

September 7, 2005

Honorable Mayor and Members of
The Hermosa Beach City Council

City Council Meeting of
September 13, 2005

**Resolution Approving Memorandum of Understanding Between the City and the
Hermosa Beach Management Association.**

Recommendation:

It is recommended that the City Council adopt the attached resolution approving the Memorandum of Understanding between the City and the Hermosa Beach Management Association.

Background:

The City Council directed staff to meet and confer with representatives of this employee group to discuss wages, hours, and working conditions contained in the Memorandum of Understanding that expired on June 30, 2005. The parties have reached a tentative agreement on the terms described below. The members of the employee group met and have approved the tentative agreement.

The negotiated changes include:

1. Term of the agreement is to be July 1, 2005 through June 30, 2008.
2. Salary increases of:
 - 4% effective July 1, 2005
 - 4% effective July 1, 2006
 - 4% effective July 1, 2007

Language has also been changed to correct typographical errors and correct previously negotiated changes that had not been included.

The fiscal impact of these changes for the first year of the agreement is \$44,560. Funding for this has been included in Prospective Expenditures account of the 2005-2006 Budget.

Respectfully submitted:

Michael Earl
Personnel & Risk Management Director

Stephen Burrell
City Manager

RESOLUTION NO. 05-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, TO ADOPT A MEMORANDUM OF UNDERSTANDING WITH THE HERMOSA BEACH MANAGEMENT EMPLOYEES' BARGAINING UNIT.

WHEREAS, employees of the City of Hermosa Beach, California represented by the Hermosa Beach Management Employees' Bargaining Unit, have elected to meet and confer with the City of Hermosa Beach on matters concerning wages, hours, and working conditions; and,

WHEREAS, the above personnel have selected certain individuals to represent them; and

WHEREAS, Employee and Management representatives have jointly negotiated a Memorandum of Understanding which has been ratified by a majority vote of the members of the Hermosa Beach Management Employees' Bargaining Unit; and

WHEREAS, the Employee and Management representatives have mutually agreed to recommend that the City Council adopt this Memorandum of Understanding.

NOW, THEREFORE, the City Council of the City of Hermosa Beach resolves to enter into a Memorandum of Understanding to be effective for the period of July 1, 2005 through and including June 30, 2008.

BE IT FURTHER RESOLVED, that the City Clerk shall certify to the passage and adoption of this resolution; shall cause the same to be entered among the original resolutions of said City; and shall make a minute of the passage and adoption thereof in the records of the proceedings of the City Council of said City in the minutes of the meeting at which time same is passed and adopted.

PASSED, APPROVED AND ADOPTED THIS _____ DAY OF SEPTEMBER, 2005

PRESIDENT of the City Council and MAYOR of the City of Hermosa Beach, California

ATTEST:

APPROVED AS TO FORM:

City Clerk

City Attorney

MEMORANDUM OF UNDERSTANDING

BETWEEN

CITY OF HERMOSA BEACH

AND

MANAGEMENT EMPLOYEES

JULY 1, 2005 - JUNE 30, 2008

**SALARY, BENEFITS AND OTHER CONDITIONS OF EMPLOYMENT FOR
MANAGEMENT EMPLOYEES**

MANAGEMENT EMPLOYEES COMPENSATION PROVISIONS FOR THE PERIOD
COMMENCING JULY 1, 2003 THROUGH JUNE 30, 2005

ARTICLE 1 – PREAMBLE

The provisions of this Agreement have been developed in the interest of promoting and improving employee relations between the City of Hermosa Beach, California and Management Employees who are represented by the Hermosa Beach Management Employees' Association.

