



Agenda Date: 3/1/2005
Agenda Placement: 6I

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Barbara Scriven for Dennis Morris - Director
Human Resources
REPORT BY: Barbara Scriven, Human Resources Analyst III, 253-4000
SUBJECT: Technical amendments to the four management compensation plans approved on December 14, 2004

RECOMMENDATION

Human Resources Director requests adoption of a resolution making certain technical amendments to the Management Classified, Management Non-Classified, Management Non-Classified (Other) and Confidential Management Compensation Plans relating to CPA Premium Pay, health benefits, insurances, and the designation of positions.

EXECUTIVE SUMMARY

On December 14, 2004, the Management Compensation Plan (hereafter "Plan") was revised as a result of discussions with the unrepresented employees. The Plan was also converted into four separate Plans. Each of the four Plans applies to a discrete group of unrepresented employees. The four groups may be described as follows:

1. Management Classified
2. Management Non-Classified
3. Management Non-Classified (Other)
4. Confidential

Following the December 14th adoption of the four Management Compensation Plans it was determined that technical amendments to the four Plans were required which are summarized in the background.

FISCAL IMPACT

Is there a Fiscal Impact? Yes

Is it currently budgeted?	Yes
Where is it budgeted?	With the exception of a reduction of approximately \$2,200 in salary and benefit expense to the Human Resources budget unit this fiscal year, as a consequence of removing the Office Assistant II position from the list of employees receiving Confidential benefits, the recommended technical amendments to the four Management Compensation Plans will have no fiscal impact.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The technical amendments to the Management Compensation Plans are necessary to clarify eligibility requirements and the extent of coverage for certain Management Non-Classified and Management Non-Classified (Other) insurances, and to make several other technical and typographical corrections to the Plans.
Is the general fund affected?	Yes
Future fiscal impact:	The Human Resources budget unit will realize a benefits expense savings of approximately \$5,000 over the course of the next fiscal year as a consequence of removing the Office Assistant II position from the list of employees receiving Confidential benefits. The other recommended technical amendments to the four Management Compensation Plans will have no fiscal impact beyond the current year.
Consequences if not approved:	The recommended technical amendments would not be implemented.
Additional Information:	None

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: General Rule. It can be seen with certainty that there is no possibility the proposed action may have a significant effect on the environment and therefore CEQA is not applicable [See Guidelines For the Implementation of the California Environmental Quality Act, 14 CCR 15061(b)(3)].

BACKGROUND AND DISCUSSION

The Management Compensation Plan (the Plan) is the mechanism which sets forth the supplemental fringe benefits accorded to non-classified, management and confidential employees. Periodically, the Plan is presented to the Board for approval of revisions to reflect changes in personnel procedures, benefits, and the like.

On December 14, 2004, the Board approved amendments to the Plan, which consisted of the following significant changes:

All Non-Classified, Management and Confidential employees:

1. Deferred Compensation Benefit - A matching contribution of up to \$1,000 to be transferred to the pre-tax sub-account of each participant in the County's 401(a) Retirement Savings Plan provided a similar amount is deferred by the participant into his or her 457 deferred compensation pre-tax sub-account.
2. Deferred Compensation Benefit - A direct non-match employer contribution of \$500 to be transferred to the

pre-tax sub-account of each 401(a) participant providing the department in which the participant is employed meets the performance standards established by the County Executive Officer. In 2005, the performance standard relates to employee performance evaluations completion.

3. Cell Phone Allowance - Increase monthly allowance from \$35.00 to \$70.00 for those employees who are required to use cell phones as part of their job duties.
4. Authorizes the County Executive Officer to establish the initial vacation accrual rate in the case of newly recruited employees who have previously worked for another governmental agency at a higher rate than a new employee without governmental experience would normally receive. Currently, those employees automatically receive a higher accrual rate; no specific approval for the County Executive Office is required.

Non-Classified Management employees only:

1. Increase term life and accidental insurance from \$50,000 to an amount equal to the compensation earned by the employee which will be adjusted whenever the officer or employee receives an increase in compensation.
2. Long term disability insurance equal to 2/3rds of the salary of the officer or employee; provided however that the maximum payment shall be \$10,000 per month. These payments will continue to age 65. There is a 90 day waiting period prior to an employee being eligible to receive such payments. This disability insurance is intended to function as supplemental disability insurance with the existing key employee disability insurance continuing to be the primary disability insurance.
3. Increasing the number of years an individual must serve as a department head to qualify for lifetime health benefits from 2 years to 5 years.
4. Clarifying that the lifetime medical benefit when originally adopted in 1989 was intended to vest upon meeting the time in office qualifications set forth in the Management Compensation Plan that was in effect at the time the department head left county employment.

The \$1,000 matching contribution to deferred compensation restores a benefit that was provided in 2002. The proposed new \$500 non-match contribution is based on achievement of an important County goal or objective identified by the Board each year.

In addition to the above mentioned changes, the Plan was also converted into four separate Plans corresponding with the four discrete groups of unrepresented employees. The four groups may be described as follows:

- | **Management Classified** - Non-Department Head and non-at will management employees.
- | **Management Non-Classified** - Department Heads and members of the Board of Supervisors.
- | **Management Non-Classified (Other)** - Those management positions designated by the Board of Supervisors as serving at the will of a Department Head, board, or commission.
- | **Confidential** - Non-management employees with access to confidential information concerning employer/employee relations.

Following the December 14th adoption of the four Management Compensation Plans it was determined that the following technical amendments to the Plans were required:

1. **Management Classified.** The provision for employees who qualify for the CPA Premium Pay was included in the Management Compensation Plan - Management Non-Classified (Other) but inadvertently omitted from the Management Compensation Plan - Management Classified. This has been corrected.
2. **Management Non-Classified.** Express language was added clarifying the intent of the Board of Supervisors to afford lifetime health benefits to Management Non-Classified employees and officers employed as of December 14, 2004 pursuant to the eligibility conditions in effect before the December, 14,

2004 change. The proposed amendment also clarifies the extent of coverage afforded under Long Term Disability insurance (a maximum of 24 months), the extent of coverage afforded under Basic Term Life insurance and Accidental Death and Dismemberment group life insurance (a one-time payment of the employee's or officer's annual salary) and the effective dates of these insurance coverages, which is January 1, 2005.

3. **Management Non-Classified (Other).** Amends the Plan to clarify the extent of coverage afforded under Long Term Disability insurance (a maximum of 24 months), the extent of coverage afforded under Basic Term Life insurance and Accidental Death and Dismemberment group life insurance (a one-time payment of the employee's or officer's annual salary), and the effective dates of these insurance coverages for Management Non-Classified (Other) employees, which is January 1, 2005.
4. **Confidential.** The position of Administrative Secretary I was inadvertently omitted from the Management Compensation Plan - Confidential. Additionally, an administrative decision has been made to remove the position of Office Assistant II from the list of employees eligible for Confidential benefits.

Additionally, minor grammatical and formatting changes were needed. The attached Resolution will make the required changes. It is recommended that the Resolution be adopted.

SUPPORTING DOCUMENTS

- A . Resolution
- B . Exhibit A to Attachment A (Resolution)
- C . Exhibit B to Attachment A (Resolution)
- D . Exhibit C to Attachment A (Resolution)
- E . Exhibit D to Attachment A (Resolution)
- F . Management Compensation Plan - Management Classified with tracking
- G . Management Compensation Plan - Management Non-Classified with tracking
- H . Management Compensation Plan - Management Non-Classified (Other) with tracking
- I . Management Compensation Plan - Confidential with tracking

CEO Recommendation: Approve

Reviewed By: Andrew Carey