



Council Meeting: December 7, 2010

SUBJECT: Amendment to the Schedule of Pay of the Salary Resolution: Salary Adjustment for Pay Plan Category C (applies to Classified Public Safety Officers and Lieutenants) and Pay Plan Category D/E (applies to Public Safety Captains and Public Safety Deputy Chiefs) and Approval of Budget Modification No. 21

REPORT IN BRIEF

This report recommends amending Section 2.200 (Pay Plan Category C) and Section 2.300 (Pay Plan Category D/E) of the Schedule of Pay of the Salary Resolution to reflect the new pay rates for the following classifications, increased by the indicated percentages, effective retroactive to July 11, 2010: 2.65% Public Safety Officer II, 2.61% Public Safety Lieutenant, 2.61% for Public Safety Captains and Public Safety Deputy Chiefs. Pursuant to the Salary Resolution, the classification of Public Safety Officer-in-Training is set at 10% below Public Safety Officer II. The classification of Public Safety Officer I is set at 5% above Public Safety Officer-in-Training.

BACKGROUND

The 2006-2010 Memorandum of Understanding (MOU) with the Public Safety Officers' Association (PSOA), extended to June 30, 2012, provides for salary adjustments for Public Safety Officers and Public Safety Lieutenants. Adjustments are to be based on the market survey data of total compensation for twelve (12) Bay Area cities and require that the City "provide such increase as needed to adjust the wages of Public Safety Officers and Public Safety Lieutenants eleven percent (11%) above" the survey average of the top eight (8) agencies.

The 2009-2013 Memorandum of Understanding (MOU) with the Public Safety Managers' Association states that Public Safety Captains and Public Safety Deputy Chiefs are to receive the same percentage of salary increase as the Public Safety Lieutenant classification on the same effective date as the Public Safety Lieutenant and retroactive, if applicable.

EXISTING POLICY

The proposed increases are in accordance with the provisions of the current MOU between the City of Sunnyvale and the PSOA and current MOU between the City of Sunnyvale and the PSMA.

DISCUSSION

As noted when the current MOU was adopted, the previous MOUs with the PSOA established a wage formula based upon an annual market survey of total compensation for twelve (12) Bay Area cities. The formula provides for total compensation for Sunnyvale classifications to be eleven percent (11%) above the survey average of the top eight (8) surveyed agencies. Pursuant to the current MOU, the same methodology was used for this year's survey.

This survey will be conducted again in 2011, using the same methodology, in order to determine the 2011 salary adjustments for PSOA and PSMA represented classifications.

The President of the Public Safety Officers Association has received the data on which the salary increases for the positions represented by PSOA are based, and has concurred with the results of the survey.

FISCAL IMPACT

The total cost of the salary increase for PSOA is \$1,095,185. Of this amount, \$535,506 was included in the Fiscal Year 2009/2010 base budget. As a result, a budget modification is required to appropriate an additional \$559,679 to cover the unbudgeted portion of the PSOA increase.

In addition, the current agreement between the City and the Public Safety Managers' Association (PSMA) stipulates that their annual salary increase is to match the amount implemented for Public Safety Lieutenants in PSOA. Based on this agreement, PSMA members have already received a salary increase of 2.87% earlier this fiscal year when PSOA received the increase they had deferred from FY 2009/2010. They are now due the 2.61% increase from the most recent salary survey. The cost of these two increases is partially offset by PSMA's 3% contribution to the employee share of the CalPERS pension expense. A 2% increase was included in the recommended budget. As a result, a budget modification is required to appropriate an additional \$32,395 to cover the unbudgeted portion of the increase for PSMA.

Budget Modification No. 21 has been prepared to appropriate \$592,074 from the General Fund's Budget Stabilization Fund to cover the full cost of these salary increases.

Also on the agenda for the December 7th Council meeting is the FY 2009/2010 Budgetary Year-End Financial Report, which presents the year-end financial condition of the City. In that report, the results indicate that the General Fund finished in better financial position than was estimated in the Recommended Budget by approximately \$5.5 million. The improved position of the Budget Stabilization Fund as of the end of FY 2009/2010, as well as the corresponding increase to projected interest earnings resulting from the additional available funds, results in an additional \$23 million in the Budget Stabilization Fund at the end of the 20-year period. When the costs of the required salary increases for PSOA and PSMA are incorporated into the updated General Fund Long-Term Financial Plan, approximately \$25 million is consumed by the increase in costs and the decrease in interest earnings. This leaves the fund in worse position by approximately \$2 million in comparison to what was projected in the FY 2010/2011 Adopted Budget.

