

March 7, 2006

Honorable Mayor and Members of
The Hermosa Beach City Council

City Council Meeting of
March 14, 2006

**Resolution of Impasse Regarding Wages, Hours, and Working Conditions
Governing Employees Represented by the Hermosa Beach Firefighters
Association**

Recommendation:

It is recommended that the City Council take one of the following actions regarding the impasse in negotiations between the City and the Hermosa Beach Firefighters' Association.

1. Take no action by receiving and filing the report.
2. Approve a resolution implementing the City's last proposal effective through June 30, 2006.
3. Provide further direction to staff.

Background:

On November 8, 2005, staff presented reports to the City Council regarding an impasse in negotiations with both the General and Supervisory Employees Association and with the Hermosa Beach Firefighters Association. At that meeting, City Council requested additional information from staff and the associations. Subsequently the City Council provided additional authority and direction to staff thereby breaking the impasse. Staff had additional negotiations with both groups which resulted in agreement on a new memorandum of understanding between the City and the General and Supervisory Employees Association. The new MOU with this group was approved by City Council on February 14, 2006. Staff was unable to reach agreement with the Firefighters Association and the parties are once again at impasse. As provided in the City's Employer-Employee Relations Resolution, the matter is again submitted to City Council for resolution.

Analysis:

Based on the additional authority and direction given by the City Council, management staff presented two final proposals to the Fire Association in an effort to reach agreement with the Association. One proposal is equivalent to a 4% salary increase to be effective the date approved by the City Council through June 30, 2006 (attached as Exhibit "A"). Another proposal was presented for salary and benefit changes equivalent to a 5% salary increase for a period effective November 1, 2005 through June 30, 2008 (attached as Exhibit "B"). Both proposals also included a new drug and alcohol testing policy. The Fire Association responded with two counter-proposals (attached as Exhibit "C"). One proposal was to accept the City's longer term proposal with two changes. First, the Association proposed reducing the period used for calculating overtime pay from the current 28 days to approximately 15 days (one pay period). In addition, they requested two changes to the proposed drug and alcohol testing policy. The Association's second proposal was to accept the City's proposal as presented plus a 3% additional increase in wages over the term of the agreement and the same changes to the drug and alcohol policy.

The position of the Fire Association has remained unchanged with respect to the compensation package they are willing to accept. Both proposals presented are in excess of the 5% per year compensation package authorized by the City Council.

The City Council has three alternatives to consider in resolving the impasse. First, The City Council could take action thereby making no changes to the Association's wages, hours, and working conditions. The City would continue to honor the existing terms and conditions of employment contained in the most recent MOU that expired June 30, 2005. The second option the City Council could take is to implement the proposal presented to the Association effective through June 30, 2006 by adopting the attached resolution. This alternative would provide an increase in wages and benefits equivalent to a 4% salary increase for a period of approximately three months. Lastly, the City Council could provide further direction.

Respectfully submitted:


Michael Earl
Personnel & Risk Management Director


Stephen Burrell
City Manager


Viki Copeland
Finance Director

RESOLUTION NO. 06-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, ESTABLISHING WAGES, HOURS, AND WORKING CONDITIONS GOVERNING EMPLOYEES REPRESENTED BY THE HERMOSA BEACH FIREFIGHTERS ASSOCIATION

WHEREAS, the City of Hermosa Beach and the Hermosa Beach Firefighters Association have periodically entered into 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 Hermosa Beach Firefighters Association expired on June 30, 2005; and

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

WHEREAS, an impasse was reached in these negotiations on or about August 1, 2005; and

WHEREAS, the City and the Association participated in mediation on September 19, 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; and

WHEREAS, the previous impasse was broken and negotiations between the parties resumed; and

WHEREAS, these subsequent negotiations did not result in agreement on a successor memorandum of understanding and again the parties declared impasse.

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 Hermosa Beach Firefighters Association, said implementation to be effective March 14, 2006 through June 30, 2006 and as to be shown in Exhibit A attached.

