



Administrative Report

N.3., File # 21-1909

Meeting Date: 1/12/2021

To: MAYOR AND CITY COUNCIL

From: DIANE STRICKFADEN, DIRECTOR OF HUMAN RESOURCES

TITLE

DISCUSSION AND POSSIBLE ACTION REGARDING APPROVAL OF AN UPDATED PAY AND BENEFITS PLAN WITH THE MANAGEMENT AND CONFIDENTIAL EMPLOYEE GROUP

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2101-006, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, UPDATING THE PAY AND BENEFITS PLAN FOR MANAGEMENT AND CONFIDENTIAL EMPLOYEES

ADOPT BY 4/5 VOTE AND BY TITLE ONLY RESOLUTION NO. CC-2101-007, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, APPROPRIATING \$31,100 FROM THE UNASSIGNED GENERAL FUND BALANCE FOR THE MANAGEMENT AND CONFIDENTIAL EMPLOYEES PAY AND BENEFITS PLAN

EXECUTIVE SUMMARY

As the City has reached agreements on successor Memorandums of Understanding with the majority of the City's employee associations, it is appropriate to execute a corresponding update to the Pay and Benefits Plan for Management and Confidential Employees. The proposed Pay and Benefits Plan, if adopted, will provide covered employees with all the same terms and conditions of employment as the existing plan, with the exception of the following:

- 1) A \$500 one-time "signing bonus" for each active member upon adoption of the Pay and Benefits Plan;
- 2) In January 2021 and 2022, increases to monthly City health insurance contributions, bringing them after two years, to the same level as the safety groups;
- 3) In January 2022, a 1% base salary increase;
- 4) In January 2023, a 2% base salary increase;
- 5) A one-time carryover of up to 27 hours of unused administrative leave time from 2020 due to the Covid emergency; and
- 6) Addition of three "holiday closures" (a total of nine additional paid holidays off on December 22, 27 and 28, in December 2021, 2022, and 2023).

The projected cost of the Pay and Benefits Plan for this fiscal year is \$31,100. The Management and Confidential employee group has 31 active employees and represents many various job

classifications such as Fire Division Chief, Payroll Manager, Human Resources Analyst and the various Department Directors.

BACKGROUND

The previous Pay and Benefits Plan update for Management and Confidential Employees was implemented in July 2019. That plan offered employees a one-time \$2500 stipend for each active member along with the three additional December holidays provided to the other miscellaneous groups. If adopted, this new Pay and Benefits Plan will provide the following:

Salaries: Represented employees will receive a one-time signing bonus of \$500 upon adoption of the Pay and Benefits Plan. In addition, in the first full pay period of January 2022, employees will receive a 1% base salary increase. In the first full pay period of January 2023, employees will receive a 2% base salary increase.

Health Contributions: In January 2021, represented employees will receive a \$200 per month increase to their monthly health insurance contributions; for employee, employee plus one and family coverages. In January 2022, employees will receive additional increases to bring their coverage to the same level as the City's safety bargaining units. The changes will ease historic administrative burdens and reduce HR and payroll staff time spent calculating bargaining group by bargaining group medical benefit distributions, as all employees by the end of the agreements will be eligible for one of the same three tiers of health care premium contribution. Additionally, it should be noted that these increases are partially offset by future savings from the implementation of a cap in the amount of "cash in lieu" members who choose to opt out of the plan can receive. Previously "cash in lieu" amounts were indexed to the overall price of the employee's selected health care premium level without limit and would often increase by more than 10% per year.

Administrative Leave: In January 2021, employees will be allowed to carry over up to 27 hours of 2020 unused accrued administrative leave (APT) time on a one-time basis in response to the Covid-19 emergency, which prevented many employees from being able to utilize accrued leave days.

Holiday Closures: Employees will receive three additional paid holidays, on December 22, 27, and 28, in 2021, 2022 and 2023. City Hall offices will be closed on these days, as has occurred several times over the past few years.

The Management and Confidential employee group has 31 active employees and represents many various job classifications such as Fire Division Chief, Payroll Manager, Human Resources Analyst and the various Department Directors.

Elected officials also have health benefits tied to the Management and Confidential Pay Plan and will receive the same changes to their insurance contributions as employees. However, salary increases or stipends in the Plan do not apply to the City Manager, Councilmembers or other elected officials. The City's Manager's salary is set by a separate contract, and salaries for the City's elected officials are set by Ordinance.

COORDINATION

This report was prepared by the Human Resources Department. The resolutions were approved as

to form by the City Attorney's Office.

FISCAL IMPACT

The annualized costs of the agreement are as follows:

Year One: \$46,700

Year Two: \$66,828

Year Three and ongoing: \$228,684

The Fiscal Year 2020-21 cost of the agreement is \$31,100 and is to be funded from available and unallocated General Fund balance, and requires a 4/5ths budget appropriation per the attached resolution.

APPROVED BY:

Joe Hoefgen, City Manager

ATTACHMENTS

Resolutions and Pay and Benefits Plan