



# REPORT TO COUNCIL

## City of Sacramento

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www. CityofSacramento.org

Consent  
June 24, 2008

Honorable Mayor and  
Members of the City Council

**Title: Personnel Resolution Covering Unrepresented Officers and Employees and Modification of Payment Method of Employer Paid Member Contributions to PERS for Unrepresented Administrative/Confidential and Exempt Management Employees**

**Location/Council District:** Citywide

**Recommendation:** Adopt 1) a **Resolution** a) approving the amended Personnel Resolution covering general administrative provisions, hours of work, and other terms and conditions of employment for unrepresented officers and employees; and b) adopting the amended 2008-09 Salary Schedules for unrepresented exempt management, administrative/confidential and non-career employees; 2) a **Resolution** modifying the payment method for employer paid member contributions for confidential/ administrative employees; 3) a **Resolution** modifying the payment method for employer paid member contributions for exempt management support employees; 4) a **Resolution** modifying the payment method for employer paid member contributions for exempt management employees; and 5) a **Resolution** modifying the payment method for employer paid member contributions for police management employees.

**Contact:** Tosha Cherry, Program Specialist, 808-5498;  
Geri Hamby, Director of Human Resources, 808-7173

**Department:** Human Resources

**Division:** HR Administration

**Organization No:** 1511/08001011

### **Description/Analysis**

**Issue:** This City Manager's report recommends the adoption of the Personnel Resolution Covering Unrepresented Officers and Employees and the adoption of the 2008-09 salary schedules for unrepresented classifications, including exempt management, exempt management support, administrative/confidential and non-career employees.

The proposed 2008-09 unrepresented salary schedules are based on the findings of the 2008 market salary survey of employers that are comparable to the City of Sacramento. Each year, the Department of Human Resources conducts a market survey of salaries of classifications that are comparable to classifications in the City. This ensures that the City's unrepresented exempt management, exempt management support, and administrative/confidential classifications remain competitive in the marketplace. The survey findings are used to establish new salary ranges for unrepresented classifications and are contained in the proposed salary schedules attached to this report.

The major items are summarized below:

1. Exhibit "A" contains a record of text changes to the City's Personnel Resolution Covering Unrepresented Officers and Employees, effective June 21, 2008. The specific changes to the Personnel Resolution are presented in two versions. The first version, Exhibit "A" beginning at page 14 depicts the changes that were made to the existing text of the Personnel Resolution. The second version, Exhibit "A1" beginning at page 56 depicts those changes as the amended text would appear in the Personnel Resolution, subject to City Council adoption.
2. Exhibit "B" contains revised salary schedules for unrepresented positions classified as exempt management, exempt management support, administrative/confidential, and non-career. Following Council's approval, unrepresented salary schedules will be effective retroactive to June 21, 2008, which is the beginning of the pay period. The effective date will not result in retroactive pay to employees. As proposed, the revised unrepresented salary schedules implement findings contained in the 2008 market salary survey of employers comparable to the City of Sacramento. The recommended ranges are consistent with the City's Strategic Compensation Plan, implemented by the City Council in 2002. The revised salary schedules do not result in an automatic adjustment to an individual employee's pay. The FY2008-09 budget contains a four percent (4%) allocation of labor costs for Merit Based Pay. No adjustment is made unless the employee's current salary falls below the minimum of the new salary range. Individual unrepresented employee pay adjustments are accomplished pursuant to Merit Based Pay principles and the City's Salary Administration Policy.

This report also recommends adoption of a resolution to modify the payment method of Employer Paid Member Contributions (EPMC) to the Public Employees Retirement System (PERS) for unrepresented administrative/confidential and exempt management employees. Currently, the city pays the EPMC for represented employees and Fire Management employees through a direct payment of the member contribution. However, the remainder of the City's employees are first paid a fringe amount for PERS and then the EPMC is paid from an employee deduction. To improve efficiency and accuracy in the delivery of benefits and in conjunction with the implementation of the Electronic Citywide Accounting and Personnel System (eCAPS), the City must pay the employer paid member contribution to PERS consistently for all City employees.