ARTICLE 2 – COMPENSATION

- A. The City agrees to hire and appropriately compensate capable management personnel. They will be professional, adequately trained, meet standards required for such positions, and the Council reaffirms that compensation will include such items as salary, contribution for P.E.R.S., vehicle, deferred compensation, cafeteria-style options of compensation, merit and retirement.
- B. Effective July 1, 2005 the base monthly salaries of the management positions shall be as follows:

Personnel & Risk Management Dir.	7024	7376	7746	8132
Community Resources Director	7710	8090	8498	8923
Community Development Director	8203	8612	9042	9495
Finance Director	8203	8612	9042	9495
Public Works Director	8632	9063	9516	9993
Fire Chief	8632	9067	9519	9995
Police Chief	9071	9524	10001	10502

- C. Effective July 1, 2006, salaries will be increased 4%
- D. Effective July 1, 2007 salaries will be increased 4%

ARTICLE 3 – EDUCATIONAL ALLOWANCE

- A. For employees hired prior to July 1, 1995:
1. An employee who has entered upon a program of education at an accredited university or college, which program has been previously approved by the City Manager prior to October 1, 1995 shall be entitled to a vocational allowance in an amount equal to sixty-six percent (66%) of the tuition actually paid by such employee, which tuition was paid after written approval as aforesaid, and which sums shall be paid by the City within thirty days after submission of proof of payment of said tuition by the employee in accordance with the terms of this paragraph.
 2. Effective October 1, 1995 an employee who enrolls in a program of education at an accredited university or college, which program has previously been approved by the City Manager, shall be entitled to reimbursement for course fees, books, materials and tuition an amount equal to sixty-six percent (66%) of amount incurred. Said reimbursement for tuition shall not exceed 66% of the tuition charged for attendance at a college within the California State University (CSU) system.
- b. There shall be no Educational Allowance for employees hired after July 1, 1995.

ARTICLE 4 – MANAGEMENT PERFORMANCE BONUS PROGRAM

- A. Employees covered by this Resolution shall be eligible to receive a Management Bonus award annually. Said bonus award shall be in an amount determined by the City Manager, not to exceed 10% of salary.
- B. Bonuses are to be awarded in November of each year.
- C. Program Criterion:

Performance is evaluated in an annual meeting with each management employee to determine amount of bonus.

The accomplishments of each department are considered.

Professional relationships between the management employee and the public, City Council, city commissions, departmental staff, other management personnel, and the City Manager are considered.

Tenure as a management employee is considered.

Citywide goals and objectives are established annually by the City Council as part of the budget process and each management employee establishes independent goals for their department in order to meet these broad objectives. Progress towards meeting these objectives is considered.

Response to and ability to resolve problems as they arise are factors in determining annual bonuses.

ARTICLE 5 – DEFERRED COMPENSATION

- A. Each employee, individually, may elect to participate in any deferred compensation plan offered by the City.
- B. The City will contribute a maximum of \$8,000 per calendar year for management employees participating in one of the deferred compensation programs.

ARTICLE 6 – ADDITIONAL COMPENSATION

Should responsibilities of a position change significantly, the compensation for the classification shall be established following completion of an appropriate salary survey. Said salary shall be commensurate with the new responsibilities.

ARTICLE 7 – ASSISTANT CITY MANAGER PREMIUM PAY

- A. Management employees may be designated by the City Manager as Assistant City Manager for the purpose of special or general assignments. Such designation shall be mutually agreed to by the City Manager and the Department Director(s). Assignments may be daily, weekly or monthly and shall be paid as a per diem base premium of 5 to 20 percent, said amount to be mutually determined at time of designation.
- B. An individual so assigned shall report directly to the City Manager and shall operate within specified written goals and objectives.
- C. Said appointment shall terminate at the pleasure of either party with thirty days written notification.

ARTICLE 8 – VACATION

- A. Upon employment, Management employees shall accrue vacation at the following rates:
1. 114 hours per year through four (4) years of service;
 2. 138 hours per year, five (5) years through (9) years of service;
 3. 178 hours per year, ten (10) years or more of service.
- B. Further, the employee may be paid cash in lieu of unused vacation in excess of two weeks (80 hours) vacation at any time.
- C. Vacation may be accrued up to a thirty (30) month accrual level, with an automatic cash-out of hours in excess of that amount. Employees with a current, as of May 1, 1994, accrual balance in excess of that amount shall have that amount established as their maximum accrual until such time as their accrual is diminished to a thirty (30) month accrual level.
- D. Employees shall be reimbursed for 100% unused vacation days accrued upon resignation, retirement or imposed termination from their employment with the City.

ARTICLE 9 – MANAGEMENT LEAVE

Employees shall be allowed eighty (80) hours of additional leave each calendar year in addition to flex time for extraordinary assignments, fixed holidays, vacation, and Bereavement Leave. Management Leave does not accumulate or carry over; it must be used each year. Said Management Leave shall have no monetary value and shall be prorated for partial year's service.

