

CITY MANAGER'S OFFICE

AUG 03 2021

5:30pm

City of South Gate  
CITY COUNCIL

AGENDA BILL

For the Regular Meeting of: August 10, 2021

Originating Department: Administration

City Manager: Chris Jeffers

City Manager: Chris Jeffers

**SUBJECT:** RESOLUTION CORRECTING, APPROVING AND ADOPTING SALARY AND BENEFITS FOR EXECUTIVE MANAGEMENT CONTRACT EMPLOYEES HIRED AFTER JULY 1, 2021.

**PURPOSE:** To correct Exhibit B of Resolution No. 2021-29-CC, which adopted a new salary table and schedule of benefits for any new Executive Management Contract Employee hired after July 1, 2021.

**RECOMMENDED ACTION:** The City Council will consider adopting a corrected compensation and benefits schedule for Executive Management Contract Employees hired after July 1, 2021.

**FISCAL IMPACT:** Correcting Exhibit B of Resolution No. 2021-29-CC will have no fiscal impact, but merely correctly state the previously adopted salary range for such positions that are not impacted by July 1, 2021 application.

**ANALYSIS:** At the June 22, 2021 City Council meeting, the City Council unanimously adopted a new compensation and benefits schedule to be applied to any Executive Management Contract Employee hired by the City of South Gate after July 1, 2021. Exhibit B incorrectly used salary tables posted on the City's webpage that had not been adopted by the City Council for certain existing positions.

By adopting this new Resolution, the City Council will be correcting that error so that the correct compensation tables will be used by Payroll, Human Resources and can be placed on the City's webpage for true transparency. Fortunately, no compensation was paid based on the incorrect version of the salary table on the City's website. Given recent staff turnover in Administrative Services, we are unable to completely determine how or why the incorrect table was posted on the website.

**BACKGROUND:** At the June 22, 2021 City Council meeting, the City Council adopted a new compensation and benefits schedule for any new Executive Management Contract employee hired after July 1, 2021. This new approved schedule reduced a number of benefit levels which prior employees are eligible to receive. The changes included reducing the medical insurance coverage after retirement from the City as permitted by our contract with CalPERS medical; reducing participation in the deferred compensation from a rolling percentage based on the adjusted IRS levels that increase from

year to year, to a fixed dollar amount; reducing various leave payouts and stopping the payout of unused sick time upon retirement.

These new benefits will still keep the City competitive in the labor market while saving significant costs in the future.

**ATTACHMENT: Proposed Resolution**

**RESOLUTION NO.**

**CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE,  
CALIFORNIA, CORRECTING, APPROVING AND ADOPTING COMPENSATION  
TABLES AND BENEFITS FOR EXECUTIVE MANAGEMENT CONTRACT  
EMPLOYEES HIRED AFTER JULY 1, 2021**

**WHEREAS**, Section 36506 of the California Government Code requires that a city council fix the compensation of all appointive offices and employees by resolution or ordinance;

**WHEREAS**, the City Manager of the City of South Gate (“CITY”) has authority to appoint, promote, discipline, demote and remove any offices and employees of the City except the City Clerk, City Treasurer and City Attorney, pursuant to South Gate Municipal Code Section 1.06.060 (Power and Duties), of Chapter 106 (City Manager), of Title 1 (Administrative and Personnel);

**WHEREAS**, the City currently has unclassified Executive Management Contract Employee classifications, excluding the City Manager, that include the Police Chief, Assistant City Manager/Director of Public Works, Director of Public Works/City Engineer, Director of Community Development, Director of Parks and Recreation, Director of Administrative Services and Field Operations Manager (collectively, “Executive Management Contract Employees”) which are exempt under the Fair Labor Standards Act (“FLSA”) and are considered “at-will”;

**WHEREAS**, at its June 22, 2021 meeting, the City Council approved a revised compensation and benefits schedule for Executive Management Contract Employees hired after July 1, 2021, which reflected incorrect salary tables for current employees;

**WHEREAS**, the City wishes to correct its approval of those compensation and benefit schedules to reflect officially adopted tables that the City Council previously adopted in 2019 for current Executive Management Contract Employees;

**WHEREAS**, the attached Exhibit A is restated as adopted on June 22, 2021, and Exhibit B states the true and correct tables for existing Executive Management Contract Employees; and

**WHEREAS**, there is no fiscal impact caused by this correction.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE,  
CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The City Council does hereby declare that the above recitals are true and correct and incorporated herein by reference.

**SECTION 2.** The City Council does hereby approve and adopt Exhibit “A”, titled Executive Management Contract Employees Benefit Schedule, incorporated herein by reference, which will cover any new Executive Management Contract Employee hired after July 21, 2021.

**SECTION 3.** The City Council does hereby approve and adopt Exhibit “B”, titled Monthly Salary Schedule of Executive Management Contract Employees, incorporated herein by reference, which corrects the previously adopted version on June 22, 2021, which contained incorrect data.

