

City of Los Alamitos

Agenda Report Consent Calendar

February 18, 2015
Item No: 9E

To: Mayor Richard D. Murphy & Members of the City Council
Via: Bret M. Plumlee, City Manager
From: Todd Mattern, Chief of Police
Subject: Police Department Succession Plan

Summary: The Chief of Police, Captain, and Support Services Manager are eligible to retire in 2015. To mitigate the impact of the anticipated staffing changes, some challenges in the Police Department's Succession Planning and subsequent recruitments have been identified.

Recommendation:

1. Confirm the intent of the Tier 2 language "appointed" in City Council Resolution No. 2014-22, relates to newly hired employees and not promotions; and,
2. Adopt Resolution No. 2015-04, entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, AMENDING SALARIES AND BENEFITS FOR NON-REPRESENTED EMPLOYEES AND AMENDING RESOLUTION NO. 2014-22," which will clarify the retiree medical benefit for sworn non-represented is consistent with the Police Officers' Association MOU 2014; and,
3. Authorize the Police Department to fill the Support Services Manager position with a second Police Captain.

Background

In 2015, the Police Department's executive staff (Chief, Captain and Support Services Manager) will all become eligible for retirement. Anticipating that it would be challenging to maintain the cultural stability of the Department, as well as retaining some institutional knowledge, Succession Planning was one of the key components of the 2014 Team Building Workshop. The Police Department's Management Team, which consists of the Chief, Captain, Support Services Manager and five Sergeants, discussed strategies for ensuring the stability of the Police Department but identified

some obstacles for the Department's Succession Planning and subsequent recruitment that would need to be evaluated in more detail. Those issues have been vetted in this report with a staff recommendation for your consideration:

1. Tier 1 versus Tier 2 Salary Schedules for non-represented employees;
2. Incongruity of Retiree Medical Benefit among sworn personnel; and,
3. Staff Development limitations in a flat organizational structure with a limited budget.

Discussion

Intent of Resolution Pertaining to Tier 1 and Tier 2

In 2013, the City amended the non-represented Salary and Benefits Schedule to comply with the Public Employees' Pension Reform Act of 2013 (PEPRA). A second tier was added to the salary and benefits schedule at that time. Generally, tiers are intended to make adjustments to salaries or benefits for new employees without adversely affecting current employees who are already receiving those benefits. When the PEPRA reforms were added to the non-represented employee resolution, staff believed the intent was for the second tier to apply exclusively to new employees. However, in the resolution, the word "appointed" is used, creating some ambiguity as to whether the tier was intended to also affect current employees as they are promoted. If the second tier does apply to promotions, a current employee who promotes as a result of exceptional service would be adversely affected by the lower salary. To illustrate this issue, the gross pay for two of the Police Department's five sergeants is currently greater than the top step for a Captain at Tier 1. Considering that a promotion results in more responsibility and a Fair Labor Standards Act (FLSA) exempt status, the potential pay reduction could extinguish one's incentive to promote. Staff is clarifying that the language defining "appointed" employees is meant to apply to only new hires, and promoted employees continue to be tied to their original hire date in City Council Resolution No. 2014-22.

Consistency in Retiree Medical Benefits

The second issue is the incongruity of Retiree Medical Benefits among sworn positions in the Police Department. As it is written, a sergeant would lose the ability to retire at age 50 with the Retiree Medical Benefit once promoted to captain. It is staff's opinion that this incongruity was an oversight as the two non-represented, sworn positions are the only two in the City in which the retiree medical benefit is not consistent with their eligibility age for retirement. This would make internal recruitment difficult, particularly when a current employee would have to sacrifice a significant benefit to be promoted. Staff is recommending City Council consider modification of City Council Resolution No. 2014-22 for non-represented, sworn personnel to reflect Retiree Medical Benefits that are consistent with those in the Police Officers MOU in City Council Resolution No.2014-21, Exhibit A, Section 24:

For employees hired before January 1, 1995, the insurance received for 10 years of service with the City, with a regular service retirement, shall be equal to and subject to the same conditions and plans provided to the

active bargaining unit employees. City paid employee or spousal coverage shall continue while the employee or spouse is alive, but shall terminate when the employee or spouse becomes eligible for Medicare, MediCal, or other public supported health insurance; or when coverage has been for a period equal to the numbers of years of the employee's service to the City.

For employees hired on or after January 1, 1995, the following schedule shall apply for those employees retiring with a regular service retirement:

<u>Years of Service with the City of Los Alamitos</u>	<u>% of active Employee Benefit</u>
10	50
11	55
12	60
13	65
14	70
15	75
16	80
17	85
18	90
19	95
20 or >	100

The City paid employee or spousal coverage shall continue while the employee or spouse is alive, but shall terminate when the employee or spouse becomes eligible for Medicare, MediCal, or other public supported health insurance; or when coverage has been for a period equal to the number of years of the employee's service to the City.

