

# **Attachment 2**

Tentative Agreement

**TECHNICAL SERVICE UNIT**

**MEMORANDUM OF UNDERSTANDING**

The Municipal Employees Association of Beverly Hills (hereinafter referred to as "MEA"), a formally recognized employee organization, representing all its members within the Technical Service Unit (hereinafter referred to as "Employees"), and duly authorized representatives of the management of the City of Beverly Hills (hereinafter referred to as "the City"), have met and conferred in good faith, freely exchanging information, opinions and proposals, and have reached the following agreement (hereinafter referred to as "MOU" or "agreement") on matters within the scope of representation. A list of all of the classifications represented by the MEA is attached to this MOU as Exhibit A.

Now, therefore, the parties agree and mutually recommend to the City Council the following for its determination:

1. Integration. This document embodies a written memorandum of the entire understanding and mutual agreement of the parties as required by Government Code Section 3505.1 and supersedes all prior Memoranda of Understanding and verbal agreements between the parties hereto.

It is recognized that there exist now certain past practices or procedures which are in force and effect which affect wages, hours, and working conditions. To that extent, it is agreed that such practices, policies, and procedures shall remain in force and effect during the term of this agreement, unless they are inconsistent with provisions of this MOU, or unless changed by the meet & confer process. This MOU is subject to a determination and implementation by the City Council pursuant to Government Code Section 3505.1.

2. Term. Unless otherwise specified herein, this MOU shall be effective October 6, 2013 ~~September 27, 2008~~ and shall expire on September 30, 2015 ~~October 5, 2013~~.

**1. SALARIES**

Effective June 28, 2014 employees will receive a base salary increase of ten percent (10.0%).

Effective the pay period including October 4, 2014, employees will receive a base salary increase of one percent (1.0%).

**A. ~~Total Compensation Survey~~**

1. Effective Dates Of Salary Increases

On the following effective dates, the City shall implement base salary increases, if applicable, per the terms of the survey described below:

- \_\_\_\_\_ September 25, 2010 \_\_\_\_\_
- \_\_\_\_\_ September 24, 2011 \_\_\_\_\_
- \_\_\_\_\_ September 22, 2012 \_\_\_\_\_

A total compensation study shall be performed by a hired consulting firm, selected and paid for by the City, which shall conduct the survey according to the terms prescribed herein. If the Association does not agree with the results of the study it shall provide the City a written statement that outlines the figures or elements it disputes. The Association's written statement may, at its option, include reports from a consultant selected and paid for by it. Thereafter, the parties will meet and confer in good faith to attempt to resolve those disputed items. If an agreement still cannot be reached, the parties may agree to submit the matter to a mediator to assist them to reach agreement. If no agreement is reached, or if the parties do not elect to use mediation, the disputed issues shall be submitted to an arbitrator for advisory arbitration. The arbitrator's decision shall be a recommendation to the City Manager who shall render a final administrative decision.

2. Survey Cities

The surveyed cities shall include six cities. At least three cities shall be selected by MEA from among the following list: Pasadena, Glendale, Torrance, Burbank, Culver City and Torrance. The remaining three cities shall be selected by MEA from among all cities within Los Angeles and Orange counties. On or about April 1, 2010, MEA will advise the City in writing which six cities it selects.

3. Time When Surveys Will Be Conducted

The surveys will be completed by November 15 of each year and will include total compensation figures which are known to be in effect during the first payroll period after January 1 of the subsequent year. To the extent that the survey is not timely completed, raises will be retroactive to the dates in section 1, above. Whether the survey is or is not timely completed, any compensation increases will be retroactive to the effective dates of the salary increases set forth above.