**Policy Considerations:** This report, and the proposals contained herein, promotes the City Council's intent as stated in our Strategic Plan. Specifically, the guiding principles include a commitment to attract, retain, and develop a highly qualified and diverse workforce.

**Environmental Considerations:** Under the California Environmental Quality Act (CEQA) guidelines, continuing administrative activities do not constitute a project and are therefore exempt from review.

**Commission/Committee Action:** The proposed salary schedules for unrepresented classifications, prepared using the findings of the 2008 market salary survey of comparable employers, are consistent with City Council direction as adopted in the City's Strategic Compensation Plan. The Plan was forwarded to City Council through the Personnel and Public Employee (P&PE) committee.

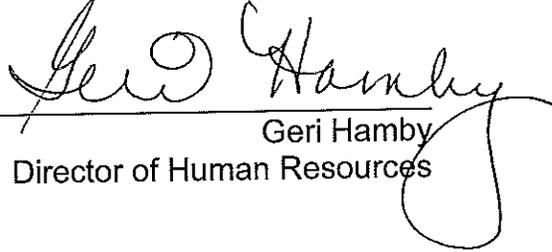
**Rationale for Recommendation:** Not Applicable.

**Financial Considerations:** The FY2008/09 budget includes the costs of the adoption of the proposed revisions to the Personnel Resolution (Exhibit "A") for the exempt management and administrative/confidential employee units. The creation of the exempt management support unit has minimal impact to the budget and costs can be absorbed within the FY2008/09 Budget.

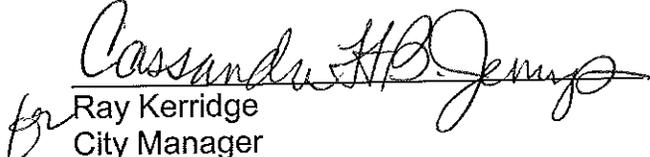
Adoption of the proposed unrepresented salary schedules (Exhibit "B") will result in the adjustment of individual salaries to the new minimum salary range. The FY2008-09 budget contains sufficient funding to cover this cost.

**Emerging Small Business Development (ESBD):** Not Applicable.

Respectfully Submitted by:   
Tosha Cherry  
Program Specialist

Approved by:   
Geri Hamby  
Director of Human Resources

Recommendation Approved:

  
Ray Kerridge  
City Manager

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## **Background**

In 2001, the City Council adopted a market-based compensation philosophy which was recommended by the Blue Ribbon Panel. In November 2002, the Administrative Policy Instruction 35 – Salary Administration Policy was implemented. This policy established policy and procedures for salary administration for exempt management, unrepresented administrative/confidential employees and unrepresented non-career employees. Based on survey data obtained, the City adopts competitive salary ranges with sufficient flexibility to address recruitment or retention issues. The Performance Appraisal System was approved in 2003 and was linked to Merit Based Pay in 2005.

This report recommends the City Council approve the following recommendations for employees holding classifications covered by the Personnel Resolution Covering Unrepresented Officers and Employees:

### **1. Unrepresented Salary Schedules:**

Pursuant to the findings of the 2008 market salary survey, the salary ranges of unrepresented classifications are adjusted as reflected in Exhibit "B." Consistent with the City's Salary Administration Policy, if current salaries of individual employees fall below the new salary range minimum, their salaries will be adjusted to equal the minimum. It is recommended that the revised salary schedules become effective retroactive to June 21, 2008.

### **2. Personnel Resolution:**

This report also recommends the following amendments to the Personnel Resolution, Exhibit "A". Unless otherwise noted, all recommended changes will become effective retroactive to June 21, 2008, if adopted by City Council:

- a. Table of Contents: A table of contents and index was added to improve the ease of use of the document.
- b. Effective Date References: Various sections have been modified to eliminate effective date references that are no longer accurate.
- c. Exempt Management Support Employee Unit: A new employee unit entitled, "Exempt Management Support" is referenced in various sections. The unit consists of employees currently in the administrative/confidential employee unit. The classifications are Administrative Analyst, Program Analyst, Junior Analyst, Workers' Compensation Claims Representative, Investigator, and Senior Deputy City Clerk. It was determined that employees in these classifications are performing higher-level work that is typically performed by exempt management employees. As a result, a new employee unit was created to appropriately classify the group and to address the disparities between exempt management employees and the employees in these classifications. While all disparities cannot be

addressed at this time due to the financial impact, the creation of the exempt management support employee unit addresses some of the disparities. References to the exempt management support employee unit are made throughout the document. Each change to the terms and conditions of employment will be identified in this report in accordance with the applicable section. The effective date for the unit is July 5, 2008.

