



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Debra Figone

**SUBJECT:** Special Premium Pays and Other Benefit **DATE:** May 30, 2012  
Changes for Employees in Unit 99 and Units 81/82

## PURPOSE

The purpose of this MBA is to 1) formalize through pay plan amendments "compensation" practices that have generally been in place of many years for sworn management staff in unrepresented Unit 99 and 2) to bring some benefits for unrepresented Unit 99 and Units 81/82 in line with all bargaining units.

## RECOMMENDATION

Direct the City Attorney to prepare resolution(s) for Council adoption on the following:

- (a) Authorizing the City Manager to have discretion to provide special premium pays to employees in the classifications of Police Chief, Assistant Police Chief, Fire Chief, Assistant Fire Chief and Deputy Fire Chiefs, or to roll them into base pay if necessary.
- (b) Authorizing the City Manager to have discretion to continue providing stand-by pay in the form of compensatory time for the Assistant Fire Chief and Deputy Fire Chiefs.
- (c) Making an additional benefit change for employees in Executive Management and Professional Employees (Unit 99) related to dual coverage for health and dental in lieu effective June 24, 2012 consistent with all bargaining units.
- (d) Changing the salary steps for unrepresented employees in Units 81/82 from 5% in between each step to 2.5% in between each step effective June 24, 2012, consistent with changes made for other non-management employee units.

## OUTCOME

Approval of Recommendation (a) will formalize the City Manager's discretion to provide special premium pays to those employees in the classifications of Police Chief, Assistant Police Chief, Fire Chief, Assistant Fire Chief and Deputy Fire Chiefs, and will give the City Manager the discretion to provide special premium pays either as separate special pays or to roll them into base pay for said employees. As the premium pays are already being received, authorization to continue providing these premium pays or roll them into base pay will either not change any current employee's pay or will result in minor changes due to roll up costs. For those premium pays that are rolled into base pay, this will increase the salary range of that classification.

May 30, 2012

**Subject: Special Premium Pays and Other Benefit Changes for Employees in Unit 99 and Units 81/82**

Page 2 of 6

Approval of Recommendation (b) will provide the City Manager discretion to provide stand-by pay in the form of compensatory time for the Assistant Fire Chief and Deputy Fire Chiefs. This has been provided for Deputy Fire Chiefs since 1987, but has not been reflected in the City's pay plan.

Approval of Recommendation (c) will make the health in lieu dual coverage language for employees in Unit 99 consistent with the language with all bargaining units related to health in lieu and will not allow a City employee who is a dependent of another City employee or retiree or otherwise receives City health coverage not as a City employee to receive family health in lieu effective June 24, 2012.

Approval of Recommendation (d) will change the salary steps for unrepresented employees in Units 81/82 from 5% in between each step to 2.5% in between each step effective June 24, 2012.

## **BACKGROUND**

### **Special Premium Pays**

The majority of sworn personnel in the Police and Fire Departments are represented by either the San Jose Fire Fighters, IAFF Local 230 or the San Jose Police Officers' Association (SJPOA). There are a few classifications in executive management in the Police and Fire Departments that are not represented by the San Jose Fire Fighters or SJPOA. Those classifications are:

| <b>Police Department</b> | <b>Fire Department</b> |
|--------------------------|------------------------|
| Police Chief             | Fire Chief             |
| Assistant Police Chief   | Assistant Fire Chief   |
|                          | Deputy Fire Chiefs     |

Employees in these classifications are in the Executive Management and Professional Employees Unit (Unit 99) and receive pay and benefits consistent with Unit 99.

Although these employees are in Unit 99, the incumbents have historically received some of the premium pays that are provided to employees represented by the San Jose Fire Fighters, Local 230 and the San Jose Police Officers' Association. This has been done to ensure that employees represented by the San Jose Fire Fighters and SJPOA do not make more in cash compensation (excluding overtime) than their command staff. Cash compensation does not include the cost of any benefits.

The purpose of Recommendation (a) in this memo is to clarify and memorialize the City Manager's discretion to provide these specific premium pays to these Unit 99 employees and to give the City Manager the discretion to either continue to provide these premium pays or roll them into base pay. These premium pays will not be tied specifically to pays received by the

May 30, 2012

**Subject: Special Premium Pays and Other Benefit Changes for Employees in Unit 99 and Units 81/82**

Page 3 of 6

San Jose Fire Fighters and SJPOA, but rather what is received by employees in those bargaining units will be considered when making any changes to the pays for the above classifications.

### **Stand-By Pay**

Standby-in-lieu was established in 1987 to compensate Deputy Chiefs for standby duty at a rate of two hours per weekday and three hours per weekend day at the rate of time and a half, in the form of compensatory time off. Standby in lieu was memorialized through an internal memorandum but not in the City's pay plan for Unit 99. This is pay for being available to respond to emergencies on weekends and during non-business hours. Approval of this memo will provide the City Manager the authority to continue to provide stand-by pay to Deputy Chiefs and to provide this to the Assistant Fire Chief.

### **Other Benefit Changes for Employees in Unit 99 and Units 81/82**

Currently, the compensation summary of employees in Unit 99 has the following language related to health in lieu dual coverage:

*A City employee who receives healthcare coverage as a dependent of another City employee shall be deemed not eligible for family coverage.*

In order to ensure that we also do not have a City employee who is receiving City health coverage elsewhere, such as being a dependent of a City retiree receiving family coverage health in lieu, the addition of "or retiree" needs to be added to this language. This is consistent with the language with all bargaining units.

In addition, unrepresented employees in Units 81/82 receive automatic salary steps, with 5% in between each step. Effective June 24, 2012, salary steps for employees in Units 81/82 will change from approximately 5% to approximately 2.5% between each step. This will increase the number of steps in each pay range. This is also consistent with changes made for other non-management employees.

