



AGENDA REPORT

City Council

MEETING DATE: June 19, 2019

PREPARED BY: Tom Bokosky, Director
of Human Resources

DEPT. DIRECTOR: Karen P. Brust

DEPARTMENT: City Manager

CITY MANAGER: Karen P. Brust

SUBJECT:

Adoption of Resolution No. 2019-53 approving salary and benefit changes for Fire Chief Officers and rescinding Resolution No. 2017-87 and adopt Resolution No. 2019-54 amending the adopted Fiscal Year 2019-20 Operating Budget to include the costs of the changes.

RECOMMENDED ACTION:

Staff recommends that the City Council take the following actions:

1. Adopt Resolution No. 2019-53 Implementing the Terms and Conditions of Employment for Fire Chief Officers and Rescinding Resolution 2017-87; and
2. Adopt Resolution No. 2019-54 amending the adopted Fiscal Year 2019-20 and Fiscal Year 2020-21 operating budget to include the approved changes.

STRATEGIC PLAN:

This matter relates to the Strategic Plan Focus Area of Organizational Effectiveness and Efficiency.

FISCAL CONSIDERATIONS:

A resolution to amend the adopted Fiscal Year 2019-20 and Fiscal Year 2020-21 Operating Budget is incorporated as part of this approval to cover the costs of implementing salary and benefit changes for the Fire Chief Officers. The cost for Fiscal Year 2019-20 is \$12,175 and the cost for Fiscal Year 2020-21 is \$20,885. The costs in future years will be included in subsequent budgets.

BACKGROUND:

In 2010, the Fire Chief Officers employee association decertified its bargaining unit and the wages, benefits and other conditions of employment for Fire Chief Officer employees are determined by the City Council. The City Council has agreed to changes in wages, benefits and other conditions of employment for the City's represented miscellaneous (non-safety) employees and staff recommends that the City Council approve the same salary and benefit changes for unrepresented employees, which includes Fire Chief Officers.

ANALYSIS:

Adoption of Resolution 2019 – 53 will approve salary and benefit changes for the unrepresented Fire Chief Officer employees and adoption of Resolution No. 2019-54 amends the adopted Fiscal Year 2019-20 and Fiscal Year 2020-21 Operating Budget to include the approved changes

The changes to unrepresented Fire Chief Officers employee compensation, which are outlined below, include base wage increases, changes to health and welfare benefits and operational changes.

Term

The term is four years – July 1, 2019 to June 30, 2023; same as unrepresented miscellaneous employees.

Base Pay Increases

The proposed base pay increases and effective dates are listed below.

- July 1, 2019 – 2.0%
- July 1, 2020 – 2.0%
- July 1, 2021 – 2.0%
- July 1, 2022 – 2.0%

Education Incentive Pay

Currently, Fire Chief Officer employees who are promoted from within the Encinitas Fire Department maintain their education incentive pay. Education incentive pay will now include \$100 per month for lateral employees (those hired from outside agencies) who have a bachelor's degree or higher and a Fire Officer Certification.

Health & Welfare Benefits

The City provides a Flexible Benefit Plan with an annual cash value credit of \$13,300 for the purchase of health and welfare benefits (i.e. medical, dental, vision). The value of the Flexible Benefit Plan shall increase as follows:

- January 1, 2020 - \$14,200
- January 1, 2021 - \$14,400
- January 1, 2022 - \$14,600
- January 1, 2023 - \$14,800

Family Illness and Parental Leave

Employees will be eligible to use Paid Family Illness Leave to bond with a newborn or adopted child and the annual accrual will increase from 26 hours to 36 hours. The maximum amount an employee may accrue will increase from 78 hours to 83 hours.

Holiday Closure

Beginning in December 2019, City Hall will be closed from Christmas Eve through New Year's Day. The City will recognize Christmas Eve and New Year's Eve as regular fix paid holidays and provide employees an additional floating holiday for a total of four (4) floating holidays. For the holiday closure days not covered by a paid holiday, employees will be required to take leave without pay or use their accrued leave.

General Election Leave

Employees shall be provided a half day of paid leave to vote at the employee's polling location or a full day of paid leave to volunteer for the County Registrar of Voters for a General Election.

ENVIRONMENTAL CONSIDERATIONS:

The action being considered by the City Council is exempt from the California Environmental Quality Act (CEQA) because it is not a "project" under Section 15378(b)(5) of CEQA Guidelines. The action involves an organizational or administrative activity of government that will not result in the direct or indirect physical change in the environment.

