



TOWN OF FAIRFAX

STAFF REPORT

October 11, 2022

TO: Mayor and Town Council

FROM: Heather Abrams, Town Manager

SUBJECT: Adopt Resolution Establishing Wages and Benefits for Management, Confidential and Part-time Employees for the Period of July 1, 2022, through June 30, 2024.

RECOMMENDATION

Adopt Resolution Establishing Wages and Benefits for Management and Confidential Employees and Part-time Employees for the Period July 1, 2022, through June 30, 2024.

DISCUSSION

In 2015, the Town Council, in response to the Grand Jury report on labor negotiations, stated that the Town would place final tentative employee agreements on two successive Town Council agendas - the first for notice of the agreement, the second for Council vote. This item represents the second notice and adoption of the resolution. The first notice was on the Council's October 6, 2022 agenda.

The current Resolution Establishing Wages and Benefits for Management and Confidential Employees and Part-time Employees expired on June 30, 2021 and was amended and extended in 2022 by resolution. Over the past couple of months, the Town Manager and Town Council have met to establish amendments to compensation for unrepresented Town employees.

Based on those conversations, staff recommends Council approve the attached Resolution Establishing Wages and Benefits for Management and Confidential Employees and Part-time Employees which is for two years from July 1, 2022, through June 30, 2024. The Resolution provides for the following key provisions retroactively applied to July 1, 2022:

- | | |
|--------------------|---|
| Effective 7/1/2022 | 4% cost of living adjustment (COLA) retroactive to 7/1/2022 |
| Effective 7/1/2023 | 3.5% cost of living adjustment (COLA)
The Town agreed to reopen if the fiscal picture and outlook improves |
| Effective 7/1/2022 | Longevity Pay of 1% cumulative to a total of 6% at the following years of service: <ul style="list-style-type: none">After 9 years of service; andAfter 14 years of service; andAfter 19 years of service; andAfter 24 years of service; andAfter 29 years of service; andAfter 34 years of service. |
| Effective 7/1/2022 | The Juneteenth Holiday is added to the observed Holiday list. |

- Effective 7/1/2022 Employees may accrue vacation throughout the year. Only 240 hours of vacation will carry over to the next year. Employees may voluntarily roll vacation to a deferred vehicle (457, 401A) during the year. At the end of a year, the Town will pay out vacation hours above 240.
- Effective 7/1/2022 The sick leave cap is lifted. All accrued sick leave may roll to CalPERS service credit at retirement.
- Effective 10/1/2022 The Climate Action Coordinator will increase from 0.93 Full-Time Equivalent (FTE) or 37.5 hours a week to 1.0 FTE (40 hours a week).
- Effective 7/1/2022 The number of days a Department Head must wait to receive an incentive for working out of class is reduced from 15 working days to 5 working days.

Four open side letters are also incorporated into this resolution to ensure that the terms and conditions of employment could be found in one place. The side letters extended the MOU, provided a COLA of 2.5% on July 1, 2021, and amended the language in section XI. E. Compensation for Temporary Assignment. A side letter providing Administrative Leave for the Communications and Marketing position has not been incorporated as the part-time, At Will position is currently vacant and under review.

The average Bay Area Consumer Price Index (CPI) over the three years of the pandemic averaged 3.3%. Current CPI is higher at 5% in April and 6.8% in June. The current economic forecast is uncertain with recessionary and inflationary elements occurring.

FISCAL IMPACT

The cost to the Town in FY22-23 is included in the adopted FY 2022-2023 Budget.

ATTACHMENT

Resolution with Salary Range Table

RESOLUTION 22-__

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FAIRFAX
ESTABLISHING WAGES AND BENEFITS FOR MANAGEMENT AND CONFIDENTIAL
EMPLOYEES AND PART-TIME EMPLOYEES
FOR THE PERIOD OF JULY 1, 2022, THROUGH JUNE 30, 2024**

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 Salary Range Table in Exhibit A shows the salary ranges for management and confidential employees for the period July 1, 2022, through June 30, 2024.

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 and Part-Time 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 Management Employees' Salary Range Table in Exhibit A reflects a 4.0% cost of living adjustment (COLA) in the salary ranges effective July 1, 2022, a 3.5% salary COLA effective July 1, 2023. The Confidential Employee salary range tables includes any COLA's, per the SEIU MOU during the specific time periods and the 2.5% COLA approved effective 7/1/2021 (Resolution 21-33). The hourly rates for part-time positions in Finance, Planning and Building Services, and Recreation and Community Services will receive COLA adjustments similar to Management Employees as approved by Council beginning in FY 2019-20.

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 or his/her designee. It is the policy of the Town that employees are encouraged to take their normal vacation each year. An employee may carry up to 240 hours of the balance of his/her earned time over to the next year.

However, at their option and with approval of the Town Manager or his/her designee, an employee may convert to a deferred compensation account (457, 401a) any amount of accrued vacation time each fiscal year, as long as the employee maintains a minimum balance of 80 hours of vacation leave after the conversion.

In the last pay period in December each calendar year, the Town will pay out all vacation hours an employee has accrued above 240 and roll the accrued balance, up to 240 hours, over to the next year.

