



MEMORANDUM
OFFICE OF THE
COUNTY EXECUTIVE
COUNTY OF PLACER

TO: Honorable Board of Supervisors
FROM: David Boesch, County Executive Officer and Lori Walsh, Interim Personnel Director
By: Maryellen Peters, Deputy County Executive Officer
DATE: September 9, 2014
SUBJECT: Elected Department Head and Management Employee Compensation and County Code, Chapter 3 Updates

ACTION REQUESTED

It is recommended that your Board take the following actions:

1. Adopt an ordinance adjusting the compensation and employment terms for elected department heads and management employees which shall become effective the first full pay period after adoption or on the date indicated in the ordinance.
2. Adopt an un-codified ordinance adjusting salaries, compensation, and benefits for elected department heads and management employees which shall become effective the first full pay period after adoption or on the date indicated in the ordinance.

BACKGROUND

Placer County currently employs approximately 234 management staff, including 14 department heads, 6 elected department heads, 28 safety managers and 186 classified and unclassified managers. The *Placer County Employer-Employee Relations Policy* defines a management employee as one that has responsibility for formulating, administering or managing the implementation of County policies and programs. Placer County's management employees are unrepresented and, as such, are not affiliated with an employee organization.

The Board of Supervisors ensures continued sustainability of county's service delivery to constituents, while requiring the agency to maintain a solid financial position, through adopted policies and a Five-Year Strategic Budget Model that guide staff in the management of operations and development of county budgets. While the county expects fiscal challenges will need to be addressed with the upcoming budget cycle, staff expect modest revenue growth will provide the funding necessary for the County to both offer critical services to our citizens and pay for labor and other operating cost increases.

The County's future ability to fund these priorities is in large part due to prior actions taken by the Board in response to the recent economic downturn. As the country's economic outlook continues to improve, we are optimistic that modest revenue growth will continue. Keeping in line with the Board of

Supervisors' commitment to employee engagement as well as the recent negotiated agreements with represented employee groups, staff recommends the following salary, compensation and benefit adjustments and changes to employment terms for elected department heads and management employees:

- **Wage Adjustments.** Employees will receive a modest wage increase of 2.5% to their base hourly rate effective November 15, 2014.
- **Long Term Disability Insurance.** This benefit will be terminated effective December 31, 2015 at 11:59 p.m.
- **Tahoe Subsistence Pay / Tahoe Rural Health Subsidy.** Effective calendar year 2015, the Tahoe Rural Health Subsidy will be eliminated in exchange for an increase in Tahoe Subsistence Pay from \$675 per month to \$775 per month. Tahoe Subsistence Pay is considered pensionable compensation.
- **401(k) In Lieu of Health Insurance.** The County will contribute a flat \$140 per pay period, up from the current \$130 per pay period, to an employee's 401(k) account in lieu of that employee participating in the County's health insurance program.
- **Stand-by duty.**
 - Effective December 13, 2014 stand-by duty shall increase by \$4 to a flat rate of \$25 for weekdays and \$28 for weekends and holidays (from the current \$21 and \$24 respectively).
 - Effective December 12, 2015 stand-by duty shall increase by an additional \$2 to a flat rate of \$27 for weekdays and \$30 for weekends and holidays.
- **Tuition Reimbursement.** Employees will be reimbursed for the cost of tuition, books and fees up to a maximum of \$1,200 per fiscal year (up from the current \$550).
- **Dental Insurance.** Added dental implants to the current list of items covered.

FISCAL IMPACT

Recommended wage adjustments for elected officials and management employees would begin mid FY 2014-15 with the costs absorbed by departments within their current appropriations. Due to mid-year implementation, the total annual cost for the proposal would not be realized until FY 2015-16 and is estimated at \$794,000. Effects of some items have been deferred into future fiscal cycles when staff anticipates that the County's revenue will improve. In FY 2015-16 wage increases will be offset by the elimination of the long term disability benefit which will annually save the County \$73,000.

Attachments:

1. Ordinance amending the Placer County Code, Chapter 3 implementing compensation and benefits adjustments for management employees.
2. Un-codified Ordinances implementing a salary, compensation and benefit adjustments for elected department heads and management employees.

Provisions in this codified ordinance for elected department heads and management will be incorporated with any similarly adopted provisions with confidential and unclassified non-management codified ordinances.

**Before the Board of Supervisors
County of Placer, State of California**

In the matter of: AN ORDINANCE AMENDING
SECTIONS 3.04.290, 3.12.080, 3.12.090 OF CHAPTER 3 OF
THE PLACER COUNTY CODE

Ordinance No: _____

First Reading: August 26, 2014

The following Ordinance was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Jack Duran
Chairman, Board of Supervisors

Attest:
Clerk of said Board

Ann Holman

THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER, STATE OF CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1: That Section 3.04.290 of Chapter 3 of the Placer County Code is hereby amended as follows:

3.04.290 Overtime—Stand-by duty.

A. Stand-by duty requires the employee so assigned:

1. To be ready to respond to calls for service; and

2. To be reachable by telephone or radio; and

3. To refrain from activities which might impair his or her ability to perform his or her assigned duties.

B. Stand-by duty may only be assigned by a department head, or designated representative.

C. Stand-by duty shall be compensated at a flat rate of twenty-one dollars (\$21.00) for weekdays and twenty-four dollars (\$24.00) for weekends and holidays, for eight hours (one normal shift) of stand-by duty, or any portion thereof, and shall be paid in the pay period it is earned. Weekdays are defined as Monday 12:01 a.m. through Friday midnight. Holidays are defined as the county declared holiday from 12:01 a.m. to midnight.

