



Legislation Text

File #: 18-0413, Version: 1

Chief Administrative Officer and Director of Human Resources recommending the Board:

1) Approve and authorize the Chair to sign Resolution **038-2018**:

- a) Authorizing Human Resources Department and the Payroll Division of the Auditor/Controller's Office to implement a one-time lump sum payment to all regular Unrepresented Management (UM) and Confidential (CO) employees paid in two \$750 installments, with the first payment in pay period 8 and the second \$750 payment in pay period 9. Employees that received a lump sum payment from previous bargaining group are excluded from receipt of this payment; and
- b) Establishing revised salaries for all UM and CO-Exempt employees.

2) Adopt and authorize the Chair to sign the revised Salary and Benefits Resolution **039-2018**, which covers all employees in the UD, EL, UM, and CO groups:

- a) Approving the optional benefit credit increase for all employees in the Unrepresented Department Head, Elected Officials, Unrepresented Management, and Confidential groups from \$6,000 to \$6,240; and
- b) Approving the elimination of the management leave cash out option for employees in the UM group and the special leave cash out option for CO-Exempt employees. (Est. Time: 10 Min.)

FUNDING: General Fund.

DEPARTMENT RECOMMENDATION

Chief Administrative Officer and Director of Human Resources recommending the Board:

1) Approve and authorize the Chair to sign **Resolution 038-2018**

- a. Authorizing Human Resources Department and the Payroll Division of the Auditor/Controller's Office to implement a one-time lump sum payment to all regular UM and CO employees paid in two \$750 installments, with the first payment in pay period 8 and the second \$750 payment in pay period 9. Employees that received a lump sum payment from previous bargaining group are excluded from receipt of this payment.
- b. Establishing revised salaries for all UM and CO-Exempt employees.

2) Adopt and authorize the Chair to sign the revised Salary and Benefits **Resolution 039-2018**, which covers all employees in the UD, EL, UM, and CO groups,

- a. Approving the optional benefit credit increase for all employees in the Unrepresented Department Head (UD), Elected Officials (EL), Unrepresented Management (UM), and Confidential (CO) groups from \$6,000 to \$6,240.
- b. Approving the elimination of the management leave cash out option for employees in the UM group and the special leave cash out option for CO-Exempt employees.

DISCUSSION / BACKGROUND

The Human Resources Director and Chief Administrative Officer held meetings and invited employees in the Unrepresented Management (UM), and Confidential (CO) groups to discuss various topics, including salary and benefits. While these groups are not represented, it is the goal of the County to have collaborative discussion with unrepresented employees and identify areas for equality with those employees who are represented.

Action 1: Increase Salaries In-Lieu of allowing Leave Cash-Out

A primary concept of the County's compensation philosophy is to ensure transparency and comparability between the County and other agencies (Resolution 147-2017). The current Salary and Benefits Resolution for Unrepresented Employees allows UM and CO employees to cash out all or a portion of their management leave/special leave, respectively. Management leave/special leave is intended to account for the hours that these employees work in excess of 40 hours per week, since under the Fair Labor Standards Act they are not eligible for overtime pay or comp time. However, in practice, it is often difficult for these employees to take this additional time off. As a result, the total pay to these employees is higher than the salary identified on the salary schedule.

Approval of this recommendation will shift costs of the leave cash-out to the base salary, increasing transparency. It will also make the salaries of UM and CO-Exempt classifications more competitive, as some salaries will still be at or below the median of the nine comparable agencies. However, this would reduce the uncertainty of budgeting for management leave and special leave-exempt payout for each fiscal year. With Board approval of this item, staff will:

- Revise Section 1001 in the Salary and Benefits Resolution to eliminate payment for any unused management leave for Unrepresented Management (UM) employees. UM employees will retain 80 hours of management leave per year; however any unused portion would be lost if the time is not used by pay period 26 each year. *This will be effective upon Board adoption.*
- In lieu of the ability to cash out management leave, increase the base salaries for all UM classifications by 3.85%, which is the equivalent of 80 hours of pay. *This will be effective pay period 8, March 31, 2018.*
- The most recent Salary and Benefits Resolution 163-2017 was adopted by the Board in November 2017 (Legistar #14-1649). This Resolution eliminated the special leave cash out option for all CO employees; however, an increase to base salaries was not introduced at that time. To be consistent, in lieu of the ability to cash out special leave, increase the base salaries for all CO-Exempt employees by 2.69%, which is the equivalent of 56 hours of pay. *This will be effective pay period 8, March 31, 2018.*

Action 2: One-time Payment

The County recently negotiated with CA,T&C, Local 1, Corrections, and MA bargaining groups, all of which agreed to a one-time lump sum payment. In order to retain consistent practices and maintain alignment among represented and non-represented employees, the County is recommending a one-time lump sum payment for the UM and CO employees. With Board approval of this item, staff will:

- Implement a one-time lump sum payment of \$1,500 (to be paid out in two installments of \$750) for all regular UM and CO employees to be consistent with represented employees receiving a lump sum. This will be paid out as follows: the first \$750 payment in pay period 8 and the second \$750 payment in pay period 9. Employees that received a lump sum payment from previous bargaining group are excluded from receipt of this payment.

Action 3: Increase Optional Benefit Credit

Previously, EL, UM, CO, MA, CA groups received the same optional benefit credit of \$6,000. The County recently negotiated with the CA and MA bargaining groups to increase the optional benefit credits. In order to retain consistent practices and maintain alignment among represented and non-represented employees, with Board approval staff will:

- Increase the optional benefit credit amount by \$240 for EL, UD, UM, and CO employees to maintain the consistency. The new Optional Benefit Plan contribution total will be \$6,240 per employee per year. *This will be effective pay period 8, March 31, 2018*

ALTERNATIVES

The Board could choose to reject or modify these changes, and provide staff with alternative direction.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Chief Administrative Office

CAO RECOMMENDATION

It is recommended that the Board approve this item.

FINANCIAL IMPACT

UM Salary Increases

The increase in salaries by 3.85% in lieu of the ability to cash out management leave would total approximately **\$263,000 each year** (\$224,000 in salary increases, \$26,000 for PERS costs, and \$13,000 in other costs including Medicare, unemployment, LT Disability, and deferred comp match). This would also result in an increase in longevity pay for vested employees, and a slight increase in deferred compensation contribution for employees with 10 years or more, since these pays are calculated based on base salary. It is important to note that many UM employees cash-out leave each year. In 2017, the cost for cashing out management leave totaled approximately \$140,000.

CO-Exempt Salary Increases

The increase to CO-Exempt employees by 2.69% in lieu of the ability to cash out special leave would equal approximately **\$11,500 each year** (\$10,000 for salary increases, \$1,000 per year in retirement costs, and \$500 in other employer-paid costs (Medicare, unemployment, and long-term disability). It is important to note that some CO-exempt employees also cash out their leave, and the total cost of this cash-out in 2017 was approximately \$4,000.

One-Time Lump Sum Payment

UM - \$67,500

CO - \$57,000

Optional Benefit Credit Increase

EL - \$1,680

UD - \$4,080

UM - \$10,800

CO - \$9,120

CLERK OF THE BOARD FOLLOW UP ACTIONS

Provide one copy of the executed Resolutions to Katie Lee in the Human Resources Department.

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

Don Ashton, Chief Administrative Officer

Tameka Usher, Director of Human Resources