

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS
ADJUSTING SALARY RANGES FOR CITY OF MILPITAS EMPLOYEES**

WHEREAS, The City of Milpitas Executive Management Team and Unrepresented Employees are not organized nor represented for the purpose of meeting and conferring with the City of Milpitas in the areas of salaries, benefits, and working conditions; and

WHEREAS, it is the intent of the City Council to compensate all employees in accordance with the Personnel Rules and Regulations of the City of Milpitas; and

WHEREAS, the City Manager recommends salary adjustments for the Executive Management Team and Unrepresented employees to provide for a 3.6% general wage increase effective the first full pay period of January 2007 and 3.75% general wage increase effective the first full pay period of July 2007.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Milpitas that:

1. Salary ranges for job classifications shall be as shown in the attached salary schedule representing a 3.6% general wage increase and labeled "Exhibit A" effective the first full pay period in January 2007.
2. Salary ranges for the job classifications shown in "Exhibit A" shall be increased by 3.75% effective the first full pay period in July 2007.

PASSED AND ADOPTED this _____ day of _____, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, City Clerk

Jose S. Esteves, Mayor

APPROVED AS TO FORM:

Steven T. Mattas, City Attorney

SALARY SCHEDULE
UNREPRESENTED CLASSIFICATIONS
Effective: January 07, 2007 & July 08, 2007

Executive Management Team

Classification	Proposed 3.6% Increase		Proposed 3.75% Increase	
	Monthly Salary		Monthly Salary	
Assistant City Manager	\$ 11,197.05	- \$ 14,738.66	\$ 11,616.94	- \$ 15,291.36
Chief Building Official	\$ 8,383.67	- \$ 12,193.19	\$ 8,698.06	- \$ 12,650.44
Chief of Police	\$ 12,068.29	- \$ 17,158.14	\$ 12,520.85	- \$ 17,801.57
City Clerk	\$ 7,629.91	- \$ 10,530.88	\$ 7,916.03	- \$ 10,925.79
Economic Development Manager	\$ 9,319.01	- \$ 11,327.38	\$ 9,668.47	- \$ 11,752.15
Financial Services Director	\$ 10,850.47	- \$ 14,282.52	\$ 11,257.37	- \$ 14,818.12
Fire Chief	\$ 11,197.05	- \$ 15,449.75	\$ 11,616.94	- \$ 16,029.12
Human Resources Director	\$ 10,903.60	- \$ 13,253.45	\$ 11,312.48	- \$ 13,750.46
Information Services Director	\$ 9,293.21	- \$ 13,253.48	\$ 9,641.71	- \$ 13,750.48
Parks and Recreation Director	\$ 10,903.65	- \$ 13,253.45	\$ 11,312.54	- \$ 13,750.46
Planning & Neigh Svcs Director	\$ 8,383.65	- \$ 13,252.78	\$ 8,698.04	- \$ 13,749.76
Public Works Director	\$ 12,260.71	- \$ 14,903.04	\$ 12,720.48	- \$ 15,461.90

