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2017 MAR -9 PM 2:10

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Ian Appleyard
HRM Director

SUBJECT: Amendments to the Salary Schedule
of Ordinance No. 12187 C.M.S. (The
Salary Ordinance)

DATE: March 7, 2017

City Administrator Approval

Date:

[Handwritten signature]
3/8/17

RECOMMENDATION

Staff Recommends that the City Council Adopt Six (6) Ordinances Amending the Salary Schedule of Ordinance No. 12187 C.M.S. ("Salary Ordinance") To Provide Public Notices in Accordance with the Requirements of the California Public Employees Retirement System ("CalPERS")

- 1) An Ordinance Amending the Salary Schedule of Ordinance No. 12187 C.M.S. ("Salary Ordinance") Effective July 1, 2012
- 2) An Ordinance Amending the Salary Schedule of Ordinance No. 12187 C.M.S. Effective July 1, 2013
- 3) An Ordinance Amending the Salary Schedule of Ordinance No. 12187 C.M.S. Effective July 1, 2014
- 4) An Ordinance Amending the Salary Schedule of Ordinance No. 12187 C.M.S. Effective July 1, 2015
- 5) An Ordinance Amending the Salary Schedule of Ordinance No. 12187 C.M.S. Effective July 1, 2016
- 6) An Ordinance Amending the Salary Schedule of Ordinance No. 12187 C.M.S. Effective January 14, 2017

EXECUTIVE SUMMARY

The City received notice from representatives of the California Public Employees Retirement System ("CalPERS") that amendments to the Salary Schedule of the Salary Ordinance had not been published in compliance with California Code of Regulations, section 570.5 - Requirement for a Publicly Available Pay Schedule. Staff therefore recommends that City Council adopt five (5) ordinances amending the Salary Schedule of the Salary Ordinance (Ordinance 12187 C.M.S.) for each fiscal year beginning July 1, 2012.

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If City Council does not take the recommended actions, the City's reporting of its Salary Schedule will continue to be out of compliance with California regulations.

BACKGROUND / LEGISLATIVE HISTORY

The Salary Ordinance (Ordinance No. 12187 C.M.S.) establishes salaries as well as other terms and conditions of City employment including the classification titles and bargaining unit designation of positions. As applicable regulations change, staff in the Human Resources Management Department (HRM) periodically propose amendments to the Salary Ordinance and its Salary Schedule as appropriate.

A recent audit of the City's procedures by CalPERS found that updates to the Salary Schedule were not being reported and published in accordance with California Code of Regulations, specifically section 570.5 (1)(a), which requires that the Salary Schedule, "Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws." Typically, when the City has made amendments to the Salary Schedule, the changes are detailed in an ordinance, but the Salary Schedule in its entirety is not published as part of the City Council agenda materials. Instead, the recommended ordinance captures only the changes and the entire amended document is published on the City's website following the second reading of the amendment. CalPERS now requires that amendments to the Salary Schedule be noticed on a City Council agenda and the amended Schedule be published in its entirety.

ANALYSIS AND POLICY ALTERNATIVES

The City's long-standing practice of presenting amendments to the Salary Schedule in ordinances that contain only the changes being proposed and subsequently publishing the full Salary Schedule on the City's website had not previously been challenged. However, the recent CalPERS audit cited the practice as a point of concern.

City staff met with CalPERS staff to discuss the time period required and the process through which the City would update its Salary Schedules. Per regulations, the City is required to maintain the public record for five years, so it was agreed to go back to July 1, 2012 and then provide Salary Schedule Reports that were inclusive of all changes made for each fiscal year – July 1, 2012; July 1, 2013; July 1, 2014; July 1, 2015; July 1, 2016.