**SECTION 4.** Nothing in this Resolution shall be considered to effect, change or alter any previously adopted or approved salary and benefits bestowed upon an existing member of the Executive Management Contract Employees group hired before July 1, 2021.

**SECTION 5.** The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

**PASSED, APPROVED and ADOPTED this 10<sup>th</sup> day of August 2021.**

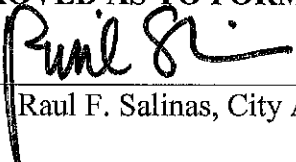
**CITY OF SOUTH GATE**

By: \_\_\_\_\_  
AL Rios, Mayor

**ATTESTED:**

By: \_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

By:  \_\_\_\_\_  
Raul F. Salinas, City Attorney

**City of South Gate**  
**Executive Management Contract Employees Benefit Schedule**  
**(Applicable to Employees Hired After July 1, 2021)**

- A. **Applicability.** This Schedule sets forth the benefits levels for Executive Management Contract Employees (which excludes the City Manager whose terms of wages, benefits, hours and working conditions are separately determined by City Council Resolution and contract) who are appointed by the City Manager after July 1, 2021. Executive Management Contract Employees includes the following classifications: Police Chief, Assistant City Manager/ Director of Public Works, Director of Public Works/ City Engineer, Director of Community Development, Director of Parks & Recreation, Director of Administrative Services, and Field Operations Manager.
- B. **City Manager Authorized to Execute Employment Agreements.** The City Manager shall be authorized to execute an employment agreement with any Executive Management Contract Employee hired on or after July 1, 2021 with benefits not to exceed those set forth herein. In the event the City Manager desires to exceed any of the parameters set forth herein, City Council authorization shall be required. The City shall not reduce any benefit level contained herein once incorporated into an employee's employment contract, unless both parties voluntarily agree to those changes.
- C. **Current Agreement Terms and Conditions Remain In Effect.** Executive Management Contract Employees with an existing employment contract with the City as of July 21, 2021 are entitled only to the level of salary and benefits contained in their respective contracts, and the terms and conditions of their employment shall be governed by the employment contract rather than this resolution.
- D. **Miscellaneous Terms and Conditions.**
1. **Workweek and Hours.** Executive Management Contract Employees are expected to engage in the hours of work that are necessary to fulfill the obligations of the position, must be available at all times, and must devote a great deal of time outside the normal office hours to the business of the City. The proper performance of duties will require Executive Management Contract Employees to generally observe normal business hours (currently 7:00 a.m. to 6:00 p.m., Monday through Thursday, including a standard one-hour lunch period), as set by the City and as may be duly revised from time-to-time by the City, and will also often require the performance of necessary services outside of normal business hours.
  2. **At-Will Employment.** The employment of Executive Management Contract Employees with the City is "at-will," and Executive Management Contract Employees serve at the pleasure of the City Manager pursuant to Section 1.06.060(C) of the South Gate Municipal Code. As such, the City Manager may terminate a Department Director's employment at any time, with or without cause and with or without advance notice.

3. Exempt Status. Employees subject to this resolution are considered to be "exempt" employees within the definition of the Fair Labor Standards Act ("FLSA"), and shall not receive overtime compensation for time worked outside of the regular work schedule.
4. Exclusion from Civil Service Rules and Regulations. Executive Management Contract Employees are excluded from the City's civil service rules and regulations pursuant to Section 1.24.105 of the South Gate Municipal Code.

**E. Benefits.** The benefits for Executive Management Contract Employees shall be as set forth below. The benefits contained in this Exhibit shall not be altered, changed or eliminated without an amending Resolution or change in State/federal law which requires such action.

1. Social Security – No contributions are paid by the City or employee into Social Security.
2. Medicare Withholding– 1.45% of salary paid by City and 1.45% employee for a total of 2.9% (for employees hired after 4/1/1986).
3. CalPERS Pension- Executive Management Contract Employees will be provided with California Public Employees' Retirement System ("CalPERS") pension benefits consistent with the City's contract with CalPERS, with benefits differing depending on whether the employee is a "classic member" or "new member" as defined by the Public Employee's Pension Reform Act ("PEPRA"). The City will pay the Employer contribution of pension cost and the employee shall pay the Employee contribution of pension costs consistent with CalPERS requirements. The City's CalPERS contract provides for 1959 Survivor Benefit Level 4 and sick leave credit, such that sick leave is converted to service credit upon retirement from the City within four months of employment separation subject to current CalPERS regulations.
4. Medical Insurance – The City provides health coverage through the CalPERS Health Program. All new Executive Management Contract Employees will receive up to \$1,000 + 1.00% of salary monthly towards mandatory health and dental coverage, which includes the required CalPERS monthly contribution. Employees may receive non used/required benefit amount in cash upon submittal of waiver and proof of enrollment in an alternative group health plan and annually each year after. However, cash out may not be more than \$600 per month.
5. Retire Medical Plan contribution --The City shall only pay the required CalPERS monthly contribution towards CalPERS health plans, which is the PEMHCA minimum set by CalPERS annually. The City shall reimburse said employee on a quarterly basis.
6. Vision – City pays employee and up to 2 dependents party HMO plan premium.

