



TOWN OF FAIRFAX

STAFF REPORT

September 4, 2013

TO: Mayor and Town Council

FROM: Garrett Toy, Town Manager

SUBJECT: Resolution 13-~~46~~ establishing wages and benefits for management and confidential employees

RECOMMENDATION

Adopt a resolution establishing wages and benefits for management and confidential employees for the period of July 1, 2013 through June 30, 2015.

DISCUSSION

The current Management Resolution expired in June 30, 2013. Based on positive performance reviews and the revisions to the Memorandum of Understanding (MOU) with SEIU (non-managers), staff is recommending cost of living adjustments for management staff. The resolution is effective from July 1, 2013 thru June 30, 2015. The proposed increases are reasonable given management employees last received a COLA in 2008 and in 2009 agreed to begin sharing in employee retirement costs. Currently, employees pay a cumulative total of 5% of the 8% employee share of retirement costs. Attached is a list of the key revisions.

A major change to the resolution is the addition of the Principal Planner and Deputy Town Clerk positions to the resolution. The Principal Planner classification is on the Council's agenda for approval this evening. With regard to the Deputy Town Clerk position, staff finds the position has been working on sensitive and/or confidential issues and should not be included under the SEIU MOU. SEIU and the Deputy Town Clerk agree with this characterization. As a result, the position is now unrepresented and should be included under the management resolution. The resolution includes the salary range for Deputy Town Clerk-Confidential and Principal Planner positions. The salary range for the confidential position is 5% higher than the previous range for the Deputy Town Clerk position in recognition of the higher level of responsibility. It should be noted that the Deputy Town Clerk is not a management position at this time and receives the same benefits as detailed in the SEIU MOU.

FISCAL IMPACT

The resolution represents approximately 1.2% and 2.1% net increase in salary and benefit costs in FY13-14 and FY14-15, respectively. The net impact is derived by combining the added costs of the COLA and vision case reimbursement with the savings achieved from employees paying 100% of the employee share of retirement and future savings anticipated from reduced benefits available to new hires over the next 10 years. The adopted FY13-14 and forecasted FY14-15 budget anticipated a 1% and 2% net increase in salary and benefit costs for managers, respectively. The slight increase above the projections will have a nominal impact on the budget (less than \$2,000 per year) and can be absorbed into the current budget. The funding for the two added positions was included in FY13-14 budget and, thus, no unanticipated budget impact with the inclusion of these two positions.

ATTACHMENTS

Resolution

List of revisions to the management resolution

KEY REVISIONS TO THE MANAGEMENT AND CONFIDENTIAL EMPLOYEES RESOLUTION

- 1.5% Cost of living salary adjustment (COLA) effective 7-1-2013
- 1.5% Cost of living salary adjustment effective 1-1-2014
- Employees pay their full share of retirement costs with a 3% salary increase to offset the remaining 3% of the employee contribution effective 7-1-2013 (Note: applies to all managers)
- Employees are eligible to be reimbursed for vision care expenses up to a \$100 per fiscal year effective 7-1-2013. Unused funds can be carried over to the next year with a maximum of \$200 that can be reimbursed in one year
- New hires after 7-1-2013 are not eligible for retiree health benefits and must share in health care costs (i.e., \$100 for Kaiser +1 and \$200 for Kaiser family)
- Add the Principal Planner position to the management classification and establish a salary range
- Add Deputy Town Clerk position as a confidential position to the resolution and establish a salary range

RESOLUTION NO. 13-46

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FAIRFAX
ESTABLISHING WAGES AND BENEFITS FOR MANAGEMENT AND CONFIDENTIAL
EMPLOYEES
FOR THE PERIOD OF JULY 1, 2013, THROUGH JUNE 30, 2015**

This resolution is adopted in order to promote the development of a stronger, more effective management team, not only for purposes of employer-employee relations, but also as a means of recognizing outstanding management performance in all public service areas. The following tables show the salary ranges for management employees for the period July 1, 2013 through June 30, 2014 and for the period July 1, 2014 through July 30, 2015.

