

**CITY OF EL PASO, TEXAS
AGENDA ITEM
AGENDA SUMMARY FORM**

DEPARTMENT: Mayor and Council

AGENDA DATE: May 30, 2017

CONTACT PERSON NAME AND PHONE NUMBER: City Rep. Acosta, Dist. 3

DISTRICT(S) AFFECTED: ALL

STRATEGIC GOAL: 6.) Set the Standard for Sound Governance and Fiscal Management

SUBJECT:

APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

1. Discussion and action on reaffirming the authorizing of the expenditure, as per the resolution approved on October 18, 2016, by city council and requesting that the Finance Department authorize the issuing of a check for the amount indicated of \$10,000 to the El Paso Community Foundation, the fiscal agent for the Welcome Home Vietnam Veterans Committee, to defray the cost of publishing the book, "El Paso Vietnam Veterans, Our Heroes, Their Stories". As per the resolution, the "Welcome Home Vietnam Veteran Committee" will also provide copies of the book, once published, to all local libraries.
2. Discussion and action on the status of longevity pay for city employees previously discussed during the January 10, 2017 city council meeting. The motion included the city manager to come back to council with a longevity pay increase for employees upon the second year of service and to update that longevity pay every two years.
3. Discussion and action on the status of the city council approval of "ordinance amending ordinance 8064, section 3.6 (longevity pay) to comport with the legislative intent of the city council to pay longevity pursuant to the city's budget resolution". The motion was made on January 10, 2017 during the regular city council meeting.
4. Discussion and action on the status of allowing employee representation at the investigatory stage of the disciplinary process as discussed on January 10, 2017 on employee representation at the investigatory stage of the disciplinary process. City council made a motion to direct staff to create employee focus groups and to bring back recommendations to council.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns? Please see attached.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

Yes

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

*****REQUIRED AUTHORIZATION*****

OSCAR LEESER
MAYOR

TOMMY GONZALEZ
CITY MANAGER

PETER SVARZBEIN, DISTRICT 1
JIM TOLBERT, DISTRICT 2
EMMA ACOSTA, DISTRICT 3

CARL L. ROBINSON, DISTRICT 4
MICHEL R. NOE, DISTRICT 5
CLAUDIA ORDAZ, DISTRICT 6
LILY LIMÓN, DISTRICT 7

CORTNEY CARLISLE NILAND, DISTRICT 8

MINUTES FOR REGULAR COUNCIL MEETING

January 10, 2017
COUNCIL CHAMBERS, CITY HALL
8:00 AM

REGULAR AGENDA - OTHER BUSINESS / PUBLIC HEARINGS AND SECOND READING OF ORDINANCES

.....
23. Goal 6: Set the Standard for Sound Governance and Fiscal Management
.....

23.1. Report on management's review of grievance filed by ATU Local 1256 regarding longevity.

Mayor Leeser and Representatives Svarzbein, Robinson, Limón and Acosta commented.

The following City staff members commented:

1. Mr. Tommy Gonzalez, City Manager
2. Ms. Nancy Bartlett, Chief Performance Officer
3. Ms. Sylvia Firth, City Attorney, gave legal advice.
4. Ms. Linda Ball Thomas, Director of Human Resources
5. Ms. Elizabeth Ruhmann, Assistant City Attorney
6. Ms. Mary Michel, Human Resources Manager
7. Mr. Eduardo Calderon, Chief Internal Auditor

The following members of the public commented:

1. Mr. David Guzman

NO ACTION taken on this item

- 23.2.** Motion made by Representative Acosta, seconded by Representative Ordaz, and carried to **DIRECT** the City Manager to come back to City Council with a longevity pay increase for employees upon the second year of service and to update that longevity pay every two years and to **APPROVE** an ordinance amending ordinance 8064 (classification and compensation plan) to amend section 3.6 (longevity pay) to comport with the legislative intent of the city council to pay longevity pursuant to the city's budget resolution.

