



**DATE:** September 24, 2019

**CATEGORY:** Consent

**DEPT.:** City Manager's Office

**TITLE:** **Resolution Approving Salary Plan Documents from Fiscal Year 2014-15 through Fiscal Year 2019-20 to Comply with Public Employees' Retirement Law**

### **RECOMMENDATION**

Adopt a Resolution Approving Salary Plan Documents from Fiscal Year 2014-15 through Fiscal Year 2019-20 to Comply with the Public Employees' Retirement Law Definition of "Compensable Earnings" as Defined by Government Code Section 20636 and the Definition of "Publicly Available Pay Schedules" Defined by California Code of Regulations Section 570.5(a)(8), to be read in title only, further reading waived (Attachment 1 to the Council report).

### **BACKGROUND**

Compensation reported to CalPERS is required to meet the definition of compensable earnings as defined by Government Code Section 20636(b)(1), specifically that the "pay rate" is pursuant to publicly available pay schedules. California Code of Regulations Section 570.5 further specifies eight required components necessary to meet the definition of a publicly available pay schedule.

In July 2019, CalPERS determined the City's methods for finalizing salary plans are in compliance with seven of the eight required components. CalPERS required action to come into full compliance.

### **ANALYSIS**

The City's longstanding practice has been to have the City Council adopt a resolution authorizing the City Manager or designee to revise the salary plans (i.e., pay schedules) to reflect compensation changes approved by the City Council. The City Manager or his designee then produce and publicly post the pay schedules in accordance with City Council approval. California Code of Regulations Section 570.5 specifies that a compliant pay schedule "does not reference another document in lieu of disclosing the pay rate." CalPERS has clarified that the City's practice is not considered to be in

compliance as the final salary plan is not attached to the resolution adopted by City Council.

CalPERS informed City staff that many other public agencies have followed practices similar to the City of Mountain View's past practice and that formal audits have resulted in cities changing their salary plan approval practices to ensure future compliance. CalPERS is requiring the City's commitment to correct and comply with the above-identified sections in order to process retirement applications submitted since July 2019. Therefore, CalPERS requires the City Council to formally approve all salary plans that became effective in Fiscal Year 2014-15 to Fiscal Year 2019-20.

During this five-year time frame, 33 salary plans have become effective based on Council approval of compensation and position changes. The Council's action was primarily related to the adoption of labor agreements; approval of new classifications and reclassifications, usually through the budget process; approval of compensation adjustments for Council-appointed officers resulting from their annual evaluation process; Council appointments; and minimum wage increases for hourly classifications. These salary plans, for both regular employees and hourly employees, are listed below in Table 1 and Table 2, and each individual salary plan is included as a separate exhibit to the Resolution.

Going forward, the City will comply with this direction from CalPERS and staff will include salary plans in future compensation-related resolutions presented to Council for adoption.

Staff notes that in a separate item on this agenda, Council is considering approval of adjustments to the City Manager and City Clerk compensation as part of the Fiscal Year 2018-19 evaluation process for Council appointees. That action will include adoption of a revised Fiscal Year 2019-20 salary plan.

**Table 1: Regular Salary Plans**

Exhibit	Fiscal Year Salary Plan	Date Council Approved Resolution	Salary Plan Effective Date	Changes made in accordance with Council Resolution or City Ordinance
A	FY 2019-20	7/23/2019	8/3/2019	- Compensation to reflect appointment of new City Attorney.

