



# Memorandum

**TO:** CITY COUNCIL

**FROM:** Mayor Chuck Reed

**SUBJECT: CITY COUNCIL APPOINTEE  
COMPENSATION AND BENEFITS**

**DATE:** May 19, 2011

Approved

*Chuck Reed*

Date

*5/19/11*

## RECOMMENDATION

Adoption of an ordinance implementing compensation and benefit changes for the City Council Appointees to make last year's 10% reduction in compensation ongoing.

## BACKGROUND

This year we face a shortfall of \$115 million in the General Fund. Last year the Appointees joined with the City Council and our employees and shared the budget deficit burden, avoiding major cuts in service. This year we are asking our employees to do the same by making the one-time compensation concessions ongoing reductions.

Last year the City Council approved a 10% total compensation reduction for Appointees. This 10% was achieved through an ongoing 4.75% base pay reduction and various plan changes, and the remaining one-time 5% was achieved through an irrevocable waiver.

I recommend that the Council approve compensation and benefit changes as follows:

### **Total Compensation Reduction**

Effective June 26, 2011, the 5% one-time total compensation reductions for Fiscal Year 2010-2011, shall become ongoing for Council Appointees bringing the total compensation reduction for most appointees since Fiscal Year 2009-10 to 13.75 percent.

### **Healthcare Dual Coverage**

In addition to the healthcare changes made for Fiscal Year 2010-2011, including changes to plan design, cost sharing and dual coverage, employees may no longer be simultaneously covered by City-provided medical and/or dental benefits as a City employee and as a dependent of another City employee or retiree.

### **Disability Leave Supplement**

Effective June 26, 2011, reduce the maximum disability supplemental pay benefit from six (6) calendar months to three (3) calendar months (520 hours).

Effective June 24, 2012, disability leave supplement will be eliminated.

Employees will be allowed to integrate accrued vacation and accrued sick leave.

### **Vacation Sellback**

Effective December 25, 2011, reduce vacation sellback eligibility from a maximum of 120 hours to a maximum of 60 hours. Employees must submit an irrevocable election form to Payroll on or before November 26, 2011, to be eligible to sell back accrued vacation in 2012.

Effective the first pay period of payroll calendar year 2013, the vacation sellback program will be eliminated and no employees will be eligible to sell back any accrued vacation hours.