Unrepresented

Classification	Proposed 3.6% Increase		Proposed 3.75% Increase	
	Monthly Salary		Monthly Salary	
Assistant City Engineer	\$ 9,840.41	- \$ 11,961.14	\$ 10,209.43	- \$ 12,409.68
Assistant Director of Finance	\$ 8,680.40	- \$ 11,426.02	\$ 9,005.91	- \$ 11,854.50
Assistant Fire Chief	\$ 9,598.33	- \$ 13,400.79	\$ 9,958.27	- \$ 13,903.32
Assistant Fire Marshal	\$ 8,520.03	- \$ 11,494.67	\$ 8,839.53	- \$ 11,925.72
Asst Information Svcs Director	\$ 8,131.57	- \$ 11,379.83	\$ 8,436.51	- \$ 11,806.57
CIP Manager	\$ 9,215.77	- \$ 11,201.83	\$ 9,561.36	- \$ 11,621.90
City Engineer	\$ 8,969.51	- \$ 12,717.50	\$ 9,305.87	- \$ 13,194.41
Fire Battalion Chief	\$ 8,519.95	- \$ 12,151.68	\$ 8,839.45	- \$ 12,607.37
Fire Battalion Chief - 40	\$ 8,519.95	- \$ 12,151.68	\$ 8,839.45	- \$ 12,607.37
Fire Marshal	\$ 9,402.62	- \$ 12,743.71	\$ 9,755.22	- \$ 13,221.60
Planning Manager	\$ 8,052.23	- \$ 10,421.40	\$ 8,354.19	- \$ 10,812.21
Police Captain	\$ 10,467.35	- \$ 15,596.77	\$ 10,859.88	- \$ 16,181.65
Police Commander	\$ 9,939.23	- \$ 14,347.69	\$ 10,311.95	- \$ 14,885.73
Recreation Services Manager	\$ 7,962.98	- \$ 9,679.93	\$ 8,261.59	- \$ 10,042.93

**Cost Analysis
August-07**

Executive Management

		<u>Annual Fiscal Impact</u>		
		<u>FY 05-06</u>	<u>6 months FY 06-07</u>	<u>Full Year FY 07-08</u>
1) Term:	7/05-6/08 (36 months)			
2) Wages:	7/05 0.00%	0% increase	34,933	145,262
	7/06 0.00%			7.485%
	1/07 3.60%			
	7/07 3.75%			
3) Increase Fire's Command Staff uniform from \$846 to \$1,000 (Fire Chief)				154 0.008%
4) Add Executive Management admin. Leave 5 hrs. per pay period (cannot accumulate more than 260 hrs)				- 0.000%
Additional Cost		<u>-</u>	<u>34,933</u>	<u>145,416</u>
Current Annual cost				1,940,704
The full impact of this proposal will be in FY 07-08:				7.49%
Total Cost of this proposal (36 months, 7/05 to 6/30/08)				180,348

**Cost Analysis
August-07**

Unrepresented Non Executive Mangement Employees

	Annual Fiscal Impact		
	FY 05-06	6 months FY 06-07	Full Year FY 07-08
1) Term: 7/05-6/08 (36 months)			
2) Wages: 7/05	0.00%		
7/06	0.00%		
1/07	3.60%		
7/07	3.75%		
3) Contribute 1% to Fire Command Staff Dependent fund effective upon Council Approval			13,300 0.745%
4) Increase Fire's Command Staff uniform from \$846 to \$1,000			924 0.052%
5) Add 40 hours of Management Leave (use it or lose it) (Fire Battalion Chiefs assigned to 56 hours shift not eligible for this benefit)			-
Additional Cost	-	32,130	147,831
 Current Annual cost			1,784,988
The full impact of this proposal will be in FY 07-08:			8.28%
Total Cost of this proposal (36 months, 7/05 to 6/30/08)			179,960

CITY OF MILPITAS

Minutes of: CITY COUNCIL (FINANCE) SUBCOMMITTEE
Date/Time: Wednesday, August 15, 2007 – 4:00 p.m.

I. CALL TO ORDER: Council Member Gomez called the meeting to order at 4:05 pm

Attendance:

City Manager: Thomas C. Williams

City Council: Council Member Armando Gomez; Council Member Debbie Giordano

Staff: Emma Karlen, Carmen Valdez, Richard Pio Roda, Steve Mattas - via teleconference

II. CITIZENS FORUM:

No Comments.

