



Honorable Mayor and Members of the Hermosa Beach City Council

ADOPT A RESOLUTION FOR WAGES AND EMPLOYMENT TERMS AND CONDITIONS FOR UNREPRESENTED EMPLOYEES EFFECTIVE JULY 1, 2025 – JUNE 30, 2028

(Human Resources, Cynthia Stafford)

Recommended Action:

Staff recommends City Council adopt a Resolution (**Attachment 1**) approving wages and terms and conditions of employment in Exhibit A (**Attachment 2**) for the Unrepresented classifications for the Fiscal Years (FY) 2026-2028.

Executive Summary:

The City has a number of positions that are not represented by a labor association due to their access to confidential labor negotiations information. The City did meet with the unrepresented employees seeking input on wages and employment terms and conditions. While this was not a negotiation, the unrepresented employees' requests were heard and evaluated by the City. The terms of the tentative agreements are summarized below.

The total estimated cost of the negotiated changes is \$198,780 for FY 2026-2028.

Background:

The current Unrepresented Group Resolution expired on June 30, 2025. Under direction from the City Council, the Council-approved City negotiating team has been in negotiations with all of the City's bargaining units and the Unrepresented Group 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 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 all employees in the Unrepresented Group to discuss wages, hours, and other terms and conditions of employment contained in the Resolution that expired on June 30, 2025.

This bargaining unit consists of the following classifications:

- Finance Manager
- Human Resources Manager
- Human Resources Analyst
- Risk Management Analyst
- Executive Assistant to the City Manager

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

Discussion:

The tentative Resolution for the Unrepresented Group, includes the following terms:

1. Term. July 1, 2025 - June 30, 2028.
2. Wages. 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 to median as determined by the 2024 Reward Strategy Group Salary Survey Results.
 - 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, and after the implementation of median adjustments, where applicable, the salary table for all classifications shall be increased by three percent (3.0%).
 - D. Effective July 1, 2027, and after the implementation of median adjustments, where applicable, the salary table for all classifications shall be increased by three percent (3.0%).
3. Acting Pay. The parties agree to compensate an employee when they are assigned the full range of job duties for a higher-level classification. Such employee shall be eligible for Acting Pay after 80 consecutive hours of performing the additional duties and shall be placed on a step in the salary range of the position in which they are temporarily assigned that provides at least a 5% increase to their current salary. Any employee receiving Acting Pay shall not be eligible for Additional Duties Pay.
4. 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 Additional Duties Pay shall not be eligible for Acting Pay.

5. Health and Welfare. Add a cash in lieu option of \$750 per month if an employee waives health insurance through the City of Hermosa Beach and presents proof of medical coverage through a spouse or domestic partner.
6. Deferred Compensation. The parties agreed the City will match employee contributions up to \$50 per month.
7. Bilingual Premium Pay. 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.
8. Vacation. Increase vacation hours in the following manner:
 - 6th Year: From 112 hour to 120 hours
 - 10th Year: From 128 hours to 144 hours
 - 14th Year: From 144 hours to 168 hours
 - 18th Year: From 160 hour to 192 hours
9. Holidays. Add half-day (5 hours) holiday on Christmas Eve and New Year's Eve and delete Holiday Flex Time of ten (10) hours.
10. Management Leave. Increased by 10 hours annually from 70 to 80 hours. Management Leave may not be cashed out or rolled over from one year to the next. Three classifications were added to Management Leave eligibility and are no longer eligible for overtime.
11. Education Incentive. Employees covered by this Resolution who obtain a master's degree in public administration, or a related field, shall receive additional compensation of \$400 per month. In addition, employees who possess an accredited professional certification related to their position with the City shall receive additional compensation of \$350 per month, subject to approval of the City Manager. An employee shall only be eligible for one certification and master's degree incentive, regardless of the number of professional certifications or degrees the employee possesses.

Fiscal Impact:

The total estimated cost of the negotiated changes is estimated to be \$198,780 for FY 2026-2028. Staff will budget the applicable change in each subsequent fiscal year's proposed budgets.

Attachments:

1. Draft Resolution
2. Terms and Conditions of Employment for Unrepresented Classifications

Respectfully Submitted by: Cynthia Stafford, Human Resources

Noted for Fiscal Impact: Henry Chao, Finance Manager

Concur: Brandon Walker, Administrative Services Director

Legal Review: Todd Leishman, Interim City Attorney

Approved: Steve Napolitano, Interim City Manager