**Budget Modification No. 21
 FY 2010/2011**

	Current	Increase/ (Decrease)	Revised
General Fund			
<u>Expenditures</u>			
Department of Public Safety Operations	\$69,871,941	\$592,074	\$70,464,015
<u>Reserves</u>			
Budget Stabilization Fund	\$38,787,259	(\$592,074)	\$38,195,185

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

ALTERNATIVES

1. Amend Section 2.200 (Pay Plan Category C) and Section 2.300 (Pay Plan Category D/E) of the Schedule of Pay of the Salary Resolution to reflect the new pay rates, effective retroactive to July 11, 2010 and approve Budget Modification No. 21.
2. There are no other alternatives as the City is contractually obligated to provide this increase.

RECOMMENDATION

Staff recommends adoption of Alternative #1; Amend Section 2.200 (Pay Plan Category C) and Section 2.300 (Pay Plan Category D/E) of the Schedule of Pay of the Salary Resolution to reflect the new pay rates, effective retroactive to July 11, 2010 and approve Budget Modification No. 21.

Reviewed by:

Teri Silva – Director of Human Resources
Prepared by: Doug Baker, Principal Human Resources Analyst

Reviewed by:

Grace Leung
Director of Finance

Approved by:

Gary M. Luebbers
City Manager

Attachments

- A. 10/15/10 PSOA Total Compensation Survey - Public Safety Officer
- B. 10/15/10 PSOA Total Compensation Survey – Public Safety Lieutenant
- C. Resolution for Pay Plan Category C with Exhibit A (Salary Schedule)
- D. Resolution for Pay Plan Category D/E (Public Safety Captains and Public Safety Deputy Chiefs) with Exhibit B (Salary Schedule)

PSOA - October 15, 2010
 PUBLIC SAFETY OFFICER II, STEP 6 - PROJECTED INCREASE
 (compares to Police Officer)

Top 8/ 1.77% PERS EPMC

Current monthly top step salary: \$9,658.34

All costs shown in the array represent the maximum monthly agency costs or contributions for the respective benefit.

City	MOU Dates	Month(s) Salary Changes	Salary Effective Date	BASE PAY BENEFIT PAY (Maximum Agency Contribution)											TOTAL COMP Base Pay + Benefit Pay	
				Top-Step Base Salary	City Paid EE PERS	EE PERS % Rate	EPMC %	EPMC \$	Medical	EAP	Dental	Life	LTD	Uniform Allowance		Total Benefits Pay
Sunnyvale (current)	07/01/06-06/30/12	July	07/11/10	9,658.34	869.25	9.00% a)	1.77%	170.95	515.00	in med	140.55	15.89	19.00	26.00 b)	1,756.65	11,414.99
Sunnyvale (new)	07/01/06-06/30/12	July	07/11/10	9,914.16	892.27	9.00% a)	1.77%	175.48	515.00	In med	140.55	16.30	19.00	26.00 b)	1,784.61	11,698.77
Alameda	01/06/08-01/02/10	December/July	6/24/2007	8,161	0.00	0.00%			1,384.66	3.15	131.13	9.00	n/a	92.00	1,619.94	9,780.47 *
Concord	07/10/07-07/10/11	July/January	annualized	7,046	634.14	9.00%			1,399.54	6.69	199.34	19.45	27.48	95.83	2,382.46	9,428.45 *
Fremont	07/01/09-06/30/11	July	6/22/2008	8,197	0.00	0.00%			1,508.00	4.52	in med	5.46	57.16	125.00	1,700.14	9,897.20 *
Richmond	07/01/08-06/30/12	July/January	annualized	8,237	0.00	0.00%			1,432.02	3.00	118.05	14.50	25.00	66.67	1,659.23	9,895.92 *
Hayward	07/01/04-06/30/15	July	7/1/2010	8,774	0.00	0.00%			1,432.02	5.69	136.57	n/a	n/a	36.67	1,610.94	10,384.94
Milpitas	01/01/09-12/31/11	January	annualized	9,145	0.00	0.00%			1,432.02	6.80	180.19	6.50	19.50	112.50	1,757.51	10,902.05
Mountain View	07/01/07-06/30/12	June	06/28/2009	8,897	0.00	0.00%			1,432.02	8.20	184.35	85.41	0.00	0.00	1,709.98	10,606.98
Palo Alto	07/01/07-06/30/11	July	7/1/2010	8,226	740.38	9.00%			1,432.02	2.13	205.84	14.81	0.00	37.33 b)	2,432.50	10,658.90
San Jose	07/01/10-06/30/11	July	6/28/2009	8,999	0.00	0.00%			1,084.68	21.11	105.92	1.38	0.00	0.00	1,213.09	10,212.09
San Leandro	01/01/07-12/31/10	January	1/1/2009	7,754	697.86	9.00%			1,264.66	3.90	155.37	n/a	n/a	87.50	2,209.29	9,963.29
San Mateo	08/27/06-08/20/12	April/August	annualized	7,589	710.01	9.00%			1,432.02	2.50	131.66	9.35	0.00	70.83	2,356.37	10,245.37
Santa Clara	12/17/06-12/25/10	December	12/27/2009	10,288	0.00	0.00%			996.85	1.15	in med	5.85	0.00	50.00	1,053.85	11,341.85

