



Agenda Report 2014-12-15-02

Date: December 5, 2014

To: John Kovash, Mayor
Members, West Linn City Council

From: Elissa Preston, Human Resources Manager

Through: Chris Jordan, City Manager *CJ*

Subject: Salary and Benefits for Management and Non-represented Employees

Purpose

Approval and acceptance of a cost of living adjustment of 2.42% for management and non-represented employees (except the City Manager), effective January 1, 2015, and a standardized salary and benefits plan for this classification.

Question(s) for Council:

1. Does the City Council wish to approve a cost of living adjustment to management and non-represented employees of 2.42% on January 1, 2015?
2. Does the City Council approve of the Salary and Benefit Plan that summarizes the terms of the employment agreements the City utilizes with this classification of positions?

Public Hearing Required:

None required.

Background & Discussion:

The West Linn Charter delegates responsibility for setting compensation levels to the City Council. Historically, changes to the compensation levels for management and non-represented employees occurs January 1 of each year. The City of West Linn uses CPI-W for the Portland metropolitan area for calculating an appropriate COLA for city employees. The CPI-W for the 12-month period from July 1, 2013, to June 30, 2014, was 2.42%.

For several years, the City has utilized employment agreements (contracts) with employees in the management and non-represented classifications. The terms of the employment agreement are standard, but discretionary to the City Manager. The Salary and Benefits Plan would summarize the terms in a plan document.

Budget Impact:

COLA would cost approximately \$95,000, and is included in the biennial budget. There is no budget impact of summarizing the Salary and Benefits Plan.

Council Options:

1. Approve the resolution as recommended.

2. Modify the resolution by removing or amending one or more sections.
3. Do not approve the resolution.

Staff Recommendation:

Staff recommends Council approve resolution 2014-18.

Potential Motion:

Motion to approve Resolution 2014-18, setting compensation levels for management and non-represented employees.

Attachments:

1. Resolution 2014-18
2. Attachment A – Salary and Benefit Plan

RESOLUTION NO. 2014-18

**A RESOLUTION OF THE WEST LINN CITY COUNCIL SETTING COMPENSATION LEVELS FOR
MANAGEMENT AND NON-REPRESENTED EMPLOYEES**

WHEREAS, the West Linn Charter delegates responsibility for setting compensation levels to the City Council; and

WHEREAS, as previously established by the City Council, changes to the compensation levels for management and non-represented employees occurs January 1 of each year; and

WHEREAS, in accordance with past practice, the City of West Linn uses CPI-W for the Portland metropolitan area to calculate an appropriate COLA for city employees; and

WHEREAS, for the 12-month period from July 1, 2013, to June 30, 2014, the CPI-W for the Portland metropolitan area was 2.42%.

NOW, THEREFORE, THE CITY OF WEST LINN RESOLVES AS FOLLOWS:

SECTION 1. Wages. Wages for management and non-represented employees (not including the City Manager) shall increase by 2.42% effective the beginning of the pay period which includes January 1, 2015. Wages shall increase January 1, 2016, based on the CPI-W Portland index for the most recent 12-month period for which information is available, as of September 30th immediately preceding the salary increase.

SECTION 2. Salary & Benefit Plan. The Salary & Benefit Plan (Attachment A) summarizes the terms included in the employment agreements the City of West Linn utilizes for management and non-represented employees.

This resolution was PASSED and ADOPTED this 15th day of December, 2014, and takes effect upon passage.

JOHN KOVASH, MAYOR

ATTEST:

KATHY MOLLUSKY, CITY RECORDER

APPROVED AS TO FORM:

CITY ATTORNEY



CITY OF
**West
Linn**

Salary and Benefit Plan

Management and Confidential Employees

January 1, 2015

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Employment Agreements

The City desires to have a clear understanding regarding compensation and the employment relationship with management and confidential employees. Therefore, the City and employee will have a written employment agreement to create a professional and business-like relationship.

The terms of the employment agreement are three (3) years, unless terminated sooner as provided in the agreement.

Unless the City or employee notifies the other to the contrary in accordance with the agreement, the agreement will automatically renew for successive one (1) year terms from its date of expiration.

Severance Pay

In the event the employee is dismissed by the supervisor and the employee has been and is willing and able to continue to satisfactorily perform the duties of the position and the employee is not being dismissed for any reason set forth in the employment agreement, the City will offer the employee a severance agreement. Dismissal during the probationary period set forth in the employment agreement will not be subject to severance.

The amount of severance pay to be offered to management and confidential employees in the employment agreement shall be equal to one (1) month of severance pay for every full year of service, with a minimum of three (3) months, and a maximum of six (6) months.