ARTICLE 10 – HOLIDAYS

Holidays shall be consistent with those provided to employees governed by the Administrative Employees Bargaining unit.

ARTICLE 11 – SICK LEAVE

- A. Basis of Sick Leave
1. Accrual shall be at six (6) hours per month until a balance of 176 hours is achieved. Accrual shall be eight (8) hours per month once a balance of 176 hours is achieved. After 176 hours accrued, member may cash in the excess annually at 100% rate. Maximum accrual will be 500 hours. Any excess will be automatically cashed in at 100% rate. This to be paid with the first paycheck of December each year.

B. Use of Sick Leave

1. Sick Leave shall be used only in case of sickness or disability of the employee or for family Sick Leave. Misuse of Sick Leave shall be grounds for disciplinary action.

C. Family Sick Leave

1. In case of serious illness of a member of the immediate family, the employee may utilize Sick Leave.
2. Immediate family for the purpose of this Section shall be defined as; spouse, mother, mother-in-law, father, father-in-law, sister, brother, child, stepchild, guardian, stepfather, stepmother, grandparents, or grandchildren.

- D. Employees covered by this Agreement shall, upon resignation, retirement, or imposed termination from their employment with the City be reimbursed for 100% of unused sick days accrued at their current rate.

ARTICLE 12 – BEREAVEMENT LEAVE

Each employee covered by this Agreement shall receive a maximum of three (3) shifts per calendar year to be utilized for Bereavement Leave because of a death in their immediate family (as defined in #2 above). Said time will not be cumulative from one twelve month period to another nor will pay in lieu of unused leave be provided.

ARTICLE 13 – RETIREMENT

The City shall pay the employees full retirement share of P.E.R.S. Effective January 1, 2001, the City will provide the 3% at 50 retirement formula for the Police Chief, the 3% at 55 retirement formula for the Fire Chief and the 2% @ 55 for all other management classifications.

ARTICLE 14 – VEHICLE ALLOWANCE

Effective July 1, 1995 (effective October 1, 1995 for Police Chief) Management employees shall receive a vehicle allowance in the amount of three hundred and fifty dollars (\$350.00) per month. The Police and Fire Chiefs each have the option of having a city-owned vehicle assigned to them for their use in lieu of receiving the monthly allowance stated above.

ARTICLE 15 – UNIFORM ALLOWANCE

The Police Chief and Fire Chief shall be compensated the same uniform allowance as the next subordinate rank in their respective Department.

ARTICLE 16 – INSURANCE

- A. The City will have full responsibility for all Health and Welfare programs enacted and/or in force as of July 1, 1989. Current Health, Dental, Long Term Disability, Life Insurance, Vision Program, Mental health, or their equivalent to remain in force.
- B. The City will pay for employees' Long Term Disability, Life Insurance, and full family coverage of dental and vision care.
- C. Each employee shall receive the amount of four hundred and fifty (\$450.00) per month for the purchase of medical insurance.
- D. Any portion of the City's premiums for the full coverage plan which includes the employee and dependents, or a stated cash amount, plus family where applicable, that is unused will be included as a cash payment for each of the twenty-four pay periods during the year.
- E. An employee utilizing the Long Term Disability Plan shall not accrue vacation, Sick Leave, holiday pay and allowances after the 90th day of disability.

ARTICLE 17 – LIFE INSURANCE

City shall provide term life insurance for all employees covered by this Agreement in an amount equal to twice the individual's annual salary.

ARTICLE 18 – CONTINUATION OF MEDICAL PREMIUM UPON RETIREMENT

Employees shall be eligible, upon retirement from the City, for a Medical Premium Supplement. Said supplement shall be in the following amount:

- 1. For retirement at age fifty-five (55) with a minimum of ten (10) years continuous service with the City, a sixty dollar (\$60.00) per month (or cost of policy, whichever is less) insurance supplement.
- 2. For retirement with a minimum of twenty (20) years continuous service the City shall pay the cost of the retiree's health insurance for the employee only effective July 1, 1999.

