

# STAFF REPORT

## *City Council Business Item*

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**DATE:** June 5, 2023

**TO:** Honorable Mayor and Council Members

**FROM:** Siana L. Emmons, City Clerk/Human Resources Manager

**THROUGH:** Merritt Perry, City Manager

**SUBJECT:** **Approval of the Full and Part Time Classification and Pay Rate Schedules for Fiscal Year 2023-2024 *Resolution 2023-16 and Resolution 2023-17***

**STAFF RECOMMENDATION:**

Approve the Fiscal Year 2023-24 Classification and Pay Rate Schedule for full and part time employees by adopting *Resolution 2023-16 and Resolution 2023-17*.

**EXECUTIVE SUMMARY:**

In 2021, the City completed negotiations with the Fortuna Police Employees Association (FPEA) and Fortuna Employees Association (FEA). Both bargaining units and the City, agreed to individual Memorandum of Understanding (MOU) consisting of two-year terms (April 1, 2022 through June 30, 2024).

The FPEA received a 12% Cost of Living Adjustment (COLA) for the first year, which was implemented April 1, 2022. The costs were appropriated into the Fiscal Year 2022-23 budget.

For the subsequent year, per the terms of the FPEA MOU, “The FPEA may reopen negotiations on Section VIII, subsection 1. Wage Adjustment if the City of Fortuna Sales Tax (including Measure E TUT) exceeds \$4.7 million for the fiscal year ending June 30, 2023.” Based on current projections within the City’s Finance Department, it is unlikely revenues will reach amounts that would allow the provision in the MOU to be implemented.

The FEA’s MOU provided an 8% COLA the first year, which was implemented on April 1, 2022. The second year included a 2% COLA increase to base pay and effective July 1, 2023. This cost is appropriated into the FY 2023-24 budget and reflected in the FY 23-24 Full-time Pay Rate Schedule for all miscellaneous and unrepresented employees and included here as Attachment “A” to *Resolution 2023-16*.

Other proposed changes to the FY 2023-24 Full-time Pay Rate Schedule include a recommendation to reclassify the Recreation Program Supervisor from Step No. F20 to F23. This recommendation is based on an assessment of position and takes into consideration the level of responsibility, number of employees managed, high level of decision-making and overall management of the position. It is also recommended that Council approve making the position Fair Labor Standards Act (FLSA) exempt, which would change the position from that of an hourly pay

rate to a salaried pay rate. It would also exclude the position from accruing overtime. Based on the needs of the Recreation Program, flexibility in the position’s work hours is required, including evening and weekend hours, which is why the exemption status change is recommended. If the Council agrees to include the reclassification of the Recreation Program Supervisor in the FY 2023-24 Full-time Pay Rate Schedule, the change has been included in “Attachment A” (Option 2). If the Council excludes the recommended reclassification, Attachment “A” (Option 1) should be used for the motion.

Reclassify Recreation Program Supervisor from F20 to F23	Base Pay (Step 0)	Top Base Pay (Step 5)
CURRENT F20	\$37,762.83/year	\$45,579.27/year
RECOMMENDED F23	\$39,496.78/year	\$48,053.87/year

In addition, part time employees will receive a 2% COLA, effective July 1, 2023. This increase is reflected in the FY 2023-24 Part-time Pay Rate Schedule and is included here as Attachment “A” to *Resolution 2023-17*.

**FISCAL IMPACT:**

The fiscal impacts associated with the proposed changes have been incorporated into the FY 2023-24 Budget and are reflected in the budget adoption staff report included in this meeting packet.

**RECOMMENDED COUNCIL ACTION:**

1. Receive staff report and review questions with staff
2. Open Public Comment
3. Close Public Comment
4. Motion to adopt *Resolution 2023-16 (Option 1)* **or** Motion to adopt *Resolution 2023-16 (Option 2)* including changing to the Recreation Supervisor to an FLSA exempt position; and read by title only. Roll call vote
5. Motion to adopt *Resolution 2023-17*; and read by title only. Roll call vote

**ATTACHMENTS:**

- *Resolution 2023-16; A Resolution Of The City Council of the City Of Fortuna Adopting the Full Time Classification And Pay Rate Schedules For Fiscal Year 2023-24*
  - Attachment “A” FY 2023-24 Full-time Pay Rate Schedule (Options 1 and 2)
- *Resolution 2023-17; A Resolution Of The City Council of the City Of Fortuna Adopting the Part Time Classification And Pay Rate Schedules For Fiscal Year 2023-24*
  - Attachment “A” FY 2023-24 Part-time Pay Rate Schedule