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JUN 25 2009



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MEMORANDUM

DATE: June 24, 2009
TO: Mayor & Council
FROM: Marla Paddock, City Clerk 

Councilmember Heumann asked that this item be placed on the City Council agenda for June 25, 2009.



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MEMORANDUM

City Manager – Council Memo MC09-049

DATE: JUNE 24, 2009

TO: MAYOR AND CITY COUNCIL

FROM: W. MARK PENTZ, CITY MANAGER 

SUBJECT: BACKGROUND INFORMATION RELATED TO AGENDA ITEM #61:
“Discussion and possible action regarding compensation of employees not covered by a bargaining unit.”

Councilmember Heumann has placed on Thursday evening’s agenda an item related to the compensation of employees not covered by a bargaining unit. This group of non-union employees totals 537 workers or 31 percent of the City of Chandler’s workforce.

Last February staff recommended to the City Council that in lieu of a 5 percent on-going merit pay increase, we offer our employees a one-time 5 percent payment using our reserve of one-time money. As you know, the three unions with proposed MOUs on the agenda for action Thursday evening, rejected this proposal and we have worked out satisfactory alternative arrangements. Nevertheless, we have budgeted one-time money for FY09-10 to cover the cost of 5 percent one-time payments to all eligible employees whether non-union or union represented.

Attached is a letter from the Employee Council who represents 417 professional, supervisory and confidential employees. The Employee Council has voted to accept the City’s proposal of a 5 percent one-time payment for eligible employees in lieu of an on-going merit pay increase. The other group of non-union employees consists of 120 managers, directors, assistant directors, police lieutenants, assistant police chiefs, police commanders, fire battalion chiefs and assistant chiefs. Although this group is not represented by any type of informal organization, I would recommend that they be treated the same as employees represented by the Employee Council.

Although the agenda item pertains to employees not represented by a bargaining group, the City’s fourth union, CLASA, represents 48 Sergeants. Although CLASA has two years left on a three year negotiated agreement, I would recommend that the Police Sergeants eligible for a merit increase be awarded the 5 percent one-time payment in lieu of an on-going merit pay increase, unless the CLASA organization chooses to re-open its agreement for re-negotiation.

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The 5 percent one-time merit payment for all city employees was included as part of the City's FY09-10 budget that was adopted by City Council on June 11. Unlike the three MOUs, no action is needed on the part of the City Council in order to implement the one-time 5 percent merit payments to the employee groups discussed above, since funds have been budgeted and the merit pay plan is authorized by Personnel Rule 3. Please remember that all three of the labor unions were offered the 5 percent one-time merit payment, and that offer was on the table until the MOUs were initialed on Tuesday, June 23. As a matter of good employee relations, I feel it is very important that we treat our non-union employees fairly and they be awarded the 5 percent one-time merit payment.

If you have any questions regarding this issue, staff will be happy to respond Thursday evening.

Breakout of Merit vs Topped Out by Job Group

Job Group	Total Employees	Avg of Annual Salary	Merit Eligible	%	Avg of Annual Salary	Topped Out	%	Avg of Annual Salary
SEIU	681	\$ 45,601	390	57%	\$ 41,208	291	43%	\$ 51,488
Police Officers	263	\$ 68,346	130	49%	\$ 62,875	133	51%	\$ 73,694
Police Sergeants	48	\$ 89,024	20	42%	\$ 85,651	28	58%	\$ 91,434
Fire	189	\$ 62,573	73	39%	\$ 52,941	116	61%	\$ 68,634
Employee Council Professional, Supervisory, and Confidential	417	\$ 67,101	225	54%	\$ 61,286	192	46%	\$ 73,916
Others: Managers, Directors, Assistant Directors, Police Lieutenants, Assistant Police Chiefs, Police Commanders, Fire Battalion Chiefs, Assistant Fire Chiefs	120	\$ 115,078	43	36%	\$ 108,224	77	64%	\$ 118,905



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MEMORANDUM

EMPLOYEE COUNCIL – MEMO NO. EC09-004

DATE: JUNE 24, 2009

TO: MARK PENTZ, CITY MANAGER

THRU: EMPLOYEE COUNCIL

FROM: STEPHEN WHITE, EMPLOYEE COUNCIL PRESIDENT *SW*

SUBJECT: Employee Council's Recommendation on the Proposed One-Time Lump Sum Merit

On May 26, 2009, the Employee Council notified represented employees by email of the proposed one-time lump sum merit payment for all employees that have not reached top of range. Included in the email was a description of the proposed compensation and which employees were eligible. The Employee Council received 17 responses via email, as well as a number of verbal communications from constituents. Employee Council members shared this information with the City Manager's office at the June 10, 2009 Employee Council meeting.

The Employee Council held a special meeting at 10:15 a.m. on June 24, 2009 to vote on the proposed one-time lump sum merit payment. By a majority of eleven to one, the Employee Council voted to recommend that the City Manager move forward with the proposed one-time lump sum merit payment for all employees represented by the Employee Council that have not reached top of range.

xc: Rich Dlugas, Assistant City Manager
Pat McDermott, Assistant City Manager
Debra Stapleton, Human Resources Director