This item is not related to the Climate Action Plan.

ATTACHMENTS:

1. Resolution No. 2019-53, approving salary and benefit changes for unrepresented Fire Chief Employee
2. Resolution No. 2019-54 amending the Adopted Fiscal Year 2019-20 and Fiscal Year 2020-21 Operating Budget to include the approved changes

RESOLUTION 2019-53

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF ENCINITAS IMPLEMENTING TERMS AND
CONDITIONS OF EMPLOYMENT FOR FIRE CHIEF
OFFICERS AND RESCINDING RESOLUTION 2017-87**

WHEREAS, the City of Encinitas Fire Department employees represented by the Fire Chief Officers bargaining unit have submitted documentation consistent with Encinitas resolution number 2002 - 43 (implementing employer-employee organizations relations) to decertify their association as a recognized bargaining unit;

WHEREAS, in the absence of a recognized bargaining unit the wages, hours, terms and conditions of employment for regular employees is determined by City Council, now therefore be it resolved;

RESOLVED that effective the date of this resolution (unless otherwise specified) the wages, hours, terms and conditions particular to unrepresented City of Encinitas Fire Department employees in classifications formerly represented by the Fire Chief Officers bargaining unit shall be as follows:

1. **Unrepresented management.** Generally the terms and conditions of employment for Fire Chief Officer classifications (such as Fire Battalion Chief, Fire Division Chief, Deputy Fire Chief, and Fire Assistant Chief) shall be the same as provided by City Council and the Encinitas Municipal Code for "at-will" **Unrepresented Management** category of employees. Included in the benefits provided to Unrepresented Management employees are salary increases of:

July 1, 2019 – 2.0%

July 1, 2020 – 2.0%

July 1, 2021 – 2.0%

July 1, 2023 – 2.0%

2. **Retirement:** Fire Chief Officers have the retirement benefits provided by the Encinitas contract with the California Public Employees Retirement System for safety employees, which makes them unique in this aspect of the employee contribution of a specified percentage required from the majority of City of Encinitas unrepresented management employees with the miscellaneous retirement benefit from the California Public Employees Retirement System. At this time Fire Chief Officer employees with the safety retirement benefit will be exempted from the requirement of unrepresented management employees with the miscellaneous retirement benefit to contribute a specified percentage of their wages towards the cost of their miscellaneous retirement benefit. This condition of employment is unchanged from the retirement provisions of the Memorandum of Understanding that expired June 30, 2010 for this decertified bargaining unit.

3. **Sick leave:** The sick leave benefit currently provided to Fire Chief Officer employees shall be eliminated effective January 1, 2011. Thereafter, Fire Chief Officer employees (and those subsequently promoted from the Encinitas Firefighter ranks into an unrepresented management classification) shall be enrolled into the City of Encinitas Short Term Disability Income Protection Plan (IPP). Employees beginning regular service with the City of Encinitas prior to 2003 shall be initiated into the IPP benefit with 5 "Units-of-benefit." Employees beginning regular service with the City of Encinitas during 2003 or later will be initiated into the IPP benefit with 4 "Units-of-benefit" upon promotion from the Firefighter ranks. This change in sick leave benefits for Fire Chief Officer employees will make their personal and family illness/injury benefits consistent with such benefits currently provided to the unrepresented Fire Chief, Fire Marshal, and Marine Safety Captain.
4. **Sick leave balance for retirement:** The January 1, 2011 sick leave balance of each unrepresented management Fire Chief Officer shall be recorded on a document in that employee's permanent personnel file. Upon promotion from the ranks of Encinitas Firefighters after January 1, 2011 the sick leave balance of the promoted employee will be recorded on a document in the employee's permanent personnel file. The conversion factor (modified by the factor of 0.714 for shift to non-shift sick leave) will apply when calculating the promoted Firefighter employee's sick leave balance. The unrepresented management employee's unused sick leave balance accumulated during employment as an Encinitas Firefighter will be available in the future as a retirement benefit as provided by the City's safety contract with the California Public Employees Retirement System and/or limited sick leave cash out as provided to Encinitas Firefighter employees with the safety retirement benefit. This condition of employment is a modification of the sick leave balance for retirement provisions of the Memorandum of Understanding that expired June 30, 2010 for this decertified bargaining unit.
5. **Standby duty leave.** Accrual of new Chief Officer Standby Leave time will cease September 30, 2010. Employees will use any accrued Chief Officer Standby Leave time by December 31, 2010. Effective January 1, 2011 Chief Officer Standby Leave benefit provisions of the Memorandum of Understanding that expired June 30, 2010 for this decertified bargaining unit will be eliminated.
6. **Strike team compensation.** The Fire Chief, in conjunction with the Finance Director, shall develop a procedure for appropriately compensating a Fire Chief Officer (such as Fire Battalion Chief, Fire Division Chief, Fire Deputy Chief, or Assistant Fire Chief) when called upon to respond to the request of Mutual Aid or Automatic Aid under the California Fire and Rescue Mutual Aid System to serve in a position of strike team leader, task force commander, overhead member, or trainee. For Chief Officers assigned to a 40-hour work week, no additional strike team leadership call out payments will be made to the Chief Officer for their normal work hours (Monday through Friday) that are already compensated as part of the routine payroll process. Only time actually worked in strike team leadership duties will be eligible for authorization for hour-for-hour (not time-and-one-half overtime) strike team leadership compensation at the discretion of the Fire Chief. This condition of employment is unchanged from the strike team compensation provisions of the Memorandum of Understanding that expired June 30, 2010 for this decertified bargaining unit. For employees in the rank of Battalion Chief assigned to a 24-hour shift schedule, compensation shall be at the reimbursable rate not to exceed time-and-one-half the hourly rate, provided that the City is reimbursed in full for such compensation.
7. **Vacation.** The vacation accrual rates and maximum vacation accumulation limits which apply to other Encinitas unrepresented management employees will also apply to Fire Chief Officer unrepresented management employees. However, there may be individual exceptions to the City's general maximum vacation accrual rates and

