



CITY COUNCIL STAFF REPORT

TO: Honorable Mayor and City Council **DATE:** June 28, 2021

FROM: Matthew Bronson City Manager

PREPARED BY: Karla Mattocks, Management Analyst/Human Resources

SUBJECT: Executive Management and Management and Confidential Employee Compensation Resolutions

RECOMMENDATION

Adopt the Resolution amending the Classification and Compensation Plan for Executive Management employees and adopt the Resolution amending the Classification and Compensation Plan for Management and Confidential employees for a three-year term of 2021-2024.

BACKGROUND

The Executive Management and Management and Confidential employees are management-level employees across multiple City departments. Executive Management employees are department directors along with the City Manager while Management and Confidential employees are mid-management/confidential employees in the City Manager's Office, Administrative Services, Community Development, and Public Works departments. There is a separate employee bargaining group for Police Management and Confidential employees.

In April through June 2021, the City Manager met with the Executive Management and Management and Confidential employees along with the Police Management and Confidential employee group to discuss compensation and benefits interests in line with the City's objective in maintaining equitable and competitive compensation for employees. These discussions occurred concurrently with formal bargaining sessions between the City and POA and SEIU bargaining groups on developing updated Memoranda of Understanding. Management employees shared numerous interests with regards to cost of living adjustments, health insurance premiums, educational incentives, and other items.

Given City's fiscal outlook and the need for a compensation structure that supports workforce retention and attraction, the City Manager is recommending targeted adjustments in the compensation and benefits structure for both the Executive Management and Management and Confidential employees. The agreement provides Executive Management and Management and Confidential group members with an annual cost of living salary adjustment of 2% on July 1, 2021, 3% on July 1, 2022, and 3% on July 1, 2023. A one-time lump sum payment of \$1,000 will be issued effective with this agreement. This cost of living adjustment and lump sum payment is consistent with other unrepresented employees and employee bargaining groups

Effective with this agreement, the previous 5% Management Incentive Pay for Executive Management and Management and Confidential employees will be incorporated into base salary

and removed as an incentive pay. The City-provided Deferred Compensation match contribution will also be increased from \$150 per month to \$200 per month for Executive Group and from \$115 per month to \$165 per month for Management and Confidential Group.

With these adjustments, compensation for the Executive Management and Management and Confidential employees as a group will be competitive (as defined as approximately the midpoint of the total compensation range) with benchmark cities which are the other six cities in San Luis Obispo County along with select cities of similar population elsewhere in the region. However, there are still some positions that remain out of market after these adjustments and thus the following equity salary adjustments are recommended for these specific positions to bring these positions to market:

Police Chief	2.5%
Administrative Services Director	2.0%
Community Development Director	2.0%
Public Works Director/City Engineer	2.0%

FISCAL IMPACT

This amended compensation and benefits structure is projected to cost \$57,616 in FY 2021-22 and is included in the FY 2021-23 Proposed Budget that will be considered by the Council for adoption on June 28.

ALTERNATIVES

The Council has the following alternatives to consider:

1. Adopt the Resolution amending the Classification and Compensation Plan for Executive Management employees for Management and Confidential employees; or
2. Provide alternate direction to staff.

PUBLIC NOTIFICATION

The agenda was posted in accordance with the Brown Act.

Attachments

1. Executive Management and Management and Confidential Resolution, Exhibit A – Executive Management Agreement, Exhibit B – Management and Confidential Agreement, Exhibit C – Executive and Management and Confidential Salary Schedule.