1. PPEO Represented **and Management** Employees. Effective December 13, 2014, pay period 14, stand-by duty shall be compensated at a flat rate of twenty-five dollars (\$25.00) for weekdays and twenty-eight dollars (\$28.00) for weekends and holidays.

a. PPEO Represented **and Management** Employees. Effective December 12, 2015, pay period 14, stand-by duty shall be compensated at a flat rate of twenty-seven dollars (\$27.00) for weekdays and thirty dollars (\$30.00) for weekends and holidays.

D. Stand-by duty and stand-by compensation shall not be deemed overtime compensation for purposes of Section 3.04.230.

Section 2: That Section 3.12.080 of Chapter 3 of the Placer County Code is hereby amended and shall read as follows:

3.12.080 Supplemental compensation - Tahoe.

* * *

B. PPEO Represented, Confidential, Management, and Safety Management. Tahoe subsistence shall be paid at the rate of six hundred seventy-five (\$675) per month.

1. PPEO Represented **and Management** Employees. Effective calendar year 2015, pay period beginning December 27, 2014, in exchange for elimination of the

Tahoe Rural Health Subsidy, Tahoe Subsistence Pay shall increase to seven hundred seventy five (\$775) dollars per month.

* * *

Section 3: That Section 3.12.090 of Chapter 3 of the Placer County Code is hereby amended and shall read as follows:

3.12.090 Tahoe rural health program.

* * *

B. PPEO Represented, Safety Management, Management and Confidential Employees. The County provides a Rural Health Subsidy allowance for Tahoe area employees who do not have access to a County offered Health Maintenance Organization, and are covered by a County offered PPO. The Rural Health Subsidy allowance will be used for the reimbursement of medical expenses, as defined under IRS Code Section 213, which are not covered by any other insurance plan. The reimbursement cannot cover employee premium payments.

1. Employees who have one-party coverage will be entitled to receive the Tahoe Rural Health Subsidy for a maximum of **two thousand dollars (\$2,000)** (~~two thousand dollars~~) each calendar year.

2. Employees who have two-party or family coverage will be entitled to receive a maximum of **three thousand dollars (\$3,000)** (~~three thousand dollars~~) each calendar year.

C. Employees who receive the 401(K) contribution in lieu of County-paid health insurance will not be entitled to this benefit.

D. Payment will be for reimbursement of actual medical expenses during the associated calendar year and not reimbursable under any other plan. Any unused balance will not be carried over to the following calendar year.

E. PPEO Represented **and Management** Employees. Effective after 11:59 p.m. on December 31, 2014, for calendar year 2015, the Tahoe Rural Health Subsidy will be eliminated.

Before the Board of Supervisors County of Placer, State of California

In the matter of: **AN ORDINANCE AMENDING**

Ordinance No: _____

An Un-codified Ordinance Related to the Compensation and Benefits for Elected Department Heads and Classified and Unclassified Management Employees

First Reading: August 26, 2014

The following **Ordinance** was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Jack Duran
Chair, Board of Supervisors

Attest:
Clerk of said Board

Ann Holman

THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER, STATE OF CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

That this un-codified Ordinance modifies provisions relating to salaries, compensation and benefits of elected department heads and classified and unclassified management employees, as set out below. This ordinance shall not be codified.

1. Wage Adjustment

Effective pay period 12, beginning November 15, 2014, pay date December 12, 2014, elected department heads and management (classified and unclassified) employees, shall receive a cost of living adjustment of two and one half percent (2.5%) to their base hourly rate.

This base hourly rate adjustment will not apply to safety management classifications that are covered by or associated with Measure F wage increases.

2. In Lieu of Health

Effective pay period 4, beginning September 20, 2014, pay date October 17, 2014, the County will contribute a flat \$140 per pay period to an employee's 401(k) account in lieu of that employee participating in the County's Health Insurance Program for elected department heads and management (classified and unclassified) employees.

3. Dental Insurance

Effective the plan year beginning January 1, 2015, implants will be included in the coverage for elected department heads and management (classified and unclassified) employees .

4. Long Term Disability Insurance.

Effective December 31, 2015 at 11:59 p.m., Long-Term Disability (LTD) benefits will be terminated for elected department heads and management (classified and unclassified) employees.

5. Tuition Reimbursement.

Effective pay period 4, beginning September 20, 2014, pay date October 17, 2014, the County agrees to reimburse the cost of tuition, books, and fees, excluding parking, up to a maximum of \$1,200 per fiscal year for elected department heads and management (classified and unclassified) employees.

