City will not unilaterally impose furloughs during Fiscal Year 2010, unless there is a \$10 million or more loss of General Fund revenues or uncontrollable General Fund expenditures of \$10 million or more when compared to the Fiscal Year 2010 Adopted Budget. Any increase in discretionary revenue or available alternative funding sources will be taken into consideration prior to implementation of a furlough.

If based on the financial situation it is determined that furloughs will be necessary in accordance with this section, the City will provide notice in writing to the LBACE to include detailed financial information documenting the need to implement furloughs. This will initiate a 30-calendar day meeting period where the parties will meet to explore compensation and benefit related savings as alternatives to furloughs.

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more beneficial parameters shall also apply to the LBACE and will supersede the parameters currently identified in No. 2 of this agreement.

4. The City and the LBACE agree that if resources can be identified to complete a classification and compensation review of the Personnel Analyst classification and the Administrative Analyst classification assigned to the Budget Office in the Department of Financial Management, such a review will be conducted and can serve to provide information for future negotiations.
5. To help incentivize early retirement and mitigate potential layoffs in Fiscal Year 2010, the City agrees to provide any permanent member of the LBACE who retires on or before December 31, 2009 and who is in a classification subject to layoff, an amount equivalent to 288 hours of sick leave (three years of sick leave accrual) to be used for post-retirement health insurance coverage.
6. In an effort to reduce future retirement costs, both parties agree to implement a new retirement option through a combination of the California Public Employees Retirement System (CalPERS) and the Public Agency Retirement Services (PARS) that will provide a similar benefit of 2.5% @ 55, for those employees hired after the CalPERS contract has been amended and a PARS contract and trust has been approved. Under this new retirement approach employees will receive a 2.0% @ 55 benefit with CalPERS as well as a supplement from PARS which will provide in combination with CalPERS a total benefit of 2.5% @ 55 benefit if they retire from the City of Long Beach with at least five (5) years of service and are age 55 or over.

Contributions

The City of Long Beach will make all contributions to fund the benefits available under the PARS Retirement Supplement Plan.

Eligibility Requirements

Upon meeting **all** of the following requirements, employees will be eligible to receive the PARS Supplement benefit:

- (a) Is a CalPERS-eligible miscellaneous employee of the City of Long Beach, hired after the CalPERS contract has been amended, the PARS supplement has been adopted and all necessary contracts have been executed.
- (b) Is at least fifty-five (55) years of age;
- (c) Has completed five (5) or more years of full-time equivalent continuous employment with the City as of the

- last date of hire with the City;
- (d) Has terminated employment with the City and concurrently retires under CalPERS and remains in retired status under CalPERS*; and
 - (e) Has applied for benefits under this Plan.

*PARS benefit will cease upon the employee's return to active CalPERS status and will recommence the first day of the month after return to retired status under CalPERS at the same option and benefit amount the employee was receiving immediately prior to the suspension of his/her benefit.

PARS Benefit Description

The PARS RSP benefit augments the CalPERS benefit to provide a supplemental retirement benefit. The monthly lifetime benefit is calculated by taking the difference between (i) and (ii) below and multiplying it by one-twelfth (1/12).

- (i) $2.5\% \times \text{Benefit Service Years} \times \text{Final Pay}$
- (ii) $\text{CalPERS Age Factor (under the } 2\% \text{ @ } 55 \text{ formula)} \times \text{Benefit Service Years} \times \text{Final Pay}$

Benefit Service is defined as all CalPERS credited City of Long Beach service as of your last day of employment with the City of Long Beach, including service accrued before and after any breaks in service and excluding purchases of additional service time through CalPERS.

Any years of CalPERS-credited service that provides a benefit equal to or greater than the CalPERS "2.5% @ 55" formula shall not be included in Benefit Service under this Plan.

Final Pay is defined as your highest annual compensation reported to CalPERS on your behalf, including CalPERS Employer Paid Member Contributions (EPMC), if eligible, during any 12 consecutive months of employment with the City of Long Beach.

