

November 3, 2005

Honorable Mayor and Members of
The Hermosa Beach City Council

City Council Meeting of
November 8, 2005

**Resolution Establishing Wages, Hours, and Working Conditions Governing
Employees Represented by the General & Supervisory Employees' Association,
Teamsters Local 911.**

Recommendation:

It is recommended that the City Council adopt the attached resolution establishing the wages, hours and working conditions for employees represented by the General and Supervisory Employees Association, Teamsters Local 911 effective November 1, 2005 through June 30, 2006.

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, 2003. The parties began meeting in May of this year and have held approximately eight sessions with representatives from the association. When it became apparent that the parties were not making significant progress towards reaching an agreement, the parties declared impasse. Staff contacted the State of California Mediation and Conciliation Service to obtain the services of a mediator in accordance with the City's Employer-Employee Relations Resolution. The parties participated in mediation on September 7, 2005 however, were still unable to reach an agreement. The matter is now submitted to the City Council for final action as outlined in the Employer-Employee Relations resolution.

In the final proposals submitted by both parties, the respective positions were considerably far apart. The proposal submitted by the employee association, generally, included a proposal for improvements to the employees' retirement benefits and a list of ten other items. Staff has estimated that, in addition to the retirement benefit improvements which the employees proposed to fund from their salaries, the cost of their proposal was approximately equal to a 23% increase over a three year period. The City's final proposal included a total compensation package valued at 4% per year for a three year period. This included base wage increases, a proposed drug and alcohol testing policy, language changes regarding the scheduling of non-sworn personnel in the Police Department, and increases to the amounts paid by the City towards retiree medical insurance benefits.

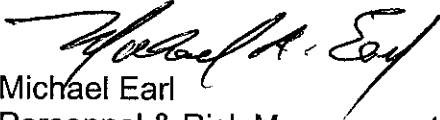
An issue of significant importance to the Association was making improvements to the retirement benefits. This was included in their final proposal for a multi-year agreement. This morning the Association provided a new proposal that does not include changes to the retirement benefits. However, the latest proposal is only for one year and is still beyond the authority provided. The cost for the most recent proposal is 5.7%. Copies of both final proposals submitted by the Association are attached for review and information.

Also attached is a copy of the City's final proposal. It is recommended that the City Council adopt the attached resolution implementing the wages, hours and working conditions consistent with the City's


final proposal to be effective November 1, 2005 through June 30, 2006 and as detailed in Exhibit A of the resolution. This recommendation would implement the first year of the City's final proposal.

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



Viki Copeland
Finance Director

RESOLUTION NO. 05-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, ESTABLISHING WAGES, HOURS, AND WORKING CONDITIONS GOVERNING EMPLOYEES REPRESENTED BY THE GENERAL AND SUPERVISORY EMPLOYEES ASSOCIATION, TEAMSTERS LOCAL 911.

WHEREAS, the City of Hermosa Beach and the Hermosa Beach General & Supervisory Employees' Bargaining Unit have periodically entered into a Memoranda of Understanding concerning wages, hours, and working conditions pursuant to the laws of the State of California; and,

WHEREAS, the most recent memorandum of understanding between the City and the General and Supervisory Employees Association expired on June 30, 2005; and

WHEREAS, City and the Association commenced good faith negotiations beginning in May 2005 for the purposes of developing a new memorandum of understanding; and

WHEREAS, an impasse was reached in these negotiations on or about August 15, 2005; and

WHEREAS, the City and the Association participated in mediation on September 7, 2005 in a good faith attempt to achieve a mutually agreeable memorandum of understanding; and

WHEREAS, mediation did not result in agreement on a successor memorandum of understanding.

NOW, THEREFORE, the City Council of the City of Hermosa Beach does hereby declare its intent to implement the wages, hours, and working conditions for employees represented by the General and Supervisory Employees' Association, said implementation to be effective November 1, 2005 through June 30, 2006 and as to be shown in Exhibit A attached.

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

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

ATTEST:

APPROVED AS TO FORM:

City Clerk

City Attorney

EXHIBIT "A"

General & Supervisory Employees' Association

#1 Term – Effective November 1, 2005 through 6/30/06

#2 Amend Article 29,A.,1.,a to read as follows:

Police Department personnel assigned to the field operations of the Community Services Division shall be scheduled on a rotating four-month basis with shift starting dates of January 16th, May 16th, and September 16th. Shifts will be assigned on the basis of seniority. The Department will make a reasonable attempt to post the schedule thirty (30) days prior to the effective date of the rotation.