RESOLUTION NO. 21-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH, CALIFORNIA, APPROVING THE PROPOSED ADJUSTMENTS WITH EXECUTIVE MANAGEMENT EMPLOYEES AND MANAGEMENT AND CONFIDENTIAL EMPLOYEES AND AMENDING THE COMPENSATION AND BENEFITS STRUCTURE FOR THE PERIOD JULY 1, 2021 THROUGH JUNE 30, 2024

WHEREAS, the City Manager and Executive Management and Management and Confidential employees have met and discussed the amended compensation and benefits structure set forth in Exhibit A, B and C; and

WHEREAS, City would implement the amended compensation and benefit structure in Exhibit A with the beginning of fiscal year 2021-2022 on July 1, 2021; and

WHEREAS, the City Council has reviewed and approved of the terms and conditions set forth therein.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GROVER BEACH, CALIFORNIA, DOES DELARE, DETERMINE, AND ORDER AS FOLLOWS:

That the City Council of the City of Grover Beach does hereby adopt this Resolution approving the new amended compensation and benefits structure for Executive Management employees.

On motion by Council Member _____, seconded by Council Member _____, and on the following roll-call vote, to wit:

- AYES: Council Members –
- NOES: Council Members –
- ABSENT: Council Members –
- ABSTAIN: Council Members –
- RECUSED: Council Members –

the foregoing Resolution was **PASSED, APPROVED, and ADOPTED** at a regular meeting of the City Council of the City of Grover Beach, California this 28th day of June 2021.

****DRAFT****

JEFF LEE, MAYOR

Attest:

WENDI B. SIMS, CITY CLERK

**Executive Management Employee Compensation & Benefits
July 1, 2021 to June 30, 2024**

COLA

Cost of living increase of 2% on July 1, 2021, 3% on July 1, 2022, and 3% on July 1, 2023. A one-time lump sum payment of \$1000 will be issued to each member upon ratification of this agreement.

In addition, the following one-time targeted Equity adjustments will be made:

Police Chief	2.5% Equity Adjustment
Administrative Services Director	2% Adjustment
Community Development Director	2% Adjustment
Public Works Director/City Engineer	2% Adjustment

Salary

Salaries have been established by range as follows:

Section 1 - Executive Management		MIN					MAX
Police Chief	*	12122	12,728	13,365	14,033	14,734	15,471
Administrative Services Director	*	10930	11,477	12,050	12,653	13,285	13,950
Community Development Director	*	10877	11,421	11,992	12,591	13,221	13,882
Public Works Director/City Engineer	*	10877	11,421	11,992	12,591	13,221	13,882
Parks & Recreation Program Director	*	7837	8,229	8,640	9,072	9,526	10,002

Regular Pay

Base Pay plus Incentive Pay

Management Incentive Pay

Effective with this agreement, 5% Management Incentive Pay will be incorporated into salary steps and removed as an incentive.

Uniform

Any employee required to wear uniforms will be provided with them. Police Executive Management Employees will receive a Uniform Allowance of \$1,000 per year (pro-rated on each paycheck.) The cost of required safety equipment such as steel-toed boots and safety glasses is reimbursable.

Administrative Leave

Exempt employees receive 88 hours of Administrative Leave in January of each year. If hired during the year, the leave shall be pro-rated. Administrative Leave may be used at the discretion of the employee with the approval of the City Manager. Any unused balance existing at the end of the calendar year will be permitted to be carried over into the next calendar year.

Vacation

0 – 1 year of service	10 days per year	38 days of maximum accumulation
1 – 2 years of service	11 days per year	38 days of maximum accumulation
2 – 3 years of service	12 days per year	38 days of maximum accumulation
3 – 4 years of service	13 days per year	38 days of maximum accumulation
4 – 5 years of service	14 days per year	38 days of maximum accumulation
5 – 7 years of service	15 days per year	43 days of maximum accumulation
7 – 9 years of service	16 days per year	43 days of maximum accumulation
10 or more years of service	20 days per year	79 days of maximum accumulation

An employee may exchange vacation leave hours for cash. Upon request, the City shall buy back vacation leave hours accumulated in excess of sixty percent (60%) of the Employee's maximum authorized accrual amount. The payment for these vacation leave hours shall be at one hundred percent (100%) of the employee's regular hourly pay rate.