AYES: Representatives Svarzbein, Acosta, Robinson, Noe, and Ordaz

NAYS: Representative Limón

NOT PRESENT FOR THE VOTE: Representative Tolbert
ABSENT: Representative Niland

The following City staff members commented:

1. Mr. Tommy Gonzalez, City Manager
2. Mr. Edmundo Calderon, Chief Internal Auditor
3. Ms. Mary Michel, Human Resources Manager
4. Ms. Sylvia Firth, City Attorney, gave legal advice.
5. Ms. Elizabeth Ruhmann, Assistant City Attorney
6. Ms. Nancy Bartlett, Chief Performance Officer

The following members of the public commented:

1. Mr. David Guzman
2. Ms. Yvette Trujillo

MINUTES FOR REGULAR COUNCIL MEETING
May 17, 2016
COUNCIL CHAMBERS, CITY HALL
8:00 AM

- 22.2.** Discussion and action on recommendations made by the Civil Service Commission at its April 14, 2016 meeting relating to the group grievance brought by ATU Local 1256 on the issues of: (1) longevity pay; and (2) employee representation at the investigatory stage of the disciplinary process.

1ST MOTION

*Motion made, seconded, and unanimously carried to **MOVE TO THE FOREFRONT**.

2nd MOTION

Motion made by Representative Niland, seconded by Representative Ordaz, and unanimously carried that the City Council retire into **EXECUTIVE SESSION** at 1:42 p.m. pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Sections 551.071 - 551.087 to discuss any of the following:

NOT PRESENT FOR THE VOTE: Representatives Svarzbein and Noe

3rd MOTION

Motion made by Representative Niland, seconded by Representative Svarzbein, and unanimously carried to adjourn the Executive Session at 2:16 p.m. and **RECONVENE** the meeting of the City Council, during which time motions were made.

NOT PRESENT FOR THE VOTE: Representative Noe

4th MOTION

Motion made by Representative Acosta, seconded by Representative Niland, and unanimously carried to **DIRECT** staff to continue with their financial analysis to determine the effect of the longevity pay as it was presented in the ordinance as it was presented in the budget resolution and to share that information with the employee groups and the Civil Service Commission.

NOT PRESENT FOR THE VOTE: Representative Noe

5th MOTION

Motion made by Representative Niland, seconded by Representative Tolbert, and unanimously carried that the Council **REQUEST** that the City Manager form an Employee Focus Group to address this matter and formulate a recommendation and bring back to City Council.

NOT PRESENT FOR THE VOTE: Representatives Svarzbein and Noe

The following City staff members commented:

1. Ms. Linda Thomas, Director of Human Resources
2. Ms. Sylvia Firth, City Attorney, gave legal advice.

The following members of the public commented:

1. Mr. Hector Montes
2. Mr. David Guzman
3. Mr. David Ochoa
4. Yvette Trujillo
5. Ms. Bibi Vasquez



Human Resources

Mayor
Dee Margo

City Council

District 1
Peter Svarzbein

District 2
Alexandra Anello

District 3
Cassandra H. Brown

District 4
Sam Morgan

District 5
Dr. Michiel R. Noe

District 6
Claudia Ordaz Perez

District 7
Henry Rivera

District 8
Cortney C. Niland

City Manager
Tommy Gonzalez

TO: Mayor and City Council

FROM: Linda Ball Thomas, Human Resources Director 

DATE: June 27, 2017

SUBJECT: A History of Longevity Pay Grievance Discussions

On May 12, 2015, Sun Metro employees, through ATU Local 1256 (and later joined by employees affiliated with AFSCME Local 59), filed a group grievance alleging that they had been denied longevity pay since 2006 when the City's longevity pay plan was moved from Ordinance 8064 to the City's budget resolution. The transfer of the longevity pay plan in 2006 was part of then-City Manager Wilson's initiative to update and modernize compensation. With the transfer of the longevity pay plan came a name change – the term "longevity pay" was changed to "service time increase" (STI); new name, same meaning. For purposes of simplicity, the term "longevity pay" will be used throughout this discussion to refer to the longevity pay plans under both the ordinance and the budget resolution.