IV. HOLIDAYS

The Town agrees to provide employees covered by this Resolution fourteen (14) 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
- The 19th day of June, Juneteenth
- 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 premiums.

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).

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 \$200. 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 \$200 for a maximum reimbursement of \$400 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.

Employees will receive \$30/month as part of the Town's wellness program for managers. The payment is to compensate managers for those costs they incur to maintain their mental and/or physical well-being such as gym/club memberships, health therapies, and recreational/educational classes.

Effective July 1, 2018, part time employees covered by this Resolution will be eligible to be reimbursed for medical costs including co-pays and medical/dental plan premiums paid out of pocket by employees. The annual maximum fiscal year amount eligible for reimbursement is \$1,500. Unused amounts cannot be carried forward to the next fiscal year. Employees must submit documentation for reimbursement per policies established by the Finance Department.

X. RETIREMENT

- A. 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 CalPERS contract is amended to the two-tier system, will be members of the Public Employee's Retirement System (PERS) 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 CalPERS 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 CalPERS 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 CalPERS 2.0% @ 62 plan.
- Employees classified as "Classic" under PEPRA will be covered by the CalPERS 2.0% @55 Plan. Classic employees pay the full employee contribution rates as set by CalPERS.

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

- B. The Town provides the CalPERS approved Local Safety Members Retirement Program based on the Chief's CalPERS membership (Classic or PEPRA) including the 1959 Survivor Benefits, Post-Retirement Survivor Benefits and average of three highest years final compensation for the Police Chief.
- C. The Town has implemented CalPERS Class III Survivors benefits.
- D. 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.

Retiree medical coverage is intended to be a reimbursement of employee medical insurance premium costs after retirement. Retirees receiving health care coverage shall annually submit written evidence of medical coverage (e.g., premium bill from health care insurance provider) to the Town as requested to be eligible for reimbursement. Premium reimbursements include the Town's cost to CalPERS for the Minimum Employer Contribution (MEC) established by PEMCHA if applicable.

Medicare eligible retirees must apply for and receive Medicare benefits to be eligible for full reimbursement. For retirees on Medicare, the reimbursement may include both the Medicare and CalPERS Kaiser Rate for employee only premiums for the retirees provided the total cost does not exceed the maximum CalPERS Kaiser Rate for employee only, including any MEC costs to the Town, based on the above formulas. Retirees not eligible for Medicare will continue to receive the CalPERS Kaiser employee only rate based on the above formulas.

- E. Part-Time Employees pay 100% of the employee's portion of CalPERS, if applicable. In exchange, the employees will receive an increase in their hourly rate to offset the initial percentage increase of the employee's contribution to CalPERS.
- F. Longevity Pay: Effective the first full pay period following approval by the Fairfax Town Council, employees will receive longevity incentive on base salary according to the following schedule:
 - 1% after 9 years; and
 - 1% after 14 years; and
 - 1% after 19 years; and
 - 1% after 24 years; and
 - 1% after 29 years; and
 - 1% after 34 years.

Longevity is cumulative and will not exceed 6% in total.

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. Sick leave accrual is unlimited and upon retirement any unused sick leave accrual may be converted to CalPERS service credit.
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 or other legally approved uses.
3. Part-time employees covered by this MOU shall be allowed to use sick leave as administrative leave. Part-time employees are not allowed to cash out their sick leave.

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 six months; the Town Council may approve such a leave for a period not exceeding one (1) year.

E. Compensation for Out-of-Class or Special Supervision Assignments (Resolution 19-37)

1. A management employee who is temporarily assigned to perform a portion of the duties of a position in a classification with a salary rate higher than his or her appointment for a period of five (5) consecutive

working days or more shall be considered to be in an out-of-class assignment and shall receive an additional 5% of base pay for the time worked in the higher classification.

2. A management employee who is assigned a special supervision assignment, which is the supervision of employees outside of their normal sphere of authority, will receive 10% of base pay for the time worked in the special assignment. Special assignments are reviewed periodically, but no less than every 12 months, by the Town Manager for effectiveness and continued need. A management employee who is assigned both an out-of-class and special supervision assignment can only receive a maximum of 10% of base pay for the time worked in both assignments. Department Heads are eligible for special supervision assignments.
3. 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 5 working days during the fiscal year and the Town Manager or Town Council has approved the “out of class” pay to be received beginning with day 6.
4. All assignments require the prior approval of the Town Manager and are at the Town Manager’s sole discretion.