The employee's request shall be in writing and may be made once annually during the last two months of the calendar year. No employee may receive payment under the provisions of this section for more than eighty (80) hours of vacation leave in any one calendar year.

Holidays

The employee shall receive 13 paid holidays per year. Lincoln's Birthday shall be observed on the 2nd Monday in February if all other employee groups agree. Otherwise, observance of Lincoln's Birthday holiday shall be on the actual day of February 12th.

Sick Leave

The employee shall accrue 12 Sick Leave days per year. The Sick Leave Accrual limit is 2,000 hours. Sick Leave may be applied to a retiring employee's CalPERS service credit within compliance of existing PERS policies and applicable laws. If the Sick Leave is not applied toward the retirement credit, only 672 hours of accrued Sick Leave will be paid upon retirement, or when an employee with over 20 years of service leaves City employment.

Retirement

The City belongs to the Public Employees Retirement System (CalPERS).

CalPERS Miscellaneous 2.5% at Age 55 with One-Year Final Compensation is provided for non-safety Executive Management employees, who qualify as "Classic Employee" under CalPERS. Miscellaneous employees shall pay the full portion of the employee's retirement contribution under CalPERS.

Employees hired after January 1, 2013, fall under Public Employees' Pension Reform Act, or "PEPRA", CalPERS Miscellaneous 2% at age 62 retirement Plan with Three-Year Final Average Salary Compensation for Non-Safety Executive Management employees and shall pay the full portion of the employees' retirement contribution under CalPERS.

CalPERS Local Safety 3% at Age 55 with One-Year Final Compensation is provided for Sworn Public Safety Executive Management employees, who qualify as a "Classic Employee" under CalPERS. Sworn Safety employees shall pay the full portion of the employee's retirement contribution under CalPERS.

Employees hired after January 1, 2013, fall under Public Employees' Pension Reform Act, or "PEPRA", CalPERS Local Safety 2.7% at Age 57 Retirement plan with Three-Year Final Average Salary Compensation. Each Public Safety Executive Management employee shall pay the full employee portion of CalPERS.

All employees pay member contributions on a pre-tax basis (IRS 414(h)2). The City also is part of the Social Security System. Employees pay their share of social security as a payroll deduction.

Group Insurance

City pays full medical, vision, dental and life insurance (\$125,000 policy for employee + 5,000 for eligible spouse and \$2,000 per eligible child) for employees, and contributes towards dependent coverage for family members only in the following amounts:

Employee + 1 Dependent:	\$ 601.90
Employee + Full Family:	\$1,011.25

The City provides the benefits of the Public Employees Medical and Hospital Care Act (PEMHCA) to all eligible employees at a contribution level equivalent to the cost of the PERS Select PPO plan for medical coverage. Employee Only coverage will be paid at the PERS Select PPO rate.

The City's payment amount will include the amount set forth in the CalPERS Health Care Resolution. If an employee elects to upgrade to a different plan, the employee will pay the difference (via payroll deduction) between the plan and the PERS Select PPO. The City will continue to contribute on a monthly basis up to the maximum of the amounts shown above toward the cost of dependent care coverage for health insurance.

Cafeteria Plan

In accordance with IRS Code Section 125, active employees participating in the City's full flex cafeteria plan receive a monthly flex dollar allowance to purchase benefits. The allowance is listed above under group insurance.

The monthly flex dollar allowance may be used in accordance with the terms of the cafeteria plan to purchase benefits such as medical, dental, and vision insurance coverage, or any other benefits the City may offer from time to time, or may be converted to taxable income as listed below:

If an employee has health, dental and vision insurance coverage through a spouse, dependent, or a former employer and provides proof of other coverage to the Human Resources Department, the employee may elect to waive the City's health insurance coverage and elect to use flex dollars, equal to \$500.00 per month which when elected is taxable income.

Employee Assistance Program

The City shall pay the Employee Assistance Program premium with a minimum of three clinical consultations per incident.

