



## Legislation Text

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**File #:** 20-0098, **Version:** 1

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**TO:**  
Honorable Mayor and Members of the City Council

**THROUGH:**  
Bruce Moe, City Manager

**FROM:**  
Lisa Jenkins, Human Resources Director

**SUBJECT:**  
Consider Adopting a Resolution Approving a Memorandum of Understanding Between the City of Manhattan Beach and Manhattan Beach Mid-Management Employees Association (Human Resources Director Jenkins).  
**ADOPT RESOLUTION NO. 20-0023**

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**RECOMMENDATION:**  
Staff recommends that the City Council adopt Resolution No. 20-0023 approving the attached Memorandum of Understanding (MOU) between the City of Manhattan Beach and the Manhattan Beach Mid-Management Employees Association (MBMEA).

**FISCAL IMPLICATIONS:**  
The cost of the MBMEA MOU is \$13,963,328 over the term of the two-year MOU. The cost of the MOU represents an approximately 4.3% increase, or a total \$361,153, over the term of the two-year MOU.

**BACKGROUND:**  
The MBMEA represents employees in the City of Manhattan Beach in mid-management, supervisory, and professional positions. There are currently 44 authorized positions represented by the MBMEA.

**DISCUSSION:**  
The last MOU between the City and the MBMEA was a two-year agreement, which expired on December 31, 2019. Representatives of the Association and the City, having met and conferred in good faith from October 2019 through February 2020, have agreed to the terms found in the attached MOU.

The following summarizes the significant terms of the negotiated MOU recommended for City Council approval:

1. Term of Agreement
  - January 1, 2020 - December 31, 2021

## 2. Salary

- Salary steps for each existing salary range will be created and employees will move on steps as follows:
  - The top of each existing range will increase by 2%.
  - Working backwards from the top of the range, 12 salary steps will be calculated with 2.5% between each step.
  - Effective in the pay period following City Council approval of the MOU, employees will be moved to the salary step that is closest to but not lower than their current salary rate.
  - Employees who meet performance standards will advance to the next salary step in the range annually.
  
- Effective in the pay period following City Council adoption of the MOU, employees will receive a one-time, non-pensionable lump sum payment, in an amount that, when combined with the percentage salary increase achieved by moving to the closest salary step equal or above their current salary, totals 1.25%. Employees who receive 1.25% or more as a result of moving to salary steps will not be eligible for this payment.

## 3. “Exceptional Performance” Bonus

- Effective January 2, 2021, and later, the City Manager, at his sole discretion, may grant an “exceptional performance” bonus of up to 5% to any individual employee to acknowledge superior job performance on the employee’s part or for successfully completing a project, program, or effort outside their normal scope.

## 4. General Leave

- Effective in the pay period following City Council adoption of the MOU, employees’ general leave accrual rate will be based upon prior full-time years of service with any public sector agency (including Cities, Counties, school districts, special districts, or other agencies approved by the Human Resources Director).

## 5. Opt out of Medical Insurance/Cash Incentive

- In lieu of tying cash-back for opting out of medical insurance to the employee’s Flexible Spending Account contributions, employees will be eligible for the following opt-out/cashback incentive effective in the pay period following City Council approval of the MOU:
  - Employees opting out of health insurance who would have otherwise been eligible for

either single or two-party medical coverage will receive \$2,700 per year.

- Employees opting out of health insurance who would have otherwise been eligible for family medical coverage (employee plus 2 or more qualified dependents) will receive \$5,400 per year.

## 6. Temporary Assignment Pay

- Employees, who are asked to perform the full scope of another job due to a vacancy or leave of absence will receive the following:
  - No additional pay for the first 59 days.
  - 5% of base salary for performing the work of the other position for day 60 to day 90.
  - 10% of base salary for performing the work of the other position for greater than 90 days.

## 7. Other - At-will Status

- Per the existing MOU, all employees hired or promoted into the MBMEA after January 1, 2018, are considered “at-will,” are not subject to the City’s civil service system, and do not have a property interest in their job.
- As offered in the prior MOU adoption, during the first month after City Council approval, existing “classified” employees (employees who have a property-interest in their employment with the City) will have the option to irrevocably change their designation from “classified” to “at-will.”
- Per the existing MOU, “at-will” employees receive a 4.5% deferred compensation contribution versus “classified” employees who receive a 2.5% deferred compensation contribution.

## 8. General

- Reorganization of articles and sections.
- Clarifying language to improve the ease of understanding and 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.

### **PUBLIC OUTREACH:**

After analysis, staff determined that public outreach was not required for this issue.

### **LEGAL REVIEW:**

The City Attorney has reviewed this report and determined that no additional legal analysis is

necessary.

Special Counsel has approved the MOU as to form.

**ATTACHMENTS:**

1. Resolution No. 20-0023
2. MBMEA MOU (Final Version)
3. MBMEA MOU (Strikethrough Version)