Exhibit	Fiscal Year Salary Plan	Date Council Approved Resolution	Salary Plan Effective Date	Changes made in accordance with Council Resolution or City Ordinance
B	FY 2019-20	6/25/2019	7/1/2019	<ul style="list-style-type: none"> <li>- 3% Cost of Living (COLA) for EAGLES, FMGR, Fire Chief, MISC, Misc. DH, SEIU</li> <li>- 4.5% COLA and 1% salary increase for IAFF</li> <li>- 4% COLA for NPOA</li> <li>- 3.5% COLA and 2% equity adjustment for POA, PMGRS, Police Chief</li> </ul>
C	FY 2018-19	12/7/2010; Reclassification* 12/21/2018	7/1/2018	<ul style="list-style-type: none"> <li>- Removed Community Development Director position; reclassified to Assistant City Manager</li> </ul>
D	FY 2018-19	10/23/2018	7/1/2018	<ul style="list-style-type: none"> <li>- 4% COLA for City Manager, City Attorney, and City Clerk</li> </ul>
E	FY 2018-19	6/13/2017 and 10/3/2017 (EAGLES only)	7/1/2018	<ul style="list-style-type: none"> <li>- 4% COLA for EAGLES, FMGR, Fire Chief, IAFF, MISC, Misc. DH, SEIU</li> <li>- 3% COLA for NPOA</li> <li>- 3% COLA and 1% equity adjustment for IAFF, POA, PMGRS, Police Chief</li> </ul>
F	FY 2017-18	Correction	6/20/2018	<ul style="list-style-type: none"> <li>- Wage correction to all Tier 2 positions on salary plan</li> </ul>
G	FY 2017-18	10/3/2017	10/22/2017	<ul style="list-style-type: none"> <li>- 4% COLA for EAGLES</li> </ul>

Exhibit	Fiscal Year Salary Plan	Date Council Approved Resolution	Salary Plan Effective Date	Changes made in accordance with Council Resolution or City Ordinance
H	FY 2017-18	6/13/2017	7/1/2017	<ul style="list-style-type: none"> <li>- 4% COLA for FMGR, IAFF, MISC, Misc. DH, NPOA, POA, PMGRS, Public Safety DH, SEIU</li> </ul>
I	FY 2016-17	2/14/2017	3/10/2017	<ul style="list-style-type: none"> <li>- Positions added: Fire Engineer/HazMat Paramedic I/II, Plan Check Examiner and Water Quality Supervisor</li> </ul>
J	FY 2016-17	10/25/2016	10/23/2016	<ul style="list-style-type: none"> <li>- 1% Merit for City Manager</li> <li>- 2% Merit for City Attorney and City Clerk</li> <li>- Retroactive to 6/19/2016</li> </ul>
K	FY 2016-17	7/7/2015 7/1/2014 (IAFF only)	6/19/2016	<ul style="list-style-type: none"> <li>- 2% COLA for EAGLES, FMGR, IAFF, MISC, Misc. DH, NPOA, POA, PMGRS, Public Safety DH, SEIU</li> <li>- 6/23/2015 approval established parity with represented groups, which resulted in total COLA of 4% approved on 7/7/2015.</li> </ul>
	FY 2016-17	11/10/2015	6/19/2016	<ul style="list-style-type: none"> <li>- 2% COLA for FY 2016/17 for City Attorney, City Clerk, and City Manager</li> </ul>

Exhibit	Fiscal Year Salary Plan	Date Council Approved Resolution	Salary Plan Effective Date	Changes made in accordance with Council Resolution or City Ordinance
L	FY 2015-16	<p>11/10/2015</p> <p>12/7/2010; Youth Services Manager Re-classification* 2/12/2016</p> <p>2/2/2016 Mobility Coordinator Reclassification</p> <p>12/7/2010; Police Media and Communication Relations Coordinator Re-classification* 3/14/2016</p> <p>6/23/2015 for Tier 2</p> <p>12/7/2010; Meter Service Worker Re-classification* 1/14/2009, last employee in classification vacated in 2016.</p> <p>11/10/2015 (IAFF only)</p>	4/24/2016	<ul style="list-style-type: none"> <li>- Updated salaries with 4% COLA for FY 2015-16 for City Attorney, City Clerk, and City Manager retroactive to 6/21/2015</li> <li>- Reclassifications: Youth Resources Manager to Principal Management Analyst, Mobility Coordinator to Transportation Planner, added Police Media and Communication Relations Coordinator</li> <li>- Added Tier 2 positions</li> <li>- Removed classification of Meter Service Worker I/II/III</li> </ul>

