



Agenda Item #: \_\_\_\_\_

# Staff Report

## City of Manhattan Beach

**TO:** Honorable Mayor Montgomery and Members of the City Council

**THROUGH:** Geoff Dolan, City Manager

**FROM:** Cathy A. Hanson, Human Resources Director

**DATE:** June 3, 2008

**SUBJECT:** Consideration of Resolution No. 6148 Amending Personnel Rules Providing Salary and Benefit Adjustments for the Fiscal Year 2008-2009 including: a 4% Increase to the Management/Confidential Salary Ranges, Adjusted Insurance Benefits and Miscellaneous Classification Changes.

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### **RECOMMENDATION:**

Staff recommends that the City Council adopt Resolution No. 6148 approving a salary range adjustment for all Management/Confidential positions of 4%, maintaining the medical insurance contribution to cover the PERS Choice medical plan, increasing the retiree health benefit for Department Heads to equal that paid to the Police Officers Association (POA) and Firefighters Association (FA) (\$400 per month until age 65 or Medicare eligible) upon retirement from the City after 5 years of City service, increasing the bonus potential for Department Heads from 2.5% to 5% of annual salary, converting the Utility Manager position to at-will status, changing the title of one of the two Senior Planner positions to Planning Manager, creating the full time position of Geographic Information Systems Technician, and increasing the salary range for Electrician by 6% based on a classification study.

### **FISCAL IMPLICATION:**

The projected FY 2008-2009 budget provides sufficient funds to accommodate a 4% adjustment to the Management/Confidential salary ranges, the maintenance of the medical health contribution, the increase in retiree health benefits and all other changes included in the resolution.

### **BACKGROUND:**

The Management/Confidential Unit, which covers 49 classifications within the City, does not engage in collective bargaining as this group is not represented. Staff annually makes recommendations for any changes to the salary and compensation for employees within these classifications during the budgeting process. These changes take effect at the beginning of the fiscal year unless otherwise noted. Employee salaries within these classifications are based solely on merit, with no automatic increases or cost of living adjustments. The proposed adjustment to the salary ranges move the ranges only, not employees' current pay. All pay adjustments are based on the annual performance review.

Historically, positions have been converted to at-will when they have been filled by a single incumbent who agrees to the change or when the position has become vacant.

Additionally, staff has agreed with various bargaining groups to conduct classification studies during the terms of the Memorandum of Understandings and make necessary adjustments.

**DISCUSSION:**

**Salary Range Adjustment**

Staff recommends an adjustment in the Management/Confidential pay ranges of 4% to remain current with the geographic job market, the consumer price index and internal salary relationships.

The City's bargaining groups have received or will receive the following across the board increases:

- Teamsters will receive an increase of 3.5% effective July 1, 2008.
- Police Officers Association received a 4% increase effective January 1, 2008 and is eligible to receive up to a 4.5% increase effective January 1, 2009.
- Fire Association received a 4.25% increase effective August 1, 2007 and will receive a 4.25% increase effective October 1, 2008.

The proposed increase for the Management/Confidential group has been included in the 2008-2009 budget. As noted above, an employee's actual salary is increased only on the basis of their performance evaluation, not this range adjustment.

**Medical Insurance Contribution**

The City provides medical insurance coverage through CalPERS, which offers employees insurance choices from several different plans. Historically, the City has provided a contribution sufficient to cover the PERS Choice medical plan. The new rates for 2009 are unknown as of this writing but are expected to increase by 8% to 10%. Therefore, in keeping with past practice, it is recommended that the monthly medical allowance for employees be provided at a rate that will cover the PERS Choice premium at the level in which they are enrolled: single, 2-party or family coverage. Funds have been included in the FY 2008-2009 budget to cover increases in premiums for the next year. Increases in medical contributions will take effect December 1, 2008.

**Retiree Health Benefit Contribution for Department Heads**

Staff recommends an increase to \$400 per month after 5 years of service when retiring from the City of Manhattan Beach. The contribution will be paid until the retiree turns age 65, is eligible for Medicare or is deceased. Previously it was agreed that the Management/Confidential group would receive the same benefit negotiated by the Teamsters Local 911. This unit is eligible for a \$250 monthly retiree health benefit contribution effective December 31, 2008, for members who have a minimum of fifteen (15) years of service with the City. This contribution is paid until the retiree reaches age 65 or becomes eligible for Medicare. Excluded from this benefit per Personnel Rules are sworn Battalion Chiefs, Captains and Police Lieutenants who are covered by the police or fire plans.