Ordinance 8064, known as the City's Classification and Compensation Plan, was first adopted in 1984. Section 3.6 of Ordinance 8064, entitled "Longevity Pay," provided for longevity pay to be paid annually at \$4 a month for each year of service, not to exceed 25 years. In other words, an employee was paid \$48 per year of service, with a cap at 25 years (\$1200). The payment was a separate line item on an employee's paycheck (stipend). The amount was not made part of an employee's base pay or salary.

In 2006, the City determined it appropriate to update and modernize its longevity pay plan. The revised longevity pay plan, which was adopted in the FY2007-2008 Budget Resolution, has since forth been included in the City's Budget Resolution and provides as follows (with the exception of FY2010-2011, a flat 1% approved):

That for purposes of recognizing the longevity of an employee's service other than uniformed employees covered under collective bargaining agreements an amount that most closely approximates a one and one half percent (1.5%) increase will be added to the base pay of each employee on the anniversary date of five (5) years of service, two percent (2%) on the anniversary date of ten (10) years of service, two percent (2%) on the anniversary date of fifteen (15) years of service, and two and one half percent (2.5%) on the anniversary date of twenty (20) years of service and for any other five year incremental period on or beyond twenty-five (25) years of service accrued by an employee. Provided however, nothing in this section authorizes the payment of a base salary that exceeds the maximum of an employee's salary range, and in no event shall the longevity increase under this section, when paid in whole or in part if payment in whole would exceed the maximum, result in the payment of a base pay that exceeds the maximum of an employee's salary range.

Linda Ball Thomas, IPMA-SCP, PHR, SHRM-SCP – Human Resources Director
City # 1 | 300 N. Campbell | El Paso, Texas 79901 | (915) 212-0045

"Delivering Outstanding Services"



Human Resources

In summary, under the City's Budget Resolution, longevity pay is calculated as a percentage of salary based on five-year service periods, with percentage increases rolled directly into an employee's base pay/salary range and compounded with other salary adjustments.

In their grievance, the grievants asserted a retroactive right to longevity pay pursuant to Ordinance 8064, rather than the budget resolution. The basis of the argument was that the ordinance had not been formally repealed, and that an ordinance trumps a resolution. The City acknowledged that the ordinance had not been properly repealed at the time of the transfer of the longevity pay plan into the budget resolution; however, **the City maintains that longevity pay has continued uninterrupted since the transition from the ordinance to the budget resolution.** Longevity pay earned under the ordinance as of the date of the transition into the budget resolution was rolled into employees' base pay. **There was no loss of longevity pay that had been earned up to that point.** Thereafter, longevity pay has been paid pursuant to the budget resolution.

On April 14, 2016, the grievance went before the Civil Service Commission. The Commission made a recommendation to City Council that longevity pay as set forth in Section 3.6 of Ordinance 8064 should be honored. Upon receiving the Commission's recommendation on May 17, 2016, City Council directed staff to conduct further analysis and calculations comparing longevity pay under the budget resolution and the ordinance. The calculations conducted by the City's payroll, OMB and Internal Audit staff confirmed that longevity pay under the budget resolution is more beneficial to employees than under the ordinance.

In January 2017, City Council amended Ordinance 8064 to defer to the City's annual budget resolution for its longevity pay plan.

As a continuation of the analysis directed by Council at its May 17, 2016 meeting, the Internal Audit Office conducted a review of the calculations made by the Human Resources Department to compare longevity pay versus service time increases for a sample of eight (8) employees. The Internal Audit Office reviewed and recalculated the following for the selected sample:

- Pay rates with service time increases;
- Pay rates without the service time increases;
- Longevity pay rollover conversion rates;
- Pay rate changes after the longevity rollover conversion;
- Pay rates with continued annual longevity pay increases; and



Human Resources

- Comparison between five-year service time increases and annual longevity pay increases.