4. The elements of total compensation will include:

- 1) Monthly Base Salary (top step or top of salary range, whichever is applicable) for each classification's salary range;
- 2) The value of the City paid employee (i.e., member) contributions to CalPERS;
- 3) The value of the "PERS on PERS" benefit (see Article 20, Section F below). For survey purposes, for those agencies which provide PERS on PERS (including Beverly Hills) there shall be a reflected value of 1.4% of top step base salary for

year three of this agreement (2010 survey) and 1.733 % for the last two years of this agreement;

- 4) The value of the average health insurance plan of all bargaining unit members. To determine the survey agencies' values, the survey will use each agency's plans (including cafeteria dollars offered to employees at the other agencies) with the MEA employees' demographics at the time the survey is conducted;
- 5) Maximum City Paid Dental Insurance (family plan);
- 6) Maximum City Paid Vision (family plan);

(NOTE: For Beverly Hills health (#4), dental (#5) and vision (#6) insurance shall be calculated using the average cafeteria plan contribution per employee. The same shall be true for any other survey city that employs a cafeteria plan that is designed to cover the same elements of insurance coverage.)

- 7) Maximum City Contribution towards Long Term Disability Insurance;
- 8) Maximum City provided Life Insurance, valued at 21 cents per \$1,000 of coverage;
- 9) Maximum City contribution to deferred compensation;
- 10) Longevity Pay according to the amount that would be received by an employee with 15 completed years of service or the City's average longevity pay for all members of the survey agency bargaining unit whatever is higher;
- 11) The dollar value of the maximum vacation leave provided to an employee in the unit;
- 12) The dollar value of the maximum holiday pay provided to an employee in the unit; and
- 13) Average City Paid Education, Certification and Bonus Pays

##### 5. Calculation of the formula

In the first and second years of this contract, there are no salary increases and no surveys will be conducted.

In the third year of this contract (effective September 25, 2010), the City agrees to implement a base salary increase of whatever amount is necessary to bring each benchmarked classification in the unit which is below the 62.5 percentile in total compensation to the 62.5 percentile. Each non-benchmarked classification will receive an increase (if applicable) based upon its relationship to benchmarked classifications.

In years four (September 24, 2011), and five (September 22, 2012), of this contract the City agrees to implement a base salary increase of whatever amount is necessary to bring each benchmarked classification in the unit which is below the 75<sup>th</sup> percentile in total compensation to the 75<sup>th</sup> percentile. Each non-benchmarked classification will receive an increase (if applicable) based upon its relationship to benchmarked classifications.

(NOTE: The 62.5 and 75<sup>th</sup> percentiles are calculated by using an excel spreadsheet. The array of total compensation numbers for each classification (either the benchmarks or the other classifications whose compensation is determined by internal relationships to the benchmarks)

~~are calculated and placed on an excel spreadsheet. The following formula is then run: “=percentile(A1:A6,0.62.5)” for the 62.5 percentile and “=percentile(A1:A6,0.75)” for the 75<sup>th</sup> percentile. A1 through A6 stands for the six survey agencies.)~~

~~The parties agree that prior to any surveys being completed herein, they must reach mutual agreement on: (1) the identity of the benchmark classifications; (2) the classifications that are comparable to the benchmark classifications from each of the surveyed jurisdictions; (3) internal relationship of non benchmark classifications to benchmark classes or other internal factors; and (4) a satisfactory means to address classifications for which there is no adequate applicable market data. If no agreement is reached, the parties will submit the matter to the process described in A1 above.~~

## 2. APPOINTMENT AND ADVANCEMENT

### A. Movement Through Range

The City Manager may make appointments to or advancements within the prescribed ranges of specific positions upon evaluation of employee qualifications and performance. Normally, employees shall be appointed to the first step and shall be eligible to be advanced through the five (5) basic steps in their allocated schedules as follows:

#### 1. Probationary Employment

The probationary period for all positions in the bargaining unit shall be one year. After six (6) months of satisfactory service, a probationary employee appointed at Step I shall receive a salary step increase to Step II of the prescribed schedule. In addition, after six months of service as well probationary employees shall as be eligible to use all accrued leave benefits. Step increases will be provided to employees as follows: I step to II step at 6 months of satisfactory service (which could be longer than 6 months)

