Council Meeting of
March 18, 2008

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: City Manager - Adopt amendment to the Safety Management Employees Resolution modifying the term and the benefits section and adopt supplementals to the Torrance Police Officers Association (TPOA) and the Torrance Police Commanders Association (TPCA) Memoranda of Understanding modifying the term and the benefits section.

RECOMMENDATION

Recommendation of the City Manager that the City Council adopt an amendment to the Safety Management Employees Resolution and adopt Resolutions pursuant to Memoranda of Understanding amending the Resolutions setting forth terms, hours, wages and working conditions for employees represented by the Torrance Police Officers Association (TPOA) and Torrance Police Commanders Association (TPCA).

Funding

Funding is available in the Wage Reserve.

BACKGROUND/ANALYSIS

The current health insurance contribution level for Safety Management Employees, Police Officers and Lieutenants is $855 per month. In 2007, the City completed negotiations with the miscellaneous employee groups. As a result of the negotiations, the health insurance contribution structure was modified to reflect a tier structure based on an employee's health insurance needs. The major change to the health insurance structure was the elimination of the City Supplemental contribution which was used in the past to assist employees with paying increases to insurance premiums.

The City was contacted by the Safety Management Employees, the Torrance Police Officers Association (TPOA) and the Torrance Police Commanders Association (TPCA) to request an increase to the City's supplemental contribution to assist with reducing the out-of-pocket expense paid by members with family coverage. The request was based on annual increases to the health insurance rates. According to the 2008 health insurance coverage by the impacted employees, it was apparent that most members with a family plan are paying between $164 to $221 per month. After further research and discussions with the employee groups, both parties agreed to extend the expiration of the current agreements by one month from the current December 31, 2008 expiration date to January 31, 2009. The adjustment will allow the City to increase the current health insurance contribution amount from $855 to the $972.34 amount received by all miscellaneous employees. This increase will provide Safety Management Employees as well as members of TPOA and TPCA with immediate relief to offset the out-of-pocket monthly health insurance contribution.

By approving the attached Resolutions, the health insurance contribution level will be increased with an adjusted increase of $117 per month effective February 1, 2008.

Respectfully submitted,

LeROY J. JACKSON
CITY MANAGER

By _____
Aram Chaparyan
Assistant to the City Manager

CONCUR:

_____
LeRoy J. Jackson
City Manager

Attachments: A) Safety Management Supplemental #4
B) Torrance Police Officers Association (TPOA) Supplemental #4
C) Torrance Police Commanders Association (TPCA) Supplemental #5

Attachment A

RESOLUTION NO. 2008-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TORRANCE AMENDING RESOLUTION NO. 2005-122 SETTING FORTH CHANGES REGARDING THE WAGES FOR SAFETY MANAGEMENT EMPLOYEES

The City Council of the City of Torrance does hereby resolve as follows:

SECTION I

That Resolution No. 2005-122 is hereby amended as follows:

SECTION II

Effective February 1, 2008

ARTICLE 3 - BENEFITS

SECTION 3.1 SAFETY MANAGEMENT EMPLOYEE INSURANCE

A) POLICE SAFETY MANAGEMENT

1) Health Insurance

a) Effective January 1, ~~2006~~2008, the City shall pay ~~$64.40~~ $97.00 per month per employee toward medical insurance. The ~~$64.40~~ $97.00 employer contribution will apply only toward the health insurance premium of one of the authorized PERS health insurance plans. If the employee does not participate in the PERS insurance plans, the ~~$64.40~~ $97.00 cannot be used for any other purpose.

~~Effective January 1, 2006, the amount becomes $64.60 per month, effective January 1, 2007, the amount becomes $80.80, and effective January 1, 2008, the amount becomes $97, per AB 1464.~~

b) The City shall allocate ~~$500~~ an additional $875.34 ~~per month to be used for the following purpose:~~ This amount will be used for the following purposes:

i) To pay the PERS administrative fees and contingency reserve funds required by the PERS insurance plan. The payment of this fee is based on the percentage provided by PERS multiplied by the premium selected by the employee.

ii) The remainder may be used by the employee for the balance payment of the PERS approved health insurance plan premium, vision, and dental insurance premium~~, cash, or deferred into the City's 457 plan~~. For employees not taking health insurance or taking single party coverage only, any remaining amount up to a maximum of $500 may be allocated to the 457 deferred compensation plan or taken as cash. The employee need not participate in the PERS health insurance plan to be eligible to use the $500 allocation for either dental insurance, cash, or 457 deferred compensation plan. Any portion of the $500 allocation unused for health or dental premiums will be paid to the employee once each month at the time of the insurance contribution.

