

# CITY OF HESPERIA

## STAFF REPORT



**DATE:** March 21, 2017

**TO:** Mayor and Council Members  
Chair and Commission, Hesperia Housing Authority  
Chair and Commission, Community Development Commission  
Chair and Board Members, Hesperia Water District

**FROM:** Nils Bentsen, City Manager

**BY:** Brian D. Johnson, Assistant City Manager/Management Services

**SUBJECT:** Non-Represented Employees' Salaries, Benefits and Other Related Policies for the Period of January 1, 2017 through January 31, 2019

---

### RECOMMENDED ACTION

It is recommended that the City Council adopt Resolution No. 2017-011, the Commission of the Hesperia Housing Authority adopt Resolution HHA 2017-02, the Commission of the Community Development Commission adopt Resolution CDC 2017-03, and the Board of Directors of the Hesperia Water District adopt Resolution HWD 2017-05, approving the Non-Represented Employees' Salaries, Benefits and Other Related Policies.

### BACKGROUND

The resolutions for Non-Represented Employees' Salaries, Benefits and Other Related Policies were effective from January 1, 2016 through December 31, 2016. The new updated proposed resolutions for Non-Represented Employees' Salaries, Benefits and Other Related Policies effective January 1, 2017 through January 31, 2019, and shall remain in effect until a successor resolution is developed.

### ISSUES/ANALYSIS

The changes included in the successor Non-Represented Employees' Salary, Benefits and Related Policies Resolutions are summarized as follows:

#### Salary (Sec. 2)

Effective the first full pay period starting on March 18, 2017 and ending March 31, 2017 to be paid on April 6, 2017, all salary ranges will reflect a base salary Cost of Living Adjustment (COLA) increase of no less than 1.0% and no more than 2.0% based on the Consumer Price Index (CPI) – All Urban Consumers (Area: Los Angeles-Riverside-Orange County) measured by the annualized CPI from February 2016 to February 2017. It should be noted that the actual COLA will be 1.8%, which is based on the Department of Labor releasing the February 2016 to February 2017 CPI on March 15, 2017.

Effective the first full pay period of Fiscal Year 2018-19, all salary ranges will reflect a base salary Cost of Living Adjustment (COLA) increase of no less than 1.0% and no more than 3.0% based on the Consumer Price Index (CPI) – All Urban Consumers (Area: Los Angeles-Riverside-Orange County) measured by the annualized CPI from February 2017 to February 2018.

The City will establish a Bonus Program for Non Represented employees on Step 11 of their eleven step range based on exceptional merit. The Bonus program will be submitted to the City Council for approval prior to implementation.

The resolutions approving Exhibit A include a salary increase from range 24 to range 26 for the Office Assistant Classification, and two new positions titled the Budget/Finance Specialist and Senior Economic Development Specialist. When the resolutions approving Exhibit A are approved, Exhibit A will be updated to include these two new class titles and the Office Assistant's new salary range.

### **Three-Tiered Management Program (Sec. 3)**

Effective July 1, 2017 the Professional/Supervisory employees will receive a maximum of 55 Administrative Leave hours per fiscal year and Management employees will receive a maximum of 65 Administrative Leave hours per fiscal year. Senior Management and Elected Officials shall receive a \$600 per month Automobile Allowance effective April 1, 2017. Elected Officials may select to receive their Automobile Allowance amount up to \$600 per month.

### **401(a) Pension Program (Sec. 4)**

Effective the April 6, 2017 pay date, the Non-Represented General employees will receive a City paid contribution of 1% of their Base Salary and Non-Represented Management employees will receive a City paid contribution of 3% of their Base Salary. Professional/Supervisory and Senior Management employees will continue to receive their 2% and 4% contributions respectively.

### **Health Insurance (Sec. 8)**

California Public Employee's Retirement System (CalPERS) health provider will no longer be named as the City's health provider in Exhibit A. The City will make available comparable health insurance plan(s) for all full-time regular employees. Please note that at this time the City does not plan to change from CalPERS health, however if more cost effective, comparable plans become available, the City will have the ability to pursue alternative options.

Effective April 1, 2017 for the May 2017 premiums, the City shall pay up to \$928 per month, the employee shall be responsible for paying the difference, or the amount greater than \$928, through payroll deduction.