Employees covered under the Police Officer Association Memorandum of Understanding (POA MOU), and who retire from the city on or after December 31, 2007, with a minimum of twenty (20) total years of sworn law enforcement in U.S. public agency (ies), and with a minimum of ten (10) consecutive years at the City of MB in a sworn police status shall receive a contribution toward health insurance of \$400 per month.

Effective August 1, 2008, employees covered under the Firefighters' Association Memorandum of Understanding (FA MOU), and who take a service retirement and who have a minimum of twenty (20) years of service with the City, shall receive a contribution toward health insurance of \$400 per month.

Under both the POA MOU and FA MOU, these benefits continue until the retiree reaches 65 years of age, becomes eligible for Medicare or is deceased.

Under the current agreement, the Police and Fire Chiefs will receive a benefit less than the personnel they supervise. Additionally, Department Heads are often hired mid-career and cannot attain the required service level with the City of Manhattan Beach in order to qualify for the benefit which they may have already qualified for at their current agency. An increase in the amount of this contribution will bring parity between the groups as well as recognize experienced Department Heads who may have joined the City later in their careers.

**Bonus Potential for Department Heads**

Staff recommends increasing the bonus potential for Department Heads to 5% of the employee's annual salary. Currently the Management/Confidential employees are eligible to receive a bonus of up to 2.5% of the employee's annual salary for recognition of a particular program, project, or effort which the City Manager determines worthy for separate compensation.

The City is fortunate to have an executive group who has been with the City for several years. As such, several of these Department Heads have reached the top of their pay schedule and are only eligible to receive a future increase equal to the increase in their salary range. This does not leave room for the City Manager to recognize outstanding performance on the part of these employees. Besides outstanding performance, the City Manager will not be able to pay the bonus unless the Department Head has saved enough money in their respective budget to fund the bonus.

**Utilities Manager**

As has been our past practice whenever a vacancy in the management ranks occurs, we are recommending that the vacant Utilities Manager position be reclassified to an at-will position. This will provide maximum management flexibility in the hiring and supervision of this important function. Additionally, it will help in recruitment since at-will positions receive a slightly higher deferred compensation package.

**GIS Technician**

The FY 2008-2009 budget includes the addition of a GIS Technician.. The attached resolution establishes the position . The recommended salary schedule as of July 1, 2008, for this position is as follows:

<b>Step:</b>	<b>A</b>	<b>AA</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
	<b>\$4276</b>	<b>\$4490</b>	<b>\$4714</b>	<b>\$4950</b>	<b>\$5197</b>	<b>\$5457</b>

This position will be part of the Teamsters bargaining group and is eligible for benefits as stated in the MOU.

**Planning Manager**

Resolution No. 6148 establishes the position of Planning Manager in salary schedule 5 as of July 1, 2008, (\$7048 - \$9518). This is a title change that more accurately reflects the high level of project and program responsibility. There is no salary range adjustment or fiscal impact to this change. Currently there is one Senior Planner whose title will be changed to Planning Manager.

**Electrician**

Per the Teamsters MOU Article 10: Classification Changes – “The City agrees to a classification study of the Electrician classification beginning in July 2007.” This study was completed and showed that this classification was below the market in comparable cities. Therefore, Human Resources recommends the salary range for this classification be increased by 6% to bring it into the market. The increase has been budgeted in the 2008-2009 budget.

Attachments: Resolution No. 6148

- A. Classification Plan
- B. Classification Plan—Management/Confidential
- C. Classified Service

RESOLUTION 6148

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, AMENDING RESOLUTION 6097 OF SAID COUNCIL (PERSONNEL RULES) BY AMENDING RULE XII, (EXPENSE ALLOWANCES AND OTHER FRINGE BENEFITS), ADJUSTING THE SALARY RANGES OF MANAGEMENT/CONFIDENTIAL EMPLOYEES, ADJUSTING THE SALARY RANGE OF ELECTRICIAN, AMENDING RULE IV (CLASSIFICATION) TRANSITIONING A CLASSIFIED POSITION TO AN AT-WILL MANAGEMENT POSITION, AND CREATING TWO POSITIONS.

THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The City Council hereby finds as follows:

- (a) The City maintains personnel rules to govern the City's relations with its employees;
- (b) It is in the best interest of health, safety and welfare of the city's residents that the personnel rules reflect current practice and policy.

SECTION 2. That Section 5, Insurance Benefits Program of Rule XII be amended in part as follows:

Insurance Benefits Program. Each regular employee is eligible to participate in a City-approved group insurance benefits program providing comprehensive major medical, dental, life insurance, and accidental death and dismemberment insurance coverage. Enrollment in a long-term disability program is mandatory for Management/Confidential and General Employees. All employees covered under the insurance benefits program, in order to receive the insurance allowance, must enroll in a City-approved group medical plan or Medicare. Any amount excluding the medical and long-term disability premium, not used toward the premium of other City insurance, may be used in a flexible spending account or shall be returned to the employee except for employees enrolled in the PERS medical insurance program unless otherwise provided in this section. The allowances shall be as follows:

Management/Confidential Employees. Effective January 1, 1990, the City will contract with the Public Employees Retirement System (PERS) for medical insurance. Effective December 1, 2008, employees with employee only coverage shall receive a cafeteria contribution that covers the PERS Choice single premium. Those enrolled in coverage for employee plus one dependent shall receive a contribution to cover the PERS Choice 2-party premium. An employee enrolled in coverage for employee plus 2 or more dependents shall receive a contribution to cover the PERS Choice family premium. As of July 9, 2005, those employees receiving the family contribution but enrolled in the PERS 2-party plan will be grandfathered in until they separate from City service or choose to enroll in another level of medical insurance coverage.

SECTION 3. That Section 6, Retirement Subsection C of Rule XII be amended as follows:

The City approved a retiree health benefit for the miscellaneous unit represented by Teamsters Local 911 which is effective for employees retiring from the City after December 31, 2008 with fifteen years of service. The benefit provides \$250 per month. That same benefit is applied on the same effective date to the Management/Confidential employees, with the exception of sworn Fire Battalion Chief, Police Captain, Police Lieutenant, and Department Heads who are covered by other plans.

The sworn Fire Battalion Chief, Police Captain and Police Lieutenant are covered by the respective Fire Association or Police Association plans, and will receive the level of benefit provided within those plans effective at the time of their retirement from the City.

Effective the pay period including July 1, 2008, the City shall provide the Department Head employees \$400 per month towards retirement health insurance retirement, provided the employee has completed a minimum of five years of service with the City of Manhattan Beach and

retires from the City. Said contribution will be used toward health insurance costs, unless and until the retiree reaches 65 years of age, becomes eligible for Medicare or is deceased.

SECTION 4. That Section 13, Department Head Bonus Plan, be added as follows:

Department Heads shall be eligible for a bonus not to exceed 5% of the employee's annual salary for any individual. Said bonuses are for the purpose of recognition of a particular program, project, or effort which the City Manager determines worthy for separate compensation. A bonus will not be granted unless the Department Head has sufficient funds available in his or her respective budget to fund said bonus.

SECTION 5. The Classification Plan of Resolution 5898 as subsequently amended shall be modified pursuant to Attachment A to reflect the following:

Add the following class:

Planning Manager

GIS Technician

Principal Civil Engineer (approved in December 2007)

SECTION 6. Resolution 5898 is hereby further amended to provide that the salary ranges of Management/Confidential employees shall be increased by 4% pursuant to Attachment B.

SECTION 7. Resolution 5898 is hereby further amended to designate full-time at-will positions pursuant to Attachment C.

SECTION 8. Amend the 2006-2011 Teamsters Memorandum of Understanding by implementing the following changes:

A) Effective the pay period including July 1, 2008 adjust the Electrician salary range by 6% as follows:

	A	AA	B	C	D	E
Electrician	\$4118	\$4324	\$4540	\$4767	\$5005	\$5255

B) Add the following classification:

	A	AA	B	C	D	E
GIS Technician	\$4276	\$4490	\$4714	\$4950	\$5197	\$5457

SECTION 9. Each and every provision of Resolution 5898 and its subsequent amendments which is not superseded by or inconsistent with the foregoing shall remain in full force and effect.

SECTION 10. The City Clerk shall make this Resolution reasonably available for public inspection within thirty (30) days of the date this Resolution is adopted.