Delete item c.

#3 Amend Article 29, B., 2 to read as follows:

Changes of shifts shall occur three (3) times per year in the months of January, June, and September. The Department will make a reasonable attempt to post the schedule thirty (30) days prior to the effective date of the rotation.

#4 Wages: 3.3% Base salary increase effective November 1, 2005.

#5 A drug and alcohol testing policy as contained in the City's Proposal of August 4, 2005.

#6 For those who retiree after July 1, 2005, the amounts paid towards retiree medical insurance premiums shall be increased to the following amounts:

Age 55 with 10 years of service - \$150 per month

Age 55 with 20 years of service - \$250 per month

Sent via e mail to mearl@hermosabch.org

August 26, 2005

Michael Earl
Personnel & risk Management Director
City of Hermosa Beach
1315 Valley Drive
Hermosa Beach, California 90254-3885

Dear Michael:

This is to confirm receipt of your email letter and attachments and also to confirm that the parties have reached an impasse as a result of negotiations. I also understand that you have, pursuant to the impasse procedures contacted the State Mediation and Conciliation Service to request the services of a mediator.

The proposal of the General and Supervisory Employees' Bargaining Unit, dated August 15, 2005, outlines the final position of the Unit with regard to issues that they feel are essential to a new memorandum of understanding (see above). I have also included the initial proposal which references the language for Article 23, 29, 43, section G, and 47, which are specifically referenced in our proposal of August 15, 2005.

We are close to agreement to the drug and alcohol policy, pending agreement on the other outstanding issues.

Sincerely,

William W. Davis
Business Representative & Legal Counsel
Teamsters Local 911

**CITY OF HERMOSA BEACH
General and Supervisory Employees' Bargaining Unit
Proposal of August 15, 2005**

ARTICLE 59-TERM OF AGREEMENT

Term: Three Years-July 1, 2005 through June 30, 2007

ARTICLE 31-WAGE RATE

Wages:

5% Base Salary Increase effective July 1, 2005

4% Base Salary Increase effective July 1, 2006

3% Base Salary Increase effective July 1, 2007

**ARTICLE 27-HOURS AND OVERTIME, add new section
G., to read as follows:**

Every employee who completes their regular work shift and is mandated to work overtime following that shift, shall receive a minimum of 15 minutes of overtime pay at one and one-half times their base salary.

**ARTICLE 34-REPORT PAY AND COURT PAY, amend
C. to read as follows: It is further agreed that all employees subpoenaed to court while on an off duty status shall receive a minimum of three (3) hours pay/accrued Compensatory time or time and one-half (1/2) for on-call, or actual hours spent in court, whichever is greater.**

**ARTICLE 39-PUBLIC WORKS STANDBY PAY, section
A.2., amend to read as follows:**

Standby Duty shall be assigned to one employee for a period of seven (7) calendar days at the rate of two hundred dollars (\$200.00) per week.

ARTICLE 43-SICK LEAVE, Section D, amend as follows:

Employees shall accrue sick leave at the rate of eight (8) hours per month for all hours where their accumulated sick leave balance is less than 176 hours.

Employees shall accrue sick leave at the rate of ten (10) hours per month for all hours where their accumulated sick leave balance is more than 176 hours.

ARTICLE 49-RETIREMENT, Section A., amend as follows:

Employees covered by this agreement shall be afforded the miscellaneous retirement plan offered by the Public Employee Retirement System (PERS) 2.5% at 55 years of age, retroactive back to date of hire.

The Teamsters to pay the cost of actuarial study for the cost of this study by PERS (which is understood to equal approximately \$200.00).

As an alternative to the enhanced retirement with Public Employees Retirement System, the City of Hermosa Beach agrees to fund a .7% retirement Enhancement through the Public Agency Retirement Services (PARS) program through either full funding by the City and/or in conjunction with employee contributions. (see attached materials)

ARTICLE 49, Section D.1. and D.2., amend to read as follows:

For service retirement at age fifty-five (55), with a minimum of fifteen years (15) of continuous service with the City, the City will cover the full cost of the medical insurance supplement, per month, and no currently retired employee shall receive a benefit amount less than what they are currently receiving. Any future cost increases will be limited to a maximum annual amount of 2%,

over and above that established as the cost of such medical supplement as of the date of the employee's retirement.

All other terms and conditions of initial proposal, as contained in Articles 23, 29, 43, section G, and 47, to remain in this proposal along with the above.

