



City of Huntington Beach

File #: 21-937

MEETING DATE: 12/1/2021

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Oliver Chi, City Manager

PREPARED BY: Brittany Mello, Interim Administrative Services Director

Subject:

Introduction of the Proposed Memorandum of Understanding Between the Management Employees' Organization (MEO) and the City of Huntington Beach for January 1, 2022, through December 31, 2024

Statement of Issue:

The Memorandum of Understanding (MOU) between the City of Huntington Beach and the Management Employees' Organization (MEO) expires on December 31, 2021. The City and MEO have engaged in good-faith discussions, and in November 2021, reached tentative agreement on new MOU terms for a 3-year contract covering the period January 1, 2022, through December 31, 2024.

Financial Impact:

Pursuant to the terms agreed upon with MEO, the Finance Department estimates the total projected average annual cost increase of the MOU to be \$514,541 per year during the life of the agreement.

Recommended Action:

Approve the introduction of the proposed Memorandum of Understanding between the Management Employees' Organization and the City of Huntington Beach for the period of January 1, 2022, through December 31, 2024.

Alternative Action(s):

Do not approve the introduction of the proposed successor MOU for MEO 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 Management Employees' Organization (MEO) represents approximately 105 employees in the City.

Representatives for the City and MEO engaged in active discussions over an extended period,

ultimately reaching tentative agreement on contract terms for a 3-year period. Key changes in the proposed MOU include the following:

Term of Agreement

January 1, 2022, through December 31, 2024

Salary Range Adjustment

- Effective January 1, 2021, employees will shift to a new, seven-step salary range (A - G). Classifications will be placed on the nearest Step F in the new range without losing any wages. Once on Step F, classifications will be moved to a range two percent (2%) higher. All employees will be placed on the step in the new salary range that is closest to their current base salary step without being less.
- Employees who have reached top step (Step G) will be eligible to earn an annual merit-based bonus of up to three percent (3%) of their base rate of pay at their regularly-scheduled performance evaluations.

Medical Benefits

- Beginning January 1, 2022, the City's maximum monthly contribution to medical plan rates will increase proportionally based on the medical plan and enrollment tier, with the highest maximums correlating to the Blue Shield PPO plan of \$740.00 for employee only; \$1,373.19 for two party; and \$1,547.03 for family coverage.
- Beginning January 1, 2023, the City's maximum monthly contribution will increase by \$23.33 per month, per medical plan, per enrollment tier, up to, but not to exceed the monthly plan premium cost.

Leave Benefits

- Add Christmas Eve Day (December 24th each year) and New Year's Eve Day (December 31st each year) to the list of approved City-paid holidays.

These key changes and all other negotiated provisions are included in the proposed Memorandum of Understanding.

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