

CITY OF OAKLAND
AGENDA REPORT

2010 JUN 29 PM 4: 12

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Finance & Management Agency
DATE: July 13, 2010

RE: **Informational Report on the Status of Employee Merit and Step Increases**

SUMMARY

In response to a request from the Finance and Management Committee on May 25, 2010, this report provides an update on the merit and step increases awarded to employees in Fiscal Year 2009-10. As of June 1, 2010, the City has granted approximately \$2.1 million in step and merit increases across all funds. Of the total, approximately \$1.37 million in step and merit increases has been awarded from the General Purpose Fund. Sworn employees (Police and Fire) account for approximately \$1 million of the total increases from the General Purpose Fund. Annual merit and step increases of represented employees are mandated by MOU agreements.

FISCAL IMPACT

This is an informational report; therefore there are no direct fiscal impacts.

DISCUSSION

This report presents a summary of merit and step increases awarded in the current fiscal year, as of June 1, 2010. Merit and step increases are awarded to represented employees per MOU agreements with the City's employee unions. Most employees receive annual pay increases based on one year's satisfactory service (based on six months' satisfactory service for firefighter up until Step 4). Of note, employees represented by SEIU Local 1021 have not received step increases in Fiscal Year 2009-10, per agreement with the City. Step increases shall resume for eligible unit members on their respective anniversary dates beginning July 1, 2010.

City employees are granted merit and step increases based on satisfactory performance evaluations. For employees represented by SEIU Local 1021, the Oakland Police Officers Association, the International Federation of Professional and Technical Engineers (IFPTE) Local 21, the International Brotherhood of Electrical Workers Local 1245, and the Deputy City IV and Special Counsel, increases are awarded on an annual basis. Salary step increases for an eligible employee is effective at the beginning of the pay period in which the anniversary date of appointment in such classification falls. Specifically, members of IFPTE Local 21 and the Deputy City IV and Special Counsel employees receive advancement of five percent (5%) per year of satisfactory performance, up to the mid-point of salary range. Unit members may

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progress above the mid-point of the salary range at a rate of two and one-half percent (2.5%) to five percent (5%) per year, if recommended by the Agency Head and approved by the City Administrator. As defined in the MOUs, represented employees of these units shall be deemed to have performed satisfactory service if the performance appraisal for the period includes an overall rating of "fully effective" or "exceeds expectations". Represented employees may receive no more than one salary adjustment during any twelve month period.

According to the City's agreement with the International Association of Firefighters Local 55, firefighters receive salary increases based on six months' satisfactory service, up until Step 4. After Step 4, the unit member shall advance through the remaining steps on the basis of one year's satisfactory service.

As of June 1, 2010, the City has awarded approximately \$2.1 million in merit and step increases to employees in Fiscal Year 2009-10. Of the total, approximately \$1.37 million in step and merit increases has been awarded from the General Purpose Fund. As shown in the table below, sworn employees (Police and Fire) account for approximately \$1 million of the total increases from the General Purpose Fund.

FUND	TYPE	SALARY INCREASES (\$ million)
GPF (1010)	Sworn (Fire)	\$.178
	Sworn (Police)	.836
	Non-Sworn	.356
Total GPF (1010)		\$1.37 million
Non-GPF	Sworn (Fire)	--
	Sworn (Police)	.123
	Non-Sworn	.580
Total Non-GPF		\$.703 million
All Funds	Sworn (OFD & OPD)	1.14
	Non-Sworn	.936
Citywide Total		\$2.07 million

SUSTAINABLE OPPORTUNITIES

There are no direct economic, environmental, or social equity opportunities resulting from this informational report.

DISABILITY AND SENIOR CITIZEN ACCESS

There are no disability and senior citizen access issues identified in this report.

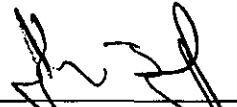
RECOMMENDATION(S) AND RATIONALE

Staff recommends Council's acceptance of this informational report.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that Council accept this informational report.

Respectfully submitted,



Joseph T. Yew, Jr.
Finance Director/City Treasurer

Prepared by:
Sabrina Landreth, Administrative Services Manager II
Finance & Management Agency

APPROVED AND FORWARDED TO THE
FINANCE COMMITTEE:



Office of the City Administrator

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