




CITY OF NEWPORT BEACH

HUMAN RESOURCES DEPARTMENT

Barbara J. Salvini, Human Resources Director

DATE: December 2, 2019

TO: Civil Service Board Members

FROM:  Barbara J. Salvini, HR Director

RE: Salient Provisions to the Lifeguard Management Association's Memorandum of Understanding

The Lifeguard Management Association Memorandum of Understanding (MOU) was adopted at the September 24, 2019 City Council meeting.

The Newport Beach Lifeguard Management Association (NBLMA or Association) is an exclusively recognized bargaining unit and represents 11 full-time safety employees (Lifeguard Captain, Lifeguard Battalion Chief) and 2.25 part-time safety employees (Lifeguard Officer). Positive and productive discussions between the Association and City have resulted in a successor Agreement.

Salient provisions of the Agreement include:

- Term of three (3) years, from January 1, 2019 through December 31, 2021
- Wage adjustments
 - ✓ Pay Period Following Council Approval – 1.75%
 - ✓ January 1, 2020 – 1.75%
 - ✓ January 1, 2021 – 1.75%
- Adjustments to the City's contribution to the Cafeteria Plan as follows:
 - ✓ \$21 per month increase for full-time members
 - ✓ \$16 per month increase for part-time members
 - ✓ Revisions to the Cafeteria Plan for new employees
- Adjustments to ability to earn and use of Compensatory Time Off
- A one-time, Lump Sum Payment of \$1,500 for each employee, which will not be reported to CalPERS as compensation earned/pensionable compensation

As stated in the Key and Management Compensation Plan 2019-2021, the Assistant Chief Lifeguard Operations classification's cost-of-living adjustments are tied to the cost-of-living adjustments received by the Newport Beach Lifeguard Management Association Battalion Chiefs.

The following *Benefits Summary* for the LMA MOU is being provided to you as a quick reference. For a complete explanation of all benefits and compensation, benefit eligibility, and restrictions, please refer to the current Memorandum of Understanding (MOU) booklet that was provided to you in your agenda packet.



BENEFITS SUMMARY

LIFEGUARD MANAGEMENT ASSOCIATION (LMA)

Term: January 1, 2019 through December 31, 2021

This summary is for informational purposes only and is not binding. For a complete explanation of all benefits and compensation, benefit eligibility, and restrictions, refer to the current Memorandum of Understanding (MOU) and the Employee Policy Manual.

COMPENSATION

Salary Adjustments: 1.75% - September 28, 2019; 1.75% - December 21, 2019; and 1.75% - December 19, 2020.

FLSA Overtime¹: LMA members earn overtime for actual work hours in excess of 40 in their defined FLSA workweek.

Contract Overtime¹: Paid time off is included in the contract overtime calculation.

Overtime Rate: FLSA and Contract Overtime are paid at time and one half (1.5) and are calculated using the regular rate of pay. Contract Overtime calculations do not include any funds associated with the Cafeteria Plan allowance (cash back, opt-out cash).

Compensatory Time Off (CTO): LMA members may receive Compensatory Time Off in lieu of cash for each overtime hour at the rate of one and one half (1.5) hours. The maximum balance of CTO shall be eighty (80) hours. Effective January 1, 2020, an employee may only earn up to eighty (80) hours of CTO per calendar year.

Scholastic Achievement Pay: The Lifeguard Captain classification is eligible for 2.0% of base salary for a BA/BS Degree. The Lifeguard Battalion Chief classification is eligible for 1.0% of base pay for a MA/MS Degree.

Call Out (Call-Back Duty Pay)¹: A unit member called back to work after the normal work shift has ended will receive pay for actual hours worked, with a two-hour minimum payment. If the hours worked exceed 40 hours in the week, the overtime rate shall apply.

Standby Pay: Eligible members on a standby assignment shall receive two and a half (2.5) hours of base pay for each calendar day of standby duty.

Uniform Allowance: Reported to PERS as \$32.23 per pay period.

Longevity Pay: LMA members are eligible for compensation based on years of service: 1.0% 16 - 20 years; 1.5% 20 - 25 years; and 2.5% 25+ years.

Special Assignment Pay: The Lifeguard Captain classification is eligible for 2.5% of base salary for Boat Pay and 7.5% of base salary for Training Pay.

Sun Protection: Full-time members receive \$400 and part-time members receive \$300, annually, for the purchase of sunglasses and other sun protection items (not restricted to use at Lifeguard store).

One-Time Payment: All unit members actively employed at the time of City Council adoption of this MOU shall receive a one-time payment of \$1,500.

BENEFITS SUMMARY
Newport Beach Lifeguard Management Association
January 1, 2019 through December 31, 2021

¹ Time worked for Overtime and Call Out time is rounded to the nearest quarter of an hour.

