

# Agenda Report

November 19, 2018

**TO:** Honorable Mayor and City Council

**FROM:** Department of Human Resources

**SUBJECT: ADOPTION OF EXECUTIVE MANAGEMENT, NON-REPRESENTED MANAGEMENT, AND NON-REPRESENTED NON-MANAGEMENT SALARY RESOLUTIONS**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the action proposed herein is not a "project" as defined in the California Environmental Quality Act (CEQA), Public Resources Code Section 21065 and Section 15378(b)(2) of the State CEQA Guidelines and, as such, is not subject to environmental review; and
2. Adopt the Executive Management Salary Resolution; and
3. Adopt the Non-Represented Management Salary Resolution; and
4. Adopt the Non-Represented Non-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 for non-represented employees.

In November 2017, the City Council authorized a 2% cost of living adjustment for the City's miscellaneous non-represented employees, and a 3.5% cost of living adjustment for sworn safety non-represented employees. At the same time, all non-represented employees began making additional pension contributions of up to 2% as CalPERS cost-sharing, resulting in total employee-paid pension contributions of up to 10% for miscellaneous employees and 10.5% for sworn safety employees. The 2017 salary increases combined with pension cost-sharing result in net salary increases of 0% for

executives, 1% for miscellaneous non-represented employees, and 2% for sworn safety employees.

Over the past year, all of the City's represented employees have received negotiated cost of living adjustments ranging from 2% - 3%. On August 23, 2018, the City Council approved a three-year contract with the Pasadena Police Officers Association that provided for cost of living increases of 3% in July 2018 and an additional 3% in July 2019. Comparable increases for non-represented sworn Police managers were approved by the City Council on October 1, 2018. As a result, sworn Police managers are excluded from the increases recommended below.

Staff has updated the Executive, Non-Represented Management, and Non-Represented Non-Management salary resolutions and accompanying salary schedules to reflect increases of 2% for all regular non-sworn classifications and for the sworn safety classification of Deputy Fire Chief. Pay rates for many classifications designated as hourly, with the exception of Recreation Leader, have been increased separately over the past two years pursuant to the City's minimum wage ordinance and are therefore excluded from the increases recommended below.

The recommended salary increases are designed to keep employee pay in-line with inflation and to maintain parity between the City's represented and non-represented employee groups.

A summary of the changes to each resolution is included below.

**Executive Management:**

1. Cost of Living Adjustment: Effective November 26, 2018, Executive Management employees will receive a 2% salary increase, and salary ranges will be increased by 2%.
2. Salary Continuation: Workers' compensation salary continuation benefits will be adjusted to 70% of base salary for a period of up to 6 months. The current salary continuation benefit provides for 100% of base salary for a period of 6 months.
3. Holidays - Veteran's Day will be observed on November 11 beginning in 2019. The City currently observes Veteran's Day on the Monday or Friday closest to November 11.
4. The Executive Salary Resolution includes additional non-economic language updates and clarification related to health benefits and leaves.

**Non-Represented Management:**

1. Cost of Living Adjustment: Effective November 26, 2018, Non-Represented Management Employees will receive Cost of Living Adjustments as follows and salary ranges for classifications will be increased by these same amounts:
  - a. Miscellaneous (non-sworn) Employees: 2%
  - b. Deputy Fire Chief: 2%
  
2. Labor market equity increases – Human Resources regularly analyzes the labor market to ensure that compensation remains competitive relative to comparable public agencies in the region. The salary ranges for the following classifications were recently studied and determined to have fallen behind the market average. As a result, effective November 26, 2018, the salary range for each of the following classifications will be increased as follows:
  - a. Graphic Artist: 6% control rate increase
  - b. Police Administrator: 8% control rate increase
  - c. Police Supervisor: 6% control rate increase
  - d. Senior Internal Auditor: 17% control rate increase
  
3. Salary Continuation: Workers' compensation salary continuation benefits will be adjusted to 70% of base salary for a period of up to 6 months. The current salary continuation benefit provides for 100% of base salary for a period of 6 months.
  
4. Holidays - Veteran's Day will be observed on November 11 beginning in 2019. The City currently observes Veteran's Day on the Monday or Friday closest to November 11.
  
5. The Non-Represented Management Salary Resolution includes additional non-economic language updates and clarification related to health benefits, leaves and merit increases.

**Non-Represented Non-Management:**

1. Cost of Living Adjustment:
  - a. Effective November 26, 2018, employees in Confidential Clerical and Technical Administrative classifications, with the exception of Ambulance Operator and Page, will receive a 2% increase and salary ranges will be increased by 2%.

- b. Effective November 26, 2018, the control rate for the Hourly classification of Recreation Leader will be increased by 2%. The Human Services and Recreation Department may provide cost of living increases of up to 2% for employees that did not receive a cost of living increase in 2017. The salary schedule for all other Hourly classifications will not be increased.
3. Overtime: Paid leaves, with the exception of sick leave, will be counted toward the 40-hour threshold for overtime eligibility in order to be consistent with non-exempt employees in represented classifications.
4. Salary Continuation: Workers' compensation salary continuation benefits will be adjusted to 70% of base salary for a period of up to 6 months. The current salary continuation benefit provides for 100% of base salary for a period of 6 months.
5. Holidays - Veteran's Day will be observed on November 11 beginning in 2019. The City currently observes Veteran's Day on the Monday or Friday closest to November 11.
6. The Non-Represented Non-Management Salary Resolution includes additional non-economic language updates and clarification related to health benefits and leaves.

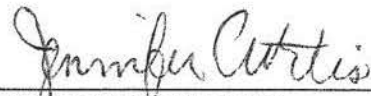
**COUNCIL POLICY CONSIDERATION:**

Approval of staff's recommendation supports the City Council's strategic goals of maintaining fiscal responsibility and stability.

**FISCAL IMPACT:**

The FY 2019 Operating Budget includes assumed growth to cover anticipated salary and benefit increases. The fully burdened annual fiscal impact of the recommended salary increases approximately \$632,000. The FY 2019 cost of approximately \$389,000 will be absorbed into departmental operating budgets. Approximately 76% of the cost is funded directly through the General Fund.

Respectfully submitted,



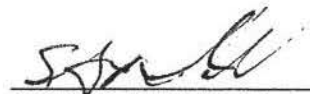
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JENNIFER CURTIS  
Director of Human Resources

Prepared by:



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Alex Souto  
Human Resources Manager

Approved by:



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STEVE MERMELL  
City Manager

Attachments:

1. Executive Management Salary Resolution
2. Non-Represented Management Salary Resolution
3. Non-Represented Non-Management Salary Resolution