



City of Huntington Beach

File #: 20-1553

MEETING DATE: 4/6/2020

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Oliver Chi, City Manager

PREPARED BY: Travis Hopkins, Assistant City Manager

Subject:

Introduction of the Proposed Memorandum of Understanding Between the Huntington Beach Police Officers' Association and the City of Huntington Beach for January 1, 2020, through June 30, 2023

Statement of Issue:

The Memorandum of Understanding (MOU) between the City of Huntington Beach and the Huntington Beach Police Officers' Association (POA) expired on December 31, 2019. Subsequently, the City and POA engaged in good-faith negotiations, ultimately reaching tentative agreement on terms in February 2020 on a 3.5-year contract covering the period January 1, 2020, through June 30, 2023.

Financial Impact:

Pursuant to the terms reached in the MOU with POA, the total projected cost of the labor pact as estimated by the Finance Department is \$1.21 million in Year 1; \$1.15 million in Year 2; and \$1.40 million in Year 3. This results in an average annual cost increase of \$1.25 million per year during the life of the agreement, which constitutes an average annual 0.8% increase in the City's overall FY 2019/20 personnel budget of \$162.04 million.

Recommended Action:

Introduction of the Proposed Memorandum of Understanding Between the Huntington Beach Police Officers' Association and the City of Huntington Beach for the period January 1, 2020, through June 30, 2023.

Alternative Action(s):

Do not approve the introduction of the proposed successor MOU for POA employees, and direct staff to: (1) continue to meet and confer with the Association, or (2) utilize the impasse procedures contained within the City's Employer-Employee Relations Resolution

Analysis:

The Police Officers' Association (POA) represents approximately 250 employees in the City.

Starting in late 2019, representatives for the City and POA engaged in active negotiations on a new labor agreement, ultimately reaching tentative agreement on contract terms for a 3.5-year period in February 2020. Key changes in the proposed MOU include the following:

Term of Agreement

January 1, 2020 through June 30, 2023

Wage Increases

- Year 1 - employees shall receive a 4.0% base salary increase
- Year 2 - employees shall receive a 3.5% base salary increase
- Year 3 - employees shall receive a 3.5% base salary increase

CalPERS Cost Sharing

- Classic Member Safety:
 - Year 1 - classic member safety employees shall contribute an additional 2% contribution towards CalPERS costs (for a total employee contribution of 11%).
 - Year 2 - classic member safety employees shall contribute an additional 1% contribution towards CalPERS costs (for a total employee contribution of 12%).
 - Year 3 - classic member safety employees shall contribute an additional 1% contribution towards CalPERS costs (for a total employee contribution of 13%).
- Classic Member Miscellaneous:
 - Year 1 - classic member miscellaneous employees shall contribute an additional 1% contribution towards CalPERS costs (for a total employee contribution of 9%).
- New Member Safety
 - Year 1 - new member safety employees shall contribute an additional 1.25% contribution towards CalPERS costs (for a total employee contribution of 13%).
- New Member Miscellaneous
 - Year 1 - new member miscellaneous employees shall contribute an additional 1.50% contribution towards CalPERS costs (for a total employee contribution of 7.75%).
 - Year 2 - new member miscellaneous employees shall contribute an additional 1.25% contribution towards CalPERS costs (for a total employee contribution of 9%).

Medical Benefits

- Year 1 - no change to the City's medical contribution.
- Year 2 - the City's monthly contribution to the CalPERS PORAC Region 2 medical plan rates will increase to a maximum of \$786 for employee only coverage. No other changes will be made to the City's medical contribution program.
- Year 3 - the City's monthly contribution to the CalPERS PORAC Region 2 medical plan rates will increase to a maximum of \$826 for employee only, \$1,704 for two party and \$2,180 for family coverage.

Eliminate Existing Vacation & Sick Leave Programs For A General Leave Bank

- Convert current existing vacation and sick leave programs to the City's standard General Leave bank program.

Other Items

- Cooperate with a classification and compensation study.
- Holiday in Lieu Pay adjustments to align accrual with existing work schedules.

There were several other modifications to contract provisions, including deletion of obsolete language, regulatory compliance language changes, and general clean-up language.

A summary of these and all other negotiated provisions are included as Exhibit "A".

Environmental Status:

Not applicable.

Strategic Plan Goal:

Non-Applicable - Administrative Item

Attachment(s):

1. Summary of Memorandum of Understanding Modifications
2. Fiscal Impact Report
3. Proposed Memorandum of Understanding - Exhibit "A"