The Internal Audit review concluded that all eight (8) employees benefited from receiving service time increases every five years versus an annual longevity pay increase.

At the request of ATU, a second longevity pay review was completed by the City's Internal Audit Office on a sample of six (6) additional employees, current and former, from date of hire (DOH) through July 15, 2015. The additional six (6) employees were selected by ATU.

Of the total fourteen (14) employees audited, there was one employee whose analysis showed a "loss" of \$112.78 in longevity pay under the current resolution versus the ordinance, as of July 15, 2015. This employee fell into the category identified by ATU as a "junior" or "short term" employee; specifically, this employee was hired after the implementation of the longevity pay plan under the resolution (DOH 10/03/2006), and was never subject to longevity under the ordinance. As the tenure of this employee, and other similarly-situated employees, increases, so too will the benefits associated with the longevity pay under the resolution, as they will continue to compound and exceed any benefits that could ever have been obtained under the ordinance. In fact, this particular employee is as of October 3, 2016, earning more under the resolution than under the ordinance. Extending the calculation out from July 15, 2015 to October 3, 2016 (2% increase at 10th year of service anniversary), this employee has now benefitted under the resolution by \$374.83.

Based on Internal Audit's review, they were able to identify that longevity under the budget resolution, i.e., service time increases are more beneficial to an employee in the long run when compared to annual longevity pay increases under the ordinance.

- Once an employee receives their first five-year service time increase, it will quickly surpass the additional income that would be received from longevity pay under the ordinance.
- Service time increases are added to an employee's base pay; therefore, the increase is compounded every time an employee receives any type of pay increase.

At the May 30, 2017 City Council meeting several questions related to longevity were asked. The information above was provided to Mayor and Council in January 2017.

At the June 13, 2017 City Council meeting, as requested by City Council through

Linda Ball Thomas, IPMA-SCP, PHR, SHRM-SCP – Human Resources Director
City # 1 | 300 N. Campbell | El Paso, Texas 79901 | (915) 212-0045



Human Resources

a motion by Representative Acosta, Human Resources provided data concerning longevity pay for every two (2) years of service, as compared to five (5) years increments. City Council discussed as to whether or not employees would be compensated more using the Longevity system in place, prior to FY 07. Reverting to the prior system is detrimental to employees as evidenced by the charts below:

CITY OF EL PASO LONGEVITY AMOUNTS \$25,000 Employee					
# OF YEARS	LONGEVITY ANNUAL AMOUNT	LONGEVITY RUNNING TOTAL	FINAL ANNUAL SALARY	STU ANNUAL AMOUNT	STU RUNNING TOTAL
			\$25,000.00		
1	\$48.00	\$48.00	\$25,000.00		
2	\$96.00	\$144.00	\$25,000.00		
3	\$144.00	\$288.00	\$25,000.00		
4	\$192.00	\$480.00	\$25,000.00		
5	\$240.00	\$720.00	\$25,375.00	\$375.00	\$375.00
6	\$288.00	\$1,008.00	\$25,375.00	\$375.00	\$750.00
7	\$336.00	\$1,344.00	\$25,375.00	\$375.00	\$1,125.00
8	\$384.00	\$1,728.00	\$25,375.00	\$375.00	\$1,500.00
9	\$432.00	\$2,160.00	\$25,375.00	\$375.00	\$1,875.00
10	\$480.00	\$2,640.00	\$25,882.50	\$882.50	\$2,757.50
11	\$528.00	\$3,168.00	\$25,882.50	\$883.00	\$3,640.50
12	\$576.00	\$3,744.00	\$25,882.50	\$883.00	\$4,523.50
13	\$624.00	\$4,368.00	\$25,882.50	\$883.00	\$5,406.50
14	\$672.00	\$5,040.00	\$25,882.50	\$883.00	\$6,289.50
15	\$720.00	\$5,760.00	\$26,400.15	\$1,400.15	\$7,689.65
16	\$768.00	\$6,528.00	\$26,400.15	\$1,400.00	\$9,089.65
17	\$816.00	\$7,344.00	\$26,400.15	\$1,400.00	\$10,489.65
18	\$864.00	\$8,208.00	\$26,400.15	\$1,400.00	\$11,889.65
19	\$912.00	\$9,120.00	\$26,400.15	\$1,400.00	\$13,289.65
20	\$960.00	\$10,080.00	\$27,060.15	\$2,060.15	\$15,349.80
21	\$1,008.00	\$11,088.00	\$27,060.15	\$2,060.00	\$17,409.80
22	\$1,056.00	\$12,144.00	\$27,060.15	\$2,060.00	\$19,469.80
23	\$1,104.00	\$13,248.00	\$27,060.15	\$2,060.00	\$21,529.80
24	\$1,152.00	\$14,400.00	\$27,060.15	\$2,060.00	\$23,589.80
25	\$1,200.00	\$15,600.00	\$27,736.65	\$2,736.65	\$26,326.46
26	\$1,200.00	\$16,800.00	\$27,736.65	\$2,737.00	\$29,063.46
27	\$1,200.00	\$18,000.00	\$27,736.65	\$2,737.00	\$31,800.46
28	\$1,200.00	\$19,200.00	\$27,736.65	\$2,737.00	\$34,537.46
29	\$1,200.00	\$20,400.00	\$27,736.65	\$2,737.00	\$37,274.46
30	\$1,200.00	\$21,600.00	\$28,430.07	\$3,430.07	\$40,704.53

