



Honorable Mayor and Members of the Hermosa Beach City Council

SIDE LETTER TO THE MANAGEMENT EMPLOYEES' MEMORANDUM OF UNDERSTANDING

(Human Resources Manager Tiffany Nguyen)

Recommended Action:

Staff recommends City Council approve the Resolution and Side Letter to the Management Employees' Memorandum of Understanding (**Attachment 1**).

Executive Summary:

The City of Hermosa Beach periodically needs to amend a Memorandum of Understanding (MOU) to ensure the document continues to meet the needs of the City and its employees. In this case, the City was notified by CalPERS that additional clarification is required for Article 16 (Uniform Allowance) in the current Management Employees' MOU for the purpose of calculating employee wages that are reported to CalPERS. The City met and conferred with the Management Employees on this addition and reached agreement.

Background:

The Meyers-Milias Brown Act (MMBA) mandates that local public agencies negotiate with their respective bargaining units on matters concerning wages, hours, and working conditions. The Current MOU for the affected Bargaining Unit is effective from July 1, 2022, through June 30, 2025.

The MMBA allows agencies and the recognized employee associations to make mutually-agreed upon adjustments to the MOU through side letters. These side letters address emerging issues without altering the core provisions of the existing MOU, provided the MOU does not include a "zipper clause."¹

Through labor negotiations, the City strives to maintain competitive wages, hours, and working conditions in a high-cost geographic labor market ensuring the ability to retain and attract a high-quality workforce that delivers a wide range of services to the community. During the term of an MOU, the City may periodically implement

¹ The Public Employment Relations Board defines a zipper clause as a clause in a collective bargaining agreement that permits both parties to refuse to bargain over changes to matters covered by the clause.

organizational changes, add or remove classifications, or modify MOU provisions to address the evolving needs of Hermosa Beach.

Past Council Actions

Meeting Date	Description
October 25, 2022	City Council approved the Memorandum of Understanding (MOU) between the City of Hermosa Beach and Management Employees for the 2022–2025 fiscal years.
September 10, 2024	City Council approved an amendment to the Management Employees’ MOU, reflecting changes to certain classifications represented by the Management Employee Group.

Discussion:

The current Article 16—Uniform Allowance of the Management Employee Group MOU reads as follows:

The Police Chief and Fire Chief shall be compensated the same uniform allowance as the next subordinate rank in their respective Department.

The tentative Side Letter approving modifications to Article 16—Uniform Allowance to read as follows:

Effective July 1, 2022, the uniform allowance for the Police Chief shall be \$1,000 per year, payable through the regular payroll schedule. Uniform allowance shall be reported to CalPERS periodically, when earned, on a per day basis, in accordance with the Public Employee’s Retirement Law (PERL) and applicable regulations. These items are not reportable for “new members” under the Public Employees’ Pension Reform Act of 2013 (PEPRA), as defined by Government Code Section 7522.04(f).

Environmental Review:

This side letter to amend the Management MOU is not a “project” subject CEQA” because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, § 15378(a).) In the alternative, the side letter falls within the “common sense” exemption set forth in State CEQA Guidelines section 15061(b)(3), which exempts activity from CEQA where “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.”

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:

Governance Element

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

Policy:

- **1.2 Strategic planning.** Regularly discuss and set priorities at the City Council and management level to prioritize work programs and staffing needs.

Fiscal Impact:

There is no fiscal impact associated with the recommended action.

Attachment:

Resolution and Side Letter to the Management Employees' Memorandum of Understanding

Respectfully Submitted by: Tiffany Nguyen, Human Resources Manager

Concur: Brandon Walker, Administrative Services Director

Noted for Fiscal Impact: Brandon Walker, Administrative Services Director

Legal Review: Patrick Donegan, City Attorney

Reviewed by: Angela Crespi, Deputy City Manager

Approved: Suja Lowenthal, City Manager