maximum accumulation limits for employees promoted from the Encinitas Firefighter ranks. Such individuals may maintain and continue their vacation accrual rates and maximum vacation accumulation limits that were higher than the vacation accrual rates and limits applied to regular Encinitas unrepresented management employees. The conversion factor (modified by the factor of 0.714 for shift to non-shift vacation accrual and balances) will apply when calculating the promoted Firefighter employee's vacation balance and maximum accumulation limit. Whenever an Encinitas Fire Chief Officer unrepresented management employee has been promoted from the Encinitas firefighter ranks with vacation accrual rates above the limits provided to regular Encinitas unrepresented management employees, they shall not be granted additional increments of their vacation accrual rates for additional years of service. That is, employees currently serving as Encinitas Fire Chief Officers and those promoted in the future from the Encinitas Firefighter ranks to Fire Chief Officer unrepresented management positions with higher vacation accrual rates and accumulation limits than granted to regular Encinitas unrepresented management employees will have their vacation accrual rates and maximum accumulation limits "frozen" at the rates they enjoyed at the time of promotion. This condition of employment is unchanged from the vacation provisions of the Memorandum of Understanding that expired June 30, 2010 for this decertified bargaining unit.

Vacation cash out. Up to four times each calendar year (during the first pay period of January, April, July, and October) an Encinitas unrepresented management employee may request cash payment at the employee's hourly base rate of pay for accrued vacation time. The total amount of accrued vacation time that an employee may cash out in this manner shall not exceed forty hours in any calendar year. Individuals employed as Encinitas Chief Officers prior to July 1, 2006 may cash out in this manner the total amount of accrued vacation time not to exceed sixty hours in any calendar year. This condition of employment is unchanged from the vacation cash out provisions of the Memorandum of Understanding that expired June 30, 2010 for this decertified bargaining unit.

Annual irrevocable election. To comply with IRS regulations, the annual cash payment contains two key limitations on the option to cash out compensatory time. Beginning in December 2019 and each December thereafter:

- 1) Any employee wishing to cash out leave must make an irrevocable election to cash out compensatory time in December of the prior calendar year in which the leave is cashed out.
- 2) Only leave accrued during the year in which leave is cashed out may be cashed out. All remaining elected leave shall be automatically cash out during the last pay period of each calendar year. The City will provide a form to make the election.

For example, employees who want to cash out vacation time they may earn in 2020 shall provide Payroll an irrevocable election no later than December 31, 2019.

