



AGENDA REPORT

Meeting Date: May 20, 2014

Item Number: F-7

To: Honorable Mayor & City Council

From: Don Rhoads, Director of Administrative Services/CFO
Shelley Ovrom, Interim Asst. Director of Administrative Services/Human Resources

Subject: MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF BEVERLY HILLS AND THE SUPERVISORS ASSOCIATION OF BEVERLY HILLS

Attachments:

1. Tracked Changes Memorandum of Understanding (MOU)
2. 2013-2015 Supervisors Association Memorandum of Understanding
3. Fiscal Analysis

RECOMMENDATION

Staff recommends approval of the attached Memorandum of Understanding between the City of Beverly Hills and the Supervisors Association of Beverly Hills.

INTRODUCTION

The Supervisors Association of Beverly Hills represents all members within the supervisory employee unit in the City. The last Memorandum of Understanding (MOU) expired October 5, 2013. Representatives of the Association and the City, having met and conferred in good faith since August of 2013, have agreed to the terms found in the attached MOU. The new agreement has a term of two years from October 6, 2013 to September 30, 2015.

DISCUSSION

Significant changes from the previous MOU are listed below:

1) Term of Agreement

- October 6, 2013 – September 30, 2015

2) Salary

- 10% increase (8% for retirement offset and 2% additional increase) upon City Council approval. 1% additional increase effective 10/4/14.
- Elimination of the total compensation survey.

3) Retirement

- Classic employees (employed by the City on or prior to December 31, 2012, or lateral hires from another PERS agency) pay their 8% member contribution upon City Council approval of the MOU.
- New members (hired on or after January 1, 2013) per the Pension Reform Act pay the statutorily mandated contribution of half the normal cost (6.25%) plus an additional amount (1.75%) as cost sharing, upon City Council approval of the MOU, to get their contribution to 8% so that all employees are paying 8%.
- Elimination of PERS on PERS benefit since employees now pay their own member contribution.

4) Health Insurance

- Cafeteria Plan benefit modified from PERSCare two-party medical plus dental and vision to \$1,873.00 total benefit for 2014 and \$2,000.00 for 2015.
- Prior benefit had a built in escalator based on premium increases. The agreed upon provision requires increases to be negotiated for in the future.
- The amounts agreed upon provide savings over 2013 since the cost of PERSCare went down 35%.
- The parties also agreed to reduce the maximum receipt of cash an employee can receive for opting out of benefits from \$565 to \$475.

5) Bereavement Leave

- Adding "grandchildren" as a relative for which an employee can use the bereavement leave benefit.

6) Furloughs

- The Association agreed that if the City requests to negotiate regarding furloughs, they are obligated to meet and confer during the term of the MOU.

7) Grievance Procedure

- Elimination of the first step – Meeting with the direct supervisor to expedite process.

8) Discipline

- Association agreed that written reprimands cannot be appealed.

In addition to the listed changes, the MOU was modified to reflect current laws, correct titles, and improve the document clarity.

FISCAL IMPACT

In compliance with the Beverly Hills Municipal Code, Article 5 Section 2-5-505: Economic Analysis, a fiscal impact analysis of the proposed memorandum of understanding was conducted by the outside firm, MGO Certified Public Accountants. The attached report found that though there was a calculation discrepancy between the two years of the contract, "the total of salary and benefits allocated over both years was correct."

Over the next two years, this MOU will result in an increase in compensation related costs to the City of \$101,594.



Don Rhoads

Finance Approval



Shelley Ovrom

Approved By