LEAVES

Flex Leave ²: Full-time unit members shall accrue Flex Leave based on years of continued service at the following rates:

Years of Service	Biweekly Hours	Annual Hours	Accrued Hour Limit
1 but less than 5	5.54	144.04	288.08
5 but less than 9	6.15	159.90	319.80
9 but less than 12	6.77	176.02	352.04
12 and over	7.69	199.94	399.88

Part-time unit members will accrue .04 hours for each hour worked.

Holidays: LMA members who are normally required to work without regard to the holidays are eligible for Holiday Time in compensation or accrued leave, biweekly. Full-time members receive 3.69 hours and part-time members receive 2.77 hours.

Bereavement Leave: Forty (40) hours for full-time members and 32 hours for part-time members of paid leave for the necessary absence due to the death or terminal illness of an immediate family member. See MOU for list of qualifying family members.

² The City complies with IRS Title 26 CFR § 1.451-2 Constructive Receipt of Income with regard to Flex Leave pay out.

BENEFITS

Cafeteria Plan: Members participating in the City's medical plans receive a monthly cafeteria allowance. Effective September 28, 2019, the monthly allowance for full-time members increased to \$1,645 (plus the CalPERS medical premium contribution) and part-time members increased to \$601 (which includes the CalPERS medical premium contribution) to cover the costs of health premiums. If the cafeteria allowance exceeds the premium amounts, employees will receive the difference in taxable cash. Employees hired on or after September 28, 2019 are ineligible to receive the difference in taxable cash.

Opt-out: Full-time eligible employees receive \$1,000 per month as taxable cash back. Full-time employees hired on or after September 28, 2019 receive \$500 per month as taxable cash back. Part-time employees who opt out receive no taxable cash back.

Life Insurance: City-paid policy up to \$50,000 in coverage based on annual salary. Full-time employees only.

Disability Insurance: Full-time employees pay one percent (1%) of base salary as a post-tax deduction for this benefit.

	Short-Term Disability (STD)	Long-Term Disability (LTD)
Benefit Amount	66.67% of covered wages	66.67% of covered wages
Maximum Benefit	\$1,846 a week	\$15,000 monthly
Waiting Period	30 calendar days	180 calendar days

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Employee Assistance Program (EAP): The EAP provides confidential counseling, education and referral on work and life issues at no cost to the employee; subject to provider guidelines.

Tuition Reimbursement: Maximum tuition reimbursement for full-time members is \$1,500 and part-time members \$1,125 per fiscal year.

Retirement Benefits: The City contracts with the California Public Employees Retirement System (CalPERS) to provide retirement benefits and has implemented first, second and third tiers. CalPERS makes the final decision as to which tiered benefit an employee will receive.

Member Contributions: 13.6%

Tier I (Safety Legacy 3%@50) and Tier II (Classic 2%@50): Members contribute 9% of the employee rate; the remaining retirement contribution amount is employer rate cost sharing.

Tier III (PEPRA 2.7%@57): The minimum required member contribution for Tier III employees is subject to change based on the annual PERS valuation. The employee rate may increase or decrease as provided by CalPERS; the City adjusts the employee rate and adjusts the employer rate contribution so that the total member contribution aligns with Tiers I and II members.

RETIREE MEDICAL PLANS

Retiree Health Benefits Program: The City participates in a Retiree Health Savings (RHS) defined contribution plan with contributions paid by both the City ³ and the employee. Employees hired prior to January 1, 2006, and whose age and years of service totaled 50 (46 for public safety) or more, were enrolled in either the fully-converted plan or hybrid plan. Employees hired on or after January 1, 2006 participate in the fully-converted plan. Please refer to the LMA MOU for full details.

FULLY-CONVERTED PLAN

HYBRID PLAN

I. Employee payments to City to support program prior to retirement:

None.

II. Contributions to employees' accounts during employment:

1. Part A: 1% salary contribution (employee).
2. Part B ³: \$2.50 per month for each year of service plus age (the City).
3. Part C: Cash from leave conversion at retirement (see MOU for amount).
4. Lump payment upon retirement of \$100 for every month paid into the previous defined benefit plan, prior to January 1, 2006, up to 180 months (the City).

III. City contributions to employees' RHS account after retirement:

None.

I. Employee payments to City to support program prior to retirement:

\$100 per month until retirement.

II. Contributions to employees' accounts during employment:

1. Part A: 1% salary contribution (employee).
2. Part B: No City contribution.
3. Part C: Cash from leave conversion at retirement (see MOU for amount).
4. Lump payment upon retirement of \$75 for every month paid into the previous defined benefit plan, prior to January 1, 2006, up to 180 months (the City).

III. City contributions to employees' RHS account after retirement:

\$400 per month.

³ Employees vest in the program after 5 years of continued, full-time service. Once an employee vests, the City deposits the amount accumulated during the five-year waiting period and begins the monthly contributions.