



File #: 16-0828, Version: 1

REPORT TO COUNCIL

SUBJECT

Amend the Salary Resolution for Various Benefits and Language Clarifications for Consistency Among Various Employee Groups

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 makes recommendations to Council regarding such changes on behalf of these employee groups.

In recent years, the City has reached agreements with the Communication Officers Association, Sunnyvale Managers Association and Service Employees International Union, Local 521 on successor Memorandum of Understandings (MOU) with changes to some benefits. As a result of this, some benefits have become inconsistent between the represented and unrepresented employees. In addition, some provisions in the Salary Resolution have become outdated and clean-up to the language is needed.

This report presents the opportunity to clean up and amend some provisions of the Salary Resolution for unrepresented management employees (pay plan categories D and K) and department directors (pay plan category F) to achieve the goal of maintaining consistent benefits between represented and unrepresented employees.

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

The action being considered does not constitute a "project" with the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378 (b) (5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

DISCUSSION

In order to stay consistent between unrepresented and represented management, staff identified some modifications to the Salary Resolution. The significant proposed amendments to the Salary Resolution are as follows:

Leaves

Paid Time Off (PTO)

City Manager or City Attorney may authorize a higher PTO accrual rate for newly hired or promoted unrepresented employees. The cash-out of PTO is changed from December to October of each year.

Bereavement Leave

Bereavement leave is extended to include step-parents and must be used within six months. The City reserves the right to require proof of death.

Floating Holiday

Increase annual floating holiday hours from 20 hours to 30 hours per year. The Sunnyvale Employees Association (SEA) and Sunnyvale Managers Association (SMA) are currently eligible for 30 hours of floating holiday per year. The option to transfer unused floating holiday hours to PTO at the end of each year is eliminated and the unused hours will be paid out instead.

Out of Class Pay for Special Assignment Work

A new provision is added, offering employees a 5% premium for special/temporary assignment that is clearly beyond the scope of their regular job description.

Cash In-Lieu of Medical Coverage

The existing cash in-lieu of medical coverage program allows employees to receive a payment of \$82.33 to \$213.42 per month by choosing to waive medical coverage for all or a portion of the benefit for which they are eligible. This program is modified so that employees will be eligible for payment only by opting out of medical coverage entirely. The payment amount shall be \$82.33 to \$213.42 per month, depending on the number of dependents eligible to enroll.

Post Retirement Medical Benefits

As specified in the Salary Resolution Section 5.540, the City provides a benefit that reimburses retired managers for the out-of-pocket costs of their CalPERS medical premiums. On January 30, 2007, Council approved a change to Section 5.540 of the Salary Resolution to include a vesting schedule for those employees appointed to management positions after July 2007. After 5 years of management service, retired managers are eligible for 50% reimbursement of the out-of-pocket costs of their CalPERS medical premiums, and this percentage increases by 5% for every additional year of management service. There is also an alternative that allows for a combined management and non-management years of service requirement that would achieve 100% of reimbursement.

The combined management and non-management vesting requirement language was later revised during a clean-up of the Salary Resolution language. The revised Salary Resolution was posted and effective as of March 22, 2010.

Combined Years of Service Language

As of January 30, 2007: *"5 years management service and minimum 15 years City service"*
As of March 22, 2010: *"5 years management service with City of Sunnyvale and 15 years or more of non-management City service"*

The intent of the program was to make a 100% reimbursement available to retired managers who had at least 15 years of service with the City, with at least 5 years in a management position. However, the current language could be interpreted to require retired managers to have a minimum of 20 years of service with the City, at least 5 years in a management position and at least 15 years in a non-management position.

This issue was brought to the attention of Human Resources staff when some current employees considering retirement questioned the benefit. Staff conducted an extensive review and no information was found to identify the approval process or justification for the 2010 change in the language, and no evidence of any meet and confer with impacted bargaining units. Thus, it is believed that that the 2010 modification was inadvertent and not intended to substantively change the benefit. Therefore, because the 2010 modification could arguably be interpreted to change the terms of this benefit, and would require meet and confer, staff recommends reverting to the prior language, with minor clarifications to make clear that the provisions apply to service with the City to honor the original intent of the language adopted by Council on January 30, 2007. This recommendation has been communicated with the Council through email on April 11, 2016. At this time, there are no currently retired managers who would be impacted by reverting to the prior adopted language.

Minor Updates for Clarification and Clean-Up

The proposed amendments to the Salary Resolution contain some language clarifications to reflect current Citywide practices.

The City has been working to update the language used for Paid Medical Leave (PML) within the Salary Resolution to replace the word “disability” with “illness or injury.” The City applies the two phrases in the same way for purposes of administering the PML program. “Illness or injury” simply modernizes old language. “Disability” was used before state and federal laws were passed that defined disabilities and required employers to provide protected unpaid leave for those disabilities. The City has always applied PML for any medically certified illness or injury, regardless of whether it rises to the level of a “disability” as defined in the state and federal laws.

FISCAL IMPACT

The majority of the changes will have no substantive fiscal impact with the exception of the granting of an additional ten hours of floating holiday to each employee. If employees cash out floating holiday leave, instead of using it, the anticipated impact (based on history) will be approximately \$11,000 per year, which can be absorbed in the FY 2016/17 budget and will be included in budgets going forward.

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. Adopt the Resolution to amend the Salary Resolution for Various Benefits and Language Clarifications for Consistency Among Various Employee Groups
2. Do not adopt the amended Salary Resolution for Various Benefits and Language Clarifications for Consistency Among Various Employee Groups

STAFF RECOMMENDATION

Alternative 1: Adopt the Resolution to amend the Salary Resolution for Various Benefits and Language Clarifications for Consistency Among Various Employee Groups

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Reviewed by: Teri Silva, Director of Human Resources

Approved by: Deanna J. Santana, City Manager

ATTACHMENT

1. Resolution to Amend Salary Resolution