Example of Benefit Calculation

Age at Retirement = 55
Benefit Service = 20 years
Final Pay = \$50,000

- (i) $2.500\% \times 20 \text{ years} \times \$50,000 = \$25,000$
- (ii) $2.000\% \times 20 \text{ years} \times \$50,000 = \$20,000$

$$(i) - (ii) = \$5,000$$
$$\$5,000 / 12 = \$416.66$$

PARS Monthly Lifetime Benefit = \$416.66

A complete description of plan provisions is provided in the attached Plan Summary Document.

The implementation process is as follows:

- a. A PARS trust resolution will be prepared and sent to City Council for approval.
 - b. PARS trust, plan, adoption agreement, and administrative services agreement will be executed by City staff.
 - c. An amendment to the City's agreement with CalPERS for all Miscellaneous employees will be prepared and sent to City Council for approval.
 - d. City contributions will commence to the trust and plan.
 - e. Newly hired employees will receive plan summaries as they join City ranks after the effective date of the plan.
7. The City and the LBACE agree that during the term of the extension, either party may request a reopener with 30 days notice to discuss possible changes to pension plans. The outcome of the reopener must be mutually agreeable.

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 ASSOCIATION OF CONFIDENTIAL EMPLOYEES:

Sherriel Murry, President
Long Beach Association of Confidential Employees

Stephanie Kemp, Secretary
Long Beach Association of Confidential Employees

Mike Manning
Long Beach Association of Confidential Employees

Deborah McCluster
Long Beach Association of Confidential Employees

Omar Ramos
Long Beach Association of Confidential Employees

Julissa Jose-Murray
Long Beach Association of Confidential Employees

FOR THE CITY OF LONG BEACH:

Patrick H. West, City Manager

Suzanne R. Mason
Director of Human Resources

Ken Walker
Manager, Personnel Operations

Grace Yoon
Administrative Analyst III

APPROVED AS TO FORM:

Robert E. Shannon, City Attorney

**AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF LONG BEACH AND
THE LONG BEACH MANAGEMENT ASSOCIATION**

The City of Long Beach and the Long Beach Management Association (LBMA) agree to amend the October 1, 2004 to September 30, 2008 Memorandum of Understanding as follows:

The labor agreement will be extended by two years, to expire on September 30, 2010. All existing terms and conditions set forth in that agreement shall remain unchanged for the term of the extension, except as modified below.

1. The LBMA acknowledges that there will be no salary adjustments during the term of the extension through September 30, 2010. The appointing authorities will consider an exception if a retention and/or compression issue exists or a significant change is made to the duties and responsibilities of a particular management position.
2. In consideration of the Management Association's willingness to help address the City's financial challenges by acknowledging that there will be no salary adjustments over a two-year period, the City will not unilaterally impose furloughs during Fiscal Year 2010, unless there is an occurrence resulting in a \$10 million or more loss of General Fund revenues or uncontrollable General Fund expenditures of \$10 million or more when compared to the Fiscal Year 2010 Adopted Budget. Any increase in discretionary revenue or available alternative funding sources will be taken into consideration prior to implementation of a furlough.

If based on the financial situation it is determined that furloughs will be necessary in accordance with this section, the City will provide notice in writing to the LBMA to include detailed financial information documenting the need to implement furloughs. This will initiate a 30-calendar day meeting period where the parties will meet to explore compensation and benefit related savings as alternatives to furloughs.

The City agrees that if it becomes necessary to implement furloughs during Fiscal Year 2010, any salary or equity adjustments that other Associations have received since October 1, 2008, or will receive during Fiscal Year 2010, will be taken into consideration when determining the extent of the furlough and associated compensation losses for the Long Beach Management Association members.

3. In the event that the City and another Miscellaneous Association agree to modify the parameters for the financial occurrence identified in No. 2 of this agreement to parameters more beneficial to the LBMA, then the more beneficial parameters shall also apply to the LBMA and will supersede the parameters currently identified in No. 2 of this agreement.