Effective July 1, 2018 for the August 2018 premiums, the City shall pay up to \$1,013 per month, the employee shall be responsible for paying the difference, or the amount greater than \$1,013, through payroll deduction.

Other procedural changes related to the Affordable Care Act and updated legislation were made.

### **Dental Insurance (Sec.9) and Optical Insurance (Sec. 10)**

Effective April 1, 2017 for the May 2017 Dental and Optical Insurance premiums, the City will pay the single party premium rate for dental insurance and optical insurance. If the employee selected group plan costs more than the single party premium, the employee will be responsible for paying the additional cost from the City's contribution in Section 8.

### **Duration (Sec. 36)**

The term of the Non-Represented Employees' Salaries, Benefits and Other Related Policies Resolutions shall be from January 1, 2017 through January 31, 2019 or two years and one month.

### **Other**

Changes were included in the Non Rep. resolutions and Exhibit A to include:

- Non-Represented Classifications/Other (Sec. 1) – Updated section to add new Job classifications included in the 2016-17 Budget, 2016-17 Budget Review, and this new Non-Represented Employees' Salaries, Benefits and Other Related Policies resolution.
- Confidential Employees (Sec. 4) – Updated classification titles included.
- Holidays (Sec. 5) – New pre approval requirements for vacation or sick leave for a day off prior to or following a Holiday.
- Vacation (Sec. 7) – Effective July 1, 2017 the minimum vacation balance required to cash out vacation is increased from 40 hours to 80 hours.
- Sick Leave (Sec. 13) – Effective July 1, 2017 a minimum balance of 40 sick leave hours will be required before using 18 hours of sick leave as personal time. A new Sick Leave conversion program is provided which will allow 18 hours and 9 hours of sick leave to be converted to vacation hours on a limited basis once annually.
- Education Reimbursement (Sec. 14) – The Tuition Reimbursement maximum amount is increased from \$2,500 to \$3,000 per fiscal year, and for employees working for the City more than five years the maximum is increased to \$4,000 per fiscal year.
- Uniforms and Boot Reimbursement (Sec. 17) – The boot allowance is increased from \$200 to \$300 annually.
- Cell Phone Allowance (Sec. 22) – Effective April 1, 2017, Professional/Supervisory and Management employees may receive a \$100.00 monthly cell phone allowance in their role of Public Information Officer and Emergency Responders as approved and designated by the City Manager.
- Bereavement and Sick Leave (Sec. 30) – Effective April 1, 2017 Bereavement leave is increased from 27 hours to 44 hours for immediate family members.
- Smoking (Sec. 31) – The City's no smoking policy also includes e-cigarettes and all tobacco products.

### **FISCAL IMPACT**

The total projected cost of implementing the Non-Represented employees' changes in compensation is \$258,232 and the annualized net on-going costs are summarized as follows:

<b>Non-Represented Summary</b>	<b>Medical Increase \$844 to \$928</b>	<b>Employee Dental &amp; Vision Coverage</b>	<b>2.0% COLA Increase</b>	<b>Net Projected Annual Cost</b>
General Fund	\$25,532	\$37,625	\$107,500	\$170,657
Streets Maintenance	5,938	3,806	13,133	22,877
Econ. Development	594	3,120	10,166	13,880
Total Water & Sewer	11,281	9,736	29,801	50,818
<b>Total City Cost</b>	<b>\$43,345</b>	<b>\$54,287</b>	<b>\$160,600</b>	<b>\$258,232</b>

The table assumes the maximum COLA for 2%. It should be noted that the actual COLA will be 1.8%, which is based on the Department of Labor releasing the February 2016 to February 2017 CPI on March 15, 2017. Due to the late releasing of the CPI figures, which is the basis of the COLA, there was not adequate time to calculate the actual COLA of 1.8%.

**ALTERNATIVE(S)**

Provide alternative direction to staff.

**ATTACHMENT(S)**

1. Non-Represented Employees' Salaries, Benefits and Other Related Policies, 1/1/17-1/31/19
2. Resolution No. 2017-011
3. Resolution HHA 2017-02
4. Resolution CDC 2017-03
5. Resolution HWD 2017-05