



## AGENDA REPORT

**Meeting Date:** February 2, 2016

**Item Number:** F-1

**To:** Honorable Mayor & City Council

**From:** Peter Brown, Labor Negotiator

**Subject:**

- A. MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF BEVERLY HILLS AND THE MUNICIPAL EMPLOYEES' ASSOCIATION (FULL-TIME UNIT)
- B. MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF BEVERLY HILLS AND THE MUNICIPAL EMPLOYEES' ASSOCIATION (PART-TIME UNIT)
- C. MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF BEVERLY HILLS AND THE SAFETY SUPPORT ASSOCIATION
- D. MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF BEVERLY HILLS AND THE CONFIDENTIAL EMPLOYEES' ASSOCIATION
- E. MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF BEVERLY HILLS AND THE SUPERVISORS' ASSOCIATION
- F. MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF BEVERLY HILLS AND THE MANAGEMENT AND PROFESSIONAL EMPLOYEES' ASSOCIATION

**Attachments:**

1. Tracked Changes Beverly Hills Municipal Employees Association (MEA) Full-Time 2015-2019 Memorandum of Understanding (MOU)
2. The Beverly Hills Municipal Employees Association (MEA) Full-Time 2015-2019 Memorandum of Understanding (MOU)
3. Tracked Changes Beverly Hills Municipal Employees Association (MEA) Part-Time Unit 2015-2019 Memorandum of Understanding (MOU)
4. The Beverly Hills Municipal Employees Association (MEA) Part-Time Unit 2015-2019 Memorandum of Understanding (MOU)
5. Tracked Changes Beverly Hills Safety Support Association 2015-2019 Memorandum of Understanding (MOU)
6. The Beverly Hills Safety Support Association 2015-2019 Memorandum of Understanding (MOU)
7. Tracked Changes Beverly Hills Confidential Employees' Association 2015-2019 Memorandum of Understanding (MOU)
8. The Beverly Hills Confidential Employees' Association 2015-2019 Memorandum of Understanding (MOU)
9. Tracked Changes Beverly Hills Supervisors' Association 2015-2019 Memorandum of Understanding (MOU)
10. The Beverly Hills Supervisors' Association 2015-2019 Memorandum of Understanding (MOU)
11. Tracked Changes Beverly Hills Management and Professional Employees' Association 2015-2019 Memorandum of Understanding (MOU)
12. The Beverly Hills Management and Professional Employees' Association 2015-2019 Memorandum of Understanding (MOU)
13. Fiscal Analyses

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**RECOMMENDATION**

It is recommended that the attached Memoranda of Understanding (MOU's) between the City of Beverly Hills and the six (6) non-safety employee associations be approved.

## **INTRODUCTION**

The six non-safety employee associations in the City are as follows:

- Municipal Employees' Association (MEA) Full-Time Unit: represents full-time maintenance, paraprofessional, and technical employees
- Municipal Employees' Association (MEA) Part-Time Unit: represents hourly and regular part-time employees
- Safety Support Association: represents civilian positions who support the public safety function
- Confidential Employees' Association: represents administrative support and paraprofessional employees who act in a confidential capacity
- Supervisors' Association: represents supervisory employees
- Management & Professional (M&P) Employees' Association: represents all management, analytical, and professional employees who are not in the Executive/Senior Management Group

The last Memoranda of Understanding (MOU) for the six non-safety employee associations expired September 30, 2015<sup>1</sup>. Representatives of the associations and the City, having met and conferred in good faith from the end of July through the end of September, have agreed to the terms found in the attached MOU. The new agreements have a term of four years from October 1, 2015 to September 30, 2019<sup>2</sup>.

## **DISCUSSION**

Significant terms of the proposed MOU's are as follows:

### 1) Term of Agreements

- October 1, 2015 – September 30, 2019 for the five full time employee associations and July 1, 2015 – September 30, 2019 for MEA Part-Time association<sup>3</sup>

### 2) Salary

- Cost of living (COLA) increases:
  - Year One: 2% (effective pay period including October 1, 2015 for the five full-time associations; effective pay period including July 1, 2015 for the MEA Part-Time association)

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<sup>1</sup> All memoranda of understanding expired September 30, 2015 with the exception of the Part-Time MEA MOU, which expired on June 30, 2015.

<sup>2</sup> The term of the Part-Time MEA Memorandum of Understanding is July 1, 2015 through September 30, 2019.

<sup>3</sup> The prior Part-Time MEA MOU had a three-year term of July 1, 2012 through June 30, 2015. In order to align the expiration date of the proposed MOU with that of the other miscellaneous groups, a term of 4 years and 3 months was negotiated for the part-time association.

1. Additional .625% increase (for the Confidential Employees' Association) to address the reduction of administrative leave hours based upon the change to "non-exempt" status
  - Year Two: 2% for five of the groups and 2.25% for M&P employees (effective pay period including October 1, 2016)
  - Year Three: 2.5% for five of the groups and 3% for Part-Time employees (effective pay period including October 1, 2017)
  - Year Four: 3% for five of the groups and 3.25% for Supervisors (effective pay period including October 1, 2018)
- 2) Overtime Exemption and Administrative Leave for Confidential Employees
  - Effective in the pay period following approval of the MOU, all confidential employees in the unit will become non-exempt from overtime
  - The annual Administrative Leave bank of 67 hours (87 hours for a limited number of classifications) will be converted to 27 hours of Paid Time Off. The 27 hours will remain eligible for cash-out
- 3) Health Insurance
  - Full-Time Non-Management Units: Effective January 1, 2018, the City's contribution will increase by \$50 per month from \$2,000 to \$2,050 per month and effective January 1, 2019, the City's contribution will increase by \$100 per month from \$2,050 to \$2,150 per month
  - Management & Professional: Effective January 1, 2018, the City's contribution will increase by \$50 per month from \$2,100 to \$2,150 per month and effective January 1, 2019, the City's contribution will increase by \$100 per month from \$2,150 to \$2,250 per month
- 4) Vacation
  - Full-Time employees with over 14 years of service: Move from a fluctuating maximum accrual balance (soft cap) of 640 hours for five groups and 560 for M&P employees to a fixed maximum accrual balance (hard cap) of 520 hours
- 5) Sick Leave
  - The addition of language to comply with the California Healthy Workplace Healthy Families Act (AB1522) and amendments to the "Kin Care" law (Labor Code 233)
- 6) Sick Leave Incentive
  - M&P and Confidential: The number of hours eligible to be cashed out at the end of each calendar year will be increased from 24 hours to 27 hours in order to be consistent with other non-safety MOU's

