



CITY COUNCIL AGENDA REPORT

MEETING DATE: August 19, 2008

ITEM NUMBER:

SUBJECT: SALARY ADJUSTMENTS FOR CLASSIFICATIONS REPRESENTED BY THE COSTA MESA POLICE MANAGEMENT ASSOCIATION, COSTA MESA POLICE ASSOCIATION, COSTA MESA CITY EMPLOYEES ASSOCIATION; AND UNREPRESENTED EXECUTIVE, CONFIDENTIAL AND PART-TIME CLASSIFICATIONS

DATE: AUGUST 1, 2008

FROM: ADMINISTRATIVE SERVICES DEPARTMENT/HUMAN RESOURCES DIVISION

PRESENTATION BY: TERRI L. CASSIDY, HUMAN RESOURCES MANAGER

FOR FURTHER INFORMATION CONTACT: TERRI L. CASSIDY AT (714) 754-5115

RECOMMENDATION:

1. Adopt Resolution Number 08 - ____ (Attachment I) which implements salary range adjustments for job classifications represented by the Costa Mesa Police Association (CMPA).
2. Adopt Resolution Number 08 - ____ (Attachment II) which implements salary range adjustments for job classifications represented by the Costa Mesa City Employees Association (CMCEA) and includes a retroactive salary increase for the classification of Video Production Coordinator (Attachment III) as the result of a classification study.
3. Adopt Resolution Number 08-____ (Attachment IV) which establishes new salary ranges for unrepresented executive classifications.
4. Adopt Resolution Number 08-____ (Attachment V) which establishes new salary ranges for unrepresented confidential classifications.
5. Adopt Resolution Number 08-____ (Attachment VI) which establishes new salary ranges for unrepresented part-time classifications.
6. Approve Budget Adjustment BA 09-005 (Attachment VII) for \$1.5 million to appropriate funds to the various City departments for the above-listed salary adjustments.

BACKGROUND:

The City and CMPA and CMPMA are entering the second year of three-year agreements that commenced in September 1, 2007; and the City is in the second year of a two year extension with CMCEA. As prescribed and City Council previously approved in their respective Memoranda of Understanding (MOU), the City will adjust salaries based upon the total compensation calculation. Approval of the recommended

action will authorize salary range increases to be effective retroactive to the pay period that includes September 1, 2008 in accordance with contract provisions.

Summarized, the salary adjustments are based upon the following methodology:

TWO PHASES – The Parties hereby agree upon a basis of compensation which is revenue sensitive and recognizes mutual interests. The basis of compensation includes implementation of two phases:

Phase I utilizes the average/median total compensation of the agreed-upon benchmark survey agencies to determine a “fair wage”. The survey agencies utilized in this process include Costa Mesa’s contiguous agencies (Fountain Valley, Huntington Beach, Irvine, Newport Beach, Santa Ana and the Orange County Sheriff’s Department for CMPA and CMPMA). Costa Mesa’s total compensation is not calculated in the average/median.

Phase II acknowledges that fiscal stability and the City’s ability to continue operations and to pay salary/benefits are mutual interests to both parties. If the City experiences a decrease of 3% or more in the combined revenue totals for Sales Tax, Property Tax and Transient Occupancy Tax, the MOU shall be re-opened for the purpose of wage/salary discussions regarding the City’s corresponding ability to pay. The financial number used to determine the three revenue stream factors shall be the City’s audited numbers. Audited numbers are typically available in August or September. As the annual cycle of the MOU begins on September 1st, if the provisions of this Section must be invoked, any adjustment (decrease) in salary will be on a prospective basis not retroactive.

During the months of July and August, 2008, the City and representatives of CMPA, CMPMA and CMCEA met to discuss and to ensure concurrence on the application of the salary adjustment calculations in accordance with the agreements. Other topics were also discussed including fitness and return to work programs, Department of Transportation mandates regarding drug testing/driver’s licenses and future joint training opportunities. In addition and on an equity basis, this same formula methodology was utilized for the non-represented groups including executive, confidential and part-time classifications. As a result, the attached salary resolutions are submitted for your approval. The calculations for CMPMA-represented classifications are currently at the median or average and at this point in time do not require an adjustment. Therefore, no new salary resolution is presented for this group. Resolution No. 08-16 (approved last year) provided an additional salary step for CMPMA represented classifications which will become effective September 1, 2008.

ANALYSIS:

In order to determine appropriate salary range increases, the City considered all available total compensation data for the comparison agencies regarding negotiated and agreed upon adjustments for the benchmark positions as outlined in Council Policy 300-7 and MOU’s. In addition, included for City Council approval is a retroactive salary range increase for the Video Production Coordinator classification to April 27, 2008. This is based upon a classification study that was management initiated, as permitted by Personnel Rules and past practice and showed the position to be well under market and substantive duties not reflected in the job description.

City Council is also aware that effective with the pay period including September 1, 2008, all CalPERS-covered miscellaneous employees will begin the agreed-upon 2.52% deduction to fulfill their commitment to fund the [2.5%@55](#) retirement benefit formula.

ALTERNATIVES CONSIDERED:

No other alternatives were considered at this time as the City is obligated under the Government Code to implement the salary adjustments as defined in each association's respective MOU. However, the fiscal stability referenced earlier in this report will be reviewed once the final numbers (for all taxes) are available

FISCAL REVIEW:

Implementation of the recommended salary range adjustments for represented and non-represented classifications will result in an estimated budgetary impact of \$1,491,060 (\$1,209,709 in salary and \$281,351 in related benefits). The attached budget adjustment BA 09-005 appropriates funds to various City departments for the market salary adjustments effective August 19, 2008. The FY 08-09 budget provides \$656,449 for salary adjustments. The remaining balance of \$834,611 will be appropriated from undersigned, available fund balances in the various funds, as listed in the attached budget adjustment BA 09-005. The estimated annual budget impact of these adjustments is \$1,789,272 - \$1,451,651 in salaries and \$337,621 in related benefits.

LEGAL REVIEW:

The City Attorney has reviewed and approved the Resolutions.

CONCLUSION:

As provided in each employee associations respective MOU and within Council Policy 300-7, staff presents for City Council approval of the attached salary resolutions that implement the increases effective to the pay period that includes September 1, 2008.

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DISTRIBUTION: City Manager
Assistant City Manager
City Attorney
Finance Director
Deputy City Clerk
CMPA
CMCEA

ATTACHMENTS: I [Salary Resolution 08-](#)
II [Salary Resolution 08-](#)
III [Job Description](#)
IV [Salary Resolution 08-](#)
V [Salary Resolution 08-](#)
VI [Salary Resolution 08-](#)
VII [Budget Adjustment BA #09-005](#)