4. The City and the LBMA agree to clarify contract language regarding severance pay and vacation leave payoffs for retirees to ensure the original intent of both parties is realized. To clarify Article Two, Section V, managers represented by Management Association who are compelled to retire as a result of a budget reduction and the resulting elimination of their position will still qualify for severance benefits. To clarify Article Three, Section II, retirees with vacation balances at the time of retirement will have the option of converting 75 percent of the vacation balance to sick leave upon retirement.
5. The City and the LBMA agree to review pay for performance approach used for merit adjustments prior to the end of the extension period.
6. In an effort to reduce future retirement costs, both parties agree to implement a new retirement option through a combination of the California Public Employees Retirement System (CalPERS) and the Public Agency Retirement Services (PARS) that will provide a similar benefit of 2.5% @ 55, for those employees hired after the CalPERS contract has been amended and a PARS contract and trust has been approved. Under this new retirement approach employees will receive a 2.0% @ 55 benefit with CalPERS as well as a supplement from PARS which will provide in combination with CalPERS a total benefit of 2.5% @ 55 benefit if they retire from the City of Long Beach with at least five (5) years of service and are age 55 or over.

Contributions

The City of Long Beach will make all contributions to fund the benefits available under the PARS Retirement Supplement Plan.

Eligibility Requirements

Upon meeting all of the following requirements, employees will be eligible to receive the PARS Supplement benefit:

- (a) Is a CalPERS-eligible miscellaneous employee of the City of Long Beach, hired after the CalPERS contract has been amended, the PARS supplement has been adopted and all necessary contracts have been executed.
- (b) Is at least fifty-five (55) years of age;
- (c) Has completed five (5) or more years of full-time equivalent continuous employment with the City as of the last date of hire with the City;
- (d) Has terminated employment with the City and concurrently retires under CalPERS and remains in

- retired status under CalPERS*; and
(e) Has applied for benefits under this Plan.

*PARS benefit will cease upon the employee's return to active CalPERS status and will recommence the first day of the month after return to retired status under CalPERS at the same option and benefit amount the employee was receiving immediately prior to the suspension of his/her benefit.

PARS Benefit Description

The PARS RSP benefit augments the CalPERS benefit to provide a supplemental retirement benefit. The monthly lifetime benefit is calculated by taking the difference between (i) and (ii) below and multiplying it by one-twelfth (1/12).

- (i) 2.5% x Benefit Service Years x Final Pay
- (ii) CalPERS Age Factor (under the 2% @ 55 formula) x Benefit Service Years x Final Pay

Benefit Service is defined as all CalPERS credited City of Long Beach service as of your last day of employment with the City of Long Beach, including service accrued before and after any breaks in service and excluding purchases of additional service time through CalPERS.

Any years of CalPERS-credited service that provides a benefit equal to or greater than the CalPERS "2.5% @ 55" formula shall not be included in Benefit Service under this Plan.

Final Pay is defined as your highest annual compensation reported to CalPERS on your behalf, including CalPERS Employer Paid Member Contributions (EPMC), if eligible, during any 12 consecutive months of employment with the City of Long Beach.

Example of Benefit Calculation

Age at Retirement = 55
Benefit Service = 20 years
Final Pay = \$50,000

- (i) 2.500% x 20 years x \$50,000 = \$25,000
- (ii) 2.000% x 20 years x \$50,000 = \$20,000
 - (i) – (ii) = \$5,000
 - \$5,000 / 12 = \$416.66

PARS Monthly Lifetime Benefit = \$416.66

A complete description of plan provisions is provided in the attached Plan Summary Document.

The implementation process is as follows:

- a. A PARS trust resolution will be prepared and sent to City Council for approval.
 - b. PARS trust, plan, adoption agreement, and administrative services agreement will be executed by City staff.
 - c. An amendment to the City's agreement with CalPERS for all Miscellaneous employees will be prepared and sent to City Council for approval.
 - d. City contributions will commence to the trust and plan.
 - e. Newly hired employees will receive plan summaries as they join City ranks after the effective date of the plan.
7. The City and the LBMA agree that during the term of the extension, either party may request a reopener with 30 days notice to discuss possible changes to pension plans. The outcome of the reopener must be mutually agreeable.

