

Section B

Question 17



OPERATING BUDGET SAMPLE BOOK: FY 2000-2001

- Is there a discussion of employee compensation and benefits? 1 pt.
 - Only worth 1 point, but is important, especially to the public.
 - Good place for this is in the transmittal letter or budget message.
 - Talk about improvements in salaries and/or benefits.
 - Be sure to include a discussion, don't just give the numbers.

Payroll Benefits Information

Payroll benefits are described as follows.

Longevity Pay – Management and non-management employees having 8½ years of continuous service receive a salary increase of 3 percent over their current step grade. Management employees also receive an additional 3 percent after 13½ years and after 18½ years. Employees in the Cotati Police Officers Association receive a 5 percent salary increase after 10 years of continuous employment. The City will have 20 employees receiving longevity pay in 1999-2000 with a total projected cost of \$43,670.

Holiday Pay - Due to shift scheduling, the Police Lieutenant, Police Sergeants and Officers, and Dispatchers are given Holiday Pay in lieu of taking the standard 12½ holidays. The projected 1999-2000 cost is \$46,955.

Uniform / Shoe Allowance - Police, Public Works, and the Building Inspector receive stipends to be used to purchase and maintain required equipment for their duties. Police personnel purchase uniforms and uniform accessories, Public Works personnel purchase steel-toed shoes and launder uniforms, and the Building Inspector purchases steel-toed shoes. Uniform / Shoe allowances for 1999-2000 are projected to be \$ 14,050.

P.O.S.T. Incentive Pay – P.O.S.T. is a stipend paid to sworn police personnel that complete the required Post training program. The City currently has 9 employees receiving P.O.S.T. Incentive Pay. Total projected 1999-2000 cost is \$8,880.

Special Assignment Pay - The Cotati Police Department has two special assignment paid positions: Detective and K-9 Handler. The Detective position is rotated among eligible police officers in two year increments. During their two years as a detective, the officer is entitled to receive an additional 5 percent over their current salary step. The K-9 Handler position was implemented in 1996-97 to facilitate the usage of a police dog. The officer is responsible for the feeding and round the clock care of the police dog and is compensated by an additional 5 percent over their current salary step. The projected combined 1999-2000 cost for special assignment pay is \$4,692.

Overtime Pay - Overtime is paid to Police Officers, Dispatchers, and Public Works personnel. Overtime is required because of emergency call backs, training and court appearances. The projected 1999-2000 cost is \$82,600.

Deferred Compensation - The City contributes 2 to 3 percent of an employee's monthly salary into an IRC 457 Deferred Compensation Plan. The plan administrator is ICMA Corporation in Washington, D.C. The projected 1999-2000 cost for deferred compensation is \$33,714.

PERS - The City has 38 employees in the State of California PERS retirement program. They are divided into two groups: Miscellaneous (2% @ 55 Plan) and Safety (2% @ 50 Plan). The PERS employer rate and the City-paid employee rate for these groups are as follows:

	<u>Employer</u>	<u>Employee</u>
Miscellaneous	0.000%	7.00%
Safety	14.773%	9.00%

The PERS rates are multiplied by the employees' salaries to calculate the amount to be contributed. Projected 1999-2000 costs are as follows:

Miscellaneous	\$ 58,334
Safety	<u>191,375</u>
	<u>\$249,709</u>

Medicare - Employees hired on or after April 1, 1986, are required to participate in Medicare which cost the City 1.45 percent of total salaries. The City has 36 employees participating in Medicare and the projected 1999-2000 cost is \$19,428.

Health Insurances - The City offers medical insurance through Kaiser Permanente and Blue Cross. Dental insurance is provided through Delta Dental Plan and vision care is provided through Medical Eye Services. The projected cost of health insurance for 1999-2000 is as follows:

Medical insurance	\$174,692
Dental insurance	36,230
Vision insurance	<u>6,108</u>
	<u>\$217,030</u>

In addition, annual physical exams are provided for the City Manager, the Police Chief and the Public Works Superintendent.

Life and Disability Insurances - The City offers its employees life insurance as well as short-term and long-term disability insurance at a projected cost for 1999-2000 of \$73,750.

Workers' Compensation Insurance - The City's workers' compensation plan is administered by the Redwood Empire Municipal Insurance Fund (REMIF) and covers employees in case of on-the-job injuries. Total projected workers' compensation costs for 1999-2000 is \$41,748.

Unemployment Insurance - This cost is paid on an occurrence basis. There is currently no costs projected for the 1999-2000 fiscal year.

Employee Assistance Program - The City also offers independent counseling services for employees in times of need. The 1999-2000 projected cost of this program is \$1,445.

SALARIES AND BENEFITS

The Salaries and Benefits category makes up the largest component of General Fund expenditures and represents all personnel-related costs. There are currently five union-represented groups in the City: the Police Officers Association (sworn and nonsworn), the Mountain View Professional Firefighters Union and Service Employees International Union (maintenance unit and clerical/technical unit). The remaining unrepresented employees are Management, Professional and certain Front-Line positions. The outcome of negotiations with each unit is a major factor in salary and benefit costs.