Linda Ball Thomas, IPMA-SCP, PHR, SHRM-SCP – Human Resources Director
City # 1 | 300 N. Campbell | El Paso, Texas 79901 | (915) 212-0045



Human Resources

CITY OF EL PASO					
LONGEVITY AMOUNTS					
\$50,000 Employee					
# OF YEARS	LONGEVITY ANNUAL AMOUNT	LONGEVITY RUNNING TOTAL	FINAL ANNUAL SALARY	STH ANNUAL AMOUNT	STH RUNNING TOTAL
			\$50,000.00		
1	\$48.00	\$48.00	\$50,000.00		
2	\$96.00	\$144.00	\$50,000.00		
3	\$144.00	\$288.00	\$50,000.00		
4	\$192.00	\$480.00	\$50,000.00		
5	\$240.00	\$720.00	\$50,750.00	\$750.00	\$750.00
6	\$288.00	\$1,008.00	\$50,750.00	\$750.00	\$1,500.00
7	\$336.00	\$1,344.00	\$50,750.00	\$750.00	\$2,250.00
8	\$384.00	\$1,728.00	\$50,750.00	\$750.00	\$3,000.00
9	\$432.00	\$2,160.00	\$50,750.00	\$750.00	\$3,750.00
10	\$480.00	\$2,640.00	\$51,765.00	\$1,765.00	\$5,515.00
11	\$528.00	\$3,168.00	\$51,765.00	\$1,765.00	\$7,280.00
12	\$576.00	\$3,744.00	\$51,765.00	\$1,765.00	\$9,045.00
13	\$624.00	\$4,368.00	\$51,765.00	\$1,765.00	\$10,810.00
14	\$672.00	\$5,040.00	\$51,765.00	\$1,765.00	\$12,575.00
15	\$720.00	\$5,760.00	\$52,800.30	\$2,800.30	\$15,375.30
16	\$768.00	\$6,528.00	\$52,800.30	\$2,800.30	\$18,175.60
17	\$816.00	\$7,344.00	\$52,800.30	\$2,800.30	\$20,975.90
18	\$864.00	\$8,208.00	\$52,800.30	\$2,800.30	\$23,776.20
19	\$912.00	\$9,120.00	\$52,800.30	\$2,800.30	\$26,576.50
20	\$960.00	\$10,080.00	\$54,120.31	\$4,120.31	\$30,696.81
21	\$1,008.00	\$11,088.00	\$54,120.31	\$4,120.31	\$34,817.12
22	\$1,056.00	\$12,144.00	\$54,120.31	\$4,120.31	\$38,937.43
23	\$1,104.00	\$13,248.00	\$54,120.31	\$4,120.31	\$43,057.74
24	\$1,152.00	\$14,400.00	\$54,120.31	\$4,120.31	\$47,178.05
25	\$1,200.00	\$15,600.00	\$55,473.32	\$5,473.32	\$52,651.37
26	\$1,200.00	\$16,800.00	\$55,473.32	\$5,473.32	\$58,124.69
27	\$1,200.00	\$18,000.00	\$55,473.32	\$5,473.32	\$63,598.01
28	\$1,200.00	\$19,200.00	\$55,473.32	\$5,473.32	\$69,071.33
29	\$1,200.00	\$20,400.00	\$55,473.32	\$5,473.32	\$74,544.65
30	\$1,200.00	\$21,600.00	\$56,860.15	\$6,860.15	\$81,404.80

