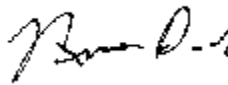


# City of Calistoga

## Staff Report

**TO:** Honorable Mayor and City Council  
**FROM:** Richard Spitler, City Manager   
**DATE:** October 26, 2011  
**SUBJECT:** Unrepresented Employees Salary and Benefits

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2 **ISSUE:** To consider a Resolution to change the salary and labor benefits for  
3 unrepresented employees and to rescind City Council Resolutions Nos. 97-40 and 97-59.  
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5 **RECOMMENDATION:** Adopt Resolution.  
6

7 **DISCUSSION:** Twelve City employees are not represented by any of the three recognized  
8 labor associations. These employees consist of department heads, middle managers and  
9 confidential employees. As such, this unrepresented group has no established collective  
10 bargaining unit to negotiate a MOU or other regularly negotiated labor contract. The basic  
11 terms of employment for the unrepresented employees are outlined in the City's Personnel  
12 Rules and Regulations Manual. Because of this, the City Council has authority to  
13 determine their salary and benefits and to change them when desirable or necessary.  
14

15 The list of benefits that these employees receive is attached. Of these, the City Council  
16 previously granted concessions that were unique to this group, in lieu of benefits that other  
17 labor groups were granted. These included the following:

- 18 1. Annual lump sum performance based bonus system up to 5%. This was in lieu of  
19 the longevity service bonus given to other labor groups.  
20
- 21 2. Annual cost of living adjustment (COLA) in July of each year based upon the  
22 median percentage change in the San Francisco Bay Area Consumer Price Index  
23 from the prior year, June to current year April indices.  
24
- 25 3. Under the requirements of the CalPERS PEMHCA health benefits program, the  
26 City is required to provide a contribution (an estimated 6.64% of the individual  
27 coverage health premium) for employees that continue medical coverage, with the  
28 CalPERS health benefit program, upon retirement from the City. In 2006 the City  
29 Council approved a supplement to this by providing increased coverage by the City  
30 for unrepresented employees that had worked at least ten continuous years for the  
31 City and retired from the City. This would be at a rate of 3% per service year,  
32 increasing after twenty years to 3.5% per service year, up to a combined required  
33 and supplemental contribution not exceeding 100% of the medical premium for

34 singles. This benefit was offered to encourage retention of unrepresented  
35 employees and in lieu of certain salary increases.  
36

37 The City Manager has met with these unrepresented employees several times during the  
38 last five months to inform them of the city's financial situation and to hear their suggestions  
39 to address the need to reduce expenses.

40 In order for this employee group to contribute their share of the economic concessions that  
41 other employees were asked, the following are the recommended changes to their salary  
42 and benefits through December 31, 2012.

- 43 1. All salaries would be reduced by 5% indefinitely.
- 44
- 45 2. All employees would be required to pay 100% of the 8% (non-safety) or 9%  
46 (safety) employee PERS contribution.
- 47
- 48 3. TIER II PERS: New non-safety employees would be subject to a 2% @ 60 PERS  
49 formula, three year salary average; new safety employees would be subject to a 2%  
50 @ 55 PERS formula, three year salary average. This will require an amendment of  
51 our PERS contract so the effective date is unknown at this time.
- 52
- 53 4. Presently employees pay 10% of medical and dental premiums. This would stay  
54 the same.
- 55
- 56 5. The Share the Savings program would remain (\$300/mo with decline of city  
57 health benefit).
- 58
- 59 6. Suspend: Annual lump sum performance based bonus system up to 5%.
- 60
- 61 7. Suspend: Annual cost of living adjustment (COLA) in July of each year based  
62 upon the median percentage change in the San Francisco Bay Area Consumer  
63 Price Index from the prior year, June to current year April indices.
- 64
- 65 8. The retirement CalPERS PEMHCA supplemental health benefits program would  
66 remain in effect for employees (not eligible until ten years of continuous  
67 employment and after City retirement).
- 68
- 69

70 **FISCAL IMPACT:** The total savings achieved by employee concessions total \$181,760 on  
71 an annualized basis (all funds). Due to implementation on November 1<sup>st</sup>, it will have the  
72 net effect of reducing expenditures for the remainder of this fiscal year by \$121,173.

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76 **ATTACHMENTS:**

77 1. Draft Resolution

78 2. Unrepresented benefits sheet

79 3. Resolutions Nos. 97-40, 97-59, 2006-088