Notes:

- a) amount to be used per MOU.
- b) PERSable figure only, not actually paid.

Alameda - MOU expired 1/2/2010; currently in negotiations
 Fremont - no increases for duration of MOU
 Mountain View - extended contract 2 years with no salary increase
 San Jose - no increase for 2010; eff. 9/5/10 - 6/25/11, employees are ineligible to receive uniform allowance payments
 San Leandro - no increase on 1/1/10

Salary Calculation Methodology per MOU		
MOU Section		
10.6.2	Sunnyvale Current Total Compensation:	11,414.99
10.6.4	Average Total Compensation (excludes Sunnyvale and four lowest cities *):	10,539.43
10.6.5	Average Total Compensation + 11%:	11,698.77
10.6.6	Dollar difference between 10.6.5 and 10.6.2:	283.78
10.6.7	Express 10.6.6 as a percentage of 10.6.2:	2.49%
10.6.8a	Percentage to apply to Top-Step Monthly Salary so that 10.6.2 equals 10.6.5:	2.65%
	Hourly Salary	Old Rate 55,721.2 New Rate 57,197.1
	Monthly Salary	9,658.34 9,914.16
	Annual Salary	115,900.10 118,969.94

Teri Silva
 TERI SILVA, DIRECTOR OF HUMAN RESOURCES
 11/09/10
 DATE

Mike Andrade
 MIKE ANDRADE, PRESIDENT OF PSOA
 11/09/10
 DATE

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE AMENDING RESOLUTION NO. 350-08, THE CITY'S SALARY RESOLUTION, BY AMENDING THE SCHEDULE OF PAY FOR PAY PLAN CATEGORY C (PUBLIC SAFETY OFFICERS-IN-TRAINING, PUBLIC SAFETY OFFICERS, AND PUBLIC SAFETY LIEUTENANTS)

WHEREAS, pursuant to the Memorandum of Understanding (MOU) between the City of Sunnyvale and the Public Safety Officers Association (PSOA), and past practice, an amended pay plan schedule must be included in the City's Salary Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. Section 2.200 of Resolution No. 350-08 is hereby amended by amending the pay rates in Pay Plan Category C for Public Safety Officers-in-Training, Public Safety Officers (I/II), and Public Safety Lieutenants, as set forth in Exhibit "A" attached and incorporated by reference.
2. All other provisions of Resolution No. 350-08 shall remain in full force and effect.
3. The pay rates noted above shall be effective retroactive to July 11, 2010.