Salary Schedule

The wages are set by City Council and shall be paid in accordance with the salary schedule attached as Exhibit B. Department Director wages are determined by the City Manager, within the low to high range of the position. All other management and confidential positions have steps within the ranges. The Department Director determines the beginning step and periodic advancements of steps throughout the range.

Sergeants Incentive Pay

Police Sergeants are eligible for Certification and Education Incentive Pay, with a maximum of 17 percent of base pay. Sergeants must submit a request for such pay, with verification of certification and education. Incentive pay is calculated on employee's base pay step.

Assoc. Degree/2 years College	2%
Intermediate DPSST Certification	5%
Intermediate DPSST Cert. with A.A./2 years College	7%
Bachelor's Degree	10%
Adv. DPSST Certification	10%
Adv. DPSST Certification with A.A./2 years of College	12%

Intermediate DPSST Cert. with Bachelor’s Degree	13%
Adv. DPSST Certification with Bachelor’s Degree	17%

Leaves

Vacation Time

Eligible full-time management and confidential employees shall accrue vacation hours, up to a maximum of 400 hours, as follows:

Completed Years of Continuous Service	Rate of Accrual per Pay Period
Less than 4 years	4.62
4 years to less than 11 years	6.16
11 years or more	7.7

The City Manager may base initial hiring accrual rate on years of experience.

Eligible part-time employees shall accrue paid vacation leave on a prorated basis.

Accrual of vacation leave is capped at 400 hours for full-time employees, and 200 hours for part-time employees. Depending on the number of compensable hours in the pay period, employees may be subject to a prorated benefit for the pay period. In order to accrue vacation leave hours, an employee must have compensable hours during the same pay period.

Vacation may not be used until the completion of six (6) months of employment.

An employee may "sell-back" up to 80 hours per fiscal year of accrued vacation time for cash payment. To sell-back vacation time the employee must: 1) request to take an equivalent amount of vacation time at a specified time, and 2) get the request approved by the Department Director or City Manager. Full-time employees must have a minimum of 40 hours of accrued vacation leave remaining after the request; the amount of required vacation leave remaining after the request will be pro-rated for part-time employees.

Employees who terminate employment shall be paid in a lump sum for all accrued vacation leave earned prior to the effective date of termination. If termination occurs before six (6) months of employment, the time is not paid out.

Management Leave

Management Leave is a privilege extended to recognize full-time exempt employees who spend many extra hours working on behalf of the City without receiving additional salary or time off. It is not the City’s intent to replace time on an hour-for-hour basis.

Exempt employees who are not eligible for overtime receive additional hours of paid leave each fiscal year to be taken as Management Leave. New employees may be granted leave on a prorated basis. Management Leave shall be available to exempt employees on July 1 and it must be used by June 30 of the following year. This leave is “use it or lose it” and must be used in the fiscal year it was received. The

use of Management Leave must be approved in advance by the employee's supervisor. Management Leave cannot be converted to other leave and is not paid upon separation from City employment. Management Leave may be granted to the following classifications as outlined below; however, the City Manager has the discretion to grant additional hours to mid-managers who attend regular nightly meetings or work after hours events.

- Department Heads receive 48 hours (6 days)
- Mid-Management receive 24 hours (3 days)

Sick Leave

Eligible employees shall begin to accrue paid sick leave benefits on the first day of employment, as follows:

- Full-time employees shall accrue sick leave at the rate of 3.70 hours per pay period.
- Part-time employees shall accrue sick leave on a prorated basis.

Accrual of sick leave is capped at 960 hours for full-time employees, and 480 hours for part-time employees. Depending on the amount of compensable hours during a pay period, employee may be subject to a prorated benefit for same pay period. In order to accrue sick leave hours, an employee must have compensable hours during the same pay period.

For each calendar quarter in which no sick leave is used (other than approved FMLA), an employee may convert eight (8) hours of accrued sick leave into vacation time or cash. Quarters begin on July 1, October 1, January 1, and April 1 of each year, and payment will be made after the end of the applicable quarter. Employees must have a minimum of 88 hours of sick leave accrual remaining after the conversion.

Unused sick leave is not paid out upon separation from the City.

Holidays

The City has designated the following days for the observance of holidays, and most facilities are closed on these days:

- New Year's Day
- Martin Luther King's Day
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Veteran's Day
- Thanksgiving Day
- Friday Following Thanksgiving
- Christmas Day

If a recognized holiday falls within an eligible employee's approved vacation, it will be paid as a holiday and will not be deducted from the employee's vacation leave bank.

Sergeants Receive Holiday-in-Lieu accruals, as they are required to work on holidays. They receive 96 hours, as an accrual over the year. Upon resignation/termination, any unused hours of Holiday-In-Lieu of Holiday accruals will be paid out in the same manner as vacation accruals.

The City will make schedule accommodations in order to observe employees beliefs or practices in connection with a religious holiday, but they will not be City paid.

