



Agenda Report

Fullerton City Council

MEETING DATE: FEBRUARY 18, 2020

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: KENNETH A. DOMER, CITY MANAGER

PREPARED BY: GRETCHEN BEATTY, DIRECTOR OF HUMAN RESOURCES

SUBJECT: FINAL CONSIDERATION OF A PROPOSED SIDE LETTER TO THE MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF FULLERTON AND THE FULLERTON POLICE MANAGEMENT ASSOCIATION

SUMMARY

Final consideration of a proposed Side Letter of Agreement between the City of Fullerton and the Fullerton Police Management Association (FPMA) by the City Council.

RECOMMENDATION

Adopt Resolution No. 2020-XX.

RESOLUTION NO. 2020-XX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, APPROVING THE SIDE LETTER AGREEMENT BETWEEN THE CITY AND THE FULLERTON POLICE MANAGEMENT ASSOCIATION

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statements:

- Fiscal and Organizational Stability
- Public Safety.

FISCAL IMPACT

The fiscal impact of the proposed action will increase costs for Police Lieutenant compensation by \$49,115 in Fiscal Year 2019-20 and by \$52,481 in Fiscal Year 2020-21. Total projected compensation costs for this unit are \$2,134,078 and \$2,333,741 for each respective fiscal year. As the increased costs of Police Lieutenant compensation

will be offset by salary savings in the Police Captain ranks, no budget adjustment is necessary.

DISCUSSION

In October 2019, City Council took action to implement changes to the compensation system for classifications represented by the Fullerton Police Officers' Association – Police Safety Unit (FPOA-PSU) to unfund budgeted vacant positions and reallocate the funding to remaining budgeted Police Officer, Police Corporal and Police Sergeant positions. This action was taken in an effort to improve recruitment and retention of sworn officers. A portion of the funding was reserved for deposit into a trust fund implemented to prepare for future CalPERS costs.

The changes to compensation for the FPOA-PSU ranks, while helping to address recruitment and retention in these ranks, created compaction between compensation for the Police Sergeant classification, and that of Police Lieutenant, an FPMA rank. The current differential between top step Police Sergeant with the most frequently occurring increment pays and a step 4 Police Lieutenant with the most frequently occurring increment pays is 0.5%. When compared to a step 3 Police Lieutenant, the differential is -4.0%. Best practices in compensation setting is to establish reasonable differentials between managers and subordinate staff. It is not unheard of in special circumstances, that subordinate employees may earn more than their managers. However, this should occur only when the employee can earn overtime that the manager does not or when the employee has special skills, abilities or value to the organization that explains the imbalance in compensation. In the case of Police Sergeants, the current compensation provisions establish the imbalance without regard to special skills or abilities. In addition, the situation is exacerbated by overtime earnings for Police Sergeants.

Informal discussions with the FPMA regarding the compaction issue have led to a proposed interim remedy – advancing all five current Police Lieutenants to the top step of the existing salary range for the classification effective the pay period ending January 10, 2020. For some this will be a two pay step increase (10%) for others it will be a one pay step increase (5%). This change accelerates the advancement of incumbent Police Lieutenants to the top step, but does not have the impact of increasing the City's ultimate exposure to CalPERS liability as all employees are currently on track to reach top step no later than October 2021. The unit has indicated that they will accept this change if made as adequately addressing the compaction concern for the balance of the contract term.

The proposed remedy includes no action for Police Captain as the two budgeted positions at this rank are not filled with permanent appointments. It also does not include proposed changes to any other element of pay or benefit for the unit.

Attachments:

- Attachment 1 – PowerPoint Presentation
- Attachment 2 – Draft Resolution 2020-XX and Side Letter Agreement
- Attachment 3 – FPMA Cost Analysis