**CITY OF HERMOSA BEACH
CONTRACT PROPOSALS**

ARTICLE __-OTHER BARGAINING UNITS, add new section as follows:

In the event that the City of Hermosa Beach finalizes an agreement, which includes a more enhanced schedule of wage, salary and working conditions benefits, with any other bargaining unit(s) within the City of Hermosa Beach, the members of the General & Supervisory Employees' Bargaining Unit represented by Teamsters Local 911 shall be given the same enhanced schedule of wage, salary and working conditions benefits as the other bargaining unit(s) within the City.

ARTICLE __-GENERAL STANDY, add new section as follows:

All employees covered by this agreement shall receive either a minimum of four hours paid/accrued compensatory time or time and one-half (1 ½), which ever is greater, for any and all instances where the employee is on a standby status. Such pay received shall be considered as full compensation for said standby status and shall not be considered as hours worked for calculation of FSLA overtime.

ARTICLE 23-DEFERRED COMPENSATION, amend to read as follows:

Each Union member, individually, may elect to participate In the Deferred Compensation Plans established and adopted by the City of Hermosa Beach. The City of Hermosa Beach will contribute 50% in matching funds to any amounts contributed by members of the Union pursuant to the particular Deferred Compensation Plan.

ARTICLE 27-HOURS AND OVERTIME, add new section G., to read as follows:

Every employee who completes their regular work shift and is mandated to work overtime following that shift, shall receive a minimum of four hours (4) overtime at one and one-half (1 ½) times their base salary.

ARTICLE 29-SCHEDULING FOR POLICE DEPARTMENT AND

PUBLIC WORKS, Section A., 1. a., amend to read as follows:

Police Department personnel assigned to the field operations of the Community Services Division on a rotating four-month (4) basis with starting dates of January 16th, May 16th and September 16th. With the exception of the initial start of the schedule, the shifts will be assigned on the basis of seniority, with schedules to be posted no later than thirty days (30) prior to the effective date of the rotation.

ARTICLE 29-SCHEDULING FOR POLICE DEPARTMENT AND PUBLIC WORKS, Section B., 2., add the following sentence:

The shifts shall be assigned on the basis of seniority and the schedule will be posted no later than thirty days (30) prior to the effective date of the rotation.

ARTICLE 31-WAGE RATE, Sections A, B, amend as follows:

Effective July 1, 2005, the current wage rates shall be increased by seven per cent (7%).

Effective July 1, 2006, the then current wage rates will be increased by seven per cent (7%).

ARTICLE 39-PUBLIC WORKS STANDBY PAY, Section A.2., amend to read as follows:

Standby Duty shall be assigned to one employee for a period of seven (7) calendar days at the rate of two hundred and twenty-five dollars (\$225.00) per week.

ARTICLE 43-SICK LEAVE, Section D., amend to read as follows:

Employees shall accrue Sick Leave at the rate of ten (10) hours per month. All employees will be paid for the first day of sickness.

ARTICLE 43-SICK LEAVE, Section G., amend to read as follows:

All employees who terminate, resign, or retire from

their employment with the City of Hermosa Beach shall be paid at one hundred percent (100%) of all sick hours at their current rate upon termination, resignation, or retirement.

ARTICLE 47-HOLIDAYS, Sections A, B and C, amend as follows

Add two additional floating holidays to be utilized by the employee during any year.

ARTICLE 49-RETIREMENT, Section A. amend to read as follows:

Employees covered by this agreement shall be afforded the miscellaneous retirement plan offered by the Public Employee Retirement System (PERS) 2.7% at 55 or 3% at 60, retroactive back to date of hire.

ARTICLE 49-RETIREMENT, Section D.1. amend to read as follows:

For service retirement at age fifty-five (55), with a minimum of ten (10) years of continuous service with the City, a \$150.00 (or cost of policy which ever is less) per month medical insurance supplement.

ARTICLE 49-RETIREMENT, Section D.2. amend to read as follows:

For service retirement at age fifty-five (55) with a minimum of twenty (20) years of continuous service with the City, the City will cover the full cost of the medical insurance supplement per month, and no currently retired employee shall have a benefit amount less than what they are currently receiving.

ARTICLE 59-TERM OF AGREEMENT, amend to read as follows:

This Agreement shall commence July 1, 2005 and continue until midnight June 30, 2007.