If an employee receives any or all of the allocation as cash, such amount will be reported as earned income for tax purposes.

It is the understanding of the parties that dollars distributed to the employee as cash in this manner will not be construed as earned income for PERS purposes. Any change in this assumption will require a payment by the using employee of both the employee's and the employer's share of any such liability that may have accrued starting January 1, 1998.

Employees hired after date of ratification of this MOU will only have the option of single, two-party, and family health insurance or dental coverage.

Given the increases to the health insurance premiums provided for by this Agreement, it the desire of the parties to eliminate the previously provided cash contribution to those employees who do not take health insurance from the City. However, given that existing employees who have not taken City-paid health insurance (or just had single coverage) have been provided a cash amount as part of their compensation, it is the intent of the parties to "grandfather" existing employees as of the date of approval of this agreement by the City Council with their current cash amount of up to $500.00. Employees hired after March 18, 2008, will be not eligible for the cash in lieu of selecting a health insurance plan option.

c) The City shall continue payment as provided in Section 3.1-(A)-(1)(a, b), ~~2, and 3)~~ while on an authorized medical leave of absence for a period not to exceed twelve months for any employee covered by this agreement.

SECTION III SEVERABILITY

If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction such decision shall not affect the validity of the remaining portions of the Resolution. The City Council hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Introduced, approved and adopted this _____ day of March, 2008.

_____
Mayor Frank Scotto

APPROVED AS TO FORM:
JOHN FELLOWS III, City Attorney

By_____
Ronald T. Pohl, Assistant City Attorney

ATTEST:

_____
Sue Herbers, CMC
City Clerk

Attachment B

MEMORANDUM OF UNDERSTANDING

TORRANCE POLICE OFFICERS ASSOCIATION (TPOA)

2005 - 2008

SUPPLEMENTAL #4

A SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING SETTING FORTH THE HOURS, WAGES AND WORKING CONDITIONS FOR EMPLOYEES REPRESENTED BY THE TORRANCE POLICE OFFICERS ASSOCIATION (TPOA)

An Agreement of the undersigned representatives of the Torrance Police Officers Association (TPOA) and the representatives of the City of Torrance (City) that:

> The attached Resolution is recommended to the City Council for adoption in its entirety. It covers wages, hours and working conditions for the period of February 1, 2008 to January 31, 2009, and was reached through agreement of the undersigned parties.

Signed this _____ day of March, 2008.

Management	TPOA
_____	Thomas H. Lynch
_____	_____
_____	_____

RESOLUTION NO. 2008-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TORRANCE AMENDING RESOLUTION NO. 2005-56 SETTING FORTH CHANGES REGARDING WAGES, HOURS AND WORKING CONDITIONS FOR EMPLOYEES REPRESENTED BY TORRANCE POLICE OFFICERS ASSOCIATION (TPOA)

The City Council of the City of Torrance does hereby resolve as follows:

SECTION I

That Resolution No. 2005-56 is hereby amended.

SECTION II

The following agreement between representatives of Management and the representatives of the Torrance Police Officers Association (TPOA) is hereby amended as follows:

Effective February 1, 2008

ARTICLE 13 – AMENDMENTS

SECTION 13.4 AMENDMENT TO SECTION 6.1 – EMPLOYEE INSURANCE

ARTICLE 6 – BENEFITS

SECTION 6.1 – EMPLOYEE INSURANCE

A) Health Insurance

1) Effective January 1, ~~2006~~2008, the City shall pay ~~$64.40~~$97.00 per month per employee toward medical insurance. The ~~$64.40~~$97.00 employer contribution will apply only toward the health insurance premium of one of the authorized PERS health insurance plans. If the employee does not participate in the PERS insurance plans, the ~~$64.40~~$97.00 cannot be used for any other purpose.

