

MEMORANDUM OF AGREEMENT

BETWEEN

CITY OF MANHATTAN BEACH

AND

THE MANHATTAN BEACH POLICE MANAGEMENT ASSOCIATION

This Memorandum of Agreement ("Agreement") between the City of Manhattan Beach ("City") and the Manhattan Beach Police Management Association ("PMA") (collectively "Parties") is entered into with respect to the following:

WHEREAS, the parties have been at the collective bargaining table negotiating for their first Memorandum of Understanding ("MOU"); and

WHEREAS, the parties have reached an agreement on several key terms of their MOU and would like to implement those terms prior to the completion of the labor negotiations of the entire MOU ; and

WHEREAS, the parties agree that the terms set forth below will go into effect on **November 30, 2013** (the beginning of a payroll period) even though the City Council will vote (following an affirmative PMA ratification of this Agreement) on whether to approve this Agreement at its December 3, 2013 Council meeting; and

WHEREAS, the parties agree that they will continue to work together to compile all of their existing terms and conditions of employment into their first MOU, none of which will be subject to change, and will bring it to the PMA for ratification followed by the City Council for approval and the completion of the process; and

WHEREAS, the following memorializes the parties' Agreement: The provisions below are written as the parties intend to incorporate the language into their MOU. The provisions will be written into the MOU with article numbers which the parties will agree to in their MOU.

1) Term

ARTICLE 1: TERM

This MOU shall become effective November 30, 2013, and will continue in effect through December 31, 2015.

2) Salaries

ARTICLE 2: SALARIES

The salary ranges for Police Lieutenants and Police Captains are set forth as Exhibit A to this MOU.

Effective the first full pay period including January 1, 2015, all employees in the bargaining unit shall receive a three percent (3%) base salary increase.

If a Lieutenant is promoted to Captain, that person, no matter where he/she is on the Lieutenant's range, will be paid at least 5% higher than the highest paid Lieutenant at the time. This will guarantee at least a 5% base salary increase and perhaps more if the Lieutenant promoted is not the highest paid Lieutenant at the time. At no time can the new salary exceed the top of the Captain's salary range.

If at any time during the term of this MOU, the City Council authorizes merit adjustments, the Police Chief is the one who would have discretion to determine those amounts to be allocated to members of the unit.

EXHIBIT A – SALARY RANGES

Effective November 30, 2013

Police Lieutenant - \$12,608 - \$14,000

Police Captain - \$13,054 - \$14,933

Effective the pay period including January 1, 2015

Police Lieutenant - \$12,986 - \$14,420

Police Captain - \$13,446 - \$15,381

3) Retirement

ARTICLE 3: RETIREMENT

1. For All Employees, Except Those Deemed "New Members" Within The Meaning Of The California Public Employees' Pension Reform Act Of 2013, The Following Shall Apply:
 - (a) Retirement Formula: Per California Government Code 21362.2, also known as the 3% @ 50 plan.
 - (b) The City has contracted with PERS for the One-Year Final Compensation option, "single highest year" (Government Code Section 20042).
 - (c) Effective November 30, 2013, employees shall pay the nine percent (9%) member contribution.

Effective in the first full pay period including January 1, 2015, employees shall pay an additional three percent (3%) retirement contribution as cost sharing pursuant to Government Code section 20516(f).

2. For All Employees Deemed "New Members" Within The Meaning Of The California Public Employees' Pension Reform Act Of 2013, The Following Shall Apply:
- a) The parties agree that the provisions of AB 340 (The California Pension Reform Act of 2013) will go into effect on the effective date this MOU and that any provisions of that law which automatically become effective on January 1, 2013, shall do so. In addition, if there is any other clean up or other retirement legislation which goes into effect during this MOU and if there are provisions of that legislation which, by law, automatically goes into effect, either party may request to negotiate over the legislation, including over the impact.
 - b) Retirement Formula: 2.7% @ 57 retirement formula per Government Code 7522.25(d).
 - c) Final compensation based on the highest annual average compensation earnable during the three consecutive years of employment immediately preceding the effective date of his or her retirement or some other 36 consecutive month period designated by the employee.
 - d) Employee Paid Retirement Contribution - Effective January 1, 2013, the higher of nine percent (9%) or one half of the normal cost rate established by CalPERS. Effective the first full pay period commencing on or after January 1, 2015, the higher of twelve percent (12%) or one half the total normal cost rate. Any amount of such employee's retirement contribution which is above the total normal cost rate shall be paid in accordance with Government Code section 20516(f).