Management Employees July 1, 2013 - June 30, 2014	Step A	Step B	Step C	Step D
Assistant to the Town Manager	6,186.91	6,496.26	6,821.07	7,162.13
Planning & Building Director	8,499.60	8,924.58	9,370.81	9,839.35
Finance Director	8,499.60	8,924.58	9,370.81	9,839.35
Public Works Director	8,499.60	8,924.58	9,370.81	9,839.35
Chief Building Official /Public Works Manager	7,640.54	8,022.57	8,423.70	8,844.88
Senior Planner	6,530.52	6,857.05	7,199.90	7,559.90
Principal Planner	7,261.68	7,624.76	8,006.00	8,406.30
Management Employees July 1, 2014 - June 30, 2015	Step A	Step B	Step C	Step D
Assistant to the Town Manager	6,279.72	6,593.70	6,923.39	7,269.56
Planning & Building Director	8,627.10	9,058.45	9,511.38	9,986.94
Finance Director	8,627.10	9,058.45	9,511.38	9,986.94
Public Works Director	8,627.10	9,058.45	9,511.38	9,986.94
Chief Building Official /Public Works Manager	7,755.15	8,142.91	8,550.05	8,977.55

Senior Planner	6,628.48	6,959.90	7,307.90	7,673.29
Principal Planner	7,370.60	7,739.13	8,126.09	8,532.39

Confidential Employees July 1, 2013-June 30, 2014	Step A	Step B	Step C	Step D	Step E
Deputy Town Clerk - Confidential	4,642.00	4,874.10	5,117.81	5,373.70	5,642.38
Confidential Employees July 1, 2014-June 30, 2015					
Deputy Town Clerk- Confidential	4,734.84	4,971.58	5,220.16	5,481.17	5,755.23

The Town Manager shall establish the placement of an employee within the ranges as specified above. Movement within the ranges is based on achieving a satisfactory or above rating in an annual employee performance evaluation, to be approved by the Town Manager. Upon appointment, new employees are to be placed within the ranges established, to be approved by the Town Manager.

Confidential Employees are not Management Employees and are not entitled to salary and benefits given to Management Employees per this Resolution with the exception of the salary range table. Confidential employees shall receive and accrue benefits per the SEIU MOU.

II. COST OF LIVING ADJUSTMENT

The above Management Employees salary range tables reflect a 4.5% cost of living adjustment (COLA) in the salary ranges for the period July 1, 2013 through June 30, 2014 and a 1.5% salary COLA for the period July 1, 2014 through June 30, 2015. The above Confidential Employee salary range tables includes any COLA's per the SEIU MOU during the specific time periods as well as a 5% increase for the confidential classification.

III. VACATION LEAVE

Management employees accumulate vacation time in accordance with the following vacation entitlement schedule:

<u>SERVICE</u>	<u>DAYS</u>
1 through 48 months	13
49 through 120 months	17
121 months and over	22

No employee shall be entitled to take any vacation until he/she has at least six (6) months of continuous service. The vacation entitlement is earned on a monthly basis calculated by multiplying the annual entitlement times 8 hours and dividing by 12. Odd fractions will be rounded to the nearest tenth (1/10th). Upon termination of an employee's service with the Town, he/she shall be paid for all properly earned and unused vacation at or below the accrual cap.

An employee may take vacation at times approved by the Town Manager. It is the policy of the Town that employees take their normal vacation each year (at least one consecutive week of vacation); provided, however, with the approval of the Town Manager, an employee may take less than a normal vacation in one year and carry the balance of his/her earned time over to the next year. Provided, however, that no employee shall be allowed to accumulate more than 30 days (240 hours) of earned vacation. An Employee, at their option and with approval of the Town Manager, may convert to cash 40 hours of accrued vacation time each fiscal year.

IV. HOLIDAYS

The Town agrees to provide employees covered by this Resolution thirteen (13) paid holidays per year:

- January 1, New Year's Day
- 3rd Monday in January, Martin Luther King Jr. Holiday
- 3rd Monday in February, Washington's Birthday
- Last Monday in May, Memorial Day
- July 4, Independence Day
- 1st Monday in September, Labor Day
- November 11, Veteran's Day
- Thanksgiving Day
- Friday after Thanksgiving
- December 24, Christmas Eve
- December 25, Christmas Day
- 2 Floating Holidays

When a holiday falls on a Saturday, the preceding Friday shall be deemed a holiday. When a holiday falls on a Sunday, the following Monday shall be deemed a holiday. When an employee is required to work on a holiday, he/she may select another day as holiday leave with pay with the consent of the Town Manager.

Two floating holidays (16 hours) shall be credited July 1 of each year. Floating holidays may be taken at times approved by the Town Manager. Floating holidays may not be

accumulated and carried forward to the next fiscal year. Floating holidays cannot be cashed out at separation from the Town.