PASSED, APPROVED AND ADOPTED THIS 14th DAY OF MARCH, 2006

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"

CITY OF HERMOSA BEACH Alternate Proposal of 1/19/06 Firefighters Association

- #1 Term – Effective the date approved by City Council through 6/30/06
- #2 Article 27 – OVERTIME amended to add the following language:
Employees may elect to receive pay or accrue compensatory time as compensation for overtime hours worked.
- #3 The City agrees to provide an education reimbursement benefit to those employees who enroll in academic courses in pursuit of an Associate, Bachelors or Masters degree in a field related to their employment with the City of Hermosa Beach. Employees shall be reimbursed for their course fees, books and tuition in an amount equivalent to those of the California State University as approved by the Personnel Director. An annual fiscal year maximum reimbursement amount will be determined by the Personnel Director using CSU rates. The amount will be determined based on the CSU schedule for attending a Fall semester, one winter session, a Spring semester, and one summer session.
- #4 Salary increases as follows:
Effective date of MOU: 3.25%
- #5 The City proposes to follow the existing language regarding implementation of disciplinary actions following the conclusion of Step I of the Appeal of Discipline procedure contained in the most recent memorandum of understanding.
- #6 The City proposes to implement the Drug and Alcohol Policy distributed to the Association on June 30, 2005.
- #7 Amend Article 42 – RETIREMENT, D and subsection 2 as follows:
D. Employees who retire after the effective date of this memorandum of understanding shall be eligible for a medical insurance premium supplement. Said premium shall be in the following amount:
2. For service at age fifty (50), or disability retirement (no age restriction) with a minimum of twenty (20) years of service with the City of Hermosa Beach said supplement shall be \$350 per month.

EXHIBIT "B"

CITY OF HERMOSA BEACH Proposal of January 19, 2006 Firefighters Association

- #1 Term – Effective 11/1/05 through 6/30/08
- #2 Article 27 – OVERTIME amended to add the following language:
- Employees may elect to receive pay or accrue compensatory time as compensation for overtime hours worked.
- #3 The City agrees to provide an education reimbursement benefit to those employees who enroll in academic courses in pursuit of an Associate, Bachelors or Masters degree in a field related to their employment with the City of Hermosa Beach. Employees shall be reimbursed for their course fees, books and tuition in an amount equivalent to those of the California State University as approved by the Personnel Director. An annual fiscal year maximum reimbursement amount will be determined by the Personnel Director using CSU rates. The amount will be determined based on the CSU schedule for attending a Fall semester, one winter session, a Spring semester, and one summer session.
- #4 Salary increases as follows:
- | | |
|--------------------|-------|
| Effective 11/1/05: | 4.25% |
| Effective 7/1/06: | 5% |
| Effective 7/1/07: | 5% |
- #5 The City proposes to follow the existing language regarding implementation of disciplinary actions following the conclusion of Step I of the Appeal of Discipline procedure contained in the most recent memorandum of understanding.
- #6 The City proposes to implement the Drug and Alcohol Policy distributed to the Association on June 30, 2005.
- #7 Amend Article 42 – RETIREMENT, D and subsection 2 as follows:
- D. Employees who retire after the effective date of this memorandum of understanding shall be eligible for a medical insurance premium supplement. Said premium shall be in the following amount:
2. For service at age fifty (50), or disability retirement (no age restriction) with a minimum of twenty (20) years of service with the City of Hermosa Beach said supplement shall be \$350 per month.

EXHIBIT "C"

Fire Association Proposal of January 19, 2006

I. City Proposal as is, with these two adjustments:

- (1) Reduce overtime calculation to a single pay period.
- (2) Correct drug policy to match miscellaneous employees.

OR

II. City proposal as is, with these two adjustments:

(1) Wages:

7/1/05	5.25%
7/1/06	6%
7/1/07	6%

- (2) Correct drug policy to match miscellaneous employees.