August 25, 2005

William Davis
California Teamsters, Local 911
3888 Cherry Avenue
Long Beach, CA 90807

Sent via email to wdavis@teamsters911.com

Dear Bill:

At our meeting of August 15, 2005 it was determined that the City and the General & Supervisory Employees' Association, represented by Teamsters Local 911, had reached an impasse in negotiations for a successor memorandum of understanding for employee wages, hours and working conditions. You had suggested that holding an impasse meeting as detailed in the City's Employer - Employee Relations Resolution would not likely result in any further progress towards agreement on a memorandum of understanding and the parties agreed to exchange written statements by August 26, 2005 and proceed to mediation. As such I have contacted the State Mediation and Conciliation Service to request the services of a mediator. Once the assigned mediator provides available meeting dates I will contact you to schedule a meeting.

At our last meeting, the City proposed a three year agreement that provided for a total compensation package equal to a 4% salary increase per year effective the date ratified by the Association through June 30, 2008. In addition, in response to issues raised during the negotiations, the City agreed to various changes to language in the memorandum of understanding regarding scheduling of Police Department personnel. The City also proposed a comprehensive drug and alcohol policy.

The City's understanding of the unresolved issues centers primarily on the Association's desire to make improvements to the existing retirement benefit formula and the City's unwillingness to agree to any such changes. In addition, the Association's most recent proposal includes a total of twelve itemized requests that, for those items we had assigned a cost, would exceed the equivalent of a 23% salary increase over a three year period. As we said in several of our meetings, the City believes the number of items requested and their associated costs to the City are excessive. Both parties have agreed that further discussions with regard to the proposed drug and alcohol policy would be productive and would likely result in agreement on a mutually acceptable policy.

I have attached another copy of the City's proposal for review and information. Also included is the most recent version of the proposed drug and alcohol policy we have discussed. Should you have any questions regarding this matter, please contact me at (310) 318-0202 or via email at nearl@hermosabch.org.

Sincerely,

Michael A Earl
Personnel and Risk Management Director

CITY OF HERMOSA BEACH
Proposal of 8/4/05
General & Supervisory Employees' Association

- #1 Term – Effective the date ratified by the Association through 6/30/08
- #2 Amend Article 29,A.,1.,a to read as follows:
- Police Department personnel assigned to the field operations of the Community Services Division shall be scheduled on a rotating four-month basis with shift starting dates of January 16th, May 16th, and September 16th. Shifts will be assigned on the basis of seniority. The Department will make a reasonable attempt to post the schedule thirty (30) days prior to the effective date of the rotation.
- Delete item c.
- #3 Amend Article 29, B., 2 to read as follows:
- Changes of shifts shall occur three (3) times per year in the months of January, June, and September. The Department will make a reasonable attempt to post the schedule thirty (30) days prior to the effective date of the rotation.
- #4 Wages: 3.3% Base salary increase effective the date ratified by the Association
- 4% Base salary increase effective 7/1/06
- 4% Base salary increase effective 7/1/07
- #5 The City proposes the attached drug and alcohol policy for all represented classifications.
- #6 For those who retiree after July 1, 2005, the amounts paid towards retiree medical insurance premiums shall be increased to the following amounts:
- Age 55 with 10 years of service - \$150 per month
- Age 55 with 20 years of service - \$250 per month

Mike Earl

From: William W. Davis [wdavis@teamsters911.com]
Sent: Thursday, November 03, 2005 11:06 AM
To: Mike Earl
Subject: November 3, 2005 contract proposal

Michael- the following represents a new contract proposal from the General & Supervisory Unit which does not include any proposal for enhanced retirement.

Teamsters Local 911
General & Supervisory Employees Unit
City of Hermosa Beach
November 3, 2005

TERM: One Year-July 1, 2005 through June 30, 2006

SALARY: Five Per Cent (5%) across the board salary increase, retroactive to July 1, 2005

RETIREMENT: For service retirement at age fifty-five (55) with a minimum of ten (10) years continuous service with the City of Hermosa Beach, a \$150.00 (or cost of policy of policy, whichever is less) per month medical insurance supplement.

For service retirement at age fifty-five (55) with a minimum of twenty (20) years continuous service with the City of Hermosa Beach, a \$250.00 (or cost of policy, whichever is less) per month medical insurance supplement, provided however that no currently retired employee shall have a benefit amount less than they are currently receiving.

ALL OTHER PROVISIONS PREVIOUSLY GIVEN TENTATIVE APPROVAL BY THE PARTIES.

THE ABOVE CONSTITUTES THE ENTIRE PROPOSAL BY THE GENERAL AND SUPERVISORY EMPLOYEES UNIT.

If you have any questions, please do not hesitate to contact me.

Thanks,

William Davis
Business Representative & Legal Counsel
Teamsters Local 911.

11/3/2005