d. Fringe Benefit Plan:

- (1) Section 3.1 (a) has been modified to include the management support employee unit and provide for City-paid basic life insurance in the amount of \$50,000 consistent with the benefit for the exempt management employee unit.
- (2) Section 3.1 (b) has been modified to include the management support employee unit and provide for City-paid long-term disability insurance consistent with the benefit for the exempt management employee unit.

e. City Health and Welfare Contribution:

- (1) Section 3.1 (c) (1), Section 3.1 (2) (a) and Section 3.1 (3) have been modified to improve efficiency and accuracy in the delivery of benefits effective with the implementation of the eCAPS system. Starting August 2, 2008, the City will pay the PERS contribution for unrepresented employees in the same manner as represented employees and Fire Management employees through a direct payment of the member contribution.
- (2) Section 3.1 (2) (a) has been modified to provide that the City will pay five percent (5%) of the exempt management support employees' member contribution to the PERS retirement system.

f. Contribution Amount:

(1) Effective January 1, 2009, City Health and Welfare contributions specified in Section 3.1 (c) (5) (a), (b) and (c) have been modified as follows:

- a. A \$70 monthly increase for an employee enrolled with one dependent.
- b. A \$130 monthly increase for an employee enrolled with two or more dependents.

These changes are in line with the negotiated agreements with represented units that have been previously approved.

- (2) Section 3.1 (c) (6) has been modified to provide the increased contribution above for employees with domestic partners who are registered with the State.
- (3) Section 3.1 (c) (5) (b) has been modified to provide exempt management support employees the same contribution as exempt management employees.

g. Cash Back Limits: Section 3.1 (d) has been modified to reduce cash back limits by \$50 per month for administrative/confidential employees, by \$80 per month for management and management support employees, and by

\$85 per month for Charter Officers. These changes are in line with the negotiated agreements with represented units that have been previously approved.

- h. Insurance Over \$50,000: Section 3.1 (e) has been modified to permit exempt management support employees to purchase supplemental life insurance in the same manner as exempt management employees. It has also been modified to correct an error. The right to purchase additional supplemental life insurance in the amount of \$10,000 only applies to administrative/confidential employees.
- i. Flexible Spending Accounts:
  - (1) Section 3.2 (a) has been amended in accordance with applicable law to prohibit flexible spending account funds from being used for health insurance premiums.
  - (2) Section 3.2 (d) has been amended to allow for reimbursement of work-commute mass transit expenses in accordance with the flexible spending account plan.
  - (3) Section 3.2 (e) has been amended to allow for reimbursement of work-related parking expenses in accordance with the flexible spending account plan.
  - (4) Section 3.2 (c) has been amended to eliminate administrative costs for participation in the plan.
- j. Deferred Compensation:

Section 3.3 has been modified to include exempt management support employees. This is not a change to the employee groups' existing right to participate in the plan.
- k. Holidays:

Section 7.2 (i) (1) (a) (i) has been modified to include exempt management support employees. This is not a change to the employee groups' existing holiday accrual rates.
- l. Management Leave Time:
  - (1) Section 7.3 (a) has been modified to include management support employees' exemption from the provisions of the Fair Labor Standards Act.
  - (2) Section 7.3 (c) has been added to provide exempt management support employees with 80 hours leave time.
  - (3) Section 7.3 (d) has been modified to limit management and management support employees' ability to cash-out unused portion of the leave time of up to 40 hours.
  - (4) Section 7.3 (e) has been modified to limit management and management support employees' ability to cash out unused portion of the leave time upon separation to up to 40 hours.
- m. Personal Leave:

Section 7.14 (b) has been modified to allow for personal leave to keep accruing after employees reach 15 years of service.