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M	FY 2015-16	7/7/2015	6/21/2015	- 4% COLA for EAGLES, FMGR, MISC, Misc. DH, NPOA, POA, PMGRS, Public Safety DH, SEIU
N	FY 2015-16	6/23/2015 and 7/1/2014 (IAFF only)	7/5/2015	<ul style="list-style-type: none"> <li>- 3%* COLA for FMGR, MISC, Misc. DH, PMGRS, Public Safety DH</li> <li>- 2% IAFF</li> <li>- 6/23/2015 approval established parity with represented groups, which resulted in total COLA of 4% approved on 7/7/2015</li> </ul>
O	FY 2014-15	10/28/2014	6/22/2014	- 2% COLA and 2% Merit for City Attorney, City Clerk, and City Manager retroactive to 6/22/2014
P	FY 2014-15	12/7/2010; Reclassification* 8/7/2014	8/3/2014	- Position Title Change: Police Chief/ Assistant City Manager changed to Police Chief
Q	FY 2014-15	Approved in Budget FY 2014/15	7/20/2014	- Position added to Salary Plan: Mobility Coordinator
R	FY 2014-15	6/26/2012	6/22/2014	- 2% COLA for EAGLES, FMGR, IAFF, MISC, Misc. DH, NPOA, POA, PMGRS, Public Safety DH, SEIU

EAGLES: EAGLES Employee Association  
FMGR: Unrepresented Fire Managers  
IAFF: International Association of Firefighters  
MISC: Unrepresented Confidential Employees  
Misc. DH: Unrepresented Department Heads

NPOA: Nonsworn Police Officers Association  
POA: Police Officers Association  
PMGRS: Unrepresented Police Managers  
Public Safety DH: Police Chief and Fire Chief  
SEIU: Service Employees International Union,  
Local 521

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\* Reclassification change was made within City Manager's authority per City Council Resolution dated December 7, 2010.

**Table 2: Hourly Salary Plans**

<b>Exhibit</b>	<b>Fiscal Year Salary Plan</b>	<b>Date Council Adopted Resolution</b>	<b>Salary Plan Effective Date</b>	<b>Changes made in accordance with Council Resolution or City Ordinance</b>
S	FY 2019-20	6/25/2019	7/1/2019	- 3% COLA for hourly employees
T	FY 2018-19	6/23/2015	1/1/2019	- Minimum wage increase to \$15.65/hour per City Ordinance adopted on 10/28/2014**
U	FY 2018-19	6/13/2017	7/1/2018	- 4% COLA for hourly employees
V	FY 2017-18	5/8/2018	5/20/2018	- Positions added: Hourly Public Safety Dispatchers II, and hourly Lead Public Safety Dispatcher III
W	FY 2017-18	6/23/2015	1/22/2018	- Minimum wage increase to \$15 per hour per City Ordinance adopted on 10/28/2014
X	FY 2017-18	6/13/2017	7/1/2017	- 4% COLA for hourly employees

<b>Exhibit</b>	<b>Fiscal Year Salary Plan</b>	<b>Date Council Adopted Resolution</b>	<b>Salary Plan Effective Date</b>	<b>Changes made in accordance with Council Resolution or City Ordinance</b>
Y	FY 2016-17	6/23/2015	1/1/2017	- Minimum wage increase to \$13 per hour per City Ordinance adopted on 10/28/2014
Z	FY 2016-17	7/1/2016 Budget Approval	8/14/2016	- Position Added: Hourly Customer Service Representative
AA	FY 2016-17	7/1/2016 Budget Approval	7/31/2016	- Positions Added: After-School Education Specialist I/II/III
AB	FY 2016-17	7/7/2015	6/19/2016	- 2% COLA for hourly employees
AC	FY 2015-16	6/23/2015	12/20/2015	- Minimum wage increase to \$11 per hour per City Ordinance adopted on 10/28/2014
AD	FY 2015-16	7/7/2015	7/5/2015	- 4% COLA for hourly employees
AE	FY 2015-16	6/23/2015	6/21/2015	- Minimum wage increase to \$10.30 per hour per City Ordinance adopted on 10/28/2014
AF	FY 2014-15	Correction	8/17/2014	- Minimum wage correction to position Student Intern I
AG	FY 2014-15	6/24/2014	6/22/2014	- State minimum wage increase to \$9 per hour

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\*\* Minimum Wage Ordinance was adopted on October 28, 2014. Resolution authorizing City Manager or designee to make future adjustments to the salary plan accordingly was adopted on June 23, 2015.

**FISCAL IMPACT**

There is no fiscal impact associated with this resolution.

**ALTERNATIVES**

1. Direct staff to provide additional information.
2. Provide other direction.

**PUBLIC NOTICING**

Agenda posting and a copy of report to CalPERS.

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Attachment: 1. Resolution