4) Overtime

ARTICLE 4: HOURS OF WORK/OVERTIME

- (a) All employees in the bargaining unit are exempt from overtime per the Fair Labor Standards Act (FLSA).
- (b) Notwithstanding that all employees in the unit are exempt from overtime per the FLSA, Lieutenants will receive overtime at time and one half base rate for field operations. Field operations refers to duties related to law enforcement work in the field, including, but not limited to, rescuing crime or accident victims, preventing or detecting crimes, performing surveillance, pursuing restraining and apprehending suspects, detaining or supervising suspected and convicted criminals, interviewing witnesses, interrogating suspects, supervising field operations at events such as Six Man, Hometown Fair, Grand Prix, MB 10K, Holiday Fireworks and US Volleyball. The Lieutenants would also be compensated overtime if there was a SWAT callout requiring them to work additional hours as the commander of the SWAT or CNT Team. The overtime rate includes base wages and specialty pays including education pay but excluding car and uniform allowance.

5) Health Care

ARTICLE 5: HEALTH CARE

1. Medical

- (a) The City contracts with the California Public Employees' Retirement System (CalPERS) for health care. The City will contribute the minimum employer contribution as provided under Government Code section 22892 of the Public Employees Medical and Hospital Care Act (PEMHCA).
- (b) The City agrees to provide a contribution to cover the PORAC Plan at the level the employee is enrolled, either single, employee with one dependent, or employee with two or more dependents. The City's contribution will be inclusive of (not in addition to) the CalPERS statutory minimum as provided in paragraph 1(a) above. To the extent out-of-pocket costs are incurred, the City will process the costs through premium conversion, thereby reducing the employee's taxable income.
- (c) Effective January 1, 2014, the amount the City will contribute for each employee's medical insurance is ninety-five percent (95%) of the premium for the CalPERS PORAC plan, depending on whether the employee is enrolled as single, employee with one dependent or employee with two or more dependents. If the plan chosen is less costly than the rates of the PORAC plan, the City will pay 95% of the premium for the plan chosen with the employee paying (with a deduction from their pay) for the remainder of the plan chosen. If an employee chooses a plan which is more costly than 95% of the PORAC premium rate, the employee will pay the difference between the 95% of the PORAC premium rate and the more expensive plan.
- (c) There shall be no cash back to employees from their health care allowances, however, employees who opt out of health insurance completely will receive 95% of the employee only PORAC premium rate, which may be allocated to the City's Section 125 Healthcare or Childcare Flexible Benefits Plan up to the maximum allowed by law. Any health care allowances which exceed the maximums permitted to be allocated to the City's Section 125 Healthcare or Childcare Flexible Benefits Plan will not be provided to employees.

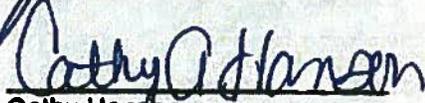
6) Intent to Memorialize All Terms and Conditions of Employment into the Parties' MOU

The preceding paragraphs set forth the parties' agreement for MOU language. In addition, it is the intent of the parties to incorporate all of the current terms and conditions of employment for the members of the PMA into their MOU. To memorialize that intent, the parties agree that during the term of their MOU there shall be no changes to any of the provisions of this MOU or their current terms and conditions of employment.

FOR THE CITY OF MANHATTAN BEACH


Bruce Moe, Director of Finance

11-20-2013
Date


Cathy Hanson,
Director of Human Resources

11-21-13
Date


Eve Irvine, Chief of Police

11/20/13
Date

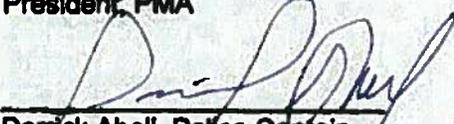

John Jalili, Interim City Manager

11/21/13
Date

FOR THE MANHATTAN BEACH POLICE MANAGEMENT ASSOCIATION

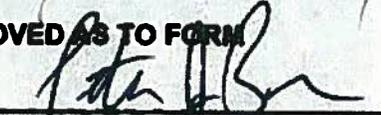

Steve Tobias, Police Lieutenant
President, PMA

11/20/13
Date

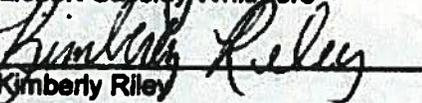

Derrick Abell, Police Captain

11/20/13
Date

APPROVED AS TO FORM


Peter Brown
Liebert Cassidy Whitmore

11/21/13
Date


Kimberly Riley
Dawson & Riley

11/20/13
Date

Agenda Date: 12/3/2013

TO:

