



City of South Lake Tahoe

"making a positive difference now"

6

SEPTEMBER 26, 2011

STAFF REPORT
FOR THE CITY COUNCIL MEETING OF OCTOBER 4, 2011

TO: MAYOR AND COUNCIL

FR: TONY O'ROURKE, CITY MANAGER

RE: **RESOLUTION APPROVING SALARIES AND BENEFITS OF NON-REPRESENTED MANAGEMENT AND NON-REPRESENTED CONFIDENTIAL EMPLOYEES.**

RECOMMENDATION

Adopt resolution

ISSUE STATEMENT AND DISCUSSION

In 2010 the City Council adopted a Resolution updating the wage and benefit package for unrepresented employees including the adoption of furloughs as a temporary budget savings measure. However, based on City Council direction to bring an end to furloughs and to make other financial changes that would be long term, a new resolution is provided for adoption.

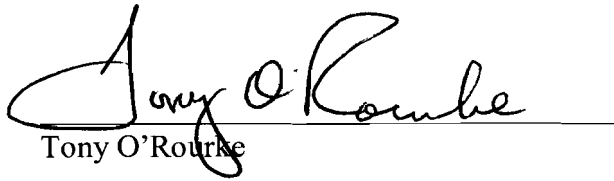
- Effective October 1, 2011, unrepresented management and confidential employee staff will stop furloughs and will return to working forty hours per week.
- Effective October 15, 2011 unrepresented management and confidential employee staff will begin paying the full member contribution towards CalPERS pension benefits by way of a separate staff report and resolution.
- Unrepresented management and confidential employs staff will assume changes to the health plan to achieve 10% overall plan savings at such time as any plan changes are implemented. The current cost sharing formula for the health plan will continue for fiscal year 2011-2012 but will be evaluated and changed in the future in accordance with overall changes.

Other wage and benefit components will continue as currently administered.

FINANCIAL AND/OR POLICY IMPLICATIONS:

The elimination of furloughs will allow unrepresented management and confidential employees to better serve the community and provide necessary oversight to staff and is in keeping with the stated goal of the City Council to return to a standard work week schedule.

Having this group pick up the employee contribution for PERS pension has a value of approximately \$118,140 annually. Agreeing to future reductions in the health plan is in alignment with the adopted five year financial plan for the City.



Tony O'Rourke

cc: Director of Finance

CITY OF SOUTH LAKE TAHOE

RESOLUTION NO. 2011 -

A RESOLUTION APPROVING CHANGES TO WAGES AND BENEFITS TO EMPLOYEES OF THE NON-REPRESENTED MANAGEMENT AND NON-REPRESENTED CONFIDENTIAL GROUP

WHEREAS, the City Council of the City of South Lake Tahoe has met and conferred in good faith with represented employees of the City in accordance with the provisions of the Meyers-Milias-Brown Act of the California Government Code; and

WHEREAS, the City Council of the City of South Lake Tahoe has budgeted for a certain level of wages and benefits for all employees; and

WHEREAS, certain management classifications are unrepresented department head positions and these classifications include: City Manager, City Attorney, City Clerk, Chief of Police, Fire Chief, Director of Finance, Director of Community Development, and Director of Development Services, and

WHEREAS, certain management classifications are unrepresented and these classifications include: Deputy City Attorney, Police Captain, Airport Director, and Human Resources Manager, and

WHEREAS, certain confidential classifications are unrepresented and these classification(s) include: Executive Assistant to the City Manager;

WHEREAS, Resolution 2010-52 is rescinded and replaced by this Resolution; and,

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED THAT:

This City Council approves implementation of a wage and benefit package as described in Attachment A and directs the City Manager to take all steps that are proper and necessary to implement this change.

PASSED AND ADOPTED by the City Council of the City of South Lake Tahoe at a meeting on _____, 2011 by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

Mayor

ATTEST:

Susan Alessi, City Clerk

Attachment A

Effective October 1, 2011, unrepresented management and confidential employee staff will end furloughs and will return to working forty hours per week. The furlough deduction from pay will end.

Effective October 15, 2011 unrepresented management and confidential employee staff will begin paying the full member contribution towards CalPERS pension benefits by way of a separate staff report and resolution.