8. 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 MANAGEMENT ASSOCIATION:

Georgia Pon, President
Long Beach Management Association

Jonathan Stafford
Long Beach Management Association

David White
Long Beach Management Association

Diko Melkonian
Long Beach Management Association

Jim Kuhl
Long Beach Management Association

Laura Farinella
Long Beach Management Association

Rebecca Jimenez
Long Beach Management Association

FOR THE CITY OF LONG BEACH:

Patrick H. West, City Manager

Suzanne Frick, Assistant City Manager

Richard Steinke
Executive Director, Harbor Department

Kevin Wattier
General Manager, Water Department

Suzanne R. Mason
Director of Human Resources

Ken Walker
Manager, Personnel Operations

Tara Brewer
Personnel Analyst III

APPROVED AS TO FORM:

Robert E. Shannon, City Attorney

**AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF LONG BEACH AND
THE LONG BEACH LIFEGUARDS ASSOCIATION**

The City of Long Beach and the Long Beach Lifeguards Association (LBLGA) agree to amend the November 1, 2005 to September 30, 2008 Memorandum of Understanding as follows:

The labor agreement will be extended by two years, to expire on September 30, 2010. All existing terms and conditions set forth in that agreement shall remain unchanged for the term of the extension, except as modified below.

1. There will be no general salary adjustments during the term of the extension.
2. In consideration of the Long Beach Lifeguards Association's willingness to help address the City's financial challenges by agreeing to no general salary adjustments over a two-year period, the City will not unilaterally impose furloughs during Fiscal Year 2010, unless there is an occurrence resulting in a \$5 million or more loss of the Tidelands Fund revenues or uncontrollable Tidelands Fund expenditures of \$5 million or more when compared to the Fiscal Year 2010 Adopted Budget. Any increase in discretionary revenue or available alternative funding sources will be taken into consideration prior to implementation of a furlough.

If based on the financial situation it is determined that furloughs will be necessary in accordance with this section, the City will provide notice in writing to the LBLGA to include detailed financial information documenting the need to implement furloughs. This will initiate a 30-calendar day meeting period where the parties will meet to explore compensation and benefit related savings as alternatives to furloughs.

The City agrees that if it becomes necessary to implement furloughs during Fiscal Year 2010 any salary or equity adjustments that other Associations have received since October 1, 2008, or will receive during Fiscal Year 2010, will be taken into consideration when determining the extent of the furlough and associated compensation losses for the Long Beach Lifeguards Association members.

3. In the event that the City and another Miscellaneous Association agree to modify the parameters for the financial occurrence identified in No. 2 of this agreement to parameters more beneficial to the LBLGA, then the more beneficial parameters shall also apply to the LBLGA and will supersede the parameters currently identified in No. 2 of this agreement.
4. Management agrees to study potential cost efficiencies and operational improvements that could result from assigning limited Peace Officer status

for Marine Safety Officers and Captains when carrying out their duties, as is currently provided to Marine Safety Sergeants.

5. To help incentivize early retirement and mitigate potential layoffs in Fiscal Year 2010, the City agrees to provide any permanent member of the LBLGA who retires on or before December 31, 2009 and who is in a classification subject to layoff, an amount equivalent to 288 hours of sick leave (three years of sick leave accrual) to be used for post-retirement health insurance coverage.
6. The City and the LBLGA agree that during the term of the extension, either party may request a reopener with 30 days notice to discuss possible changes to pension plans. The outcome of the reopener must be mutually agreeable.

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 LIFEGUARDS ASSOCIATION:

Shawn Parker
Long Beach Lifeguards Association

Dirk Crawford
Long Beach Lifeguards Association

Louis Martinet
Long Beach Lifeguards Association

Derek Pakiz
Long Beach Lifeguards Association

Donald Johnson
Long Beach Lifeguards Association

FOR THE CITY OF LONG BEACH:

Patrick H. West, City Manager

Suzanne R. Mason
Director of Human Resources

Ken Walker
Manager, Personnel Operations

Jeffrey Reeb
Deputy Fire Chief

Paul Wawrzynski
Marine Safety Chief

Stephanie Kemp
Personnel Analyst III

Grace Yoon
Administrative Analyst III

APPROVED AS TO FORM:

Robert E. Shannon, City Attorney