

# City of Garden Grove

## INTER-DEPARTMENT MEMORANDUM

**To:** Matthew J. Fertal  
**From:** John D.R. Clark  
**Dept:** City Manager  
**Dept:** Human Resources  
**Subject:** **TIMING ADJUSTMENT TO  
MIDDLE MANAGEMENT AND  
CENTRAL MANAGEMENT WAGE**  
**Date:** October 23, 2007

### OBJECTIVE

To obtain City Council's approval to modify the effective date of the 2007-08 wage increase for middle management and central management from October 20, 2007 to October 6, 2007, and the 2008-09 wage increase from October 25, 2008 to October 11, 2008.

### BACKGROUND

The City Council approved Resolutions 8744-06 and 8745-06 on October 24, 2006, as a part of wrapping up bargaining for represented employees (subsequently readopted on June 26, 2007 as Resolutions 8788-07 and 8789-07 to correct salary tables). This action was two weeks later than the effective conclusion of bargaining for the Orange County Employee's Association (OCEA) and the OCEA Employee's League, as the City Council was still holding discussions concerning the components of the wage increase for management.

### DISCUSSION

For more than 20 years, OCEA, the League, and the two management units have been on the same pay change schedule. This round, due to the aforementioned delay in concluding the management resolutions, OCEA and the League were placed on one schedule (first pay period in October) with the two management units following two weeks behind (second pay period in October).

It was an administrative decision to delay the implementation of the first year (2006-07) wage modification for management by two weeks, because a conclusion had not yet been reached in time for the OCEA/League's October 7, 2006 effective date. Past practice, however, would have indicated a return to synchronized changes in years two and three since management employees have had an expectation of receiving their wage increase at the same time as those they supervise. However, the two management resolutions were inadvertently drafted to carry forward the two-week offset in years two and three.

Implementation of wage changes is easier for Payroll and Human Resources if OCEA, the League, and the two management units are on the same schedule. Because of the time lag between the end of a pay period and the issuance of checks, there is adequate time to synchronize all groups for the October, 2007 change. While the requested action would simplify administrative processes and set right a small wrong, a decision to forego any change and maintain the status quo does not present insurmountable problems.

#### FISCAL IMPACT

The timing change will transfer \$16,000 in 2008-09 costs into 2007-08.

#### COMMUNITY VISION IMPLEMENTATION

Fairly compensating employees helps recruit better candidates and retain them longer. Proper classification of staff also helps the City organization reach the Strategic Plan goal of: *MAINTAIN BALANCE BETWEEN STAFFING AND SERVICE LEVELS TO INSURE STRATEGIC PLAN GOALS CAN BE MET.*

#### RECOMMENDATION

It is recommended that the City Council adopt the attached Resolution that:

- Amends Sections 4 and 5 of Resolution 8788-07 (Middle Management Resolution) such that the 2007-08 wage increase takes effect on October 6, 2007 and the 2008-09 wage increase takes effect on October 11, 2008; and
- Amends Sections 3 and 4 of Resolution 8789-07 (Central Management Resolution) such that the 2007-08 wage increase takes effect on October 6, 2007 and the 2008-09 wage increase takes effect on October 11, 2008.

JOHN D.R. CLARK  
Director of Human Resources

Attachment: Resolution amending Resolutions 8788-07 and 8788-07