After July 1, 2016, there were several Salary Schedule changes per individual Salary Ordinance Amendments and labor contracts; those changes are reflected in the January 14, 2017 amendment and include:

- October 1, 2016, 1% increase for positions represented by the Service Employees International Union, Local 1021 (units SB1, SC1, SD1, and SI1), and the International Brotherhood of Electrical Workers, Local 1245 (unit IE1);
- November 1, 2016, 2% increase for positions represented by the Confidential Management Employees Association (unit U31) and unrepresented management positions (units UK1, UK2, and UP1);

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- January 1, 2017, 1% equity increase for positions represented by the Oakland Police Officers Association (units PP1 and PT1) and the Oakland Police Management Association (unit UN2);
- and January 14, 2017, 4% increase for the International Federation of Professional and Technical Engineers, Local 21 (units TA1, TF1, TM1, TM2, U41, UH1, UM1, UM2) and unrepresented positions in unit TL1.

The proposed action is recommended to ensure that the City of Oakland practices when publishing its Salary Schedule are in full accordance with applicable regulations.

FISCAL IMPACT

This report and the ordinances associated with it are being published to bring the City's practices into compliance with CalPERS requirements for Salary Schedule reporting. Any fiscal impacts associated with changes in the Salary Schedule have already been discussed and approved either as prior budget actions, or through individual Salary Schedule amendments when they were presented. There are no new fiscal impacts associated with the action recommended in this report.

PUBLIC OUTREACH / INTEREST

No public outreach was required other than the required posting on the City's website.

COORDINATION

The preparation of this report was coordinated with HRM, the Treasury/Payroll Bureau of the Finance Department, the Controller's Bureau of the Finance Department, and the City Administrator's Office; the legislation was reviewed by the City Attorney's Office.

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic opportunities associated with this report.

Environmental: There are no environmental opportunities associated with this report.

Social Equity: There are no social equity opportunities associated with this report.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends that the City Council Adopt Six (6) Ordinances Amending the Salary Schedule of Ordinance No. 12187 C.M.S. ("Salary Ordinance") To Provide Public Notices in Accordance with the Requirements of the California Public Employees Retirement System ("CalPERS"):

- 1) An Ordinance Amending the Salary Schedule of Ordinance No. 12187 C.M.S. ("Salary Ordinance") Effective July 1, 2012;
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- 5) An Ordinance Amending the Salary Schedule of Ordinance No. 12187 C.M.S. Effective July 1, 2016;
- 6) An Ordinance Amending the Salary Schedule of Ordinance No. 12187 C.M.S. Effective January 14, 2017.

For questions regarding this report, please contact Kip Walsh, Recruitment & Classification Manager, at (510) 238-7334.

Respectfully submitted,




IAN APPLEYARD

Director, Human Resources Management

Prepared by: Kip Walsh
Human Resources Manager
Recruitment & Classification Division

FILED
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INTRODUCED BY COUNCIL MEMBER _____


CITY ATTORNEY

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OAKLAND CITY COUNCIL

ORDINANCE No. _____ C.M.S.

AN ORDINANCE SETTING FORTH THE SALARY SCHEDULE OF ORDINANCE NO. 12187 C.M.S. ("SALARY ORDINANCE") EFFECTIVE JULY 1, 2012

WHEREAS, Oakland City Charter section 207 charges the City Council with fixing the compensation of all City employees, officers and officials unless otherwise provided by the Charter; and

WHEREAS, Ordinance No. 12187 C.M.S., the "Salary Ordinance," sets forth a salary schedule reflecting all classifications of employment within the City including those of city employees and city officers; and the City Administrator, or other appointing authority, authorizes individual positions in classifications in accordance with budgetary appropriations made by the City Council; and persons holding respective positions and offices in the classifications set forth in the salary schedule shall receive as salary in full for their respective services that amount set forth in the salary schedule specified for such office; and

WHEREAS, the California Code of Regulations (CCR) 570.5 as contained in the California Public Employees' Retirement Law (PERL) requires the City of Oakland, as a California Public Employment Retirement System (CalPERS) agency to make its Salary Schedule publicly available; now therefore,

THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

Section 1. The Salary Schedule of the Salary Ordinance is set forth below.