

Agenda Report

DATE: January 25, 2016

TO: Honorable Mayor and City Council
FROM: Human Resources Department
RE: APPROVAL OF NON-REPRESENTED MANAGEMENT SALARY RESOLUTION

RECOMMENDATION:

It is recommended that the City Council approve the Non-Represented Management salary resolution.

BACKGROUND:

The City Council establishes by Resolution the salaries and benefits for classifications that are not represented by an employee association or union. The City Council may adopt salary resolutions to make adjustments to wages, benefits and working conditions of non-represented employees.

In October 2015, the City Council approved a Non-Represented Management salary resolution that provided 2% salary increases for all classifications in this group with the exception of the Deputy Police Chief, Police Commander, and Police Lieutenant. In November 2015, Human Resources conducted a comprehensive salary survey for these classifications which revealed that all three classifications were behind the market average. The City is proposing to increase compensation for these classifications in an effort to enhance our competitiveness within the labor market, increase retention and morale, and encourage employees to pursue promotional opportunities within the Pasadena Police Department.

The following is an overview of the significant modifications to the existing salary resolution that will become effective on January 25, 2016 with City Council approval:

1. Salaries: The salary control rates for Deputy Police Chief, Police Commander, and Police Lieutenant will be adjusted as follows.

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Classification	Current Control Rate	Recommended Control Rate
Police Lieutenant	\$149,494	\$160,000
Police Commander	\$173,023	\$186,500
Deputy Police Chief	\$193,786	\$205,150

The control rate for all other classifications in the Non-Represented Management salary resolution will remain unchanged.

2. **Salary Increases:** Effective January 25, 2016, employees in the classifications of Deputy Police Chief, Police Commander, and Police Lieutenant will receive a base salary increase of 2%.
3. **Movement Within the Salary Range:**

Commencing January 1, 2016, sworn Police managers shall receive annual performance evaluations on February 15 of each year and are eligible for movement within the established salary range during the annual performance evaluation process as determined by his/her supervisor and with approval of the Police Chief.

During the annual performance evaluation process, an individual demonstrating the ability to consistently meet expectations for the position which results in accomplishments achieved during the review period is eligible for a salary increase up to the control rate. Salary adjustments should not exceed 3% of annual base pay at any one time nor occur more frequently than once every twelve months. Salary adjustments up to a maximum of 5% per year may be granted with approval from the City Manager or Assistant City Manager.

Probationary sworn Police managers are eligible for a merit increase as described above upon completion of their probationary period and receiving a meets expectations or higher performance evaluation rating. After this initial probationary evaluation, future performance evaluations and eligibility for merit increases will occur on February 15 of each year.

4. **Bilingual Pay:** Bilingual pay for employees in the classifications of Deputy Police Chief, Police Commander, and Police Lieutenant will be increased to \$125 per month (from \$75 per month).
5. **Peace Officer Standards and Training (POST) Incentive Pay:**
 - a. Employees in the classification of Deputy Police Chief who possess a POST Management certificate will receive additional compensation in the amount of 9% of base salary.

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- b. Employees in the classification of Police Commander or Police Lieutenant who possess a POST certificate as outlined below will receive additional compensation as follows:
 - POST Management certificate: 7% of base salary.

or

 - POST Supervisory certificate and a Bachelor's Degree: 6% of base salary.
 - c. The Deputy Police Chief, Police Commanders, and Police Lieutenants are eligible to receive compensation for one level of POST pay only.
6. Educational Incentive Pay: Sworn Police Managers who have successfully completed the FBI Academy, Command College, Supervisory/Leadership Institute, or who have attained a graduate degree in a management-related field from an accredited university are eligible to receive additional compensation as set forth below.
- a. Deputy Police Chief and Police Commander

Employees in the classification of Deputy Police Chief and Police Commander may receive compensation in the amount of \$300 per month per certificate or degree, up to a maximum of two certificates. Under no circumstance shall monthly certificate compensation exceed \$600.
 - b. Police Lieutenant

Employees in the classification of Police Lieutenant may receive compensation in the amount of \$300 per month, up to a maximum of one certificate or degree. Under no circumstance shall monthly certificate compensation exceed \$300.
7. Uniform Allowance: Effective the pay period that includes July 1, 2016 and annually thereafter, the City shall provide a uniform allowance in the amount of \$850 per year for employees in the classifications of Deputy Police Chief, Police Commander, and Police Lieutenant who are required to wear a City uniform in the course of employment. This is consistent with what is currently provided to the Pasadena Police Officers' Association. The value of uniforms for sworn Fire managers in the classification of Deputy Fire Chief will remain at \$750 per year reportable to CalPERS as special compensation. This is consistent with what is currently provided to the Pasadena Fire Management Association.

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8. Retirement: Individuals hired on or after January 1, 2013 who are “new members” of the California Public Employees Retirement System, as defined by the Public Employees’ Pension Reform Act of 2013 (PEPRA), will pay one-half of the total normal cost toward the cost of their retirement plan as required by PEPRA. The “total normal cost” is a figure that is determined by CalPERS and detailed in the City’s annual valuation statement.

Effective January 1, 2013, PEPRA miscellaneous employees paid 6.25% of pensionable compensation (one-half of the total normal cost) toward the requisite member rate as required by law. Effective in November 2015, PEPRA miscellaneous employees began contributing an additional 1.75% of pensionable compensation as cost-sharing toward the employer’s rate for a total pension contribution of 8% toward the CalPERS defined benefit plan. This change was initially made so that all employees enrolled in the miscellaneous CalPERS plans would contribute 8%. After additional review, the City seeks to stop the additional 1.75% pension contribution just for the PEPRA group so that all non-represented employees (“classic” and “new”) covered by the salary resolution will pay only the member contribution as required by law.

9. The newly created classifications of City Council District Liaison and Assistant City Clerk have been incorporated into the Non-Represented Management salary resolution. Additionally, the existing classification of Senior Internal Auditor has been included in the Non-Represented Management salary resolution.

COUNCIL POLICY CONSIDERATION:

The adoption of the salary resolution for non-represented management classifications supports the City Council’s strategic goal of maintaining fiscal responsibility and stability.

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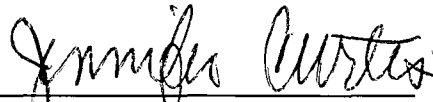
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FISCAL IMPACT:

The recommended salary increases will result in ongoing costs of approximately \$322,000 per year. The FY 2016 impact of approximately \$134,228 will be absorbed into the Police Department's operating budget. The initial costing estimate for the Non-Represented Non-Management salary resolution was based on all employees contributing 8% towards retirement. Approval of the recommended change to the retirement contribution for miscellaneous PEPRA employees will impact the revenues received in the Benefits Fund by approximately \$11,600 for the remainder of fiscal year 2016.

Respectfully Submitted,



Jennifer Curtis
Director of Human Resources

Prepared by:



Alex Souto
Principal Human Resources Analyst

Approved by:



for Michael J. Beck
City Manager

Attachments:

1. Salary Resolution for Non-Represented Management