



Honorable Mayor and Members of the Hermosa Beach City Council

**ADOPT A RESOLUTION TO APPROVE A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF HERMOSA BEACH AND THE GENERAL AND SUPERVISORY EMPLOYEES' BARGAINING UNIT, TEAMSTERS LOCAL 986, EFFECTIVE JULY 1, 2025 – JUNE 30, 2028**

(Human Resources, Cynthia Stafford)

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**Recommended Action:**

Staff recommends City Council adopt a Resolution (**Attachment 1**) approving the Memorandum of Understanding (MOU) between the City of Hermosa Beach and the General and Supervisory Employees' Bargaining Unit, Teamsters Local 986 (Teamsters) (**Attachment 2**) for the Fiscal Years (FY) 2026-2028.

**Executive Summary:**

Negotiations for a successor to the Memorandum of Understanding (MOU) between the City and the General and Supervisory Employees' Bargaining Unit, Teamsters Local 986, have resulted in a tentative agreement. The City and the Hermosa Beach General and Supervisory Employees' Bargaining Unit 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 \$961,000 from FY 2026 to FY 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 expired 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 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 and the General and Supervisory Employees' Bargaining Unit, Teamsters Local 986, to discuss wages, hours, and other terms and conditions of employment contained in the MOU that expired on June 30, 2025.

This bargaining unit consists of the following classifications:

Account Clerk  
Building and Planning Technician  
Building Inspector  
Code Enforcement Officer  
Community Services Field Supervisor  
Community Services Officer  
Engineering Technician  
Equipment Mechanic  
Lead Special Events and Filming Coordinator  
Maintenance I  
Maintenance II  
Office Assistant  
Police Services Officer  
Police Service Officer Supervisor  
Public Works Inspector  
Retitled TBD from Crew Supervisor  
Recreation Specialist  
Senior Equipment Mechanic  
Senior Account Clerk  
Senior Office Assistant  
Special Events and Filming Coordinator

The parties have reached a tentative agreement within the authority provided by City Council and on the terms described below. The membership of the General and Supervisory Employees' Bargaining Unit met and ratified the terms of the tentative agreement on July 9, 2025, set forth in the new MOU, hereby submitted to the City Council for approval.

**Discussion:**

The tentative MOU between the City and the and the General and Supervisory Employees' Bargaining Unit, Teamsters Local 986, include the following negotiated terms:

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

2. Article 30 - 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 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. Article 23 - Deferred Compensation. The parties agreed the City will match employee contributions up to \$25.00 per month.
4. Article 29 – Uniforms. Increase the uniform allowance by \$10 each month.
5. Article 35 – Shift Differential. Increase the Swing shift differential to \$1.00 per hour and the Graveyard shift differential to \$1.25 per hour.
6. Article 37 – 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.
7. Article 41(A) – Training Premium Pay. Increase amount to \$3 per hour when assigned to be a trainer.
8. Article 41(D) – 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.
9. Article 42 – 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

10. Article 48 – Holidays. 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.
11. Article 50 – 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.
12. Article 55 – Reopeners/Me-Too Clause. The parties agree that if the City provides COLA increases or other benefits to other civilian bargaining units greater than provided to the General and Supervisory Employees’ Bargaining Unit, the Unit will be eligible for the higher COLA.

**Fiscal Impact:**

The total FY 2026 to FY 2028 cost of the negotiated changes is estimated to be \$961,000. Staff will budget the applicable change in each subsequent fiscal year’s proposed budgets.

**Attachments:**

1. Draft Resolution
2. The General and Supervisory Employees’ Bargaining Unit, Teamsters Local 986, MOU

**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