



# City of Huntington Beach

File #: 22-014

MEETING DATE: 1/18/2022

## REQUEST FOR CITY COUNCIL ACTION

**SUBMITTED TO:** Honorable Mayor and City Council Members

**SUBMITTED BY:** Sean Joyce, Interim City Manager

**PREPARED BY:** Brittany Mello, Administrative Services Director

**Subject:**

**Adopt Resolution No. 2022-02 approving and implementing the Memorandum of Understanding (MOU) between the Huntington Beach Municipal Teamsters (HBMT) 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 Huntington Beach Municipal Teamsters (HBMT) expired on December 31, 2021. The City and HBMT have engaged in good-faith discussions, reaching tentative agreement in December 2021 on new MOU terms for a 3-year contract covering the period of January 1, 2022, through December 31, 2024. The MOU was approved for introduction at the December 21, 2021, meeting, and pursuant to the City's municipal code, is being brought back for formal consideration by the City Council.

**Financial Impact:**

Pursuant to the terms agreed upon with HBMT, the Finance Department estimates the total projected average annual cost increase of the MOU to be \$1,153,182 per year during the life of the agreement.

**Recommended Action:**

- A) Adopt Resolution No. 2022-02, "A Resolution of the City Council of the City of Huntington Beach Approving and Implementing the Memorandum of Understanding Between the Huntington Beach Municipal Teamsters (HBMT) and the City for January 1, 2022, Through December 31, 2024;" and,
- B) Authorize appropriations for all costs related to implementation of Resolution No. 2022-02 and all labor contracts approved by City Council on December 21, 2021.

**Alternative Action(s):**

Do not adopt the Resolution approving the successor MOU for HBMT 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 Huntington Beach Municipal Teamsters (HBMT) represents approximately 345 City employees.

Representatives for the City and HBMT 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:

**Terms of Agreement**

January 1, 2022, through December 31, 2024

**Salary Range Adjustment**

- Effective January 1, 2022, 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**

- Effective January 1, 2022, the City's maximum monthly contribution to medical plan rates will increase by approximately 5%, up to \$831.19 for employee only; \$1,424.85 for two-party; and \$1,687.35 for family coverage, not to exceed the cost of the premium.
- Beginning January 1, 2023, the City's maximum monthly contribution will increase by \$23.33/month, up to \$854.52 for employee only; \$1,448.18 for two-party; and \$1,710.68 for family coverage, not to exceed the cost of the premium.

**Leave Benefits**

- Add Christmas Eve Day (December 24 each year) and New Year's Eve Day (December 31 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. Resolution No. 2022-02
4. Memorandum of Understanding - Exhibit "A"

5. PowerPoint Presentation