7. Life Insurance – City pays for \$100,000 policy for such group members. Employee may obtain more coverage, but such additional costs are the sole responsibility of the employee.
8. Long Term Disability – City pays 50% of the plan cost, should employee chose to participate in CalPERS (or successor) offered program.
9. Communication allowance – In-lieu of the City providing a cell phone, the employee shall receive \$120 per month for communication expenses. The employee understands the monthly records of calls may be subject to the California Public Records Act relating to city business items. The City Attorney's Office will make any determination as to applicability.
10. Deferred Compensation – The City shall match employee contribution up to \$550 per month.
11. Holidays – Employees shall be entitled to a total of 130 paid holiday hours per year. The City is closed for holidays the week between Christmas and New Year's Day and the following holidays:
  - New Year's Day
  - Martin Luther King Day
  - President's Day
  - Memorial Day
  - Independence Day
  - Labor Day
  - Thanksgiving Day
  - Christmas Eve
  - Christmas Day
12. Sick Days – 96 hours per year at 3.69 hours per pay period (no maximum accumulation). No cash-out is allowed.
13. Administrative Leave – A range of 40 to 50 hours per year is authorized (accrued on a per pay period of 1.54 to 1.92 hours), with no more than 100 hours may be accumulated at any one time. Upon reaching such maximum accumulation, employee shall cease earning additional administrative leave hours or may choose to cash out up to 80 hours upon their anniversary date at 50% of their hourly rate.
14. Vacation Leave – 120 hours per year at 4.62 hours per pay period. The employee can have maximum vacation leave bank accrual of 300 hours at any time. Upon reaching that limit, the employee shall stop accruing any additional hours until they fall below that maximum level. The employee may choose to cash out up to 40 hours of vacation leave during any single fiscal year at their full hourly rate.

15. Vehicle Allowance – In lieu of the City providing a vehicle or paying mileage reimbursement for city business use, the employee may receive up to \$500 per month as vehicle allowance. The employee shall annually present proof of vehicle insurance and employee understands that such coverage shall cover the vehicle operation for city business purposes by said employee. The Employee shall also participate in the City's annual DMV verification program.
16. Tuition Reimbursement – Up to \$3,500 for Cal State/University; private university or recognized professional organization (American Planner Association, Government Finance Officers Association, etc.) annually for enrolling in classes related to their professional development with the City. Such reimbursement shall be pre-approved by the City Manager prior to enrollment by the employee. To be eligible for reimbursement, an employee must obtain a grade of "C" or better (a Pass if the class is a pass- fail standard) and shall submit a grade slip or other evidence of successful course completion and appropriate invoices and/or receipts.
17. Master's Degree – The City shall pay \$125 per month for any employee that has obtained such a degree from a fully accredited university.
18. Bereavement Leave – 40 hours (8 addition hours if interment service is over 300 miles away).
19. Personal Emergency Leave – Up to 24 hours in any fiscal year. Such hours shall be taken out of the employee's sick leave bank.
20. Family Illness Leave – The Employee governed by the Family Medical Leave Act ("FMLA") and California Family Rights Act ("CFRA") standards.
21. Employee is eligible to participate at no cost with the City's Employee Assistance Plan Program.
22. Employee is eligible to participate in the City's Sports Center facility/programs at no cost to the employee while employed with the City of South Gate.



Resolution No. \_\_\_\_\_

**Monthly Salary Schedule of Executive Management Contract Employees****(All Positions)**

<u>Position Title</u>	<u>Step A</u>	<u>Step B</u>	<u>Step C</u>	<u>Step D</u>	<u>Step E</u>
Director of Community Development	\$12,958	\$13,605	\$14,286	\$15,000	\$15,750
Director of Administrative Services	\$12,958	\$13,605	\$14,286	\$15,000	\$15,750
Assistant City Manager/ Director of Public Works	\$13,176	\$13,834	\$14,526	\$15,253	\$16,015
Director of Public Works/ City Engineer	\$13,176	\$13,834	\$14,526	\$15,253	\$16,015
Director of Parks & Recreation	\$11,652	\$12,235	\$12,846	\$13,489	\$14,163
Field Operations Mgr.	\$ 9,784	\$10,273	\$10,787	\$11,326	\$11,893
Police Chief	\$15,715	\$16,501	\$17,326	\$18,192	\$19,102