



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Jennifer Schembri

**SUBJECT:** SEE BELOW

**DATE:** June 15, 2023

Approved

Date

6/15/23

**SUBJECT: COMPENSATION AND BENEFIT CHANGES FOR EXECUTIVE MANAGEMENT AND PROFESSIONAL EMPLOYEES IN UNIT 99 AND OTHER UNREPRESENTED EMPLOYEES (UNITS 81/82) FOR FISCAL YEARS 2023-2024, 2024-2025, AND 2025-2026**

## RECOMMENDATION

Adopt a resolution to approve and amend compensation and benefit changes for executive management and professional employees in Unit 99 and other unrepresented employees in Units 81/82, for Fiscal Years 2023-2024, 2024-2025, and 2025-2026.

## SUMMARY AND OUTCOME

Adoption of the resolution and authorization to approve compensation and benefit changes will increase the pensionable general wage increase in Fiscal Year 2023-2024 and provide pensionable general wage increases in Fiscal Year 2024-2025 and Fiscal Year 2025-2026 for employees in Unit 99 and other unrepresented employees in Units 81/82. It will also provide additional benefit changes for Fiscal Years 2023-2024, 2024-2025, and 2025-2026.

## BACKGROUND

### *General Wage Increases and Benefits for Executive Management and Professional Employees*

Executive Management and Professional Employees (Unit 99) consist of approximately 373 full-time equivalent (FTE) positions, including Senior Staff, Executive Staff, senior managers under the City Manager’s Appointing Authority, Council Office staff, senior managers under the appointing authority of the City Attorney, professional or management employees under the

appointing authority of the City Auditor and Independent Police Auditor, and some employees who work in the City Clerk's Office.

Employees in Unit 99 are exempt employees and, therefore, do not receive overtime. In addition, they are not on salary steps and progress through the salary range based on increases tied to performance only. Unit 81 includes part-time, unbenefited employees, such as Student Interns. Employees in Unit 81 are on 2.50% salary steps and receive automatic step increases. Unit 82 does not currently have any classifications assigned to it.

The current Executive Management and Professional Employees (Unit 99) Benefit and Compensation Summary provides for a pensionable general wage increase of approximately 3% in Fiscal Year 2023-2024. The recommended compensation changes for Executive Management employees in Unit 99 and other unrepresented employees in Units 81/82 will amend the pensionable general wage increase in Fiscal Year 2023-2024 and provide for increases in Fiscal Year 2024-2025 and Fiscal Year 2025-2026, which are consistent with the agreements that have been reached with other non-sworn bargaining units.

## **ANALYSIS**

The following is a summary of the compensation and benefit changes for executive management and professional employees in Unit 99 and other unrepresented employees that are recommended to be implemented upon approval by the City Council:

**Pensionable  
General Wage  
Increase**

Fiscal Year 2023-2024

Effective June 25, 2023, employees in Unit 99 and Units 81/82 will receive a pensionable general wage increase of approximately 2.00%. This will result in both the top and bottom of the pay range being increased by approximately 2.00%. This is in addition to the 3.00% pensionable general wage increase that was approved by City Council on June 29, 2021, for a total of 5.00% pensionable general wage increase.

Fiscal Year 2024-2025

Effective the first full pay period of Fiscal Year 2024-2025, employees in Unit 99 and Units 81/82 will receive a pensionable general wage increase of approximately 4.00%. This will result in both the top and bottom of the pay range being increased by approximately 4.00%.

Fiscal Year 2025-2026

Effective the first full pay period of Fiscal Year 2025-2026, employees in Unit 99 and Units 81/82 will receive a pensionable general wage increase of approximately 3.00%. This will result in both the top and bottom of the pay range being increased by approximately 3.00%.

**Technology Stipend** Effective June 25, 2023, the monthly Technology Stipend provided to full-time and part-time benefitted employees in Unit 99 shall be increased from \$80 to \$90.

**Professional Development Program** Effective Fiscal Year 2023-2024, the reimbursement rate for each eligible full-time and part-time benefitted employee assigned to Unit 99 shall be increased as follows:

<b>Scheduled Work Hours per Week</b>	<b>Maximum Reimbursement for Benefited Employees</b>	<b>Maximum Reimbursement for Professional Materials</b>
35-40 hours per week	\$2,000.00	\$1,000.00
30-34.9 hours per week	\$1,500.00	\$750.00
25-29.9 hours per week	\$1,250.00	\$625.00
20-24.9 hours per week	\$1,000.00	\$500.00
Less than 20 hours per week	\$0.00	\$0.00

**Vacation Sell Back** Beginning calendar year 2024, the maximum number of vacation hours that an employee assigned to Unit 99 may sell back shall be increased from sixty (60) hours to seventy (70) hours per calendar year.

