

FINANCIAL IMPACT

The recommended amendments represent no change in existing City practice and expenditure, and will have no fiscal impact.

RECOMMENDED ACTION

That the City Council take the following action:

- Approve the attached Resolution setting forth wages, terms and conditions of employment for employees in "Central Management" classifications.



JOHN D.R. CLARK
Human Resources Director/City Treasurer

By:



LAURA J. STOVER
Human Resources Manager

Attachment: Proposed Resolution

Recommended for Approval



Matthew Fertal
City Manager

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE
ESTABLISHING A SALARY PLAN FOR CERTAIN POSITIONS IN CENTRAL
MANAGEMENT CLASSIFICATIONS AND EXEMPTING CENTRAL MANAGEMENT
CLASSIFICATIONS FROM MUNICIPAL CODE SECTION 2.44.390 AND OVERTIME
AND RESCINDING RESOLUTION NO. 8887-09 AND
RESOLUTION NO. 8960-10

WHEREAS, Chapter 2.44 of the Garden Grove Municipal Code, revised, Volume 1, provides that the City Council shall by resolution: (1) establish salary ranges and salary rates and the allocation of classes thereto; and (2) set forth the classification of full-time positions in the various City departments and offices;

BE IT RESOLVED that the City Council does hereby rescind Resolution No. 8887-09, Resolution No. 8960-10, and Resolution No. 9101-10 and

BE IT FURTHER RESOLVED that the City Council does establish the following:

SECTION 1: CENTRAL MANAGEMENT PERSONNEL CLASSIFICATIONS

For purposes of this Resolution, Central Management positions are identified as follows:

<u>Personnel Classification</u>	<u>Salary Range</u>
Community Development Director	245
Community Services Director	240
Economic Development Director	245
Finance Director	240
Fire Chief	250
Information Technology Director	240
Human Resources Director	240
Police Chief	255
Public Works Director	245
Deputy City Manager	240

SECTION 2: EMPLOYEE BUYOUT

Full-time Central Management employees may be offered a "buyout," which is defined as the payment of \$35,000 or 35% of an employee's base pay, whichever is greater, in exchange for said employee's voluntary resignation and release of all property rights in his employment, and a waiver of all claims relating to such employment and the termination thereof, if any, against the City. Such buyout will be subject to deductions and treated as taxable income pursuant to IRS regulations. The City Manager may offer this buyout to all Central Management employees, or groups of Central Management employees by either classification and/or department. The time period or periods for which this buyout is offered will

be at the discretion of the City Manager. The City Manager or his designee shall notify in advance all employees eligible to participate in the buyout program of the program's commencement and termination dates.

To the extent permitted under the laws and regulations of the California Public Employees' Retirement System (PERS), it is the intent of the City of Garden Grove that any Central Management employee may avail themselves of this buyout, if eligible, or the Two Years Additional Service Credit ("Golden Handshake"), permitted pursuant to Government Code section 20903, if offered, but not both.

Temporary, part-time, limited term and interim employees are not eligible to participate in the Employee Buyout. PERS Retired annuitants working part-time pursuant to Government Code §21221 or Government Code §21224 are also not eligible to participate in the Employee Buyout.

SECTION 3: EMPLOYEE FURLOUGH

The City Manager may, in his sole discretion, require Central Management employees to take furlough time. Furlough time is defined as a set number of unpaid hours during some set period which the employee must take and not work. The furlough time may be a specified day, days, or other time period in which Central Management employees are not permitted to work or a pre-approved unpaid time period taken at the discretion of the employee. In no event is an employee allowed to substitute or "fill in" furlough time with vacation time, sick leave, administrative leave, compensatory time, or any other form of paid time.

The Director of Human Resources shall promulgate such rules that are necessary to implement any furloughs directed by the City Manager.

SECTION 4: BENEFITS

Benefits and Leave Policies, as offered in the Middle Management group, will be offered to the classifications listed in this Resolution.

Central Management employees are not eligible for any education incentive programs offered by the City, but are eligible to participate in the Tuition Reimbursement Program.

Central Management employees who meet the same qualifications for the vacation buy-back provision shall have the option to use this benefit any time during the calendar year.

Central Management employees are eligible for an executive medical (physical) examination on an annual basis, to be provided by the City if requested.

Central Management employees also receive the executive long-term disability insurance benefit.

SECTION 5: RETIREMENT

- a. Effective January 1, 1994, the employee shall begin to pay the Employee's Contribution to the Public Employees Retirement System (PERS). The City shall allow these contributions to be treated as "pick-up" in accordance with Section 414 (h) 2 of the Internal Revenue Service and applicable Government Code Sections. These "pick-up" contributions, to the extent permissible, shall be treated as deferred income to the employee for federal and state tax purposes.

The employee shall indemnify and hold the City harmless from any and all claims, demands, suits, actions, liabilities, or judgments of any kind whatsoever arising out of or in connection with the actions to be taken and/or the "pick-up" contributions to be made pursuant hereto.

