



CITY OF POMONA COUNCIL REPORT

September 16, 2019

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted By: Linda Matthews, Human Resources/Risk Management Director

SUBJECT: ADOPTION OF RESOLUTIONS AMENDING COMPENSATION PLANS FOR EXECUTIVE GROUP A AND B EMPLOYEES, MID-MANAGEMENT LIBRARY GROUP C-2 EMPLOYEES, AND PART-TIME MANAGEMENT/ CONFIDENTIAL EMPLOYEES

RECOMMENDATION:

It is recommended that the City Council adopt the following resolutions:

RESOLUTION NO. 2019-139 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA AMENDING THE COMPENSATION PLAN FOR EXECUTIVE GROUP A AND B EMPLOYEES

RESOLUTION NO. 2019-140 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA AMENDING THE COMPENSATION PLAN FOR MID-MANAGEMENT LIBRARY GROUP C-2 EMPLOYEES

RESOLUTION NO. 2019-141 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA AMENDING THE PART-TIME MANAGEMENT/CONFIDENTIAL COMPENSATION PLAN

EXECUTIVE SUMMARY: Approval of the attached resolutions (Attachments 1, 2 and 3) will implement similar terms and conditions of employment for the three unrepresented employee groups as were recently negotiated with represented employee groups for the period of October 1, 2019 through September 30, 2021. The change to terms for non-sworn Group A and B and Library C-2 unrepresented employees include salary of increases of four percent (4%) in October 2019 and October 2020; increases to Section 125 Benefit Plan contributions to help offset the increasing cost of medical insurance; a \$500 one-time payment to each employee in October 2019 and July 2020; increasing bilingual pay, if applicable, to \$40 per pay period; and other various terms as described herein. Sworn Group A-3 (Police Chief and Deputy Police Chief) will receive increases of five percent (5%) in October 2019 and October 2020, the same Section 125

benefits and one-time payments; and \$46 per pay period City contribution to the Deferred Compensation Plan. Part-time management/confidential employees will receive four percent (4%) salary increases in October 2019 and October 2020 and certain classifications will receive special adjustments primarily related to State minimum wage increases in December 2019 and December 2020.

FISCAL IMPACT: The estimated cost of these agreements is \$244,734 for Fiscal Year (FY) 2019/20 and \$233,622 for FY 2020/21, of which \$133,426 and \$128,498 is from the General Fund, respectively. Necessary budget adjustments for FY 2019/20 will be presented to the City Council for approval as part of the first quarter budget report. Future costs for this agreement will be budgeted for in the appropriate fiscal year.

DISCUSSION:

The City has three groups of employees that are not represented: Executive Group A and B employees, Mid-Management Library Group C-2 employees; and Part-time Management/Confidential employees. Executive Group A employees include the City Manager, City Clerk, Deputy City Managers, and Department Directors. The Police Chief and Deputy Police Chief are a subset of this group (A-3), and their salary and benefits typically mirror those of the Pomona Police Management Group. Group B employees include Division Manager and other high level staff positions such as Budget Officer. City Council benefits, but not salary, are also covered by the Executive Group A and B Plan. Group C-2 Employees include “Part-time Benefited” mid-management Library Employees, but currently all Library employees are covered by the Part-time Unit or Part-time Management/Confidential Unit. The terms and conditions for unrepresented employees are included in Compensation Plans and may be modified by the City Council at any time. The proposed plans implement similar terms and conditions to the applicable represented groups and are intended to cover the period of October 1, 2019 through September 30, 2021.

Executive Group A and B and Mid-Management Library C-2 Employees

The key terms for Executive Group A and B and Mid-Management Library C-2 employees are as follows:

Salary Increase - 4% salary increase effective October 1, 2019 and October 1, 2020 for non-sworn unrepresented employees, including the City Manager and City Clerk; Group A-3 sworn employees will receive 5% effective October 1, 2019 and October 1, 2020.

Medical Premiums and Section 125 Cafeteria Plan Contributions - Employees have absorbed most of the increasing cost of medical benefits since 2004 as the City’s contributions toward medical insurance remained fixed at up to \$700 per month. In 2015, the City created a separate Section 125 Benefit Plan contribution of \$25 per month which could be used to be pay for medical, dental or vision insurance premiums, with any remaining amount paid as taxable cash. Effective in 2018, Group A-3 sworn employees received an additional \$200 monthly contribution. Even with these City contributions, the monthly out-of-pocket cost is significant for employees. As an example, the employee’s 2019 out-of-pocket cost for Kaiser Permanente, a frequently selected mid-range plan, for family coverage is \$883.46 per month. In an effort to

provide more affordable health coverage for employees, this agreement increases the Section 125 Plan Benefits for benefit plan years 2020 and 2021 as follows:

Level of Medical Coverage	Monthly Increase Effective December 2019 for Plan Year 2020	Monthly Increase Effective December 2020 for Plan Year 2021
Waive coverage	\$10	\$10
Single	\$20	\$20
Two-party	\$300 (\$100 for Group A-3)	\$100
Family	\$400 (\$200 for Group A-3)	\$200

One-Time Payments – Provide one-time payments of \$500 to all employees in a paid status in November 2019 and July 2020.