~~2) Pursuant to SB 1464, effective January 1, 2007, the City shall pay $80.80 per month per employee toward medical insurance. The $80.80 employer contribution will apply only toward the health insurance premium of one of the authorized PERS health insurance plans. If the employee does not participate in the PERS insurance plans, the $80.80 cannot be used for any other purpose.~~

~~3~~2) The City shall allocate an additional ~~$500~~$875.34. This amount will be used for the following purposes:

a) To pay the PERS administrative fees and contingency reserve funds required by the PERS insurance plan. The payment of these fees is based on the percentage provided by PERS multiplied by the premium selected by the employee.

b) The remainder may be used by the employee for the balance payment of the PERS approved health insurance plan premium, vision, and dental insurance premium, ~~457 deferred compensation plan or cash.~~ For employees not taking health insurance or taking single party coverage only, any remaining amount, up to a maximum of $500 may be allocated to the 457 deferred compensation plan or taken as cash. The employee need not participate in the PERS health insurance plan to be eligible to use the $500 allocation for either dental insurance, cash or 457 deferred compensation plan. Any portion of the $500 allocation unused for health or dental premiums will be paid to the employee once each month at the time of the insurance contribution.

If an employee receives any or all of the allocation as cash, such amount will be reported as earned income for tax purposes.

It is the understanding of the parties that dollars distributed to the employee as cash in this manner will not be construed as earned income for PERS purposes. Any change in this assumption will require a payment by the using employee of both the employee's and the employer's share of any such liability that may have accrued starting January 1, 1998.

c) Employees hired after date of ratification of this MOU will only have the option of single, two-party, and family health insurance or dental coverage.

Given the increases to the health insurance premiums provided for by this Agreement, it the desire of the parties to eliminate the previously provided cash contribution to those employees who do not take health insurance from the City. However, given that existing employees who have not taken City-paid health insurance (or just had single coverage) have been provided a cash amount as part of their compensation, it is the intent of the parties to "grandfather" existing employees as of the date of approval of this agreement by the City Council with their current cash amount of up to $500.00. Employees hired after March 18, 2008 will be not eligible for the cash in lieu of selecting a health insurance plan option.

~~4~~3) The City shall continue payment as provided in Section 6.1.A and B while on an authorized medical leave of absence for a period not to exceed twelve months for any employee covered by this agreement.

SECTION III SEVERABILITY

If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction such decision shall not affect the validity of the remaining portions of the Resolution. The City Council hereby declares that it would have passed this Resolution and each section,

subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Introduced, approved and adopted this _____ day of March, 2008.

_____
Mayor Frank Scotto

APPROVED AS TO FORM:
JOHN L. FELLOWS III, City Attorney

by _____
Ronald T. Pohl, Assistant City Attorney

ATTEST:

_____
Sue Herbers, CMC
City Clerk

Attachment C

MEMORANDUM OF UNDERSTANDING

TORRANCE POLICE COMMANDERS ASSOCIATION (TPCA)

2005 - 2008

SUPPLEMENTAL #5

A SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING SETTING FORTH THE HOURS, WAGES AND WORKING CONDITIONS FOR EMPLOYEES REPRESENTED BY THE TORRANCE POLICE COMMANDERS ASSOCIATION (TPCA)

An Agreement of the undersigned representatives of the Torrance Police Commanders Association (TPCA) and the representatives of the City of Torrance (City) that:

> The attached Resolution is recommended to the City Council for adoption in its entirety. It covers wages, hours and working conditions for the period of February 1, 2008 to January 31, 2009, and was reached through agreement of the undersigned parties.

Signed this ____ day of March, 2008.

Management	TPCA
_____	_____
_____	_____
_____	_____

RESOLUTION NO. 2008-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TORRANCE AMENDING RESOLUTION NO. 2005-61 SETTING FORTH CHANGES REGARDING WAGES, HOURS AND WORKING CONDITIONS FOR EMPLOYEES REPRESENTED BY TORRANCE POLICE COMMANDERS ASSOCIATION (TPCA)

The City Council of the City of Torrance does hereby resolve as follows:

SECTION I

That Resolution No. 2005-61 is hereby amended.