Any future income tax obligations resulting from the "pick-up" contributions shall be the exclusive responsibility of the employee. In the event the Internal Revenue Service shall change its current position and determine that such contributions constitute salary, not deferred income, any resulting tax obligations shall be the exclusive responsibility of the employee and the City shall not be held responsible therefore.

- b. The City currently contracts with PERS for the following retirement formula for miscellaneous employees:
- 1) Section 21354.4 (2.5% at 55 Full formula for local miscellaneous members - Active members only)
 - 2) Section 20024.2 (Highest Year)
 - 3) Section 20862.8 (Credit for Unused Sick Leave)
 - 4) Employees pay the entire Employee Contribution.
- c. Miscellaneous employees pay a total of eight percent (8%) Employee Contribution for the 2.5% at 55 Full formula.
- d. The City currently contracts with PERS to provide the following benefit to the Public Safety retirement plan, for sworn Police and Fire management employees:
- 1) Section 21362.2 (3% at 50 Full formula for local Public Safety members)
 - 2) Section 20024.2 (Highest Year)

- 3) Section 20862.8 (Credit for Unused Sick Leave)
 - 4) Sworn Public Safety Management employees pay the entire Employee Contribution.
- e. Owing to the special nature of their positions, the City may provide the Police Chief and the Fire Chief with a "holiday bank" of hours equal to the total number of holiday hours granted to other Central Management employees. If such a bank is provided, the Police Chief and Fire Chief may cash out any unused holiday hours at their normal hourly pay rate at any time during the year. Any hours remaining in the holiday bank at the end of a calendar year will be cashed out in the first full pay period of the new calendar year. The City will report holiday bank cash outs as "compensation earnable" to PERS.

SECTION 6: ADDITIONAL ASSIGNMENT PAY

The City Manager may authorize additional compensation of up to five percent (5%) over base pay to an employee who has assumed additional job duties due to a vacant position, long-term leave of absence, or a reorganization. The duration of this additional pay shall be at the sole determination of the City Manager.

SECTION 7: POSITIONS EXEMPT FROM FLSA

Employees in Central Management classifications are designated as exempt from the provisions of the Fair Labor Standards Act (FLSA). Those employees who have used all their accrued leave benefits and are absent for less than one (1) day, shall not have that time treated as an absence without pay. Employees in this category shall be subject to disciplinary actions involving unpaid time off in accordance with FLSA regulations.

SECTION 8: ADMINISTRATIVE LEAVE

The Central Management positions listed in this Resolution shall be exempt from all overtime provisions contained in the Municipal Code or in any Memorandum of Understanding. The provisions of Administrative Leave for Middle Management will also be offered to the classifications listed in this Resolution.

SECTION 9: EXEMPT CENTRAL MANAGEMENT CLASSES

All classes listed in this Central Management Salary Plan Resolution shall be designated as exempt and be considered to be exempt from the provisions of the Municipal Code Section 2.44.390.

The appointment and removal of Department heads and the primary assistants in the City Manager's Office are governed by the Municipal Code Section 2.08.100.

SECTION 10: CITY AUTOMOBILE USAGE

Central Management employees may be assigned a City vehicle by the City Manager to conduct city business in accordance with the Administrative Regulations. The City Manager may, in lieu of assigning a City vehicle, provide the employee with an allowance equal to the City's budgeted equipment rental rate for a standard sedan.

Those employees assigned a City-owned vehicle to conduct City business, may also use the vehicle for private purposes in accordance with the Administrative Regulations.

SECTION 11: SPECIAL VACATION ALLOWANCE

The City Manager, in his sole discretion, may authorize a central management employee to receive up to 80 additional vacation hours each fiscal year to recognize exceptional accomplishment and/or significant and ongoing work beyond the scope of their position. Such special vacation shall not affect the employee's vacation accrual rate.

SECTION 12: UNIFORM ALLOWANCE

Employees may be required to wear uniforms issued by the City if so determined by their respective department director(s). The City will replace uniforms due to normal wear.

The cost of uniforms shall not constitute compensation for purposes of the regular rate calculation under the Fair Labor Standard Act. This policy shall remain in effect unless a change is dictated by applicable law.

The City shall report to CalPERS the monetary value of uniforms and uniform maintenance for those employees required to wear uniforms. The monetary value by classification is listed in Exhibit A, entitled "UNIFORM ALLOWANCE."

Uniform allowance is defined as compensation paid or the monetary value for the purchase, rental and/or maintenance of required clothing, including clothing made from specially designed protective fabrics, which is a ready substitute for personal attire the employee would otherwise have to acquire and maintain.

EXHIBIT "A"

CENTRAL MANAGEMENT UNIFORM ALLOWANCE

<u>TITLE</u>	<u>REPORTED TO PERS EACH PAY PERIOD</u>
POLICE CHIEF	\$ 8.11
FIRE CHIEF	\$ 54.21