



Agenda Item #:

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Ward and Members of the City Council

THROUGH: Richard Thompson, Interim City Manager

FROM: Bruce Moe, Acting Human Resources Director/Finance Director

DATE: August 3, 2010

SUBJECT: Consideration of a Resolution Amending the Personnel Rules Formalizing Management Leave for Certain Executive Management Positions; Clarifying Eligibility and Employee Contributions for Part Time Employees and the Updating the Definition of Temporary Employees; and Authorizing the City Manager to Negotiate and Execute a Side Letter Agreement to the Teamsters Memorandum of Understanding Expanding the Use of an Alternative Work Schedule (9/80) for Police Department Secretarial Staff

RECOMMENDATION:

Staff recommends that City Council adopt Resolution #6269, which amends the Personnel Rules to: a) formalize the provision of Management Leave for certain Executive Management positions, b) clarify eligibility and employee contributions for CalPERS membership for part-time employees, and c) update the definition of a temporary employee. Staff also recommends that the City Council authorize the City Manager to negotiate and execute a side letter agreement to the Teamsters Memorandum of Understanding (MOU) which would expand the use of the current alternative work schedule (9/80) for three secretarial positions within the Police Department.

FISCAL IMPLICATIONS:

There is no direct fiscal implication associated with the provision of Management Leave since these hours are not accrued or included in any payouts at termination of employment (the hours must be used during the fiscal year they are granted or will be forfeited). However, to the extent an employee uses Management Leave in lieu of General Leave (which is paid upon termination) and General Leave balances grow as a result, there could be a cost associated in the future at the time of termination.

The cost of providing CalPERS for eligible part time employees (as required under State law) has been included in the FY 2010-2011 budget, and is estimated to add a net increase of \$30,000 per year for the Employer portion only. Part time employees that will now gain membership to CalPERS by virtue of the number of hours worked are required to pickup the Employee portion of the contribution, which equates to seven percent of salary.

There is no fiscal implication associated with the expansion of the alternative work schedule for the Police secretarial employees.

DISCUSSION:

Management Leave

The intent of management leave is to recognize the additional efforts and performance that routinely require the eligible employees to work extraordinary hours beyond the standard workweek. These efforts often include nights and weekends attending meetings and community events, as well as the extra hours required to effectively manage their departments and assignments. Management Leave is a common tool used by many public agencies to recognize those extraordinary uncompensated hours worked by certain exempt, unrepresented employees.

While the practice of providing management leave has been at the discretion of the City Manager on a case-by-case basis, it is prudent to formalize such policies in order to provide a fair and equitable interpretation. As a result, staff recommends that the practice be documented in the City's Rules and Regulations.

Under the proposed formalized policy, qualified positions will be granted eight work days (64 hours) of paid leave per fiscal year. These positions include the Police and Fire Chiefs, department heads (Finance, Human Resources, Parks and Recreation, Community Development and Public Works), the City Clerk and the Assistant to the City Manager. All of these positions are non-represented employees in the Executive Management group who are not eligible for overtime compensation. The granting of management leave does not constitute guaranteed time off. Management leave cannot be carried over to the following year nor will it be paid out in cash if it is not used.

Part-time Employees

By State law, the City is required to enroll part time employees into CalPERS who exceed 1,000 hours in a fiscal year (FY). While the vast majority of part time workers fall below that threshold, there are several part time employees that exceed the 1,000 hours in a fiscal year due to the nature of their duties and the City's reliance on their skills. Because federal law requires that some form of retirement program (social security or other benefit) be provided, we have typically enrolled these part time positions into the City's alternative retirement system known as PARS (Public Alternative Retirement System)¹. We will continue to enroll part time employees working less than 1,000 hours per year into PARS, but will now enroll employees working 1,000 hours or more CalPERS as required.

¹ State law requires us to enroll any part time employees into CalPERS who are working in a classification that has a corresponding full time equivalent position. Further, if the City picks up the employee portion of the CalPERS contribution for the full time employee in that classification, then we must pick up the employee contribution for the equivalent part time position.

The following summarizes the contributions that are made by part time employees and the City under the revised Rules and Regulations which reflect State law:

Part Time Employee Retirement Contribution Schedule

<u>Position Status</u>	<u>No. of Hours</u>	<u>Program</u>	<u>Contributions</u>	
			<u>Employee</u>	<u>Employer</u>
Part Time with Full Time Equivalent	<1,000 per fiscal year	CalPERS	0.000%	14.343%
Part Time with Full Time Equivalent	>1,000 per fiscal year	CalPERS	0.000%	14.343%
Part Time without Full Time Equivalent	<1,000 per fiscal year	PARS	3.750%	3.750%
Part Time without Full Time Equivalent	>1,000 per fiscal year	CalPERS	7.000%	7.343%

Part time employees who have exceeded 1,000 hours will be enrolled in CalPERS beginning on August 14, 2010.

Temporary Employees

The current Personnel Rules specify that temporary employees may not exceed eighteen (18) months in a position. Staff recommends that Council approve an amendment to this requirement that temporary employees are not to exceed 1,000 working hours in any fiscal year. CalPERS states that the City should enroll temporary employees who exceed 1,000 working hours into CalPERS. Limiting hours to 1,000 will preclude the necessity to enroll the person into CalPERS.