SECTION II

The following agreement between representatives of Management and the representatives of the Torrance Police Commanders Association (TPCA) is hereby amended as follows:

Effective February 1, 2008

ARTICLE 12 - AMENDMENTS

SECTION 12.5 AMENDMENT TO SECTION 6.1 EMPLOYEE INSURANCE

ARTICLE 6 – BENEFITS

SECTION 6.1 EMPLOYEE INSURANCE

A) Health Insurance

~~1) Pursuant to SB 1464, effective January 1, 2006, the City shall pay $64.60 per month per employee toward medical insurance. The $64.60 employer contribution will apply only toward the health insurance premium of one of the authorized PERS health insurance plans. If the employee does not participate in the PERS insurance plans, the $64.60 cannot be used for any other purpose.~~

~~2) Pursuant to SB 1464, effective January 1, 2007, The City shall pay $80.80 per month per employee toward medical insurance. The $80.80 employer contribution will apply only toward the health insurance premium of one of the authorized PERS health insurance plans. If the employee does not participate in the PERS insurance plans, the $80.80 cannot be used for any other purpose.~~

~~3~~1) ~~Pursuant to SB 1464, e~~Effective January 1, 2008, The City shall pay $97.00 per month per employee toward medical insurance. The $97.00 employer contribution will apply only toward the health insurance premium of one of the authorized PERS health insurance plans. If the employee does not participate in the PERS insurance plans, the $97.00 cannot be used for any other purpose.

42) The City shall allocate an additional ~~$500~~$875.34. This amount will be used for the following purposes:

a) To pay the PERS administrative fees and contingency reserve funds required by the PERS insurance plan. The payment of these fees is based on the percentage provided by PERS multiplied by the premium selected by the employee.

b) The remainder may be used by the employee for the balance payment of the PERS approved health insurance plan premium, vision, and dental insurance premium~~, 457 deferred compensation plan or cash.~~ For employees not taking health insurance or taking single-party coverage only, any remaining amount, up to a maximum of $500 may be allocated to the 457 deferred compensation plan or taken as cash. The employee need not participate in the PERS health insurance plan to be eligible to use the $500 allocation for either dental insurance, cash, or 457 deferred compensation plan. Any portion of the $500 allocation unused for health or dental premiums will be paid to the employee once each month at the time of the insurance contribution.

If an employee receives any or all of the allocation as cash, such amount will be reported as earned income for tax purposes.

It is the understanding of the parties that dollars distributed to the employee as cash in this manner will not be construed as earned income for PERS purposes. Any change in this assumption will require a payment by the using employee of both the employee's and the employer's share of any such liability that may have accrued starting January 1, 1998.

c) Employees hired after date of ratification of this MOU will only have the option of single, two-party, and family health insurance or dental coverage.

Given the increases to the health insurance premiums provided for by this Agreement, it the desire of the parties to eliminate the previously provided cash contribution to those employees who do not take health insurance from the City. However, given that existing employees who have not taken City-paid health insurance (or just had single coverage) have been provided a cash amount as part of their compensation, it is the intent of the parties to "grandfather" existing employees as of the date of approval of this agreement by the City Council with their current cash amount of up to $500.00. Employees hired after March 18, 2008, will be not eligible for the cash in lieu of selecting a health insurance plan option.

~~5) Effective January 1, 2006, all employees covered under this agreement will receive at no cost to the Association one party Dental Insurance. Effective January 1, 2007, all employees covered by this agreement will receive two party Dental Insurance. This benefit has no cash value if not used. If employees want to cover additional family members not covered in either 2006 or 2007, additional insurance may be purchased.~~

~~6~~3) The City shall continue payment as provided in Section 6.1.A and B while on an authorized medical leave of absence for a period not to exceed twelve months for any employee covered by this agreement.

SECTION III SEVERABILITY

If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Resolution. The City Council hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Introduced, approved and adopted this _____ day of March 2008.

_____
Mayor Frank Scotto

APPROVED AS TO FORM:
JOHN L. FELLOWS III, City Attorney

by _____
Ronald T. Pohl, Assistant City Attorney

ATTEST:

_____
Sue Herbers, CMC
City Clerk