Benefits

Medical and Dental Premiums

Management and confidential employees who are regularly scheduled to work at least 20 hours per week are eligible to enroll themselves and qualified dependents in a health plan on the first day of the month following their hire date with the City, provided they meet the other eligibility criteria in the plan.

Full time employees pay a 10 percent portion of their premium cost, as a payroll deduction. Part-time employees portion will be prorated.

Covered employees continue to be eligible while they are being compensated by the City for at least 20 hours per week, or as otherwise required by law (e.g. FMLA). Coverage through the City's group plan will end on the last day of the month in which an employee resigns, is terminated, laid off, or has a reduction in hours below 20 per week. Employees also continue to be eligible for coverage while they are on a qualifying family medical leave, in accordance with applicable law.

Upon separation from City employment or other qualifying event, an employee and his or her covered dependents may elect to continue City health benefits at their own expense, to the extent provided for under the Federal Consolidated Omnibus Budget Reconciliation Act (COBRA). A notice explaining the right to elect this coverage and the process for doing so will be sent to the employee or their covered dependent.

Life Insurance and AD&D

The City provides group term life insurance equal to 1 ½ times the employee's annual salary, up to \$50,000, and \$2000 dependent coverage, as well as accidental death or dismemberment benefits of the same value to all regular employees who are scheduled to work a minimum of 20 hours a week.

Long Term Disability (LTD)

The City's insurance carrier provides 50% of wage loss (with \$4000/mo max) benefit to eligible employees who have been unable to work for 90 days or more due to accident or illness. Employees who are being compensated by the insurance carrier for long term disability are not eligible to accrue vacation leave, sick leave, holiday pay or other benefits.

Long-term disability payments (LTD) are reduced by the amount of any workers' compensation or social security disability benefits received by the employee, as specified by the insurance carrier.

Retirement

The City is a member of the Oregon Public Employees Retirement System (PERS) and contributes on behalf of the employee and the employer.

Information regarding these benefits can be found online at the PERS website. Employees acquire rights to retirement plan benefits according to the rules and procedures set forth in the plan and applicable laws.

In addition to an employee's regular compensation, the City pays three (3) percent of employee's earned salary. At the employee's election, they can use this additional compensation to participate in a deferred compensation program offered by the City.

Workers' Compensation

All employees are covered by the City's workers' compensation insurance. It provides for medical treatment and time loss benefits for approved claims arising from on-the-job injuries and occupational disease.

Taxable Benefits

Cell Phone

Due to the nature of some positions, an employee may be required to maintain use of a cell phone for business purposes. Therefore, in lieu of providing a city-owned cell phone, the employee is required to have a personal cell phone and the City will provide an allowance of \$75.00 per month to employee for the purpose of obtaining and maintaining the use of a cell phone. This allowance is taxable to the employee.

Auto Allowance

Due to the nature of certain positions, an employee may be provided with an auto allowance, upon approval from the City Manager. Depending on the position, the auto allowance may be taxable to the employee.

City Provided Vehicle

Due to the nature of certain positions, an employee may be provided with a take-home vehicle, upon approval from the City Manager. Depending on the position, the take-home vehicle may be taxable to the employee.

Clothing Allowance

Depending on the requirements of particular positions, the City may provide a clothing allowance on an annual basis, as determined by the individual department.

For clothing purchases that may be used outside of the regular duties of the job, the allowance is taxable to the employee.

For all positions, any article of clothing necessary for job performance, which is purchased in compliance with OSHA safety regulations, including protection for eyes, ears, respiratory, skin, hands or feet, shall be considered part of the supplies necessary for the job and not calculated as part of the clothing allowance. These are business expenses, paid for by the City.

Other Benefits

Compassionate Leave

Employees may take up to forty (40) hours of paid time off in the event of the death of a family member. OFLA eligible employees are entitled to up to two (2) weeks of bereavement leave.

Employee Assistance Program

The City provides an Employee Assistance Program (EAP) to all employees as no cost to the employee. Employees who need counseling or other help with personal problems may contact a professional counselor with the employee assistance program (EAP) sponsored by the City.

Education Assistance

The City pays the cost of classes or seminars it requires an employee to attend during an employee's regularly scheduled work hours in accordance with federal and state laws.

Subject to a maximum of five hundred dollars (\$500) per employee, per fiscal year and the availability of funds, the City may reimburse an employee for tuition and books for courses directly related to the employee's work.

Relocation Expense Reimbursement

The City Manager has the authority to reimburse reasonable moving expenses for relocation, for certain managerial or professional employees whose skills are difficult to find in the local labor market. Relocation reimbursement may be subject to taxes. Should the employee voluntarily leave City employment within two (2) years of employment, the employee will be required to reimburse the City for a prorated portion of the payments made to the employee for moving/relocation expenses.