SECTION 11. The City Clerk shall certify to the adoption of this Resolution and thenceforth and thereafter the same shall be in full force and effect.

PASSED, APPROVED and ADOPTED this 3rd day of June, 2008.

Ayes:  
Noes:  
Absent:  
Abstain:

\_\_\_\_\_  
Mayor, City of Manhattan Beach, California

ATTEST:

\_\_\_\_\_  
City Clerk

City of Manhattan Beach  
Personnel Rules  
ATTACHMENT A

Classification Plan

Account Services Representative 1 (Resolution 5111)  
Accounting Technician (Resolution 4928)  
Administrative Assistant (Resolution 4838)  
Administrative Clerk I (Resolution 3312)  
Administrative Clerk II (Resolution 3312)  
Assistant Finance Director  
Assistant Planner (Resolution 4697)  
Assistant to the City Manager/Deputy City Manager (Resolution 4793 and  
5529)  
Associate Planner (Resolution 4697)  
Budget Analyst  
Building Inspector  
Building Official (Resolution 4605)  
Building Repair Craftsperson  
Chief of Police (Resolution 4522)  
City Attorney  
City Clerk  
City Engineer  
City Manager  
Code Enforcement Officer (Resolution 4697)  
Community Services Supervisor (Resolution 5762)  
Community Services Officer  
Controller (Resolution 5111)  
Cultural Arts Manager (Resolution 5090)  
Data Entry Operator (Resolution 4567)  
Sr. Deputy City Clerk  
Director of Community Development  
Director of Finance (Resolution 4844)  
Director of Parks and Recreation  
Director of Public Works (Resolution 4068)  
Electrician  
Engineering Assistant/Associate Engineer (Resolution 5634)  
Engineering Technician I (Resolution 5454)  
Engineering Technician II (Resolution 5454)  
Environmental Programs Manager  
Equipment Maintenance Supervisor (Resolution 5678)  
Equipment Mechanic I  
Equipment Mechanic II

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Equipment Mechanic Foreman (Resolution 3823)  
Executive Secretary (Resolution 3312)  
Facilities Reservation Clerk (Resolution 5514)  
Financial Services Manager (Resolution 5111)  
Fire Battalion Chief (Resolution 5176)  
Fire Captain  
Fire Captain/Paramedic  
Fire Chief (Resolution 4707)  
Fire Engineer (Resolution 4707)  
Fire Engineer/Paramedic (Resolution 4707)  
Firefighter (Resolution 4319)  
Firefighter/Paramedic (Resolution (4319)  
General Services Coordinator  
General Services Manager (Resolution 4944)  
Geographic Information Systems Analyst (Resolution 5582)  
Geographic Information Systems Technician (Resolution 6148)  
Human Resources Analyst  
Human Resources Assistant (Resolution 5678)  
Human Resources Director (resolution 5678)  
Human Resources Technician (Resolution 5678)  
Information Systems Manager (Resolution 5127)  
Information Systems Specialist (Resolution 5220)  
Legal Secretary  
Maintenance Superintendent (Resolution 5678)  
Maintenance Worker I/II (Resolution 5678)  
Maintenance Worker III  
Maintenance Worker IV  
Management Analyst (Resolution 4944)  
Meter Repair Worker  
Network Administrator (Resolution 5556)  
Older Adults Programs Supervisor (Resolution 6097)  
Park Services Enforcement Officer  
Permits Technician (Resolution 4614)  
Plan Check Engineer  
Planning Manager (Resolution 6148)  
Police Academy Trainee  
Police Captain (Resolution 4750)  
Police Lieutenant (Resolution 4752)  
Police Officer (Academy Graduate/Police Officer)  
Police Records Supervisor (Resolution 5444)  
Police Records Technician/Matron (Resolution 5678)  
Police Sergeant  
Police Services Officer  
Principal Building Inspector (Resolution 5678)