~~II step to III step — 12 months after moving to II step~~

~~III step to IV step — 12 months after moving to III step~~

~~IV step to V step — 12 months after moving to IV step~~

A Department Head has the right to extend an employee’s probationary period for two reasons: 1) the employee has missed at least 15 work days during his/her probationary period; or 2) based on an employee’s work performance, the Department Head wants more time to determine whether the employee will be passed off probation. If the reason for the extension is days missed from work during probation, the probationary period will be extended by the number of workdays the employee has missed (for any reason), excluding approved vacation leaves during his/her probationary period. If the reason for the extension is work performance, the probationary period cannot be extended by more than an additional six (6) months. In all cases, the City will inform a probationary employee in writing that his or her probation has been extended prior to any extension and will inform such employee of the new date upon which his or her probationary period will end.

Probationary employees appointed to a step other than the first, shall not be eligible to receive a step increase at the six month mark as described above, but rather on their anniversary date (i.e., the date they pass probation which shall become the date used to determine eligibility for future step increases.)

## 2. Permanent Employee Advancement

Unless otherwise provided, every permanent employee (i.e., employees who have successfully completed their probationary period) shall receive step advancements in the following manner:

- a. Employees shall be eligible for advancement to Steps II through V twelve (12) months after receiving their prior step, upon receipt of an evaluation with an overall rating of satisfactory or better. Each year on his or her anniversary date in the position, an employee shall be eligible for salary step increases for Steps III-V, provided, however, an employee whose evaluation is timely given (i.e., within one calendar week of the employee's anniversary date) and whose overall performance is less than "meets standards", may have his or her merit increase withheld or delayed. ~~The salary step increase will be effective on the first day of the pay period that begins after his or her anniversary date falls.~~
- b. Such an increase is recommended by the employee's supervisor and the Appointing Authority (as defined throughout this MOU as each employee's Department Head or designee), and is approved by the Assistant Director of Administrative Services/Human Resources.

## **B. Application Of Salary Steps To Reclassifications And Promotions**

1. When all positions in a classification (City-wide) are reclassified upward, an employee in the class shall be appointed to the reclassified position, provided that the employee meets the qualifications established for the reclassified position.

If an employee in the classification does not meet the qualifications for the reclassified position, the position shall be filled through a recruitment process.

2. When all positions within a classification within a particular department or division are reclassified upwards, the employees within that department or division shall be reclassified provided that they meet the minimum qualifications for the reclassified position and if the knowledge and skill needed for the reclassification are unique to employees within the particular department or division. If the knowledge and skill needed for the position are not unique to employees in the particular department or division and are possessed by other employees in the classification in other departments, the positions will be filled by an internal promotional examination, not an employee reclassification.
3. When less than all of the positions within a classification within a particular department or division are reclassified upwards within the MEA bargaining unit,

the position(s) shall be filled by internal promotional exam, unless there are no qualified applicants.

When a position(s) in the unit is reclassified downward to a class having a lower salary, the least senior employee(s) (according to total City Service) will be downgraded and his or her (or their) salary shall be "Y"-rated, which shall freeze the employee's(') salary at that amount received just prior to the reclassification and shall prevent salary advancement for such position until the schedule for the reclassified position's classification provides a step which exceeds the salary paid to the employee(s). No reduction of salary rate shall result from "Y"-rating.

In the event an employee is promoted or the entire class is reclassified to a higher salary schedule, the employee(s) shall be placed at the lowest step of the new classification that provides the employee at least 5% greater than the pay rate the employee was receiving prior to being reclassified or promoted, but in no event higher than the top step of the new, higher salary schedule.

Benefits and leave rights shall be available to all employees on probation as a result of accepting a promotion, if such employee has completed his or her initial hire probation.

#### **C. Employee or MEA Initiated Request for Reclassification**

If the duties and responsibilities of a position have changed and are no longer accurately described by the classification specification for her/his position, the employee or MEA may request to the Assistant Director of Administrative Services/Human Resources, that his/her classification specification be changed. Such requests shall be made in writing using a form specified by the Human Resources Division and a copy of which will be given to each potentially impacted employee's respective department head at the initial filing. All requests for a given fiscal year must be submitted to Human Resources no later than December 1 for implementation in the next fiscal year.