n. Transportation and Parking Allowances:

Section 8.1 has been modified as follows:

- (1) Upon department authorization, allow for vehicle allowance for exempt management support employees as permitted for exempt management employees.
- (2) Grant city-provided parking to exempt management support employees as provided for exempt management employees.
- (3) Clarifies that administrative/confidential employees may receive up to \$100 transportation/parking allowance with the authorization of the City Manager.

o. Bilingual Pay:

Section 8.7 has been modified to make exempt management and exempt management support employees ineligible for bilingual pay.

p. Technology Allowance:

Section 8.8 has been modified to authorize a technology allowance of up to \$100 for exempt management support employees as is authorized for exempt management employees. Additionally, this section was ~~modified~~ to provide for exempt management support employees to be generally accessible via cellular phone for City-related business as required by exempt management employees.

q. Notary Pay:

Section 8.9 has been modified to make exempt management and exempt management support employees ineligible for notary pay.

## **RESOLUTION NO.**

Adopted by the Sacramento City Council

### **APPROVING THE PERSONNEL RESOLUTION COVERING UNREPRESENTED OFFICERS AND EMPLOYEES AND THE UNREPRESENTED SALARY SCHEDULES**

#### **BACKGROUND**

- A. The Personnel Resolution Covering Unrepresented Officers and Employees sets forth general administrative provisions, hours of work and other terms and conditions affecting unrepresented classifications. Specific provisions of the Personnel Resolution address health and welfare contributions for unrepresented employees.
- B. The Personnel Resolution attached as Exhibit "A" has been modified to update unrepresented employee benefits. The FY2008-09 budget includes the costs of these changes.
- C. Pursuant to previous Council policy, the City conducted a 2008 annual market salary survey of unrepresented classifications. The annual salary survey ensures that salaries for unrepresented classifications remain competitive with salaries paid to comparable classifications in the marketplace.
- D. The unrepresented salary schedules attached as Exhibit "B" have been updated to reflect the results of the 2008 market salary survey and the FY2008-09 budget includes the costs of these changes.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. City Manager's report dated June 24, 2008, is approved in full.
- Section 2. The Personnel Resolution Covering Unrepresented Officers and Employees attached as Exhibit "A" is adopted effective June 21, 2008, and will supersede the provisions of Resolution No. 2007-487.
- Section 3. The Unrepresented Salary Schedules attached as Exhibit "B" is adopted effective June 21, 2008, and will supersede the provisions of Resolution No. 2007-487.
- Section 4. The City Manager is authorized to make minor changes or adjustments to exhibits in order to correct omissions and errors.

## **RESOLUTION NO.**

Adopted by the Sacramento City Council

### **APPROVING EMPLOYER PAID MEMBER CONTRIBUTIONS FOR THE ADMINISTRATIVE/CONFIDENTIAL EMPLOYEE GROUP**

#### **BACKGROUND**

- A. To improve efficiency and accuracy in the delivery of benefits and in conjunction with the implementation of the Electronic Citywide Accounting and Personnel System (eCAPS), the City must pay the employer paid member contribution to the Public Employees Retirement System (PERS) consistently for all City employees.
- B. The City pays the employer paid member contribution for represented employees and Fire Management employees through a direct payment of the member contribution.
- C. The Personnel Resolution attached as Exhibit "A" has been modified to provide that the City will pay the member contribution through a direct payment to the PERS retirement plan up to three percent (3%) for administrative/confidential employees.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. WHEREAS, the City Council of the City of Sacramento has the authority to implement Government Code Section 20691;
- Section 2. WHEREAS, the City Council of the City of Sacramento has a written Personnel Resolution covering unrepresented employees which specifically provides for the normal contributions to be paid by the employer;
- Section 3. WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the City Council a Resolution to commence said Employer Paid Member Contributions (EPMC);
- Section 4. Effective August 2, 2008, the City shall pay up to three percent (3%) of the normal employer contributions as employer paid member contributions to the PERS retirement plan. This benefit shall apply to all employees of the administrative/confidential group.