Honorable Mayor and Members of the City Council

THROUGH:

John Jalili, Interim City Manager

FROM:

Cathy Hanson, Human Resources Director

SUBJECT:

Memorandum of Agreement with Police Management Association (Human Resources Director Hanson).

APPROVE

RECOMMENDATION:

Staff recommends that City Council approve the Memorandum of Agreement between the City of Manhattan Beach and the Police Management Association (PMA).

FISCAL IMPLICATIONS:

The estimated cost for the two year term of the Memorandum of Agreement with the Police Management Association is \$373,066, which equates to a total increase of 11.6% over the two year term of the agreement (average of 5.8% per year). Of that total, \$111,600 will occur in fiscal year 2013-2014 due to the timing of the salary increases, which are effective with the payroll period beginning November 30, 2013. Existing appropriations are sufficient to fund this agreement. Future budgets will reflect the costs for this labor agreement.

BACKGROUND:

In August 2012, the employees in the classifications of Police Captain and Police Lieutenant submitted a Petition for Recognition as the Manhattan Beach Police Management Association (PMA). Per the City of Manhattan Beach Employer Employee Relations Ordinance the PMA was formally recognized as the exclusive representative of these employee classifications on September 4, 2012. The City and the Association then began the meet and confer process over terms and conditions of employment.

DISCUSSION:

After meeting and conferring in good faith the Association and the City agreed to the financial terms and conditions of employment detailed in the attached Memorandum of Agreement. Following the approval of the Memorandum of Agreement the City with its labor

negotiator will meet with the PMA to finalize a comprehensive Memorandum of Understanding that will include the financial as well as non-financial terms and conditions of employment and will be brought back to the City Council for approval.

The key provisions of the Memorandum of Agreement include:

- Term - Term of the Memorandum of Understanding will be November 30, 2013 - December 31, 2015.
- Salaries - Salary Ranges are listed in Exhibit A of the Memorandum of Understanding effective November 30, 2013 and January 1, 2015. Effective the first pay period including January 1, 2015 all employees in the bargaining group will receive a 3% base salary increase to offset an additional 3% pension contribution by the employees.
- Retirement - All employees not deemed "new members" by The California Public Employee' Pension Reform Act of 2013 (PEPRA) will continue to receive the 3% @50 plan, "single highest year" final compensation and effective November 30, 2013 shall pay the 9% member contribution. Employees deemed "new members" by PEPRA will receive the benefits and make the contributions defined by the Act. Effective January 1, 2015, employees shall contribute an additional 3% to pension costs (offset by a salary increase of 3%).
- Overtime - All employees in the bargaining unit are exempt from overtime per the Fair Labor Standards Act, however Lieutenants will receive overtime at one half base rate for field operations as defined in the Memorandum of Agreement.
- Healthcare - City provides a contribution to cover the California Public Employees' Retirement System PORAC Plan at the level the employee is enrolled but effective January 1, 2014 the amount the City will contribute for each employee will be 95% of the PORAC premium rate. Employees shall receive no cash back from healthcare allowances but those who opt out completely will receive 95% of the employee only PORAC premium rate allocated to the City's Section 125 Healthcare or Childcare Flexible Benefits Plan to the maximum allowed by law.

Since this is a new Association without a current Memorandum of Understanding and the Association and City desire to move forward and not delay implementation of the financial terms and conditions of employment, the City and Association agree to bring the Memorandum of Agreement to the City Council for approval before the Memorandum of Understanding is completed.

CONCLUSION:

Staff recommends that City Council approve the Memorandum of Agreement between the City of Manhattan Beach and the PMA.

Attachment:

1. Memorandum of Agreement with PMA