III. APPROVAL of MINUTES: The June 6, 2007 minutes were approved.

IV. ITEMS FOR DISCUSSION

A. Exempt Employee Pay Increase

Thomas Williams, City Manager – The City Manager presented a proposal for a pay increase requested by unrepresented employees to include: the Executive Management Team, Police Command Staff and Fire Department chiefs. The City Manager indicated that the increase is consistent with the other unions and falls in line with the position of the City Council in regard to all the other labor agreements. The proposal provides for a total contract increase of 7-½ %: 3.6% would be retroactive to January 2007 and 3.75% would be retroactive to July 2007. An additional benefit is requested for the Executive Management team as an incentive for late night meetings and the such, for five (5) additional hours straight time that can be accrued for each pay period, with the approval of the City Manager. No more than 260 hours could be carried over in a two-year period.

Council member Giordano asked if this was the customary manner to request increases. It was indicated that going through the Finance Subcommittee is the proper channel prior to going to Council and this is an open negotiation. Council member Gomez questioned if the request can be adopted for a three-year period instead of being brought up year after year. It was confirmed that it could be.

Council Member Gomez and Council Member Giordano – Approved the request for exempt employee pay increase and the proposal will be brought to the City Council for final approval.

B. VTA Half Price Student Pass Program for MUSD Students

Thomas Williams, City Manager – The City Manager presented a request from the Escuela Parkway Citizens Committee that is working on improvements to bicycle/ pedestrian circulation and safety on Escuela Parkway. The request is to help fund a pilot program to demonstrate to Valley Transit Association (VTA) that if they reduce the cost of a bus pass for students it would be an incentive to increase rider ship, with the potential that VTA could break even.

The Escuela Parkway Committee has estimated the cost for the pilot program at \$5,000. The Milpitas School District has agreed to split the cost with the City, for a cost to the City of \$2,500. VTA will monitor the pilot program and analyze the results. If the program works, VTA has indicated they would take over the program. We would want to make sure VTA provides us with the statistical report after the one-month pilot program has concluded. The City Manager will keep the Finance Subcommittee informed of the progress and future recommendations.

Council Member Gomez and Council Member Giordano – **Approved the City Manager’s request to assign \$2,500 for the half price student pass pilot program.**

C. Change Finance Subcommittee Date of Meeting

Emma Karlen, Director of Financial Services – The Finance Director requested to change the regularly scheduled meeting of the Finance Subcommittee from the 1st Wednesday of each month to the 4th Wednesday of each month. The change would provide better timing of information for presentation to the Council, especially mid-year budget appropriations.

Council Member Gomez and Council Member Giordano – **Approved to change the meeting date to the 4th Wednesday of every month starting September 2007.**

D. Amendment to Agreement of Purchase and Sale Between the City of Milpitas and the Redevelopment Agency

Steve Mattas, City Attorney – The Redevelopment Agency (RDA) had previously purchased property, which was identified as City owned, for a total purchase price of \$29,300,000. During a City audit it was discovered that although the City owned the property, the RDA had paid a portion of the funds both for the land acquisition and the construction. The proposed amendment to the agreement would cover these issues:

- 1) The transaction itself was valid, but the purchase price should be adjusted to reflect the prior contribution of the RDA. The adjusted purchase price would be about \$20,000,000.
- 2) In the original purchase agreement the RDA indicated they would make a payment of about \$6.1 million, subsequently it wasn’t necessary. However, the principal amount plus interest started to compound under the agreement. It is appropriate to have the agreement amended to reflect that that first payment was not made.

- 3) Establish interest on an annual basis instead of compounded interest in the years the City elects to defer principal payment.
- 4) Set a 40-year term for the loan.

If the Agreement is not amended, there is no accounting for the RDA's prior contributions. There is potential for legislative response to this kind of situation. Back when some of these properties were originally acquired and constructed they began to appear on the RDA's fixed asset report instead of the City's. It brought up a question as to why the RDA was buying property that was on the RDA's fixed asset report, which was incorrect.

The recommendation to amend the purchase agreement will be presented at the next City Council meeting.

V. OTHER BUSINESS – None

VI. NEXT MEETING – To be scheduled in September 2007

VII. ADJOURNMENT