



City Council Agenda Item

City Council Meeting Date: January 21, 2020

TO: Jim Throop, City Manager

FROM: Gabriel Garcia, Human Resources Manager
g_garcia@ci.lompoc.ca.us

SUBJECT: Adoption of Resolution No. 6301(20) Approving Amended and Restated Compensation Plans for Management, Supervisory & Confidential and Unrepresented Employees and Approving Supplemental Appropriations and Revenues to Fund the Amended and Restated Compensation Plans

Recommendation:

Staff recommends the City Council adopt Resolution No. 6301(20) (attached), which will:

- 1) Approve the amended and restated Compensation Plans (CP) for Management, Supervisory & Confidential (MS&C) and Unrepresented (UR) employees effective the pay period to include September 1, 2019 (Exhibits A and B of the attached resolution); and
- 2) Approve the supplemental appropriations which will fund the proposed salary range adjustments and benefit contribution adjustment included in the amended and restated Compensation Plans for the remainder of Fiscal Years (FYs) 2019-2011.

Background:

On September 15, 2015, the City Council adopted Resolution No. 6007(15) approving CPs for the MS&C, and UR.

Discussion:

The MS&C and UR CPs are proposed to be adjusted to reflect similar adjusted salary terms provided as part of the International Brotherhood of Electrical Workers, Local Union 1245, AFL-CIO Memorandum of Understanding 2019-2021, namely 2% cost of living adjustments (COLA) beginning the pay period following the adoption of Resolution No. 6301(20) and an additional 3% COLA effective the first pay period of FY 2020-2021. In addition, since MS&C and UR employees cannot, under state law, receive retroactive salary and/or compensation, the MS&C and UR CPs also include a one-time non-

January 21, 2020

Resolution No. 6301(20) Adopting MS&C and UR Compensation Plans

Page 2 of 3

pensionable equity lump sum compensation payment to compensate for the time delay to present this staff report and resolution for adoption.

In order to incorporate the proposed revised salary ranges into the City's official Compensation/Pay Plan, the City's Personnel Ordinance and Rules, Rule IV, Sections 1 and 2, provide that changes must be adopted by City Council action. The proposed new major amendments to the existing MS&C and UR CPs include the following:

- **FY 2019/20:** A 2% base salary increase, the continuation of which shall be contingent upon the following ongoing employee pension cost sharing being implemented pursuant to Government Code section 20516 within a reasonable period after City Council approval.
 1. CalPERS Tier 1 classic Unit members shall pay 8% as employee contribution, plus an additional 2% as ongoing employee cost sharing, for a total employee contribution of 10%.
 2. CalPERS Tier 2 classic Unit members shall pay 7% as employee contribution, plus an additional 1% as ongoing employee cost sharing, for a total employee contribution of 8%.
- **FY 2020/21:** Effective the first pay period of FY 2020-2021, and contingent upon implementation of a CalPERS Contract Amendment pursuant to Government Code section 20516 and the employee cost sharing referenced above, the City shall provide an additional 3% base salary increase.
- **Health Benefit Contribution:** Effective July 1, 2020, the City shall provide MS&C and UR CPs increased medical contributions as follows: \$25 additional to one party, \$35 additional to two party, and \$50 to family coverage per month.
- **Lump Sum Payment:** Effective the first pay period after adoption, all classifications covered MS&C and UR CPs shall receive an additional non-pensionable equity lump sum compensation payment for FY 2019-2020 to compensate for the time delay to present this staff report and resolution for adoption.

Fiscal Impact:

The implementation of the general salary adjustment and the lump sum payment amendments to the MS&C and UR CPs require supplemental appropriations of \$810,419 for the remainder of the Biennial Budget FYs 2019-2021. The supplemental appropriations are allocated by fund type as follows:

<u>Fund category</u>	<u>FY 2019-20 Amount</u>	<u>FY 2020-21 Amount</u>
General Fund.....	\$89,095	\$283,351
Water Utility	29,927	54,360
Electric Utility	28,397	52,301
Wastewater Utility	24,181	43,387
Solid Waste Utility.....	18,904	33,813
Other Proprietary Funds	5,314	10,218
Other Governmental Funds	6,841	17,136
Internal Service Funds.....	33,773	75,634
Fiduciary Funds	1,847	1,940
Total	<u>\$238,279</u>	<u>\$572,140</u>

Resolution No. 6301(20) provides for the appropriation of funds associated with the costs resulting from the approval of the amended MS&C and UR salary range adjustments for the remainder of FY 2019-2021 and the one-time lump sum payment.

Conclusion:

The adoption of Resolution No. 6301(20) will provide for the implementation of the proposed compensation adjustments to MS&C and UR employees.

Respectfully submitted,

Gabriel Garcia, Human Resources Manager

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Jim Throop, City Manager

- Attachment: 1) Resolution No. 6301(20)
 2) Red-lined Management, Supervisory & Confidential Compensation Plan
 3) Red-lined Unrepresented Employees