The Assistant Director of Administrative Services/Human Resources shall make a study of the position and report the results of the classification study her/his findings to the City Manager prior to City Council budget presentations no later than March 1. A copy of the classification study shall be provided to the employees affected prior to City Council budget presentations by March 1. If classification specifications are modified in such a manner as to necessitate a change in compensation level, or if an employee is reclassified as long as employees have been working in the position for at least 180 days, the change shall be effective the next July 1 or the effective date of the next City budget.

The decision of the City Manager shall be final. In the event the reclassification request is denied, neither the employee nor the MEA have the right to grieve the decision.

This procedure relates only to the request of an employee or the MEA for reclassification.

#### **D. Special Merit Step Advancement**

The City Manager may, upon the recommendation of the department head and the Assistant Director of Administrative Services/Human Resources, authorize the advancement of an employee to any of the four (4) steps earlier than he/she would normally be eligible for length of service. Such increases shall be effective on the first day of the pay period following approval by the City Manager, if not otherwise specified by the Appointing Authority. A special merit step advancement shall affect the anniversary date of an employee, causing it to change to the effective date of the special merit step advancement.

#### **E. Special Assignment**

It is the intent of the City to provide special assignment opportunities to employees who have expressed interest in these opportunities. The City values employees who are self motivated to achieve qualifications for higher positions and who wish to promote themselves. To that end, the following procedures will be used:

Special assignments shall be rotated after an employee has served in a special assignment for six (6) months. Selection of employees for special assignments will be made by following the procedure indicated below. A special assignment is defined as work outside the scope of an employee's normal daily work.

1. When an opening for a special assignment becomes available, the appointing authority shall post the assignment for a minimum of 5 work days. The notice shall request interested personnel to submit a memorandum requesting assignment to the special assignment.
2. Employees submitting requests shall indicate their reasons and qualifications for the new assignment in written form to their immediate supervisor.
3. After reviewing all requests for special assignment, the appointing authority shall establish a list of qualified applicants. The most senior qualified candidate shall be offered the special assignment. If the special assignment continues beyond six (6) months, the next most senior qualified employee shall be rotated into the assignment six (6) months later, and so on for the duration of the special assignment. Special assignments may be extended beyond six (6) months if no other employees are qualified and the Department Head deems it necessary.
4. Within 14 calendar days after an employee is informed that he/she was not selected for an assignment, the employee may ask the appointing authority who made the selection, for the reason that he/she was not selected. The appointing authority shall in writing respond within 14 calendar days. The decision of the appointing authority regarding selection to a special assignment or the order of the list of qualified applicants is not subject to the filing of a grievance.
5. If the Department Head needs to exercise his/her right in such compelling circumstances, he/she must articulate his/her reasons in writing. The Department Head's decision is final and not subject to a grievance.

A special assignment increase may be granted to an employee by an Appointing Authority provided that the employee is clearly performing specific duties above and beyond that required by his/her classification while not assigned or authorized to be filling a position out of classification. The Appointing Authority shall submit his/her recommendation and justification to the Assistant Director of Administrative Services/Human Resources for approval. The Assistant Director of Administrative Services/Human Resources will review the recommendation and determine whether it is warranted given the standards of this section. Said increase shall be six percent (6%). ~~However, any employee who was receiving more than six percent (6%) at the time the parties executed this agreement, shall be entitled to continue to receive the amount he/she was receiving through the end of the special assignment.~~ Annually, a review by the Assistant Director of Administrative Services/Human Resources of the special assignment shall be made to determine if it is still warranted.

