



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Alex Gurza

SUBJECT: SEE BELOW

DATE: September 4, 2012

Approved

Date

9/4/12

SUBJECT: APPROVAL OF COMPENSATION AND BENEFIT CHANGES RELATED TO SICK LEAVE PAYOUT FOR EXECUTIVE MANAGEMENT AND PROFESSIONAL EMPLOYEES IN UNIT 99, AND OTHER UNREPRESENTED EMPLOYEES (Units 81/82).

COUNCIL DISTRICT: N/A
SNI AREA: N/A

RECOMMENDATION

Adopt a resolution approving the compensation and benefit change related to Sick Leave Payout for executive management and professional employees in Unit 99, and other unrepresented employees (Units 81/82), effective September 30, 2012.

OUTCOME

Adoption of the resolution and authorization to approve compensation and benefit changes related to Sick Leave Payout for executive management and professional employees in Unit 99, and other unrepresented employees (Units 81/82), effective September 30, 2012.

BACKGROUND

Executive Management and Professional Employees (Unit 99) consists of approximately 215 FTEs, including Senior Staff, Executive Staff, senior managers under the City Manager's Appointing Authority, Council Office Staff, and professional or management employees under the appointing authority of the City Attorney, City Auditor, and Independent Police Auditor. In addition, there are employees in Unit 99 who work in the City Clerk's Office.

Unit 81 includes part-time unbenefitted employees, such as Lifeguards and Student Interns. Unit 82 currently does not have any classifications assigned to it.

Generally, Sick Leave Payout is a benefit provided to full-time employees whereby the employee, at the time of retirement and credited with at least fifteen (15) years of service in the retirement plan,

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receives a cash payout equivalent to a percentage of any unused and accrued sick leave based on the terms in an MOA or Benefit and Compensation Summary. It should be noted that, since Sick Leave Payout is a benefit that can and does vary by bargaining/employee unit, an employee is eligible to receive the Sick Leave Payout (if any) that is available to an employee in the bargaining/employee unit that they are in. For example, if an employee moves to a bargaining/employee unit that does not provide any Sick Leave Payout, then the employee would not be eligible for a Sick Leave Payout. For purposes of Sick Leave Payout, an employee hired by the City on or before September 29, 2012, who subsequently moves into a classification in Unit 99 and/or Units 81/82 on or after September 30, 2012, is not considered a new employee so long as there are no breaks in City service and would thus be eligible for the benefits of Unit 99 or Units 81/82.

The recommended benefit and compensation changes regarding Sick Leave Payout for Executive Management (Unit 99) and other unrepresented employees (Units 81/82) are consistent with the changes recommended in the tentative agreements on Sick Leave Payout reached with the Association of Engineers and Architects (Units 41/42 and Unit 43), IFPTE Local 21 (AEA); the Association of Maintenance Supervisory Personnel, IFPTE Local 21 (AMSP); and the City Association of Management Personnel, IFPTE Local 21 (CAMP). In accordance with City Council direction, this memorandum recommends the elimination of Sick Leave Payout for employees hired on or after September 30, 2012, while maintaining the current Sick Leave Payout benefit for employees in these units hired on or before September 29, 2012, through the remainder of Fiscal Year 2012-2013.

Any changes to Sick Leave Payout for employees in Unit 99 and Units 81/82 hired on or before September 29, 2012, will not be effective prior to June 30, 2013. It should be noted that Unit 99 and Units 81/82 are not bargaining units; however, any contemplated changes to Sick Leave Payout will be discussed in the Unit 99 forum prior to any changes to this benefit being made effective.

ANALYSIS

The following is a summary of the benefit and compensation changes related to Sick Leave Payout for executive management and professional employees in Unit 99, and other unrepresented employees (Units 81/82).

- | | |
|--|---|
| Sick Leave Payout
– New Employees | Any employee hired on or after September 30, 2012, shall not be eligible for any Sick Leave Payout. |
| Sick Leave Payout
– Current Employees | Sick Leave Payout for employees hired on or prior to September 29, 2012, shall remain status quo as provided for in the Benefit and Compensation Summary for Unit 99 and Units 81/82 for Fiscal Year 2012-2013. Any changes to Sick Leave Payout for employees in these units will not be effective prior to June 30, 2013. |

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EVALUATION AND FOLLOW-UP

None.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

While this action does not meet any of the criteria listed, this memorandum was posted on the City's website 14 days in advance of the September 18, 2012, City Council meeting.

COORDINATION

This memorandum was coordinated with the City Attorney's Office.

COST IMPLICATIONS

There are no anticipated cost implications for Fiscal Year 2012-2013. There will be long term savings associated with the elimination of Sick Leave Payout for employees hired on or after September 30, 2012.

CEQA

CEQA: Not a Project, File No. PP10-069(b), Personnel Related Decisions.



Alex Gurza
Deputy City Manager

For questions please contact Alex Gurza, Deputy City Manager, at (408) 535-8150.