

Council Meeting of
May 9, 2006

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

**SUBJECT: Recommendation to approve Executive and Management Employees
Merit Pay Plan**

RECOMMENDATION

It is the recommendation of the City Manager that the City Council approve the merit pool for Executive and Management employees pursuant to the Merit Plan provisions.

Funding

Available in the wage reserve.

BACKGROUND AND ANALYSIS

The funding of the Executive and Management Merit Pay Plan (MPP) is based on the Employee General Increase (EGI). The EGI for fiscal years 2005-06 and 2006-07 was established by City Council on October 11, 2005 at 5% for the period beginning December 25, 2005 through February 28, 2007.

As the Merit Pay Plan is an annual plan, at the City Council meeting of October 25, 2005, Council approved allocating the 5% EGI between the two fiscal years for the funding of the Merit Pay Plan. Fiscal year 2005-06 was funded at 2.5% with the remaining 2.5% to be effective July 1, 2006. This item implements Council's direction for fiscal year 2006-07.

Respectfully submitted,

LeROY J. JACKSON
CITY MANAGER

By 
Mary K. Giordano
Assistant City Manager

CONCUR:


LeRoy J. Jackson
City Manager

Attachments: A) Council Item of October 25, 2005

Council Meeting of
October 25, 2005

Honorable Mayor and Members
 of the City Council
 City Hall
 Torrance, California

Members of the Council:

SUBJECT: Resolutions for Certain Full Time Salaried and Hourly Employees, Certain Part Time Hourly Employees, Executive and Management Employees, Safety Management Employees, Elected Officials and authorization to pay one-time payments to various groups

RECOMMENDATION

The City Manager recommends that the City Council adopt the following:

- Resolution for Certain Full Time Salaried and Hourly Employees including a pay increase of 5% from December 25, 2005
- Resolution for Certain Part Time Hourly Employees including a pay increase of 5% from December 25, 2005
- Resolution for Executive and Management Employees increasing the reference point based on salary survey
- Resolution for Safety Management Employees
- Resolution for Elected Officials
- Authority to pay one-time payment to various groups

Funding

Adequate funding is available in the wage reserve.

BACKGROUND

At the City Council meeting of October 11, 2005, seven Memoranda of Understanding were adopted for the majority of non-safety employees. Based on the instructions for these employees, the City Council also gave directions for the Certain Full Time Salaried and Hourly Employees and the Certain Part Time Hourly Employees of raises of 5% for the period beginning December 25, 2005. In addition, the City Council gave authorization to finalize the Safety Management Employees Resolution to update the Fire Division Chief based on the increase given to the Battalion Chiefs. The City Clerk and City Treasurer have also updated pay and benefits. The Executive and Management Employees have also had their pay grids updated increasing the

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reference point based on salary survey. This modifies the pay ranges, but all pay raises are on merit. Finally, there are several groups requiring one-time payments.

ANALYSIS

Like the seven MOUs adopted on October 11, 2005, the Certain Full Time Salaried and Hourly Employees Resolution has included a 5% increase to wages effective December 25, 2005, and an additional ½ holiday for both Christmas Eve and New Year's Eve (making them full day holidays). In addition, the part time employees have had similar increases.

In addition to the changes noted above, there is also a change to the Business Manager position. At the City Council meeting of May 24, 2005, your Honorable Body approved the consolidation of the Community Services Department. Implementation of this action includes the creation of a Senior Business Manager. This position would be responsible for administrative functions including supervision of numerous employees, oversight of registration, facility reservations, budget administration and personnel matters.

There are currently five (5) Business Managers assigned to the General Services (Cultural Arts, Facility Services and Facility Operations), Police and Transit Departments. A study of these positions indicated that in addition to the newly created position in Community Services, the positions in Transit and Cultural Arts should also be upgraded to Senior Business Manager. Incumbents assigned to these positions are also responsible for supervision of numerous employees, oversight of a variety of programs and projects, and employee relations matters.

The current salary range for Business Manager is \$28.03 to \$31.04. The proposed salary range would add four steps from \$32.59 to \$37.73 for those positions assigned as Senior Business Manager. For the salary increase that commences December 25, 2005, the grid will increase by 5%.

For the Safety Management Employees Resolution, the Fire Division Chief received raises commensurate with the Battalion Chiefs whom that position supervises.

The Executive and Management Merit Pay Plan provides for establishing a reference point for each Executive and Management position based on salary surveys every four years of comparable positions within other agencies, adjusted for internal compression as necessary for safety executive positions. In intervening years, the reference point is adjusted by CPI. For certain positions for which comparable external position data is limited or not available, those positions are benchmarked to comparable internal positions.

The fiscal year 2005-06 reference points have been set by survey and internal benchmark comparisons. This adjustment is to the grid only and does not change the actual compensation received by the incumbent. Incumbent compensation is adjusted

within the grid pursuant to the guidelines of the Management Merit Pay Plan (MMPP). The funding from MMPP is based on the Employee General Increase (EGI); however, as the plan is annual in nature, EGI is defined for this purpose to be 2.5% for fiscal year 2005-06, with the remaining 2.5% effective July 1, 2006. The 2005-06 MMPP has an additional revision. A Public Works Director discretionary premium has been added for performance of City Engineer responsibilities.

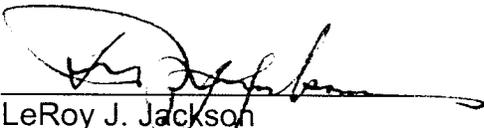
Finally, the following employees will be getting one-time \$800 payments: Those employees in the Certain Full Time Salaried and Hourly Employees Resolutions and TFFA Fire Communication Operators. In addition, employees who have been with the City for five years or more covered by the Certain Part Time Hourly Employees and Torrance Recurrent Recreation Employees Organization (TRREO) Resolutions will receive \$400 pro rata based on hours worked.

Respectfully submitted,

LeROY J. JACKSON
CITY MANAGER

By *Kathy Keane*
Kathy Keane
Assistant to the City Manager

CONCUR:


LeRoy J. Jackson
City Manager

- Attachments:
- A) Certain Full Time Salaried and Hourly Employees Resolution
 - B) Certain Part Time Hourly Employees Resolution
 - C) Executive and Management Employees Resolution (materials available Tuesday)
 - D) Safety Management Employees Resolution
 - E) Elected Officials Resolution