3. Said supplement shall commence with the first month following the employee's retirement in which the employee is responsible for payment of the insurance premium.
4. In order to be eligible for medical supplemental payments, an employee must either remain on a medical insurance plan offered by the City or provide proof of coverage on a self-procured medical insurance plan.
5. Any payments made by the City shall be made directly to a medical insurance provider. In no case will payments be made directly to an individual.
6. Any employee receiving a benefit under this section agrees to apply for, and enroll in, any Federal and/or State medical insurance plan (e.g. MediCare, Medicaid) for which they become eligible.

ARTICLE 19 – ANNUAL PHYSICAL EXAMINATION

- A. All employees covered by this Agreement shall be provided with a complete physical medical examination at the doctor or Medical Facility of the City's choice, or have the option of utilizing Daniel Freeman Hospital, Center for Heart and Health at the City's expense.
- B. The annual examination is to include at least the following: review of medical history; urinalysis; VDRL; x-rays, (chest PA, lumbar spine and cervical); blood groupings; EKG; lipid analysis CBC panel 17, thyroid function, pap smear, or prostate exam as appropriate, blood test and mammogram.
- C. Employees who choose to have a physical exam from their primary physician may use the funds allocated for additional health screening services, or the exam itself if not covered under their health insurance plan.

ARTICLE 20 – LIABILITY INSURANCE

Except as provided in Government Code Section 995.2, CITY shall provide a defense including but not limited to legal counsel in: a) any civil action or proceeding described in Govt. Code Section 995; b) any administrative action or proceeding described in Section 995.6; or any criminal action or proceeding described in Govt. Code Section 995.8. "Proceeding" as used in this section is applicable to situations where a claim or action is threatened, but not filed, if a reasonable, prudent person would consult or retain counsel in response to the possibility of actual civil, administrative, or criminal action. If CITY pays for a defense, but a court or tribunal issues a final ruling that would, under Section 995.2, preclude CITY payments for defense, employee shall immediately reimburse CITY, and if he/she fails to do so, CITY may offset any such amounts against compensation otherwise due employee under this Agreement.

ARTICLE 21 – JURY DUTY

The City will provide paid jury duty leave in accordance with Administrative Policy P15.

ARTICLE 22 – MILITARY LEAVE

All employees covered by this Agreement shall be entitled to Military Leave as afforded by Federal and State law but shall not receive any base salary pay while on such Leave.

ARTICLE 23 – ORGANIZATIONAL DEVELOPMENT AND MANAGEMENT TRAINING

\$3,500.00 shall be budgeted each year for group training purposes. A committee comprised of the City Manager and two management employees shall select and schedule training programs for participation of employees covered by this Agreement.

ARTICLE 24 – CIVIL SERVICE STATUS

Employees hired prior to November, 1995 shall retain their status as civil service employees.

ARTICLE 25 – GRIEVANCE PROCEDURE

- A. This grievance procedure shall be used to resolve disputes arising from any allegation by management employees that the City has violated the terms of this Resolution.
- B. The complaint shall be presented in writing to the City Manager. The City Manager shall have five (5) working days of receipt of the complaint to resolve the issue or respond to it in writing stating the reasons for the failure to resolve it. This exhausts all administrative remedies.

ARTICLE 26 – NON-DISCRIMINATION, EQUAL OPPORTUNITY, AFFIRMATIVE ACTION

- A. The City and its Management Employees agree that both parties have a crucial role in the development and implementation of equal employment opportunities. Both parties mutually accept responsibility for carrying out these provisions.
- B. The parties agree to cooperate actively and positively in supporting the concept for all employees and to seek and achieve the highest potential and productivity in employment situations. The City and its Management Employees agree to provide encouragement, assistance, and appropriate training opportunities so that all employees may utilize their abilities to the fullest extent.

IN WITNESS WHEREOF, the parties hereto cause this Agreement to be executed the _____ day of _____, 2005.

HERMOSA BEACH MANAGEMENT GROUP

CITY OF HERMOSA BEACH

Viki Copeland, Finance Director

Stephen Burrell, City Manager

Russell Tingley, Fire Chief

Michael Lavin, Police Chief

Sol Blumenfeld, Community Development Director

Lisa Lynn, Community Resources Director

Richard Morgan, Public Works Director

Michael Earl, Personnel & Risk Management Director