TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: HUMAN RESOURCES

DATE: DECEMBER 12, 2005 CMR: 448: 05

SUBJECT: APPROVAL OF RESOLUTION ADOPTING COMPENSATION PLAN FOR LIMITED HOURLY PERSONNEL

RECOMMENDATION

Staff recommends Council approval of the attached resolution adopting a Compensation Plan for Limited Hourly Employees, effective for the pay periods including July 1, 2005 through June 30, 2006.

BACKGROUND

Since the recent formation of the Service Employees International Union, Local 715 (SEIU) represented group of specified hourly employees, a group that will be receiving a 4% salary increase effective July 1st 2005, there still remains another category of hourly employees, approximately 206 employees, who are unrepresented. Like the represented Hourly employees, the unrepresented hourly group (the “Limited” Hourly Employees) last received a 3% salary increase in July 2002.

Examples of work classifications for Limited Hourly Employees are seasonal and temporary employees, police reserves and emergency medical technicians. These employees are a valuable resource to the City and provide cost-effective and efficient supplemental services essential for the broad spectrum of programs available to the community.

The compensation plan for Limited Hourly Employees is the governing document used to provide salary ranges and conditions for compensation. This document has been revised to replicate the equity with the represented hourly employees and is appropriate to retain and recruit for this cadre of employees. Specifically, the Limited Hourly Compensation Plan was last updated in July 2002 and is now being revised to reflect a 4% salary increase effective July 1, 2005, with corresponding adjustments to classifications and salary ranges.

DISCUSSION

Limited Hourly Employees have not received an increase in salary ranges the past three years. Effective with the pay period including July 1, 2005, the compensation plan provides for a 4% increase to the salary ranges for the Limited Hourly Employees.
In addition to the salary range increase, amendments to the Limited Hourly Employee Compensation Plan include revised classification and salary ranges that mirror similar SEIU Hourly Classifications. The definitions have been modified to distinguish between Limited Hourly Employees and those Hourly Employees designated within the SEIU Hourly Bargaining Unit. The Limited Hourly Compensation Plan has been modified to include uniform allowances for City-required uniforms, as required by State and Federal Laws. The Hourly Compensation Plan has also been modified to include Management Rights. As in previous compensations plans, Limited Hourly Employees are covered by the City’s workers compensation program, receive merit increases based on satisfactory performance appraisals, and receive holiday pay when they are scheduled to work 80 hours during a pay period in which a holiday occurs.

The full text of the compensation plan is attached with changes highlighted.

**RESOURCE IMPACT**

The annual cost for the proposed Hourly Compensation Plan salary range is $87,000. This cost only includes a salary increase. The cost for City required uniforms is $10,020. The total of $97,020 is within the authorization limits set by Council. Other compensation plan changes represent no cost change. Funds to cover these additional costs are included in the 2005-06 Adopted Budget; therefore a budget adjustment is not required.

**POLICY IMPLICATIONS**

The action recommended by this report is consistent with City Council direction.

**ENVIRONMENTAL REVIEW**

This is not a project under the California Environmental Quality Act (CEQA).

**ATTACHMENTS**

Attachment A – Resolution Adopting a Compensation Plan for Limited Hourly Personnel
Attachment B – City of Palo Alto Compensation Plan – Limited Hourly Personnel (Redlined version)
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