Restructuring the Police Department to Improve Staff Development Opportunities

For many years, the Los Alamitos Police Department has placed an emphasis on achieving an educated police force. That recently came to fruition with the announcement that all of the Department's sworn personnel have achieved at least a bachelor's degree. That standard sets Los Alamitos apart from most other local police departments.

The City of Los Alamitos has also been progressive in controlling public safety costs. Last year, the City entered into a four-year Memorandum of Understanding with the Police Officers' Association; thereby, providing a mechanism to stabilize and restructure public safety retirement costs.

Back in 1998, the City was one of the first to implement a cost savings measure to replace a Police Captain position for a non-sworn manager. This cost effective model has served the City well by furthering the business and administrative roles in the Police Department without the cost of a sworn employee. An unfortunate consequence of this is that it has limited future opportunities for staff development and promotion. Now, with

the impending management retirements, that void in the structure has become more evident.

Considerable discussion about staff development has taken place prior to and following the Team Building Workshop. The Department's flat organizational structure and limited resources curtail most opportunities for Police Sergeants to gain mid-management experience. This situation was further exacerbated in 2008 when, in response to the struggling economy, the Police Department unfunded an Administrative Sergeant position. As an administrative "special" assignment, that position was key to developing supervisors for future promotions.

Following the Team Building Workshop, staff expanded the Department's professional development program to create a structure for training, formal education, and mentoring; however, staff could not identify a fiscal mechanism to provide valuable experience. As first line supervisors, sergeants don't have an FLSA exempt status so that experience would have to be provided through a full-time job assignment or overtime; however, neither have been fiscally practical.

At this juncture, staff would like the City Council to consider restructuring the Department by filling the vacancy to be created by the anticipated retirement of the Support Services Manager with a sworn Captain, thus returning to a two-captain command structure. That structure would provide an additional promotional opportunity for sworn personnel, create a second promotional path to the rank of Police Chief, and establish an avenue to maintain institutional knowledge in the Police Department. Future recruitment efforts for entry level officers would also be enhanced with a broader promotional path. It will also meet one of the Council's objectives of ensuring a succession path that solidifies leadership in the Police Department for many years to come. If City Council authorizes this restructuring, funding for a second Captain would be included in the budget for Fiscal Year 2015-16.

Fiscal Impact

This report is intended clarify the intention of City Council Resolution No. 2014-22 pertaining to Tiers 1 and 2, so there is no fiscal impact for that clarification. It is not possible to determine the fiscal impact associated with the recommended revision in Retiree Medical Benefits as the eligibility and amount would be specific to each employee. The cost difference for Salary and Benefits, including a vehicle, between the Support Services Manager and a Police Captain is approximately \$75,000 per year.

Submitted By:



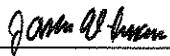
Todd Mattern
Chief of Police

Approved By:



Bret M. Plumlee
City Manager

Fiscal Impact Reviewed By:



Jason Al-Imam
Administrative Services Director

Attachment: 1. Resolution No. 2015-04

RESOLUTION NO. 2015-04

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, AMENDING SALARIES AND BENEFITS FOR NON-REPRESENTED EMPLOYEES AND AMENDING RESOLUTION NO. 2014-22

WHEREAS, the City of Los Alamitos desires to promote improved employer-employee relations between the City of Los Alamitos and its employees by establishing and presenting the rights and benefits of the employees and the City of Los Alamitos.

WHEREAS, Resolution 2014-22 was adopted on July 21, 2014; and,

WHEREAS, the City wishes to amend Resolution 2014-22 to clarify retiree medical benefits for sworn personnel.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Resolution 2014-22, Section 24 shall be amended to include subsection D to read as follows:

SECTION 24. Retirees Medical Insurance.

D. For sworn, public safety employees hired before January 1, 1995, the insurance received for 10 years of service with the City, with a regular service retirement, shall be equal to and subject to the same conditions and plans provided to the active bargaining unit employees. City paid employee or spousal coverage shall continue while the employee or spouse is alive, but shall terminate when the employee or spouse becomes eligible for Medicare, MediCal, or other public supported health insurance; or when coverage has been for a period equal to the numbers of years of the employee's service to the City.

For sworn, public safety employees hired on or after January 1, 1995, the following schedule shall apply for those employees retiring with a regular service retirement:

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SECTION 2. Certification. The City Clerk shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 18th day of February, 2015.

Richard D. Murphy, Mayor

ATTEST:

Windmera Quintanar, CMC, City Clerk

APPROVED AS TO FORM:

Cary S. Reisman, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LOS ALAMITOS)

I, Windmera Quintanar, CMC, City Clerk of the City of Los Alamitos, do hereby certify that the foregoing Resolution was adopted at a Special meeting of the City Council held on the 18th day of February, 2015 by the following vote, to wit:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

Windmera Quintanar, CMC, City Clerk