



Honorable Mayor and Members of the Hermosa Beach City Council

ADOPT TWO RESOLUTIONS ADOPTING SIDE LETTERS TO THE MEMORANDUMS OF UNDERSTANDING (MOU) FOR THE GENERAL AND SUPERVISORY EMPLOYEES' BARGAINING UNIT AND THE PROFESSIONAL AND ADMINISTRATIVE EMPLOYEE GROUP

(Interim Human Resources Manager Tyler Cashman)

Recommended Action:

Staff recommends City Council:

1. 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) (**Attachment 1**) for the period of July 1, 2025 through June 30, 2028;
2. Adopt a resolution to adopt a Side Letter to the MOU between the City of Hermosa Beach and the Professional and Administrative Employee Group (PAE) (**Attachment 2**) for the period of July 1, 2025 through June 30, 2028.

Executive Summary:

The City currently provides Education Incentive Pay to its unrepresented employee group, offering \$400 per month for a master's degree and \$350 per month for approved professional certifications, effective July 1, 2025. Police unions also receive education-based compensation ranging from 5–10% of salary for POST certifications or associate degrees. However, PAE and Teamsters employees do not currently receive comparable education incentives.

To address this disparity, a side letter to the PAE and Teamsters Memoranda of Understanding grants these bargaining units the same Education Incentive Pay provided to the unrepresented employee group, ensuring equity across employee groups.

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 clause (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). 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 highquality 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.

Fiscal Impact:

The proposed expansion of Education Incentive Pay to PAE and Teamsters employees is estimated to cost approximately \$150,000 annually and is PERSable. However, the expansion will be fully offset by reducing the Sign-On Bonus Program, which has historically averaged approximately \$200,000 per year. The Sign-On Bonus program will be refocused exclusively on difficult-to-fill positions rather than applied broadly across classifications. As a result, the proposal is cost neutral and will not require additional General Fund appropriations.

Attachments:

1. Draft Resolution and Side Letter – General Supervisory Employee's Bargaining Unit (Teamsters Local 986)
2. Draft Resolution and Side Letter – Professional and Administrative Employee Group (PAE)

Respectfully Submitted by: Tyler Cashman, Interim Human Resources Manager

Concur: Brandon Walker, Administrative Services Director

Noted for Fiscal Impact: Brandon Walker, Administrative Services Director

Legal Review: Jason Baltimore, Interim City Attorney

Approved: Steve Napolitano, City Manager