Deferred Compensation

The City will contribute up to \$200 per month maximum for employees who participate in one of two existing deferred compensation plans, matched on a dollar-for-dollar basis.

Long-Term Disability

City paid premium.

Short-Term Disability

Employee paid California State Disability Insurance (SDI) as a payroll deduction.

**Management & Confidential
Employee Compensation & Benefits
July 1, 2021 to June 30, 2024**

COLA

Cost of living increase of 2% on July 1, 2021, 3% on July 1, 2022 and 3% on July 1, 2023. A one-time lump sum payment of \$1000 will be issued to each member with ratification of this agreement.

Salary

Salaries have been established by range as shown in attached salary schedule.

Regular Pay

Base Pay plus Incentive Pay. Shall not include Standby Pay, Call-Out Pay, or Overtime Pay.

Management Incentive Pay

Effective with this agreement, 5% Management Incentive Pay will be incorporated into salary steps and removed as an incentive.

Education Incentive

Education incentive pay is provided for certificates or degrees over and above what is required for the position with approval from the City Manager. 2.5% for a Master’s Degree. In no instance shall Education Incentive pay exceed 2.5%.

Education Reimbursement Program

Up to \$2000 in educational expenses is available per fiscal year upon satisfactory completion of pre-approved college-level classes with a grade of “C” or better.

Uniform

Any employee required to wear uniforms will be provided with them. The cost of required safety equipment such as steel-toed boots and safety glasses is reimbursable.

Administrative Leave

Exempt employees receive 88 hours of Administrative Leave in January of each year. If hired during the year, the leave shall be pro-rated. Administrative Leave may be used at the discretion of the employee with the approval of the Department Director. Any unused balance existing at the end of the calendar year will be permitted to be carried over into the next calendar year.

Vacation

0 – 1 year of service	10 days per year	38 days of maximum accumulation
1 – 2 years of service	11 days per year	38 days of maximum accumulation
2 – 3 years of service	12 days per year	38 days of maximum accumulation
3 – 4 years of service	13 days per year	38 days of maximum accumulation
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amount. The payment for these vacation leave hours shall be at one hundred percent (100%) of the employee's regular hourly pay rate.

The employees request shall be in writing, and may be made once annually during the last two months of the calendar year. No employee may receive payment under the provisions of this section for more than eighty (80) hours of vacation leave in any one calendar year.

Holidays

The employee shall receive 13 paid holidays per year. Lincoln's Birthday, shall be observed on the 2nd Monday in February if all other employee groups agree. Otherwise observance of Lincoln's Birthday holiday shall be on the actual day of February 12th.

Sick Leave

The employee shall accrue 12 Sick Leave days per year. The Sick Leave Accrual limit is 2,000 hours. Sick Leave may be applied to a retiring employee's CalPERS service credit within compliance of existing PERS policies and applicable laws. If the sick Leave is not applied toward the retirement credit, only 672 hours of accrued Sick Leave will be paid upon retirement, or when an employee with over 20 years of service leaves City employment.

Employees who have accumulated 672 hours of sick leave may request to be reimbursed in November of each year for ½ of any sick leave in excess of 672 hours up to a maximum of 48 hours. (i.e. 96 hours will be deducted from total sick accruals in exchange for 48 hours cashed out.)

Retirement

The City belongs to the Public Employees Retirement System (CalPERS).

CalPERS Miscellaneous 2.5% at Age 55 with One-Year Final Compensation is provided for non-safety Executive Management employees, who qualify as "Classic Employee" under CalPERS. Miscellaneous employees shall pay the full portion of the employee's retirement contribution under CalPERS.

Employees hired after January 1, 2013 fall under Public Employees' Pension Reform Act, or "PEPRA", CalPERS Miscellaneous 2% at age 62 retirement Plan with Three-Year Final Average Salary Compensation for Non-Safety Executive Management employees and shall pay the full portion of the employees' retirement contribution under CalPERS.