#### **F. Cross Training**

Cross training is training provided to an employee to perform duties that are not currently performed by his/her classification. All cross training shall be voluntary and an employee shall not be made to cross train against the employee's will. The parties acknowledge that there can be a benefit from cross training willing employees because employees can learn skills which may be used to promote, work on a special assignment or to earn FPOC. Employees who cross train are to train with other employees who are currently performing those tasks or with vendors who are familiar with those tasks. If an employee agrees to cross train, the employee being cross trained will not be used to fill a vacant position. In addition, the cross training will not exceed six months. Once the employee is trained such that he/she can perform the duties without additional training, FPOC may be applicable. Finally, cross training opportunities will be posted on the City Bevy for a minimum of seven (7) calendar days and will be filled after a reasonable opportunity to submit a memo of interest is provided.

Cross training is to be distinguished from training an employee to perform tasks and duties which relate to their job. The City may wish to assign an employee to perform their current or related duties with updated technology or systems or may wish to modify the employee's job description to reflect that the duties will be performed with different equipment or technology. That is not cross training. Any collective bargaining obligations as a result of modifications to the a job description or as a result of the assignment of new duties related to an employee's current position must be satisfied prior to changes in the job description or the assignment of the new duties.

#### **G. Temporary / Employment**

Temporary employees may be hired by the City to backfill for an employee on a leave of absence, if an incumbent leaves City employment and there is not an active eligibles list and the City has a temporary need for an employee. Temporary employees (one or more) can be hired for 120 days maximum (cumulative total if more than one temporary employee is hired), except a temporary employee hired to backfill for an employee who is on a medical leave of absence. The City may hire the same person to work as a temporary employee for a different vacancy or leave. Such employee may remain employed as a temporary employee until the regular

employee returns or 30 days after it is determined the employee will not be returning to the position. In addition, if the City is actively recruiting to fill a vacancy, the Association will agree to meet with the City to discuss extending the time for the temporary employee to remain employed by the City. MEA may grant such extension at its discretion. MEA acknowledges that a recruitment may take beyond 120 days and will take that into consideration in deciding whether to grant an extension. Finally, even if the City is not actively recruiting for the position, it may ask MEA if it would be willing to grant an extension of its use of a temporary employee beyond 120 days.

In addition to the previous paragraph, a person may be hired to a temporary appointment for up to a maximum of 120 days as determined by the department to satisfy a temporary need. Prior to hiring a temporary employee who is hired neither to replace an employee absent from duty or to fill a vacancy (i.e., a determined short term (120 day or less) need), any such work will first be offered to bargaining unit members on an overtime basis. If such work can be done by employees, such a temporary employee will not be hired. If all the work offered on an overtime basis to bargaining unit members is not accepted by employees, the City may also appoint persons on a temporary basis to perform the work not accepted by the employees on an overtime basis.

#### **H. ~~Superior - Subordinate Relationship~~**

~~For the purpose of this section H, a superior subordinate relationship is defined as a relationship in which a classification has the responsibility for the direct supervision of another classification.~~

~~In such a relationship, the superior shall be paid a monthly salary rate above his/her subordinates. When a subordinate's monthly salary rate is equal to or exceeds that which is being paid to his/her superior, the superior shall receive a special adjustment of 3% above the salary received by his/her highest paid subordinate.~~

~~At any time the superior's base salary (excluding this salary adjustment) exceeds 3% above the base salary of his/her subordinates, the salary adjustment granted to him/her by this section shall be eliminated.~~

~~Monthly salary rate is defined as the base monthly salary paid to a position. Excluded from salary computations for this provision are any bonuses paid, shift differentials, overtime payments, or any additional payment to a position.~~

#### **I. Filling Position Out Of Classification (FPOC)**

Every employee assigned to and working in a classification with a salary schedule above that of the employee's regularly assigned position as the result of special departmental need shall be paid while so assigned at a step within the range for the higher classification after serving forty (40) hours during his/her employment (including time served in the assignment prior to September 1, 2009) at the higher classification. When an employee is assigned and performs the duties of the higher classification, the employee shall receive 10% above the pay rate of his/her regular classification provided that no rate higher than the fifth step, nor lower than the first step of the salary schedule for the classification in which the work is performed is paid, and is