



Legislation Text

File #: RES 18-0020, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, Interim City Manager

FROM:

Teresia Zadroga-Haase, Human Resources Director

SUBJECT:

Resolution Approving Memorandum of Understanding with the Manhattan Beach Mid-Management Employee Association (Human Resources Zadroga-Haase).

ADOPT RESOLUTION NO. 18-0020

RECOMMENDATION:

It is recommended that the City Council adopt by Resolution the attached Memorandum of Understanding (MOU) with the Manhattan Beach Mid-Management Employee Association (MBMEA). The City Council adoption will authorize the City Manager to execute the MOU and take the appropriate actions necessary to carry out its implementation.

FISCAL IMPLICATIONS:

The fiscal impacts of the MOU not already included in the current budget for FY2017/2018 include approximately \$3,200 for tools, uniform and safety boots for certain employees, plus an amount for current employees to have the option to convert to at-will employment status, which provides for a 2% deferred compensation benefit. Approximately \$10K was estimated for this change. However, actual cost will depend on how many of the 26 employees who are currently property-interest protected choose to convert to at-will status within the first 30 days of the MOU.

The two-year contract is estimated at \$11,898,303 which constitutes an increase of \$406,117 or 3.55% over the two year period (not including known CalPERS rate increases, which the bargaining unit has no control over). The contract increase in year one (2018) totals \$160,509 and includes the costs of a 3% merit increase (approximately \$148K) already included in the current year budget. The additional fiscal impacts (\$245,607) in the second year of the contract term of the MOU also include the 2% Cost of Living Adjustment (COLA), estimated at approximately \$105K, which will be appropriately budgeted in the FY2018/2020 budget process.

BACKGROUND:

In November 28, 2016, the MBMEA was recognized by the City to represent classifications of mid-management, supervisory and professional employees. On February 21, 2017, the City Council approved a one-year agreement from January 1, 2017 through December 31, 2017 to provide continuation of existing terms and conditions of employment for that term.

DISCUSSION:

In September 2017, representatives of MBMEA and representatives of the City began meeting. After participating in the meet and confer process through seven (7) collective bargaining meetings, the parties reached a tentative agreement on January 11, 2018, as reflected in the proposed MOU (Attachment 1). MBMEA informed the City that their membership ratified the proposed MOU on January 17, 2018.

The following summarizes the substantive changes under this initial MOU for MBMEA:

1. MOU Contract Term for two years - January 1, 2018 through December 31, 2019
2. Salaries - Effective the first full pay period following January 1, 2018, employees shall receive 3% of money budgeted for merit adjustments to members of the Association and administered as it has been done in the past (FY 17/18 cost of approximately \$148K), and effective the first full pay period following January 1, 2019, employees shall receive a 2% increase to base salary (approximately \$105K).
3. At-Will Status - During the first month after final approval, "classified" employees (employees who have a property-interest in their employment with the City) will be given a one-time option to change their designation from "classified" to "at-will." The cost is 2% of base salary in the form of a deferred compensation benefit for those who elect to change their designation. Thereafter, as positions become vacant, classification status will be changed from "classified" to "at-will" for future incumbents.

POLICY ALTERNATIVES:

The recommended action is consistent with direction provided to staff.

PUBLIC OUTREACH/INTEREST:

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.

Attachments:

1. Resolution No. 18-0020
2. Manhattan Beach Mid-Management Employee Association Memorandum of Understanding