Additionally, the Human Resources Director has discussed the issue of longevity pay on ten (12) occasions between January 14, 2016 and June 13, 2017 at either a Civil Service Commission (CSC) or City Council meeting. Noted below, in



Human Resources

chronological order, are the meeting venues, dates and item numbers, as well as posting language and motions for each occasion including June 13, 2017. In addition, during the January 10, 2017 meeting an extensive memo outlining the City's position was provided and discussed by the City and members of ATU and AFSCME.

CSC MEETING: 1/14/16 ITEM #3

Discussion and Action on Group Grievance of ATU Local 1256 Submitted by George Avila for Sun Metro.

Motion made by Commissioner Williams and seconded by Commissioner Palmer to table the item to allow appellants time to prepare a written brief of their issues for the commission, with a written response to be provided by the city, prior to the item being heard by the commission again. Counsel for the appellants will coordinate with the city attorney's office for placement on a subsequent CSC meeting agenda; motion passed unanimously.

CSC MEETING: 1/14/16 ITEM #4

Discussion and Action on Group Grievance Submitted by AFSCME Local 59 by David Guzman

Motion made by Commissioner Williams and seconded by Commissioner Bowling to table the item to allow appellants time to prepare a written brief of their issues for the commission, with a written response to be provided by the city, prior to the item being heard by the Commission again. Motion passed unanimously.

CSC MEETING: 4/14/16 ITEM # 3

Discussion and Action on Group Grievance of ATU Local 1256 Submitted by George Avila for Sun Metro. (TABLED FROM 1/14/16 MEETING)

Motion made by Commissioner Williams and seconded by Commissioner Brannon to recommend to city council that city employees' position that longevity pay as set forth in ordinance 8064 section 3.6, prior to changes being made to longevity pay

in the city's budget resolution beginning with FY2007, should be honored; motion passed unanimously.

CSC MEETING: 4/14/16 ITEM #4

Discussion and Action on Group Grievance Submitted by AFSCME Local 59 by David Guzman. (TABLED FROM 1/14/16 MEETING)

Motion made by Commissioner Ross and seconded by Commissioner Williams to delete item 4 due to recommendation made on issue #4 reference longevity pay from agenda item 3 above; motion passed unanimously.



Human Resources

CITY COUNCIL MEETING: 5/17/2016 ITEM # 22.1

1st MOTION

Motion made by Representative Acosta, seconded by Representative Niland, and unanimously carried to **DIRECT** staff to continue with their financial analysis to determine the effect of the longevity pay as it was presented in the ordinance as it was presented in the budget resolution and to share that information with the employee groups and the Civil Service Commission.

NOT PRESENT FOR THE VOTE: Representative Noe

2nd MOTION

Motion made by Representative Niland, seconded by Representative Tolbert, and unanimously carried that the Council **REQUEST** that the City Manager form an Employee Focus Group to address this matter and formulate a recommendation and bring back to City Council.