- Similarly, an employee will be eligible for the incentive if he/she has used less than 27 hours in the prior year (instead of 24 hours)

7) Life Insurance

- MEA, Supervisors, Confidential and Safety Support: Policy increase from \$50,000 to \$75,000
- M&P: Policy increase from \$100,000 to \$125,000

8) Long Term Disability

- MEA and Safety Support: Increase in maximum monthly salary cap from \$6,000 to \$7,500 with a 30-day elimination period (from 60 days)
- M&P: Increase in maximum monthly salary cap from \$7,500 to \$9,000

9) Auto Allowance

- Employees currently receiving an auto allowance will continue to receive the allowance and all new employees will receive mileage reimbursement
- The Administrative Regulation addressing Auto Allowance will be reviewed and updated

10) Compensatory Time Off for Supervisors

- The maximum comp time balance will increase from 40 hours to 60 hours
- Compensatory time off is accrued in lieu of paying overtime compensation

11) Deferred Compensation

- Safety Support, MEA (Full-Time), Supervisors, and Confidential will receive an increase in the City's contribution to Deferred Compensation of \$30/month per employee effective October 1, 2018 as follows:
  - \$70/month to \$100/month for Supervisors and MEA (Full-Time)
  - \$30/month to \$60/month for Safety Support and Confidential

12) Probationary Period for Dispatchers

- The probationary period may be extended by up to an additional twelve (12) months

13) Filling a Position Out of Classification

- For full-time non-management employees, reduce the amount of additional pay for filling a position out of classification from 10% above base pay to 5% above base pay
- For most full-time non-management employee groups, employees filling a position out of classification will be eligible to receive the additional

compensation on the first day assigned, versus after completion of 80 hours in the higher classification

14) Management & Professional (M&P) Pay for Performance

- Program modified so that all assessments of pay for performance awards occur at the end of each fiscal year (versus at time of evaluation)

15) Contracting Out of Bargaining Unit Work

- MEA and Supervisors: The time period to meet and confer over the contracting out of bargaining unit work will be reduced from 20 days to 15 days
- A process has been established for addressing the contracting out of bargaining unit work that may not require a request for proposal

16) Written Reprimands for MEA

- Appeal of a written reprimand for MEA employees will be limited to the City Manager versus an advisory arbitrator

17) Part-Time employees Holiday Overtime and Work Hours

- Regular Part-Time employees are entitled to overtime when assigned to work on Martin Luther King Jr. Day, Presidents' Day, Memorial Day, and the day after Thanksgiving
- If New Year's Day, 4<sup>th</sup> of July, Veterans' Day or Christmas fall on a weekend and the City closes the preceding Friday or Monday, the part-time employee will be permitted to work their regular hours during that week

18) General

- Reorganization of articles and sections
- Clarifying language to improve the ease of understanding and/or administration of MOU provisions
- Corrections or revisions to language in existing contract terms
- Memorialization of procedures and practices not previously contained in the MOU
- Removal of language no longer applicable or out of date, and addition of new language based upon current laws or regulations

In compliance with the City's labor relations ordinance, Beverly Hills Municipal Code, Article 5 Section 2-5-503-B, the Memoranda of Understanding and fiscal analyses were placed on the City's website two weeks prior to this meeting, on January 19, 2016. The same documents are included as an attachment to this report. In addition, a press release announcing the posting was circulated on January 20, 2016.

**FISCAL IMPACT**

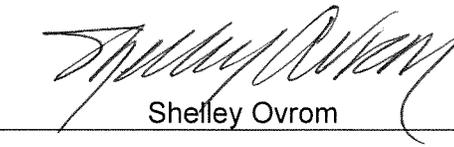
In compliance with the Beverly Hills Municipal Code, Article 5 Section 2-5-505: Economic Analysis, the fiscal impact analyses of the proposed Memoranda of Understanding were conducted by the outside firm, MGO Certified Public Accountants (attachment 13). All calculations for the MOU's were found to be correct with one noted minor discrepancy, which was corrected and incorporated into the final costing.

Over the next four years, the six Memoranda of Understanding will result in a total net increase of \$6,965,731 as follows:

- A. Municipal Employees' Association (MEA) Full-Time Unit (213 employees):  
\$2,512,207
  
- B. Municipal Employees' Association (MEA) Part-Time Unit (340 part-time employees): \$824,609
  
- C. Safety Support Association (86 employees): \$1,180,242
  
- D. Confidential Employees' Association (24 employees): \$273,793
  
- E. Supervisors' Association (31 employees): \$520,487
  
- F. Management & Professional (M&P) Employees' Association (88 employees):  
\$1,654,393

  
Don Rhoads

Finance Approval

  
Shelley Ovrom

Approved By