Bilingual Pay – Increase bilingual pay from \$500 per year to \$40 per pay period (\$1,040 per year) effective October 13, 2019 for Group C-2 employees. Group A and B employees are not eligible to receive bilingual pay.

Day After Thanksgiving Holiday – Starting in 2020, City Hall will remain open the Wednesday before Thanksgiving. As long as the City Hall continues to be closed on Fridays and the City elects to remain open the Wednesday before Thanksgiving, employees will accrue an additional day of floating holiday time in January instead of observing the Friday after Thanksgiving as a paid holiday. The first floating holiday will be accrued in January 2020. Newly hired employees will accrue floating holidays on a prorated basis.

Deferred Compensation – Group A-3 sworn employees shall receive a City contribution to deferred compensation of \$46 per pay period effective September 15, 2019. This aligns with what was provided to employees in the Pomona Police Managers' Association, which is not eligible to receive the \$100 per month collateral retiree benefit offered to other sworn employees hired prior to July 1, 2011.

Part-time Management/Confidential Employees

The Part-time Management/Confidential Group includes approximately 20 part-time employees who act in a managerial or supervisory capacity such as the Library Operations Manager and Community Services Specialist III, or employees assigned to the City Manager, City Attorney, or Human Resources Department because of their access to confidential employer-employee relations information. The key terms for the proposed amendments to the Part-time Management/Confidential (PTMC) Plan are as follows:

Salary Increase - 4% salary increase effective October 1, 2019 and another 4% increase effective October 1, 2020.

Special Salary Adjustments - In addition to the general salary increases, special adjustments to the salary ranges related to the State minimum wage increases and other salary realignments are being made to five (5) classifications effective December 22, 2019 and December 20, 2020. These special adjustments are shown in bold italics in the table below:

Assignment Title	Current Rates (Prior to proposed 4% increase on 10/1/2019)		Proposed Rates Effective Dec 22, 2019 (special adjustment after 2019 4% increase)*		Proposed Rates Effective Dec 20, 2020 (special adjustment after 2020 4% increase)*	
	Min Rate	Max Rate	Min Rate	Max Rate	Min Rate	Max Rate
Community Service Specialist III	15.17	22.90	15.78	23.82	16.43	23.82
Intern (Confidential)	12.00	20.72	13.00	21.55	14.00	22.41
Management Consultant	52.50	118.13	49.85	122.86	51.84	122.77
Office Assistant I (Confidential)	12.00	20.72	13.00	21.55	14.00	22.41
Office Assistant II (Confidential)	18.77	37.15	19.52	27.20	20.30	28.29

The rates that are not in bold italics in the above table are modified based upon the 4% increases effective October 1, 2019 and October 1, 2020 with no special adjustments.

The State minimum wage is increasing from \$12.00 to \$13.00 per hour effective January 1, 2019 and will increase again from \$13.00 to \$14.00 per hour effective January 1, 2020. If the State defers the associated minimum wage adjustment, the wages shall not change until the date of the State minimum wage adjustment. Other adjustments were made to avoid wage compaction with higher level classifications or to adjust the maximum rate of the range to maintain reasonable width in the range in order to maintain a competitive market rate. The Office Assistant II maximum rate is being realigned with the top rate of the full-time Administrative Assistant III classification. The minimum rate of Management Consultant is being lowered to avoid a gap in pay ranges available from the next lower classification. All incumbents that are below the minimum rate of the range will be adjusted to the minimum rate upon implementation.

In addition, other minor language changes are being made to clarify some language provisions and delete obsolete language. The complete Compensation Plans are included in Attachments 1, 2, and 3 and show all of the language changes, with new language underlined and old language shown with a strikethroughs.

This action includes compensation changes for key executive employees. Pursuant to State law, approval of compensation changes for key executive employees must be accompanied by a verbal report; hence this item is being placed on the discussion calendar for consideration.

COUNCIL PRIORITIES & GOALS:

This item supports the 2019-2020 City Council Priorities 1 through 4: Fiscal and Operational; Economic Development; Clean and Safe Communities; and Infrastructure.

Prepared by: Linda Matthews, Human Resources/Risk Management Director

ATTACHMENT(S):

Attachment No. 1 – Resolution No. 2019-139

Exhibit A – Compensation Plan for Executive Group A and B Employees

Attachment No. 2 – Resolution No. 2019-140

Exhibit A – Compensation Plan for Mid-Management Library Group C-2 Employees

Attachment No. 3 – Resolution No. 2019-141

Exhibit A – Compensation Plan for Part-time Management/Confidential Employees