



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Amend the Salary Resolution and Salary Tables and the Resolutions for Paying and Reporting the Value of Employer Paid Member Contributions for Unrepresented Management and Department Directors

BACKGROUND

Unrepresented Management employees and Department Directors are not organized and do not negotiate for any changes to their wages, hours, and/or other terms and conditions of employment. Instead, the City Manager recommends on behalf of these employee groups such changes.

EXISTING POLICY

Council Policy 7.3.1 *Legislative Management - Goals and Policies, Goal 7.3D:* Maintain a quality work force, consistent with state and federal laws, City Charter, and adopted policies in order to assure that City services are provided in an effective, efficient, and high quality manner.

ENVIRONMENTAL REVIEW

N/A

DISCUSSION

The modifications recommended by this report would apply to all unrepresented management employees, as well as all Department Directors, and are as follows:

Wages

Salary adjustments:

- Effective the first full pay period following City Council approval: a 2% salary increase
- Effective the first full pay period in Fiscal Year 2015/2016: a 2% salary increase
- Effective the first full pay period in Fiscal Year 2016/2017: a 2% salary increase

Pensionable, lump sum payments:

- Effective the last full pay period in November 2014: a 1% of current salary, pensionable for CalPERS classic members, lump sum payment
- Effective the last full pay period in November 2015: a 1% of current salary, pensionable for CalPERS classic members, lump sum payment
- Effective the last full pay period in November 2016: a 1% of current salary, pensionable for CalPERS classic members, lump sum payment

There are currently no CalPERS Tier 3 (PEPRA) members employed by the City of Sunnyvale in the

affected groups; however, lump sum payments such as this are not pensionable for CalPERS Tier 3 (PEPRA) members.

Retirement

Increased employee contributions for CalPERS classic members:

- Effective the first full pay period following City Council Approval, each employee will pay an additional 1% of the employee contribution that is currently paid by the City.
- Effective the first full pay period in Fiscal Year 2015/2016, each employee will pay an additional 1% of the employee contribution that is currently paid by the City.
- Effective the first full pay period in Fiscal Year 2016/2017, each employee will pay an additional 1% of the employee contribution that is currently paid by the City.

Leaves

Bereavement Leave:

Effective the first full pay period following City Council approval, the City reserves the right to require proof of death from the employee and all bereavement leave must be used within 6 calendar months of the date of eligible incident, except employees who are designated as the executor for a qualifying decedent's estate may seek approval of the Human Resources Director to use bereavement beyond the 6 month limitation.

Administrative Leave for Management:

Unrepresented Classified Management employees, Unrepresented Unclassified Management and Department Directors shall receive an additional 10 hours of Administrative Leave. This will increase Administrative Leave hours for Unrepresented Classified and Unclassified from 40 hours to 50 hours per calendar year and Department Directors from 60 hours to 70 hours per calendar year. Adjustments for payroll calendar year 2014 shall be made the first full pay period following City Council approval.

Paid Time Off (PTO):

Effective the first full pay period following City Council approval, revise the PTO accrual schedule to incorporate a new accrual rate for employees with 17 to 25 years of City service as follows:

Service Period Pay Periods	Years	Hours per Pay Period	Accrual Rate Hours per Year	Days per Year
1-26.99	0 to 1	6.5	169	21
27-130.99	1+ to 5	7.5	195	24
131-260.99	5+ to 10	9.0	234	29
261-442.99	10+ to 17	10.5	273	34
443-650.99	17 to 25	11.5	299	37

651+	25+	12.0	312	39
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Paid Medical Leave (PML):

Effective the first full pay period following City Council approval, require employees to use PTO for the first 120 work hours prior to becoming eligible for PML. Employees are currently required to use 80 hours of PTO prior to becoming eligible for PML.

Workers' Compensation:

Effective the first full pay period following City Council approval, employees will be eligible for Workers' Compensation benefits as provided by state law. After 26 consecutive pay periods of service, the City shall provide full pay for a medically certified work-related (same occurrence) disability, beginning with work day 1 through 60 calendar days of disability. Employees are currently provided with full pay from day 1 through 90 calendar days of disability.

FISCAL IMPACT

The 2% salary increases for 3 years and increasing the employees' contribution for retirement costs by 1 percent each year for 3 years are consistent with the Fiscal Year 2014/2015 Adopted Budget and the City's 20-year financial plan.

The fiscal impact of the 1% pensionable, lump sum payment for 3 years will be approximately \$32,000 to \$34,000 each year. As these are one-time costs, there will be no long-term impact over the 20-year financial plan. The fiscal impact for the first year can be absorbed in the current budget. The additional costs for the next 2 years will be included in the Fiscal Year 2015/2016 recommended budget.

With operating savings from the recently ended fiscal year, these additional one-time costs will not impact General Fund reserves.

The changes in increasing the PTO usage prior to becoming eligible for PML, and reducing the City full pay for medically certified work-related disability from 90 days to 60 days are expected to be a cost savings to the City on an ongoing basis. Actual savings will depend on usage.

The fiscal impact of the additional 10 hours of administrative leave will be approximately \$14,000 to \$15,000 each year. The additional expense for the first year can be absorbed in the current budget. The ongoing costs will be included in the Fiscal Year 2015/2016 recommended budget.

The cost impact of the additional PTO accruals will be minimal. Currently, 1 employee in this group qualifies for the new accrual rate. It is anticipated that the additional accrual will add approximately \$2,600 per year in cost.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

ALTERNATIVES

1. Approve amendments to the Salary Resolution and the Salary Tables presented as Attachment 1, the Resolution for Paying and Reporting the Value of Employer Paid Member Contributions presented as Attachment 2 for Unrepresented Classified Management employees, Unrepresented Unclassified Management employees, and Department Directors, and the Resolution for Paying and reporting the Value of Employer Paid Member Contributions for the Director of Public Safety presented as Attachment 3.

2. Do not approve amendments to the Salary Resolution and the Salary Tables presented as Attachment 1, the Resolution for Paying and Reporting the Value of Employer Paid Member Contributions presented as Attachment 2 for Unrepresented Classified Management employees, Unrepresented Unclassified Management employees, and Department Directors, and the Resolution for Paying and reporting the Value of Employer Paid Member Contributions for the Director of Public Safety presented as Attachment 3.

STAFF RECOMMENDATION

Alternative 1: Approve amendments to the Salary Resolution and the Salary Tables presented as Attachment 1, the Resolution for Paying and Reporting the Value of Employer Paid Member Contributions presented as Attachment 2 for Unrepresented Classified Management employees, Unrepresented Unclassified Management employees, and Department Directors, and the Resolution for Paying and reporting the Value of Employer Paid Member Contributions for the Director of Public Safety presented as Attachment 3.

Prepared by: Allison Suggs, Human Resources Manager

Reviewed by: Teri Silva, Director, Human Resources

Reviewed by: Grace K. Leung, Director, Finance

Reviewed by: Robert A. Walker, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Resolution to Amend the Salary Resolution and Salary Tables
2. Resolution for Paying and Reporting the Value of Employer Paid Member Contributions
3. Resolution for Paying and reporting the Value of Employer Paid Member Contributions for the Director of Public Safety