V. EDUCATION LEAVE

In order to promote continued development of skills, knowledge and abilities among the management team of the Town, the Town Manager may grant time off to any management employee for education leave. Such leave may be received in order to attend professional, technical or managerial workshops, courses, conferences, conventions, seminars, or related activities. The costs for attendance at these activities including travel, per diem, registration, tuition, material or other reasonable costs are legitimate Town expenses.

A tuition and textbook reimbursement program shall be available to Town employees to encourage and financially assist employees to continue their education and broaden their backgrounds so as to improve job knowledge, skills and capacities of their present job.

Eligible employees will be reimbursed a portion (to be determined by the Town Manager) of the tuition and/or fees for textbooks and supplies under certain conditions for professional and technical courses offered by accredited colleges, universities, business, trade, or correspondence schools or by an otherwise accepted professional association or institute.

Conditions under which reimbursements may be approved are as follows:

1. The course work must relate to the employee's present position or must be beneficial to the employee's related professional development, or must enhance career advancement potential within the Town as follows:
 - a. An improvement in skills or knowledge required by the present position;
 - b. Preparing the employee for changes in duties due to the different use of a position or class;
 - c. Preparing the employee for the assumption of new and different duties as a result of a recent professional appointment; or
 - d. Preparing the employee for promotional opportunities.
2. Requests for reimbursement must be approved by the Town Manager before enrollment in the course.
3. Reimbursement will be made for tuition fees and/ or required textbooks and a reasonable amount of supplies verified by receipts upon completion of the course with a grade of "C" or better, "satisfactory", "pass", or the equivalent.
4. The employee must have completed his or her probation period.
5. The employee must not be receiving funds for the same course from any other

source, such as Veteran's Benefits, scholarships, etc.

VI. ADMINISTRATIVE LEAVE

In recognition of the long hours required to accomplish the requirements of the job, including attendance at numerous meetings outside normal working hours, all management employees shall be granted ten (10) days (80 hours) of paid Administrative Leave. Administrative Leave may be taken at any time during the fiscal year with the approval of the Town Manager. Administrative Leave cannot be cashed out upon separation from the Town. Management employees may carry over up to 80 hours of Administrative Leave to the next fiscal year for a maximum accrual of 160 hours.

VII. PROFESSIONAL MEMBERSHIP FEES

Most management personnel may maintain membership in appropriate professional organizations. These memberships serve to acquaint the Town with current state-of-the-art in these professional areas by means of publications and special activities. The costs for membership in these organizations are legitimate Town expenditures to the extent provided for in the annual Town Budget.

VIII. HEALTH AND LIFE INSURANCE BENEFITS

Town shall cover the amount necessary to provide up to the Family Kaiser and Dental premium rates for each full-time regular employee covered by this agreement.

Employees hired after 7/1/2013 will pay a portion of their medical coverage as follows: Single only, fully covered. Single plus 1 \$100 per month; Family coverage \$200 per month. The Town shall provide coverage based on Kaiser Health Plan preminiums.

The Town and the Management Employees hereby agree to use CalPERS Health Plan for medical insurance, thereby accepting that plan's benefit stipulations.

Town will pay premium for life insurance coverage of \$100,000 for each management employee.

When an employee commences work for the Town, his/her benefit distribution selection shall become effective the first of the month following the date of employment. Deduction for benefits shall be made within the month for which coverage is provided.

Employees can individually choose any combination of benefit options no later than July 1 of each year, except that employee life insurance coverage must be taken. The employee may add or delete dependent health coverage only during the year if one of the following conditions apply:

1. Birth/adoption (add dependent coverage).
2. Death (delete dependent coverage).
3. Marriage (add dependent coverage).
4. Divorce (delete dependent coverage).
5. Change in employment status of dependent (dependent becomes employed, may delete dependent coverage; dependent ceases employment, may add dependent coverage).

Effective July 1, 2013, employees are eligible to be reimbursed for eye exams, prescription glasses/contacts, vision plan premiums paid out of pocket by employees, and co-pays for vision plans as required for the employee and dependents. The annual fiscal year amount is \$100. Unused amounts may be carried forward to the next fiscal year. The maximum amount that can be carried over from one year to the next is \$100 for a maximum reimbursement of \$200 in any one fiscal year. Employees must submit copies of receipts indicating the amount and a description of the service or good paid for by the employee or dependent in that fiscal year to be eligible for reimbursement.