Unrepresented management and confidential employee staff will assume changes to the health plan to achieve 10% overall plan savings at such time as any plan changes are implemented City wide. Premium cost sharing calculation will change at such time as changes are implemented City-wide to be consistent with represented employees and otherwise will remain as currently calculated.

Other benefits will continue as currently in place and have no effect on the budget due to being part of long standing practice. These benefits are granted at the discretion of the City Manager.

- Car allowance (or City vehicle as appropriate) for designated department heads who are required to travel throughout the City and region and who must be available to respond to City emergencies 24/7. These positions include: Fire Chief, Police Chief, Community Services Director.
- City provide phone or phone allowance of \$75/month for department head staff.
- Management/Education Incentive pay of 1.5% for unrepresented management and confidential employees who can show verification of attainment of additional career related training and education beyond that which is required of the position. This is an equivalent benefit to that which is provided to represented management employees.
- Administrative Leave – granted annually at the discretion of the City Manager to provide flexibility of time off to balance the work load expected beyond the standard 40-hour work week by unrepresented management staff.

The following benefits will continue to be applicable to unrepresented management and confidential employees in a manner consistent with represented miscellaneous management:

- Health (medical, dental, vision, life, ltd, flexible spending accounts) as granted to all regular employees.
- Vacation accrual, sick leave accrual, holidays and bereavement leave continue to follow the level of benefits applicable to represented management employees.
- Eligibility for merit pay, temporary acting pay, performance step increases continue to be accordance with procedures applicable to represented management employees.
- Additional temporary acting pay may be granted by the City Manager

when deemed appropriate including a department head temporarily assuming management responsibilities of an additional department.

The following benefits will continue to be applicable to unrepresented sworn safety management employees in a manner consistent with represented applicable sworn safety employees:

- Uniform allowance
- Section 12.3(a) of the Police Supervisors Unit MOU will apply to the position of Chief of Police and Police Captain (5% longevity pay following ten years of service with the City). This benefit will sunset with the retirement of the current Police Captain.

As a carry over from the previous Resolution, the following still applies:

- RETIREMENT BENEFITS – Effective October 1, 2010 a second tier will be added to the Public Employees’ Retirement System plan for miscellaneous employees. Employees hired on or after the effective date of the contract amendment will receive 2% at 55, three years final compensation PERS formula calculation (to be effective as close to October 1, 2010 as possible). In accordance with PERS law, this item cannot be implemented until all miscellaneous labor groups agree to same.
- During the period of furloughs, the vacation maximum accrual limit was temporarily raised from 240 to 400 hours. It has been stated previously that upon termination of furloughs, employees must reduce their vacation bank to 240 hours within three years. Hours will be exhausted through scheduling use of vacation or through vacation sell back. During this period, vacation sell back may be done once each quarter (“quarter” equaling three month increments from the end of the furlough period). Minimum number of hours that can be sold to the City at one time for its cash equivalent is ten (10) hours. The maximum number of hours that can be sold to the City in a 12 month period for its cash equivalent is 100 hours.
- Upon separation from employment with the City, every permanent or probationary employee who has served the City six months or more shall be paid for all unused vacation up to a maximum of the following hours:
 - Fiscal year 2011-2012 – maximum of 400 hours
 - Fiscal year 2012-2013 – maximum of 300 hours
 - Effective October 1, 2013 – return to the standard practice of the maximum number of hours for pay of unused vacation equaling 240

Payment for unused vacation shall be determined by the base hourly rate in effect for the position upon the date of separation.

- Upon the conclusion of furloughs, Section 3.2 Subsections B, D, and E as currently written in the Administrative and Confidential MOU shall not apply as currently written until such time as an employee has reduced their vacation leave bank back down to 240 hours.
 - Subsection B – designates the maximum number of vacation hours that can be carried over from one calendar year to the next as being limited to thirty working days.

- Subsection D – allows for vacation sell back which is temporarily amended as noted above.
- Subsection E – allows for the voluntary purchase of additional vacation accrual. No employee shall be permitted to purchase additional vacation until such time as their vacation accrual balance is reduced to 240 hours.