



Honorable Mayor and Members of the Hermosa Beach City Council

ADOPT A RESOLUTION TO ADOPT A SIDE LETTER TO MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE CITY OF HERMOSA BEACH AND THE GENERAL AND SUPERVISORY EMPLOYEES' BARGAINING UNIT TEAMSTERS LOCAL 986

(Human Resources Manager Tiffany Nguyen)

Recommended Action:

Staff recommends City Council adopt a Resolution to adopt a Side Letter to the MOU between the City of Hermosa Beach and the General and Supervisory Employees' Bargaining Unit, Teamsters Local 986, for the period of July 1, 2025 through June 30, 2028 (**Attachment 1**).

Executive Summary:

In the recently approved MOU for the General and Supervisory Employees' Bargaining Unit, Teamsters Local 986, a bilingual premium in the amount of \$100 per month for eligible employees was approved. Previously, the bilingual premium was in the amount of 5% of the employee's base monthly salary, with a limit of five (5) employees who can receive the premium City-Wide. This change was made to increase access and utilization of employees' bilingual skills City-wide, where necessary.

Staff received and evaluated a request from two (2) employees who were previously receiving the bilingual premium pay at the rate of 5% of their base monthly salary to have their premium rates be "grandfathered". Instead of "grandfathering" the 5% premium rate, staff recommends that the current dollar amounts of the premium pay that the employees were receiving prior to July 1, 2025 be preserved. This solution would preserve the premium amounts that the employees were receiving, while also preventing increased costs to the City in the future.

Background:

The Meyers-Milias Brown Act (MMBA) requires that local public agencies negotiate with their respective bargaining units regarding wages, hours, and working conditions. The current Memoranda of Understanding for the General and Supervisory Employees' Bargaining Unit, Local 986 is for the period of July 1, 2025, through June 30, 2028.

The MMBA allows agencies and the recognized employee associations to adopt changes to the MOUs to address emerging issues without impacting the current MOU provisions,

in the form of a side letter, assuming the changes were mutually agreed upon and the MOU does not contain a zipper clause¹.

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 the community across a range of services. Periodically, during the term of an MOU, the City needs to make modifications to MOU provisions to meet the changes and dynamic needs of Hermosa Beach.

Past Council Actions

Meeting Date	Description
<u>City Council:</u> August 26, 2025	City Council approved the Memorandum of Understanding (MOU) between the City of Hermosa Beach and General and Supervisory Employees’ Bargaining Unit (Teamsters Local 986) for the 2026–2028 fiscal years.

Discussion:

The City’s goal 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 the community across a range of services.

In this case, the proposed amendment to the Teamsers MOU would minimize the financial impact to the employees who have been providing their excellent bilingual services to the City, while also preventing increased costs for the city. This resolution also helps us maintain positive employee and labor relations, while retaining a high-performing workforce.

Fiscal Impact:

If adopted, the proposed premium is estimated to be a \$6,700 increase over the currently approved premium this fiscal year. The total premium increase for the FY 2026 to FY 2028 MOU cycle is estimated to be approximately \$21,000.

Staff will budget the applicable change in each subsequent fiscal year’s proposed budgets.

Attachment:

Draft Resolution and Side Letter

Respectfully Submitted by: Tiffany Nguyen, Human Resources Manager

Concur: Brandon Walker, Administrative Services Director

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.

Noted for Fiscal Impact: Henry Chao, Finance Manager

Legal Review: Jason Baltimore, Interim City Attorney

Approved: Steve Napolitano, Interim City Manager