Attachment A  
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Principal Civil Engineer  
Principal Plan Check Engineer (Resolution 5535)  
Public Works Inspector (Resolution 4930)  
Purchasing Clerk (Resolution 5543)  
Receptionist Clerk (Resolution 4076)  
Recreation Supervisor  
Recreation Services Manager (Resolution 5090)  
Revenue Services Manager (Resolution 5111)  
Revenue Services Specialist (Resolution 5437)  
Risk Manager  
Secretary (Resolution 3312)  
Senior Building Inspector  
Senior Civil Engineer (Resolution 4739)  
Senior Human Resources Analyst (Resolution 4944)  
Senior Management Analyst  
Senior Plan Check Engineer  
Senior Permit Technician (Resolution 5711)  
Senior Planner  
Senior Water Plant Operator  
Sewer Maintenance Worker  
Transportation Services Operator  
Utilities Manager (Resolution 5678) (Resolution 6148)  
Wastewater and Electrical Supervisor (Res. 4384)  
Water Distribution Supervisor (Resolution 4051)  
Water Plant Operator

City Of Manhattan Beach  
Personnel Rules  
Attachment B

Classification Plan – Management/Confidential

	<u>Minimum</u>	<u>Maximum</u>
<u>Schedule 1</u>	\$4209	\$5474
Accounting Technician Human Resources Technician		
<u>Schedule 2</u>	\$4806	\$6247
Budget Analyst Community Services Supervisor Human Resources Analyst Legal Secretary Management Analyst Maintenance Worker IV Older Adults Programs Supervisor		
<u>Schedule 3</u>	\$5390	\$7008
Police Records Supervisor		
<u>Schedule 4</u>	\$6063	\$7886
Administrative Assistant Cultural Arts Manager Environmental Programs Manager Equipment Maintenance Supervisor Geographic Information Systems Analyst Recreation Services Manager Senior Human Resources Analyst Senior Management Analyst Water Distribution Supervisor Wastewater and Electrical Supervisor		

	<u>Minimum</u>	<u>Maximum</u>
<u>Schedule 5</u>	\$7048	\$9518
Financial Services Manager General Services Manager Planning Manager Revenue Services Manager Senior Civil Engineer Senior Plan Check Engineer Senior Planner		
<u>Schedule 6</u>	\$7485	\$9727
Assistant to the City Manager/ Deputy City Manager Building Official City Clerk Controller Principal Civil Engineer Principal Plan Check Engineer Risk Manager		
<u>Schedule 7</u>	\$8398	\$10917
Assistant Finance Director City Engineer Information Systems Manager Maintenance Superintendent Utilities Manager		
<u>Schedule 8</u>	\$9623	\$12515
Director of Community Development Director of Finance Director of Parks and Recreation Human Resources Director		
<u>Schedule 9</u>	\$11215	\$14584
Director of Public Works Fire Chief Police Chief		

Sworn Management Employees

<u>Schedule 1</u>	<u>Minimum</u>	<u>Maximum</u>
Police Lieutenant	\$9352	\$11225
<u>Schedule 2</u>		
Battalion Chief	\$9658	\$12073
<u>Schedule 3</u>		
Police Captain	\$10857	\$13030

City of Manhattan Beach  
Personnel Rules  
ATTACHMENT C

Classified Service

The following are designated to be in the Classified Service and therefore placed under the civil service system of the City. The City Council shall designate other full-time positions at-will and amend Attachment C of the Personnel Rules as appropriate.

- A. All full-time employees of the Police Department except the Chief of Police;
- B. All full-time employees of the Fire Department except the Fire Chief;
- C. All full-time employees of the Department of Community Development, except the Director of Community Development;
- D. All full-time employees of the Public Works Department, except the Director of Public Works, Maintenance Superintendent, Senior Management Analyst and Utilities Manager;
- E. All full-time employees of the Finance Department, except the Director of Finance, Revenue Services Manager and Information Systems Manager;
- F. All full-time employees of the Management Services Department; except the Administrative Assistant, City Clerk, Assistant to the City Manager/Deputy City Manager and Legal Secretary;
- G. All full-time employees of the Parks and Recreation Department, except the Director of Parks and Recreation, Older Adults Programs Supervisor and Cultural Arts Manager;
- H. All full-time employees of the Human Resources Department except the Director of Human Resources and Risk Manager.

The provisions of this section shall not apply to temporary, provisional, hourly or persons employed on a daily basis.

(§ 2, Ord. 1419, eff. July 3, 1975, as amended by §1, Ord. 1597, eff. March 5, 1981, § 4, Ord. 1955, eff. October 3, 1996, § 1, Ord. 2008, eff. November 18, 1999, and § 1, Ord. 2010, eff. February 17, 2000)