CalPERS Local Safety 3% at Age 55 with One-Year Final Compensation is provide for Sworn Public Safety Executive Management employees, who qualify as a "Classic Employee" under CalPERS. Sworn Safety employees shall pay the full portion of the employee's retirement contribution under CalPERS.

Employees hired after January 1, 2013 fall under Public Employees' Pension Reform Act, or "PEPRA", CalPERS Local Safety 2.7% at Age 57 Retirement plan with Three-Year Final Average Salary Compensation. Each Public Safety Executive Management employee shall pay the full employee portion of CalPERS.

All employees pay member contributions on a pre-tax basis (IRS 414(h)2). The City also is part of the Social Security System. Employees pay their share of Social security as a payroll deduction.

Group Insurance

City pays the employee’s portion of medical, vision, and dental insurance costs for health insurance plans offered by the City up to a maximum of \$637.54. The City shall pay for group life insurance coverage (\$100,000 policy for employee + 5,000 for eligible spouse and \$2,000 per eligible child) for employees, and contributes towards dependent health insurance coverage for family members only in the following amounts:

Employee + 1 Dependent:	\$ 601.85
Employee + Full Family:	\$1,011.20

The City provides the benefits of the Public Employees Medical and Hospital Care Act (PEMHCA) to all eligible employees at a contribution level equivalent to the cost of the PERS Select PPO plan for medical coverage. Employee Only coverage will be paid at the PERS Select PPO rate.

The City’s payment amount will include the amount set forth in the CalPERS Health Care Resolution. If an employee elects to upgrade to a different plan, the employee will pay the difference (via payroll deduction) between the plan and the PERS Select PPO. The City will continue to contribute on a monthly basis up to the maximum of the amounts shown above toward the cost of dependent care coverage for health insurance.

Cafeteria Plan

In accordance with IRS Code Section 125, active employees participating in the City’s full flex cafeteria plan receive a monthly flex dollar allowance to purchase benefits. The allowance is listed above under group insurance.

The monthly flex dollar allowance may be used in accordance with the terms of the cafeteria plan to purchase benefits such as medical, dental, and vision insurance coverage, or any other benefits the City may offer from time to time, or may be converted to taxable income as listed below:

If an employee has health, dental and vision insurance coverage through a spouse, dependent, or a former employer and provides proof of other coverage to the Human Resources Department, the employee may elect to waive the City’s health insurance coverage and elect to use flex dollars, equal to \$500.00 per month which when elected is taxable income.

Employee Assistance Program

The City shall pay the Employee Assistance Program premium with a minimum of three clinical consultations per incident.

Deferred Compensation

The City will contribute up to \$165 per month maximum for employees who participate in one of two existing deferred compensation plans, matched on a dollar-for-dollar basis.

Long-Term Disability

City paid premium.

Short-Term Disability

Employee paid California State Disability Insurance (SDI) as a payroll deduction.