The foregoing Resolution was duly passed and adopted at a meeting of the Town Council of the Town of Fairfax held in said Town on the 11th day of October 2022, by the following vote, to wit:

AYES:

NOES:

ABSENT:

Stephanie Hellman, Mayor

Attest:

Town Clerk, Michele Gardner

EXHIBIT A --- TOWN OF FAIRFAX
SALARY RANGES/SCHEDULE -- UNREPRESENTED

Management Employees As of June 30, 2022	STEP A	STEP B	STEP C	STEP D
Assistant to the Town Manager	7,855.35	8,248.12	8,660.52	9,093.55
Dep Town Clerk /Assistant to the Town Manager	10,253.21	10,765.87	11,304.16	11,869.37
Planning & Building Director	10,253.21	10,765.87	11,304.16	11,869.37
Finance Director	10,253.21	10,765.87	11,304.16	11,869.37
Public Works Director	11,877.77	12,471.66	13,095.24	13,750.00
Climate Action Coordinator	5,000.13	5,250.13	5,512.64	5,788.27
Chief Bldg Official / Public Works Mgr	9,216.91	9,677.76	10,161.64	10,669.73
Assistant Planner	5,754.53	6,042.26	6,344.37	6,661.59
Associate Planner	6,300.44	6,615.46	6,946.24	7,293.55
Senior Planner	7,877.87	8,271.76	8,685.35	9,119.62
Principal Planner	8,759.88	9,197.87	9,657.77	10,140.66
Marketing & Communications Specialist	6,906.29	7,251.60	7,614.18	7,994.89
Events & Volunteer Coordinator	5,349.96	5,617.46	5,898.33	6,193.25
Accountant I	5,964.23	6,262.44	6,575.56	6,904.34
Accountant II	6,904.35	7,249.57	7,612.05	7,992.65
Recreation & Community Services Manager	7,248.45	7,610.87	7,991.42	8,390.99
Management Analyst	6,906.29	7,251.60	7,614.18	7,994.89

Management Employees As of July 1, 2022 (4% COLA)	STEP A	STEP B	STEP C	STEP D
Assistant to the Town Manager	8,169.56	8,578.04	9,006.94	9,457.29
Dep Town Clerk /Assistant to the Town Manager	10,663.34	11,196.51	11,756.33	12,344.15
Planning & Building Director (Also incr to \$175k)	13,101.54	13,756.61	14,444.44	15,166.67
Finance Director	10,663.34	11,196.51	11,756.33	12,344.15
Public Works Director (Also incr to \$185k)	13,850.20	14,542.71	15,269.84	16,033.33
Climate Action Coordinator (Also .9375FTE to FT)	5,546.81	5,824.15	6,115.35	6,421.12
Chief Bldg Official / Public Works Manager	9,585.59	10,064.87	10,568.11	11,096.51
Assistant Planner	5,984.71	6,283.95	6,598.14	6,928.05
Associate Planner	6,552.46	6,880.08	7,224.08	7,585.29
Senior Planner	8,192.98	8,602.63	9,032.77	9,484.40
Principal Planner	9,110.28	9,565.79	10,044.08	10,546.28
Marketing & Communications Specialist	7,182.54	7,541.67	7,918.75	8,314.69
Events & Volunteer Coordinator	5,563.96	5,842.16	6,134.26	6,440.98
Accountant I	6,202.80	6,512.94	6,838.59	7,180.52
Accountant II	7,180.52	7,539.55	7,916.53	8,312.35
Recreation & Community Services Manager	7,538.39	7,915.31	8,311.07	8,726.63
Management Analyst	7,182.54	7,541.67	7,918.75	8,314.69
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Management Employees As of July 1, 2023 (3.5% COLA)	STEP A	STEP B	STEP C	STEP D
Assistant to the Town Manager	8,455.50	8,878.27	9,322.19	9,788.30
Dep Town Clerk /Assistant to the Town Manager	11,036.56	11,588.38	12,167.80	12,776.19
Planning & Building Director	13,560.09	14,238.10	14,950.00	15,697.50
Finance Director	11,036.56	11,588.38	12,167.80	12,776.19
Public Works Director	14,334.95	15,051.70	15,804.29	16,594.50
Climate Action Coordinator	5,740.94	6,027.99	6,329.39	6,645.86
Chief Bldg Official / Public Works Mgr	9,921.08	10,417.14	10,937.99	11,484.89
Assistant Planner	6,194.18	6,503.88	6,829.08	7,170.53
Associate Planner	6,781.79	7,120.88	7,476.93	7,850.77
Senior Planner	8,479.74	8,903.73	9,348.91	9,816.36
Principal Planner	9,429.13	9,900.59	10,395.62	10,915.40
Marketing & Communications Specialist	7,433.93	7,805.63	8,195.91	8,605.70
Events & Volunteer Coordinator	5,758.70	6,046.63	6,348.96	6,666.41
Accountant I	6,419.90	6,740.89	7,077.94	7,431.83
Accountant II	7,431.84	7,803.43	8,193.61	8,603.29
Recreation & Community Services Manager	7,802.23	8,192.34	8,601.96	9,032.06
Management Analyst	7,433.93	7,805.63	8,195.91	8,605.70

Confidential Employees	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F
Deputy Town Clerk - Confidential as of 6/30/22	5,679.23	5,963.19	6,261.35	6,574.42	6,903	7,248
Deputy Town Clerk - Confidential as of 7/1/22	5,906.40	6,201.72	6,511.80	6,837.39	7,179	7,538
Deputy Town Clerk - Confidential as of 7/1/23	6,083.59	6,387.77	6,707.16	7,042.51	7,395	7,764