X. RETIREMENT

The Town agrees to continue to provide the Public Employee's Retirement System 2.5% at 55 Local Miscellaneous Members Retirement Program for non-safety employees plus the 3rd Tier Survivor Benefits, Post-Retirement Service Survivor Benefits, Sick Leave Service Credit and Average of Three Highest Years Final Compensation. Effective August 1, 2009 the Town agrees any new full-time employee hired after the PERS contract is amended to the two-tier system, will be members of the Public Employee's Retirement System 2% at 55 Local Miscellaneous Members Retirement Program for non-safety employees plus the 3rd Tier Survivor Benefits, Post-Retirement Service Survivor Benefits, Sick Leave Service Credit and Average of Three Highest Years Final Compensation. Any new employee hired after the PERS contract is amended to the two-tiered system 2% at 55 modified Retirement Plan B will receive a \$100 per month non-matching contribution towards a deferred compensation plan.

All employees hired on or after January 1, 2013, will be provided PERS retirement benefits in compliance with the 2012 Public Employees Pension Reform Act (PEPRA) as follows:

- Employees classified as "new" under PEPRA will be covered by the PERS 2.0% @ 62 plan.
- Employees classified as "Classic" under PEPRA will be covered by the CalPERS 2.0 @55 Plan.

All employees hired on or after January 1, 2013, classified as "New" under PEPPRA will pay at least fifty percent (50%) of the Normal Cost of their Plan as calculated annually by PERS.

B. Effective August 1, 2009, Town agrees to provide the PERS 3% at 55 Local Safety Members Retirement Program including the 1959 Survivor Benefits, Post-Retirement Survivor Benefits and average of three highest years final compensation for the next Police Chief hired by the Town if such employee is not already employed by the Town.

C. Effective in the July 1 2009 management MOU, Payment of PERS Contribution, employee agrees to pay 1.5% of the employee 8% PERS contribution. Town agrees to continue to fund the remaining 6.5% of the 8% employee's contribution rate to PERS,

Effective September 1, 2011 Employees agree to pay an additional 1.5% of the employee PERS contribution for a total of 3% employee contribution. The Town agrees to continue to fund the remaining 5% of the 8% employee's contribution rate to PERS.

Effective July 1, 2012, Employees agree to pay an additional 2% of the employee PERS contribution for a total of 5%. The Town agrees to continue to fund the remaining 3% of the 8% employee's contribution rate to PERS.

Effective July 1, 2013, Employees agree to pay 100% of the employee's portion of PERS (i.e., 7% or 8% depending on the employee's hire date).

The employee paid portion will be tax deferred.

D. PERS Class III Survivors benefits shall be implemented.

E. The Town will pay an employee who retires from the Town of Fairfax subsequent to the execution of this MOU an amount to cover medical insurance at the Kaiser employee only rate based on service according to the following formula:

10 years of service.....	50%
15 years of service.....	75%
20 years of service.....	100%

New employees hired on or after July 1, 2013 shall not be eligible to receive retiree medical coverage from the Town.

XI. LEAVES

A. Sick Leave

1. Management employees shall be entitled to one working day of sick leave with pay for each month or major fraction thereof up to a maximum accumulation of one hundred sixty (160) days or 1280 hours.
2. Sick leave with pay up to the total number of sick leave days accumulated shall be granted by the Town Manager in case of bona fide illness or injury.

B. Bereavement and Special Sick Leave

Leave with pay up to five (5) working days per year shall be granted by the Town Manager in case of the death or serious illness of a mother, father, spouse, sister, brother, son or daughter. Bereavement leave or special sick leave in case of death or serious illness of other persons may be granted only upon approval of the Town Manager.

C. Miscellaneous Leaves with Pay

Management employees shall be granted leave of absence with full pay for:

1. Jury service;
2. Appearance required of him/her as a witness; or
3. Attendance in court resulting from his/her official duties.

Any extra compensation received shall be remitted to the Town.

D. Leave of Absence Without Pay

Upon written request, the Town Manager may approve in writing a leave of absence without pay for a period not to exceed three months; the Town Council may approve such a leave for a period not exceeding one (1) year.

E. Compensation for Temporary Assignment

A management employee who is appointed to act within a higher pay

classification may receive an additional 5 to 7% of base pay for the time worked in the higher classification. The exception being Department Heads shall not be eligible to receive "out of class" pay (i.e., acting Town Manager) unless they have served in such capacity for more than 15 days during the fiscal year and the Town Manager or Town Council has approved the amount of "out of class" pay to be received beginning with day 16.

The foregoing Resolution 13 was duly and regularly passed and adopted at a Regular meeting of the Town Council of the Town of Fairfax held in said Town on the 4th day of September, 2013 by the following vote, to wit:

AYES:
NOES:
ABSENT:

Mayor, John Reed

Attest:

Town Clerk, Michele Gardner