Adopted by the City Council of the City of Sunnyvale at a regular meeting held on December 7, 2010, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

APPROVED:

City Clerk
(SEAL)

Mayor

APPROVED AS TO FORM AND LEGALITY:

David Kahn, City Attorney

SECTION 2.200

ASSIGNMENT OF PAY RANGES AND RATES TO PAY PLAN

CATEGORY C
APPLIES TO PUBLIC SAFETY LIEUTENANTS, PUBLIC SAFETY OFFICERS, AND PUBLIC SAFETY OFFICERS-IN-TRAINING

JOB CODE	CLASSIFICATION	PAY RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
3000	PS OFFICER IN-TRAINING	305	41.8849	43.9792	46.1781	48.4870		
	PS OFFICER IN-TRAINING (EMT)	305E	43.5376	45.7145	48.0002	50.4003		
3003	PS OFFICER I - TRAINEE	308	41.8849	43.9792	46.1781	48.4870		
	PS OFFICER I - TRAINEE (EMT)	308E	43.5376	45.7145	48.0002	50.4003		
3002	PS OFFICER I	307	43.9792	46.1781	48.4870	50.9114		
	PS OFFICER I (EMT)	307E	45.7145	48.0002	50.4003	52.9203		
3001	PS OFFICER II	306	46.5388	48.8657	51.3090	53.8745	56.5682	57.9824
	PS OFFICER II (EMT)	306E	48.3751	50.7939	53.3336	56.0003	58.8003	60.2703
3001	PS OFFICER II (Bachelor's Degree)	306B						59.4123
	PS OFFICER II (Bachelor's Degree and EMT)	306BE						61.7002
3001	PS OFFICER II (Master's Degree)	306M						60.8423
	PS OFFICER II (Master's Degree and EMT)	306ME						63.1302
4601	PS LIEUTENANT	309	55.8040	58.5942	61.5239	64.6001	67.8301	
	PS LIEUTENANT (EMT)	309E	58.0185	60.9194	63.9654	67.1636	70.5218	
4601	PS LIEUTENANT (Bachelor's Degree)	309B	57.1880	60.0475	63.0498	66.2023	69.5124	
	PS LIEUTENANT (Bachelor's Degree and EMT)	309BE	59.4025	62.3726	65.4912	68.7658	72.2041	
4601	PS LIEUTENANT (Master's Degree)	309M	58.5721	61.5007	64.5757	67.8045	71.1947	
	PS LIEUTENANT (Master's Degree and EMT)	309ME	60.7865	63.8258	67.0171	70.3680	73.8864	

NOTES: Educational Incentive: The employee must provide the Department of Human Resources with notification of the degree to establish the educational incentive.
 Bachelor's Degree - 2.5%
 Master's Degree - 5.0%
 Emergency Medical Technician (EMT) - 4.0%
 Donning and Doffing - PS Officer-In-Training and PS Officer - 1.373%
 Donning and Doffing - PS Lieutenant - 0.80%

Effective: 07/11/10

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE AMENDING RESOLUTION NO. 444-10, THE CITY'S SALARY RESOLUTION, BY AMENDING THE SCHEDULE OF PAY FOR PAY PLAN CATEGORY D/E (PUBLIC SAFETY CAPTAINS AND PUBLIC SAFETY DEPUTY CHIEFS)

WHEREAS, pursuant to the Memorandum of Understanding (MOU) between the City of Sunnyvale and the Public Safety Managers' Association (PSMA), an amended pay plan schedule must be included in the City's Salary Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. Section 2.300 of Resolution No. 444-10 is hereby amended by amending the pay rates in Pay Plan Category D/E for Public Safety Captains and Public Safety Deputy Chiefs, as set forth in Exhibit "A" attached and incorporated by reference.
2. All other provisions of Resolution No. 444-10 shall remain in full force and effect.
3. The pay rates noted above shall be effective retroactive to July 11, 2010.

Adopted by the City Council of the City of Sunnyvale at a regular meeting held on December 7, 2010, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

APPROVED:

City Clerk
(SEAL)

Mayor

APPROVED AS TO FORM AND LEGALITY:

David Kahn, City Attorney

Section 2.300 continued

ASSIGNMENT OF GRADES AND PAY RANGES TO PAY PLAN

CATEGORY D/E

APPLIES TO CLASSIFIED MANAGEMENT EMPLOYEES -

IN PUBLIC SAFETY SWORN AND CONFIDENTIAL MANAGEMENT CLASSIFICATIONS

Job Code	Job Title	Grade	Range Minimum	Range Maximum
Public Safety Sworn Classifications				
0341	Deputy Chief Public Safety	20/PS	\$165,214	\$194,369
0236	Public Safety Captain	19/PS	\$147,512	\$173,544

Effective: 07/11/10