## **ANALYSIS**

### **Special Premium Pays**

The following chart represents the premium and special pays the City Manager would have discretion to provide (or continue to provide in some cases) and the pays with which the City Manager would have the discretion to roll into base pay, as was done with certain premium pays provided to the San Jose Police Officers' Association. For example, for employees represented by the San Jose Police Officers' Association, holiday in lieu and anti-terrorism training pay was rolled into base pay during prior negotiations with the POA.

| <b>Classification</b>         | <b>Special Pay</b>          | <b>Current Amount</b>         |
|-------------------------------|-----------------------------|-------------------------------|
| <i>Police Chief</i>           | POST Pay- Advanced          | 7.50% per pay period          |
|                               | Uniform Allowance           | \$675.00 per year             |
|                               | Holiday In Lieu             | 5.623% per pay period         |
| <i>Assistant Police Chief</i> | Anti-Terrorism Training Pay | 5.00% per pay period          |
|                               | POST Pay- Advanced          | 7.50% per pay period          |
|                               | Uniform Allowance           | \$675.00 per year             |
| <i>Fire Chief</i>             | Holiday In Lieu             | 5.623% per pay period         |
|                               | Uniform Allowance           | \$495.00 per year             |
|                               | EMT Pay                     | 3.00% of Top Step Firefighter |
| <i>Assistant Fire Chief</i>   | Holiday In Lieu             | 5.623% per pay period         |
|                               | Uniform Allowance           | \$495.00 per year             |
|                               | EMT Pay                     | 3.00% of Top Step Firefighter |
| <i>Deputy Fire Chiefs</i>     | Education and Training Pay  | \$35.00 per pay period        |
|                               | Uniform Allowance           | \$495.00 per year             |
|                               | Holiday In Lieu             | 5.623% per pay period         |
|                               | EMT Pay                     | 3.00% of Top Step Firefighter |

*Police*

Post Pay is an educational incentive pay awarded to each person who has either an Intermediate Certificate or an Advanced Certificate given by the Commission on Peace Officer Standards and Training of the State of California. Employees are eligible for a 5% premium pay for an Intermediate Certificate or a 7.5% premium pay for an Advanced Certificate.

Anti-Terrorism Training Pay is a 5% premium pay for employees who complete the annual training offered by the Police Department in Police Anti-Terrorist Tactics. For employees represented by the POA, this was rolled into base pay effective March 22, 2009.

*Fire*

EMT Pay is 3% premium pay for any employee who qualifies for certification by Santa Clara County as an Emergency Medical Technician (EMT).

May 30, 2012

**Subject: Special Premium Pays and Other Benefit Changes for Employees in Unit 99 and Units 81/82**

Page 5 of 6

Education and Training Pay is a special pay of \$35.00 for each biweekly pay period for employees who have been awarded an Associate of Arts degree in Fire Science or an Associate of Science degree in Fire Science by an accredited college or university.

### *Police and Fire*

Holiday-in-lieu is a premium pay given for having to work holidays in lieu of paid holidays. The expectation is that when an employee who is receiving holiday-in-lieu takes off a holiday, the employee would use their own leave time such as vacation. The City Manager, however, would have the discretion at any time to remove the holiday in lieu pay and provide paid holidays instead.

### Summary

By approval of the recommended action, the City Manager will have the discretion to provide the above premium pays and/or roll them into base pay for the Unit 99 executive employees in the Police and Fire Departments. Although this represents typically what is received by employees represented by the San Jose Fire Fighters and SJPOA, what the represented sworn employees receive will only be a consideration in making a decision to continue providing the premium pays to the Unit 99 executive employees in the Police and Fire Departments.

As the premium pays are already being received, authorization to continue providing these premium pays will not change any current employee's pay and will not result in any additional pay. It should be noted that not providing these premium and special pays will result in employees represented by the San Jose Firefighters and SJPOA making more in cash compensation than their command staff. If, however, the City Manager is authorized to continue to provide these special premium pays and exercises the discretion to roll them into base pay, the City's Pay Plan for the classifications of Police Chief, Assistant Police Chief, Fire Chief, Assistant Fire Chief and Deputy Fire Chiefs may have to be amended. In addition, any additional costs would be considered when deciding whether or not to roll into base pay any of the premium pays and this could be additional roll up costs of having other premium pays be calculated on a higher pay rate. Amendments to the pay plan will be brought forward for separate council action.

### Stand-By Pay

Standby-in-lieu was established in 1987 through internal memorandum and not the Unit 99 pay plan to compensate Deputy Chiefs for standby duty at a rate of two hours per weekday and three hours per weekend day at the rate of time and a half, in the form of compensatory time off. This is pay for being available to respond to emergencies on weekends and during non-business hours. Approval of this memo will provide the City Manager the authority to continue to provide stand-by pay to Deputy Chiefs and to provide this to the Assistant Fire Chief.

HONORABLE MAYOR AND CITY COUNCIL

May 30, 2012

**Subject: Special Premium Pays and Other Benefit Changes for Employees in Unit 99 and Units 81/82**

Page 6 of 6

**Other Benefit Changes for Employees in Unit 99 and Units 81/82**

Effective June 24, 2012, the following change will be made for employees in Unit 99:

*A City employee who receives healthcare coverage as a dependent of another City employee or retiree shall be deemed not eligible for family coverage.*

Effective June 24, 2012, salary steps for employees in Units 81/82 will change from approximately 5% to approximately 2.5% between each step. This will increase the number of steps in each pay range.

**COORDINATION**

This memo has been coordinated with the City Attorney's Office.



DEBRA FIGONE  
CITY MANAGER