Alternative Work Schedule

The City provides alternative work schedules for a number of employees through the collective bargaining process as reflected in the bargaining units' Memorandum of Understanding (MOU). Alternative work schedules are available in the form of a 4-10 work week (four-ten hour days in lieu of five-eight hour days) for sworn Police and certain Fire Department employees, as well as a 9-80 schedule (nine work days totaling eighty hours over a two week period, with one day off every other week) for Community Services staff in the Police Department.

Because the entire Police Department has an alternative work schedule (either 4-10's or 9-80's) the Police Chief has requested that the remaining employees (three secretarial employees in the Teamsters group) be provided the 9-80 work schedule for operational efficiency and coordination of work hours with the remainder of the department. In order to accomplish this, City management must meet and confer with the Teamsters group, and, if they agree, execute a side letter agreement to the MOU formalizing the terms. Therefore, staff recommends that the City Council authorize the City Manager to meet and confer, and if appropriate, execute a side letter agreement providing the 9-80 to those three secretarial employees in the Police Department.

Attachments: Resolution # 6269
Revised Personnel Rules

RESOLUTION 6269

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, AMENDING RESOLUTION 6097 OF SAID COUNCIL (PERSONNEL RULES) BY AMENDING RULE I PURPOSE AND DEFINITIONS – TEMPORARY EMPLOYEE, RULE XI ATTENDANCE AND LEAVES – MANAGEMENT LEAVE, AND RULE XII EXPENSES, ALLOWANCES AND OTHER FRINGE BENEFITS – PART-TIME RETIREMENT.

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. Resolution 5898 is hereby further amended to add the following to the "Temporary Employee" definition - "not to exceed 1,000 working hours."

SECTION 3. Resolution 5898 is hereby further amended to provide Management Leave of eight (8) days/(64) hours for the following positions in the Executive Management group: Department Heads, City Clerk and Assistant to the City Manager/Deputy City Manager.

SECTION 4. Resolution 5898 is hereby further amended to comply with a recent CalPERS audit to provide CalPERS Retirement for identified part-time positions that exceed 1,000 working hours in a Fiscal Year.

SECTION 5. Amended Rules I, XI and XII are attached hereto as Exhibit A and hereby ratified by this Resolution.

SECTION 6. Each and every provision of Resolution 5898 and its subsequent amendments which are not superseded by or inconsistent with the forgoing shall remain in full force and effect.

SECTION 7. The City Clerk shall make this Resolution reasonably available for public inspection within thirty (30) days of the date this Resolution is adopted.

SECTION 8. 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 August, 2010.

Ayes:
Noes:
Absent:
Abstain:

Mayor, City of Manhattan Beach, California

ATTEST:

City Clerk

APPROVED AS TO FORM:

By 

City Attorney

RULE XI

ATTENDANCE AND LEAVES

SECTION 8. Management Pay Plan for Management/Confidential Positions.

A. Management Leave

The following positions shall receive eight (8) days/(64) hours of Management Leave per fiscal year beginning on July 1, 2010. This leave may not be cashed out and is non-accruable:

- Chief of Police
- Fire Chief
- Director of Public Works
- Director of Community Development
- Director of Parks and Recreation
- Director of Finance
- Director of Human Resources
- City Clerk
- Assistant to the City Manager/Deputy City Manager

Management Leave must be approved by the City Manager prior to use and such leave may not be carried over into the next fiscal year or cashed in if not used.

Management Leave will be granted at the beginning of each fiscal year, and will be prorated on a per pay period basis for any qualified employee beginning employment after the beginning of the fiscal year.

RULE XII

EXPENSES, ALLOWANCES AND OTHER FRINGE BENEFITS

SECTION 6. Retirement.

H. Part-time Employees. Generally, part-time positions will be scheduled to not exceed 1,000 working hours per Fiscal Year. These positions will be enrolled in the PARS Retirement System. The Finance Department will provide the applicable Department Head with a report of part-time hours on a monthly basis. It's the responsibility of the Department Head to monitor these hours.

There may be circumstances where a particular part-time position may be needed for more than 1,000 hours per Fiscal Year. In that case, the Department Head shall notify Human Resources and Payroll that the position will go over 1,000 hours in a Fiscal Year, and that individual will be enrolled in CalPERS upon reaching the 1,000 hours. The part time employee is responsible for payment of the Employee portion of the CalPERS contribution unless otherwise provided for in State law or CalPERS rules.

Individuals working in part-time positions that have an equivalent full-time position are eligible for enrollment in CalPERS upon hire. Contributions to CalPERS for part time employees in this group shall be made consistent with contributions for the full time equivalent position (e.g., if the full time equivalent position's Employee portion of CalPERS is paid by the City, then the part time employee in the same position shall also be entitled to the contribution on his/her behalf). If the full time equivalent of the part time position is not in a bargaining unit/labor group, then the part time employee's portion of the contribution to PERS shall be consistent with that of the unrepresented equivalent full time employee.

RULE I

PURPOSE AND DEFINITIONS

RULE I-B. DEFINITION OF TERMS.

"Temporary Employee". An employee who shall have been appointed to a position not in the classified service for a period of time not to exceed eighteen (18) months nor exceed 1,000 working hours per fiscal year. (Amended Resolution 3675).