Salary Schedule Effective 7/1/2021							
Section 2 - Management & Confidential		A	B	C	D	E	F
Senior Engineer	*	7718	8104	8509	8935	9381	9850
Capital Improvement Project Manager	*	7504	7879	8273	8687	9121	9577
Senior Planner	*	7240	7602	7982	8381	8800	9240
City Clerk/Executive Assistant	*	7094	7449	7821	8212	8623	9054
Finance Manager	*	6503	6828	7170	7528	7904	8300
Associate Engineer	*	6503	6828	7170	7528	7904	8300
IT Specialist	*	6604	6934	7281	7645	8027	8429
Public Works Supervisor	*	5717	6003	6303	6618	6949	7297
Management Analyst/Human Resources	*	5209	5469	5743	6030	6332	6648
Accounting Specialist		4820	5061	5314	5580	5859	6152
Administrative Analyst (Confidential)		4681	4915	5161	5419	5690	5974
Deputy City Clerk/Administrative Specialist (Conf)		4334	4551	4778	5017	5268	5531
Salary Schedule Effective 7/1/2022							
Section 2 - Management & Confidential							
Senior Engineer	*	7950	8347	8764	9203	9663	10146
Capital Improvement Project Manager	*	7729	8116	8521	8947	9395	9865
Senior Planner	*	7457	7830	8222	8633	9064	9517
City Clerk/Executive Assistant	*	7307	7672	8056	8459	8881	9326
Finance Manager	*	6698	7033	7385	7754	8142	8549
Associate Engineer	*	6698	7033	7385	7754	8142	8549
IT Specialist	*	6802	7142	7499	7874	8268	8681
Public Works Supervisor	*	5889	6183	6492	6817	7158	7515
Management Analyst/Human Resources	*	5365	5634	5915	6211	6522	6848
Accounting Specialist		4965	5213	5473	5747	6035	6336
Administrative Analyst (Confidential)		4821	5063	5316	5581	5860	6154
Deputy City Clerk/Administrative Specialist (Conf)		4464	4687	4922	5168	5426	5697
Salary Schedule Effective 7/1/2023							
Section 2 - Management & Confidential							
Senior Engineer	*	8188	8597	9027	9479	9953	10450
Capital Improvement Project Manager	*	7961	8359	8777	9216	9677	10160
Senior Planner	*	7681	8065	8468	8892	9336	9803
City Clerk/Executive Assistant	*	7526	7902	8297	8712	9148	9605
Finance Manager	*	6899	7244	7606	7986	8386	8805
Associate Engineer	*	6899	7244	7606	7986	8386	8805
IT Specialist	*	7006	7356	7724	8111	8516	8942
Public Works Supervisor	*	6065	6368	6687	7021	7372	7741
Management Analyst/Human Resources	*	5526	5803	6093	6397	6717	7053
Accounting Specialist		5114	5369	5638	5920	6216	6526
Administrative Analyst (Confidential)		4966	5214	5475	5749	6036	6338
Deputy City Clerk/Administrative Specialist (Conf)		4598	4828	5069	5323	5589	5868

City of Grover Beach
STAFFING DETAIL & SALARY SCHEDULE
 Executive Management
 And
 Management and Confidential Employees

Compensation Plan - Monthly Salary
 Ranges

Proposed Salary Schedule

<u>Section 1 - Executive Management</u>		MIN					MAX
City Manager	*						17,687
Police Chief	*	12122	12,728	13,365	14,033	14,734	15,471
Administrative Services Director	*	10930	11,477	12,050	12,653	13,285	13,950
Community Development Director	*	10877	11,421	11,992	12,591	13,221	13,882
Public Works Director/City Engineer	*	10877	11,421	11,992	12,591	13,221	13,882
Parks & Recreation Program Director	*	7837	8,229	8,640	9,072	9,526	10,002
<u>Section 2 - Management & Confidential</u>		A	B	C	D	E	F
Senior Engineer	*	7,718	8,104	8509	8935	9381	9850
Capital Improvement Project Manager	*	7,504	7,879	8273	8687	9121	9577
Senior Planner	*	7,240	7,602	7982	8381	8800	9240
City Clerk/Executive Assistant	*	7,094	7,449	7821	8212	8623	9054
Finance Manager	*	6,503	6,828	7170	7528	7904	8300
Associate Engineer	*	6,503	6,828	7170	7528	7904	8300
IT Specialist	*	6,604	6,934	7281	7645	8027	8429
Public Works Supervisor	*	5,717	6,003	6303	6618	6949	7297
Management Analyst/Human Resources	*	5,209	5,469	5743	6030	6332	6648
Accounting Specialist		4,820	5,061	5314	5580	5859	6152
Administrative Analyst (Confidential)		4,681	4,915	5161	5419	5690	5974
Deputy City Clerk/Administrative Specialist (Conf)		4,334	4,551	4778	5017	5268	5531