



Honorable Mayor and Members of the Hermosa Beach City Council

A RESOLUTION TO APPROVE A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF HERMOSA BEACH AND THE PROFESSIONAL AND ADMINISTRATIVE BARGAINING GROUP FOR THE PERIOD OF JULY 1, 2025 – JUNE 30, 2028

(Human Resources, Cynthia Stafford)

Recommended Action:

Staff recommends City Council adopt a Resolution (**Attachment 1**) approving the Memorandum of Understanding (MOU) between the City of Hermosa Beach and Professional and Administrative Employee Group (PAE) (**Attachment 2**) for the 2025-2028 fiscal years.

Executive Summary:

Negotiations for a successor to the Memorandum of Understanding (MOU) between the City and the Professional and Administrative Employee Group have resulted in a tentative agreement. The City and the Hermosa Beach Professional and Administrative Employee Group (PAE) met and conferred in accordance with the Meyers-Milias Brown Act and have reached a tentative agreement on the terms and conditions of employment. The terms of the tentative agreements are summarized below.

The total estimated cost of the negotiated changes is \$511,587 for FY 2026-2028.

Background:

The Meyers-Milias Brown Act requires that local public agencies negotiate with its respective bargaining units regarding wages, hours, and working conditions. Agreements with the City's bargaining units expire at the end of June and, under direction from the City Council, the Council approved City negotiating team has been in negotiations with each of the bargaining units for new terms.

The City's aim through labor negotiations is to maintain competitive wages, hours, and working conditions in a high-cost geographic labor market in order to retain and attract a high-quality workforce to serve our community across a range of services. Most position classifications in the City are comparable to those in other municipalities. The City contracted with Reward Strategy Group to conduct a compensation study using eleven benchmark cities in the region for labor market comparisons.

The City's negotiating team met and conferred with representatives of the Professional and Administrative Employees to discuss wages, hours, and other terms and conditions of employment contained in the MOU that expires on June 30, 2025.

This bargaining unit consists of the following classifications:

Accountant
Administrative Assistant
Administrative Services Coordinator
Assistant Engineer
Assistant Planner
Associate Engineer
Associate Planner
Building and Code Enforcement Official
City Engineer
Crime & Intelligence Analyst
Deputy City Clerk
Deputy City Engineer
Emergency Management Coordinator
Environmental Program Manager
Executive Assistant to Police Chief
GIS & IT Analyst
Management Analyst
Planning Manager
Public Works Assistant Superintendent
Public Works Superintendent
Recreation Coordinator
Revenue Supervisor
Senior Engineer
Senior Management Analyst
Senior Recreation Supervisor

The parties have reached a tentative agreement within the authority provided by City Council and on the terms described below. The membership of PAE met and ratified the terms of the tentative agreement, set forth in the new MOU, hereby submitted to the City Council for approval.

Discussion:

The tentative MOU between the City and the Professional and Administrative Employee Group include the following negotiated terms:

1. Term of the agreement to be July 1, 2025 - June 30, 2028.

2. Article 6.A-Wage Rate: The parties agreed to the following salary increases over the next three years.
 - A. Effective July 1, 2025, the salary table shall be adjusted to bring all bargaining unit positions that are below market median as determined by the 2024 Reward Strategy Group Salary Survey Results report to the median identified by the report.
 - B. Effective July 1, 2025 and after the implementation of median adjustments, where applicable, the salary table for all classifications will be increased by an additional three percent (3.0%).
 - C. Effective July 1, 2026, the salary table for all classifications shall be increased by three percent (3.0%).
 - D. Effective July 1, 2027, the salary table for all classifications shall be increased by three percent (3.0%)
3. Article 7 - Deferred Compensation: The parties agreed the City will match employee contributions up to \$50.00 per month.
4. Article 29 – Bilingual Pay. Effective July 1, 2025, the parties agree to decrease the bilingual premium pay from 5% of base pay to \$100 per month and remove the limit of how many employees are eligible to receive the premium pay.
5. Article 32 – Additional Duties Pay. The parties agree to compensate an employee when they are temporarily assigned additional duties. Such employee shall be eligible for Additional Duties Pay of \$400 per month after 80 consecutive hours of performing the additional duties. Any employee receiving Acting Pay shall not be eligible for Additional Duties Pay.
6. Article 35 – Management Leave. The parties agree to increase Management Leave from 70 hours to 80 hours. Management Leave must be used within a calendar year and cannot be cashed out.
7. Article 42 – Holidays. If agreed to by all bargaining units excluding the Police Officers Association, the parties agree to add half-day (5 hours) holiday on Christmas Eve and New Year’s Eve and delete Section C, Holiday Flex Time of ten (10) hours.
8. Article 55 – Reopeners/Me-Too Clause. The parties agree that if the City provides COLA increases to other civilian bargaining units greater than provided to PAE, that PAE will be eligible for the higher COLA.

General Plan Consistency:

This report and associated recommendation have been evaluated for their consistency with the City’s General Plan. Relevant Policies are listed below:

Goal 1. A high degree of transparency and integrity in the decision-making process.

Policies:

- **Open meetings.** Maintain the community's trust by holding meetings in which decisions are being made, that are open and available for all community members to attend, participate, or view remotely.
- **1.2 Strategic planning.** Regularly discuss and set priorities at the City Council and management level to prioritize work programs and staffing needs.
- **1.6 Long-term considerations.** Prioritize decisions that provide long-term community benefit and discourage decisions that provide short-term community benefit but reduce long-term opportunities.

Fiscal Impact:

The total cost of the negotiated changes is estimated to be \$511,587 for FY 2026-2028, which will be included in each subsequent year's proposed budgets.

Attachments:

1. Draft Resolution
2. Professional and Administrative Employee Group MOU

Respectfully Submitted by: Cynthia Stafford, Human Resources

Noted for Fiscal Impact: Brandon Walker, Administrative Services Director

Legal Review: Todd Leishman, Interim City Attorney

Approved: Steve Napolitano, Interim City Manager