8. **Insurance.** Unrepresented management Fire Chief Officers shall participate in the flex/cafeteria insurance benefit plan with the same employer contribution and limitations as provided to other Encinitas unrepresented management employees. Currently, the City provides an annual "Flex Benefit Plan" benefit in the amount of \$13,300 annually. The "Flex Benefit Plan" as follows:

January 1, 2020 - \$14,200
January 1, 2021 - \$14,400
January 1, 2022 - \$14,600
January 1, 2023 - \$14,800

9. **Supplemental retirement contributions.** Employees of the City of Encinitas on March 15, 1995 (with prior service with the Encinitas Fire Protection District) are eligible for the employer's supplemental retirement contributions based on the retiree's cost of medical insurance obtained through the California Public Employees Retirement System. Current unrepresented management Fire Chief Officer employees and employees promoted in the future from the Encinitas Firefighter ranks (who were employees of the City of Encinitas on March 15, 1995 and with prior service with the Encinitas Fire Protection District) will continue to be eligible for the Encinitas supplemental retirement contributions. This condition of employment is unchanged from the supplemental retirement contributions provisions of the Memorandum of Understanding that expired June 30, 2010 for this decertified bargaining unit.
10. **Educational incentive pay. Fire Chief employees shall receive the following educational incentive pay;** 1) Whenever a Firefighter (typically Fire Captain) is promoted from within the Encinitas personnel system to become an unrepresented management Fire Chief Officer (such as Fire Battalion Chief, Fire Division Chief, Deputy Fire Chief, or Assistant Fire Chief), that Encinitas Firefighter may retain the Educational Incentive premium pay rate they held at the time of promotion or 2) \$100 per month for employees who have a Bachelor's Degree or Higher and a Fire Officer Certification.
11. **Holidays.** Unrepresented management Fire Chief Officers shall receive the same holiday benefits and floating holiday benefits as other day-shift unrepresented management employees. This condition of employment accommodates the city hall 9/80 alternative work schedule. Beginning December 2019, City Hall shall be closed from Christmas Eve through New Year's Day. For the holiday closure days not covered by a paid holiday, employees will be required to take leave without pay or use their accrued leave.
12. **Leaves.** Unrepresented management Fire Chief Officers shall receive the same bereavement, jury/court, military, catastrophic leave donation program, leave without pay, unpaid family and medical leaves, and paid leave for family member illness as other Encinitas unrepresented management employees. Paid and unpaid City leaves run concurrently with absences granted under the provisions of the Family and Medical Leave Act. Accruals and limits for maximum accumulation of paid leave for family member illness shall be the same as other unrepresented management employees. Upon promotion of an Encinitas Firefighter employee to an unrepresented management Fire Chief Officer position, the promoted employee shall be granted an initial balance of 40 hours of paid leave for family member illness.
13. **Severability.** If any provision of this Resolution, or the application of such provision to any persons or circumstance, shall be held invalid, the remainder of this Resolution, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

BE IT FURTHER RESOLVED that in the future City Council may change or modify the wages, hours, terms and conditions of employment for unrepresented management employees at any time.

BE IT FURTHER RESOLVED that the City Manager and Fire Chief are hereby directed and authorized to implement this resolution and other employment provisions for unrepresented management Fire Chief Officer employees without specific actions by this Council.

PASSED AND ADOPTED by the City Council of the City of Encinitas, this 19th day of June 2019, by the following roll call vote:

Ayes:

Nays:

Absent:

Abstain:

Catherine S. Blakespear, Mayor

Attest:

Kathy Hollywood, City Clerk

RESOLUTION 2019-54

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ENCINITAS AMENDING
THE ADOPTED FISCAL YEAR 2019-20 OPERATING BUDGET**

WHEREAS, on June 12, 2019 the City Council of the City of Encinitas adopted Resolution No. 2019-43 appropriating the budget for Fiscal Year 2019-20; and

WHEREAS, changes in the anticipated expenditures of the City of Encinitas necessitates amendment to the appropriations for Fiscal Year 2019-20; and

WHEREAS, the City Council has reviewed the proposed Fiscal Year 2019-20 budget amendment; and

NOW, THEREFORE, BE IT RESOLVED, BY THE City Council of the City of Encinitas that the budget amendment for Fiscal Year 2019-20 as shown in **Exhibit A** is herewith adopted.

PASSED AND ADOPTED, by the City Council of the City of Encinitas, this 19th day of June 2019 by the following roll call vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Catherine S. Blakespear, Mayor

ATTEST:

Kathy Hollywood, City Clerk

Exhibit A to Resolution 2019-54

	Fund Name	Organization Code	Object Code	Project No.	Description	Revenue/ Transfer In Increase (Decrease)	Expenditure / Transfer Out Increase (Decrease)
1.	General Fund	10190901	411.1		General Fund		\$ 12,175
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32.							
	Total					\$ -	\$ 12,175