**Paid Parental Leave** Effective June 25, 2023, the Paid-Parental Leave Program will become permanent. For eligible births, adoptions, or foster care placements, full-time employees will receive a maximum total of one-hundred sixty (160) hours of continuous paid time off (currently forty (40) hours) and shall be eligible to use a maximum total of one-hundred and twenty (120) hours of their available sick leave for City-Paid Parental Leave reasons.

**Bilingual Pay** Effective June 25, 2023, a full-time employee who is required to use a non-English language on a regular basis may be eligible to receive a bi-weekly payment of \$60 for oral and/or written translation. A part-time benefitted employee who is required to use a non-English language on a regular basis may be eligible to receive a bi-weekly payment of \$50 for oral and/or written translation. A part-time unbenefitted employee who is required to use a non-English language on a regular basis may be eligible to receive a premium pay of \$0.50 per hour actually worked.

**Lunar New Year Holiday** As soon as practicable, once implementable for all City employees:

- Lunar New Year shall be observed as a City-observed holiday and New Year’s Eve Day shall no longer be a City-observed holiday.
- Employees shall be entitled to an additional eight (8) hours of executive leave in recognition that City employees may wish to observe a personal holiday that is not observed by the City.
- When an employee is hired or promoted into a position eligible for Executive Leave, the leave will be prorated during the first year dependent upon the hire date.

Start Date in Position	Hours of Executive Leave
January 1 – February 28 (February 29 on a Leap Year)	48 hours
March 1 – April 30	40 hours
May 1 – June 30	32 hours
July 1 – August 31	24 hours
September 1 – October 31	16 hours
November 1 – End of Payroll Calendar Year	8 hours

- A part-time employee or an employee on a reduced work week schedule will receive executive leave as indicated in the chart below, even if the actual hours worked exceed that amount.

Scheduled Work Hours per Week	Benefit Level	Hours of Executive Leave
35-39.9 hours per week	100%	48 hours
30-34.9 hours per week	75%	36 hours
25-29.9 hours per week	62.5%	30 hours
20-24.9 hours per week	50%	24 hours
Less than 20 hours per week	Unbenefited	None

**EVALUATION AND FOLLOW-UP**

No further follow-up action with the City Council is expected at this time.

**COST SUMMARY/IMPLICATIONS**

The increased cost of the additional 2.0% pensionable general wage increase, effective June 25, 2023, is approximately \$1.5 million in all funds, of which \$882,000 is in the General Fund. The costs for the increases in all funds related to Vacation Sell Back is approximately \$114,000, paid

parental leave is approximately \$57,000, Technology Stipend is approximately \$49,000, Bilingual Pay is approximately \$11,000, and Professional Development Program is approximately \$8,000. These total increased costs of approximately \$1.74 million in all funds will be offset by a decrease in the Salaries and Benefits Reserve or an alternative funding source; the recommended budget actions will be brought forward for City Council approval as part of a future budget process. These ongoing increases will be factored into the annual development of the Base Budget.

The ongoing increased cost of the 4.0% pensionable general wage increase effective the first full pay period of Fiscal Year 2024-2025 is approximately \$3.2 million, of which \$1.9 million is in the General Fund. These ongoing increases will be factored into the annual development of the Base Budget.

The ongoing increased cost of the 3.0% pensionable general wage increase effective the first full pay period of Fiscal Year 2025-2026 is approximately \$2.5 million, of which \$1.4 million is in the General Fund. These ongoing increases will be factored into the annual development of the Base Budget.

### **COORDINATION**

This memorandum was coordinated with the City Attorney's Office and the City Manager's Budget Office. In addition, the recommendations have been coordinated with the Council Appointees.

### **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the June 20, 2023 City Council meeting.

### **COMMISSION RECOMMENDATION AND INPUT**

No commission recommendation or input is associated with this action.

### **CEQA**

Not a Project, File No. PP17-010, City organizational and Administrative activities resulting in no changes to the physical environment.

HONORABLE MAYOR AND CITY COUNCIL

June 15, 2023

**Subject: Approval of Changes to Compensation and Benefits for Unit 99 and Other Unrepresented Employees**

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**PUBLIC SUBSIDY REPORTING**

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.



JENNIFER SCHEMBRI

Director of Employee Relations

Director of Human Resources

For questions, please contact Jennifer Schembri, Director of Employee Relations and Human Resources, at (408) 535-8150.