NOT PRESENT FOR THE VOTE: Representatives Svarzbein and Noe

CITY COUNCIL MEETING: 11/29/2016 ITEM # 13.1

Motion made by Representative Niland, seconded by Representative Limón, and unanimously carried that the following Ordinances, having been introduced pursuant to Section 3.9 of the El Paso City Charter, be **ADVERTISED** for public hearing:

AYES: Representatives Svarzbein, Tolbert, Acosta, Robinson, Noe, Limón, and Niland

NAYS: None

NOT PRESENT FOR THE VOTE: Representative Ordaz

An Ordinance amending Ordinance 8064 (Classification and Compensation Plan) to amend Section 3.6 (Longevity Pay) to comport with the legislative intent of the City Council to pay longevity pursuant to the City's Budget Resolution.
PUBLIC HEARING WILL BE HELD ON DECEMBER 6, 2016

CITY COUNCIL MEETING: 12/6/2016 ITEM # 15.1

Motion made, seconded, and unanimously carried to **POSTPONE** five weeks an Ordinance amending Ordinance 8064 (Classification and Compensation Plan) to amend Section 3.6 (Longevity Pay) to comport with the legislative intent of the City Council to pay longevity pursuant to the City's Budget Resolution.

NOT PRESENT FOR THE VOTE: Representatives Tolbert, Robinson and Ordaz



Human Resources

CITY COUNCIL MEETING: 1/10/2017 ITEM# 23.2

Motion made by Representative Acosta, seconded by Representative Ordaz, and carried to **DIRECT** the City Manager to come back to City Council with a longevity pay increase for employees upon the second year of service and to update that longevity pay every two years and to **APPROVE** an ordinance amending ordinance 8064 (classification and compensation plan) to amend section 3.6 (longevity pay) to comport with the legislative intent of the city council to pay longevity pursuant to the city's budget resolution.

AYES: Representatives Svarzbein, Acosta, Robinson, Noe, and Ordaz

NAYS: Representative Limón

NOT PRESENT FOR THE VOTE: Representative Tolbert

ABSENT: Representative Niland

CSC MEETING: 2/9/17 ITEM #8

Report on management's review of and City Council's actions relating to longevity pay and employee representation. (City Manager's Office)

Motion made by Commissioner Williams and seconded by Commissioner Ramirez to suspend the rules and allow for presentation of documents by speaker George Avila; motion passed by a vote of 4 to 1.

Motion made by Commissioner Williams and seconded by Commissioner Ross for City Management and HR to review documents provided by George Avila relating to longevity pay, and to report back to the csc at the next meeting; motion passed unanimously.

CITY COUNCIL MEETING: 3/30/2017 ITEM# 20

Motion made by Representative Acosta, seconded by Representative Limón, and unanimously carried to **POSTPONE** two weeks the item regarding discussion and action on the status of longevity pay for City employees previously discussed during the January 10, 2017 City Council meeting. The motion included the City Manager to come back to Council with a longevity pay increase for employees upon the second year of service and to update that longevity pay every two years.

CITY COUNCIL MEETING: 6/13/2017 ITEM# 24.3

Motion made by Representative Acosta, seconded by Representative Robinson, and unanimously carried to **POSTPONE** four weeks the item for the City Manager on action on the status of longevity pay for City employees previously discussed during



Human Resources

the January 10, 2017 City Council meeting. The motion included the City Manager to come back to Council with a longevity pay increase for employees upon the second year of service and to update that longevity pay every two years. [POSTPONED FROM 05-30-2017]

ABSENT: Representatives Tolbert, Noe and Niland

CITY COUNCIL MEETING 05/3/2017 ITEM# 24

Motion made by Representative Acosta, seconded by Representative Robinson, and unanimously carried to **POSTPONE** four weeks the item for action on the status of the City Council approval of "Ordinance amending Ordinance 8064, Section 3.6 (Longevity Pay) to comport with the legislative intent of the City Council to pay longevity pursuant to the City's Budget Resolution". The motion was made on January 10, 2017 during the regular City Council meeting. [POSTPONED FROM 05-30-2017]

