



## Legislation Text

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**File #:** 17-0862, **Version:** 1

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Recommendation to adopt resolution approving the 2015-2019 Memorandum of Understanding with the Long Beach Association of Engineering Employees. (Citywide)

In accordance with instructions from the City Council, a Memorandum of Understanding (MOU) agreement has been reached with the Long Beach Association of Engineering Employees (LBAEE). The LBAEE represents approximately 311 employees in job classes such as Civil Engineer, Construction Inspector, Combination Building Inspector, and Plan Checker.

Since November 2015, City management and LBAEE representatives have held 30 negotiation sessions along with numerous joint salary survey meetings regarding their MOU, which expired September 30, 2015. A tentative agreement has now been reached and jointly signed by representatives of the City and LBAEE.

The proposed compensation provisions are consistent with recent agreements reached with the International Association of Machinists and Aerospace Workers (IAM) and the other miscellaneous bargaining units. The proposed MOU includes 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 July 1, 2018

2. One-Time Lump Sum Payment - 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. 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.

4. Recruitment and Retention Study- Joint study of recruitment and retention issues within the LBAEE. The study will be presented to the City Manager, General Manager of the Water Department, and the Executive Director of the Harbor Department. Upon receiving the study, each appointing authority may conduct a Labor/Management Committee to address the results.

5. Floor Warden Skill Pay - Effective the first full pay period after City Council ratification, the Floor Warden Skill pay will be eliminated.
6. International Code Council (ICC) Skill Pay - Effective the first full pay period after City Council ratification, extend the ICC Skill Pay to the eligible Permit Technician and Permit Center Supervisor classifications for employees that receive ICC certificates that are not part of the minimum requirements for the classifications.
7. Specialty Pays - Effective the first full pay period after City Council ratification, increase the LBAEE Bilingual Pay rate from \$0.60 to \$0.70 which is the same as other miscellaneous units. Increase the Higher Class Pay rate from \$0.80 to \$1.60.
8. Overtime - During the term of the MOU, the LBAEE agrees to meet and confer over changes to City overtime policies, ordinances and resolutions.
9. 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, LBAEE agreed to work through the Health Insurance Advisory Committee (HIAC) to manage employee benefit costs increases.
10. Life Insurance Coverage - Employees will have the ability to purchase increased term life insurance coverage at their own expense based on conditions established by the City's group life insurance carrier.
11. Represented Time-off - 350 hours and cannot carry over hours.

This matter was reviewed by Principal Deputy City Attorney Gary J. Anderson on September 18, 2017 and by Assistant Finance Director Lea Eriksen on September 15, 2017.

City Council action is requested on October 3, 2017, to ensure timely implementation of the MOU provisions.

This agreement has a total estimated annual net fiscal impact of \$291,000 in the General Fund (GF) and \$2.6 million across All Funds once completely implemented in FY 19. The FY 17 portion of the cost is \$100,000 in the General Fund (GF) and \$887,000 across All Funds. In addition, in FY 17, there are one-time costs estimated at \$113,000 in the General Fund (GF) and \$1 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 or mid-year budget adjustment processes. There is no local job impact associated with this recommendation.

Approve recommendation.

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ALEJANDRA BASQUEZ  
DIRECTOR OF HUMAN RESOURCES

APPROVED:

PATRICK H. WEST  
CITY MANAGER