## **RESOLUTION NO.**

Adopted by the Sacramento City Council

### **APPROVING EMPLOYER PAID MEMBER CONTRIBUTIONS FOR THE EXEMPT MANAGEMENT SUPPORT EMPLOYEE GROUP**

#### **BACKGROUND**

- A. To improve efficiency and accuracy in the delivery of benefits and in conjunction with the implementation of the Electronic Citywide Accounting and Personnel System (eCAPS), the City must pay the employer paid member contribution to the Public Employees Retirement System (PERS) consistently for all City employees.
- B. The City pays the employer paid member contribution for represented employees and Fire Management employees through a direct payment of the member contribution.
- C. The Personnel Resolution attached as Exhibit "A" has been modified to provide that the City will pay the member contribution through a direct payment to the PERS retirement plan up to five percent (5%) for exempt management support employees.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. WHEREAS, the City Council of the City of Sacramento has the authority to implement Government Code Section 20691;
- Section 2. WHEREAS, the City Council of the City of Sacramento has a written Personnel Resolution covering unrepresented employees which specifically provides for the normal contributions to be paid by the employer;
- Section 3. WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the City Council a Resolution to commence said Employer Paid Member Contributions (EPMC);
- Section 4. Effective August 2, 2008, the City shall pay up to five percent (5%) of the normal employer contributions as employer paid member contributions to the PERS retirement plan. This benefit shall apply to all employees of the exempt management support group.

**RESOLUTION NO.**

Adopted by the Sacramento City Council

**APPROVING EMPLOYER PAID MEMBER CONTRIBUTIONS  
FOR THE EXEMPT MANGEMENT EMPLOYEE GROUP**

**BACKGROUND**

- A. To improve efficiency and accuracy in the delivery of benefits and in conjunction with the implementation of the Electronic Citywide Accounting and Personnel System (eCAPS), the City must pay the employer paid member contribution to the Public Employees Retirement System (PERS) consistently for all City employees.
- B. The City pays the employer paid member contribution for represented employees and Fire Management employees through a direct payment of the member contribution.
- C. The Personnel Resolution attached as Exhibit "A" has been modified to provide that the City will pay the member contribution through a direct payment to the PERS retirement plan up to seven percent (7%) for exempt management employees.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL  
RESOLVES AS FOLLOWS:**

- Section 1. WHEREAS, the City Council of the City of Sacramento has the authority to implement Government Code Section 20691;
- Section 2. WHEREAS, the City Council of the City of Sacramento has a written Personnel Resolution covering unrepresented employees which specifically provides for the normal contributions to be paid by the employer;
- Section 3. WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the City Council a Resolution to commence said Employer Paid Member Contributions (EPMC);
- Section 4. Effective August 2, 2008, the City shall pay up to seven percent (7%) of the normal employer contributions as employer paid member contributions to the PERS retirement plan. This benefit shall apply to all employees of the exempt management group

## **RESOLUTION NO.**

Adopted by the Sacramento City Council

### **APPROVING EMPLOYER PAID MEMBER CONTRIBUTIONS FOR THE POLICE MANAGEMENT EMPLOYEE GROUP**

#### **BACKGROUND**

- A. To improve efficiency and accuracy in the delivery of benefits and in conjunction with the implementation of the Electronic Citywide Accounting and Personnel System (eCAPS), the City must pay the employer paid member contribution to the Public Employees Retirement System (PERS) consistently for all City employees.
- B. The City pays the employer paid member contribution for represented employees and Fire Management employees through a direct payment of the member contribution.
- C. The Personnel Resolution attached as Exhibit "A" has been modified to provide that the City will pay the member contribution through a direct payment to the PERS retirement plan up to nine percent (9%) for police management employees.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. WHEREAS, the City Council of the City of Sacramento has the authority to implement Government Code Section 20691;
- Section 2. WHEREAS, the City Council of the City of Sacramento has a written Personnel Resolution covering unrepresented employees which specifically provides for the normal contributions to be paid by the employer;
- Section 3. WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the City Council a Resolution to commence said Employer Paid Member Contributions (EPMC);
- Section 4. Effective August 2, 2008, the City shall pay up to nine percent (9%) of the normal employer contributions as employer paid member contributions to the PERS retirement plan. This benefit shall apply to all employees of the police management group.