ABSENT: Representatives Tolbert, Noe and Niland



6/8/2017

Longevity Pay & Service Time Increase (STI)



Council Action

6/8/2017

1/10/2017 ITEM# 23.2

- Motion made by Representative Acosta, seconded by Representative Ordaz, and carried to **DIRECT the City Manager to come back to City Council with a longevity pay increase for employees upon the second year of service and to update that longevity pay every two years.**



Background Longevity Pay (through 2006)

6/8/2017

- Paid on a bi-weekly basis – Beginning on anniversary of 1st year of service and was Pensionable
- \$1.85 per pay period = \$48.00 Annually
- Increases by \$48.00 annually capped at 25 years of service
- Was not:
 - Included in base pay
 - Therefore, it was not calculated in salary increases or promotions



5 Year Service Time Increase

6/8/2017

Implementation (2006)

Payable in 5 Year Increments* (increase to annual salaries):

- 5 Years = 1.5%
- 10 Years and 15 Years = 2%
- 20 + Years = 2.5%
- STI amount is added to base pay each time
- Continues to be paid each pay period
- Compounded in subsequent raises and promotions
- Amount is Pensionable
- In 2006-Longevity pay for current employees rolled into the employee's base pay and has not been removed.
- % is based upon current Budget Resolution



Value of STI vs. Longevity Pay ~Example~

6/8/2017

Job Title	Years of Service	<i>Former <u>Practice</u> Longevity Pay</i>	<i>Current <u>Practice</u> 5 Year STI</i>	<i>STI Advantage to the Employee</i>
General Service Worker	13	\$24,270.51	\$24,537.14	\$255.96
Sr. HR Analyst	14	\$48,028.55	\$48,836.17	\$3,184.60

Calculations are based on rollover from 2006 through 2014.



Alternatives to STI

6/8/2017

Council Request:

More frequent increases in “even” years 2,4,6,8...
through retirement or separation from employment.



Observations

6/8/2017

- Current system increases the STI percentage as an employee stays longer, showing increased appreciation in later years, (i.e., 20, 25, 30, etc.).
- Negative impact on long-term employees who have factored in the current STI percentage into their Retirement Planning.
- Comparator is State of Texas system
 - Longevity pay is paid at the rate of \$20 every month for every 24 months of lifetime service credit.
 - Local comparator (UTEP) is capped at 30 years of service - \$300 per month



Base Salary of \$25,000

6/8/2017

(no other increases factored in)

Year	Current STI	Bi-Annual at .70%
1		
2		\$25,175
3		
4		\$25,351
5	\$25,375	
6		\$25,529
7		
8		\$25,707
9		
10	\$25,883	\$25,887
11		
12		\$26,069



Next Steps

6/8/2017

- Determine full budget impact of shift to every other year increases - Currently unbudgeted
- Determine implementation schedule for staff nearing 5th year of service increment
- Integrate proposal into Classification and Compensation Plan. Study currently underway.



Even Numbered Years Scenarios

6/8/2017

General Services Worker

Annual Salary with STI **\$24,537.14**
- in 5th (1.5%) and 10th (2%) year of service

Options are less than the Annual Salary w/5 Yr. STI

Even Years Increase of .25% **(\$2,111.23)**

Even Years Increase of .50% **(\$458.91)**

Option is more than the Annual Salary w/5 Yr. STI

Even Years Increase of .70% **\$871.44**



Even Numbered Years Scenarios

6/8/2017

Sr. HR Analyst

Annual Salary w/5 Yr. STI **\$48,836.17**

- in 5th (1.5%) and 10th (2%) year of service

Options are less than the Annual Salary w/5 Yr. STI

Even Years Increase of .25% **(\$4,029.22)**

Even Years Increase of .50% **(\$967.72)**

Option is more than the Annual Salary w/5 Year STI

Even Years Increase of .70% **\$1,497.16**