CATEGORIES

- Salaries
- Wages
- Overtime
- Other pays (e.g., holiday-in-lieu, out-of-class, etc.)
- Medical/dental premiums
- Public Employees Retirement System (PERS)
- Other benefits (e.g., long-term disability, FICA, etc.)
- Workers' Compensation

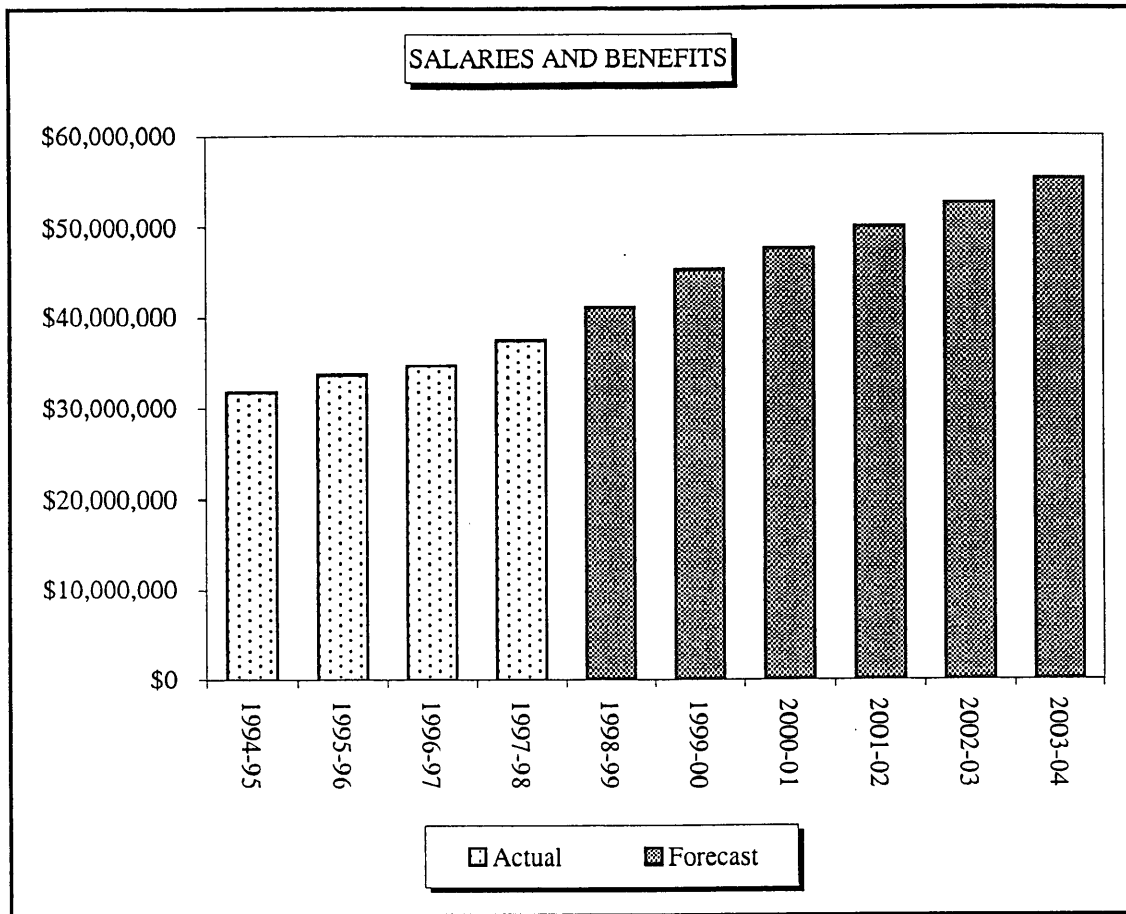
HISTORY

During the recession in the first half of this decade, the City experienced retrenchment, eliminating a total of 31.5 General Fund positions. For the next few years, the Council approved service enhancements for only the highest-priority areas. In Fiscal Years 1997/98 through 1998/99, Council approved additional positions for the Community Development, Community Services, Library Services, Fire and Police Departments. Actual expenditures are historically lower than budget as a result of a variety of factors, including vacant positions and turnover.

FORECAST

Includes all new positions recommended for Fiscal Year 1999-2000, cost-of-living adjustments previously agreed to in the current IAFF No. 1965 and SEIU No. 715 Memorandums of Understanding (MOU), and estimated merit and salary increases for the other groups. Public Employees Retirement System (PERS) rates reflect adjustments calculated by PERS in the most recent actuarial. In March 1998, the City changed to a new long-term disability insurance provider and realized a substantial savings in premium costs. The full impact of this savings is reflected throughout the forecast period. The remainder of insurance benefits is included in the forecast with inflationary increases.

CITY OF MOUNTAIN VIEW-2



<u>Fiscal Year</u>	<u>Annual Expenditures</u>	<u>% Change</u>
1994-95	31,708,000	5.5%
1995-96	33,631,000	6.1%
1996-97	34,623,000	2.9%
1997-98	37,422,000	8.1%
1998-99 *	40,993,000	9.5%
1999-00 **	45,195,000	10.3%
2000-01	47,523,000	5.2%
2001-02	49,974,000	5.2%
2002-03	52,556,000	5.2%
2003-04	55,275,000	5.2%

* Estimated

** Recommended