

**SALT LAKE CITY COUNCIL STAFF REPORT**  
**BUDGET ANALYSIS – FISCAL YEAR 2009-10**

**DATE:** May 26, 2009  
**BUDGET FOR:** **EMPLOYEE COMPENSATION - FISCAL YEAR 2009-10**  
**STAFF REPORT BY:** Sylvia Richards  
**cc:** David Everitt, Lyn Creswell, Debra Alexander, Gina Chamness, Ralph Chamness, and David Salazar

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***\*\*\*NOTE: This report will serve as a written briefing to the Council. Staff will be available to answer Council Member questions at the May 26th briefing, but will not be summarizing the report verbally.\*\*\****

**Budget Issues and Policy Changes**

**Ordinance Clarifications – Staffing Document**

Currently, Item A2 of Chapter 2.52.020 of Salt Lake City Code indicates “each of the approved [city employee] positions shall not exceed the general job classifications approved by the council for that position”. **Does the Council wish to clarify in this section of ordinance that no city employee position would be removed from or added to the Appointed Employee Pay Plan without Council approval?** The Administration’s quarterly report would update the Council about movements between the other classifications series. If the Council wishes to make this change, two options have been provided:

Option One:

During the fiscal year for which the staffing document is applicable, no position may be removed from or added to the appointed pay plan.

Option Two:

During the fiscal year for which the staffing document is applicable, an employee may not be moved from one classification series to another.

Another clarification the Council may wish to discuss is whether to document the reporting requirement (quarterly report to the Council) in an ordinance. Currently, through legislative intent language, the Council has asked the Administration to provide a quarterly update, including reclassifications or staffing changes with a budget impact, as well as any bonuses. **Does the Council wish to hold this policy discussion?**

**Car Allowance Benefit Clarification**

A question has been raised with regards to which city employees are eligible for the car allowance benefit. It was Council staff’s understanding that this benefit was limited to department directors and designees within the Mayor’s Office. Prior to that strict definition, several years ago, there was a proliferation of this allowance and it was then strictly limited to department directors and the designated positions in the Mayor’s Office.

The ordinance currently reads, “A car allowance may be paid to Appointed employees, as determined by the Mayor, at a rate not to exceed \$400 per month.” The Administration indicates that the car allowance benefit has been used in some instances in the recent past as a recruitment tool for certain appointed employees who are not department directors. **Does the Council wish to amend the language to reflect limiting this benefit in the future to the positions that currently receive it (until incumbents are no longer with the city), as well as to department directors and designees in the Mayor’s Office? \*Please note that the Mayor is not recommending this change.**

The total number of employees in the appointed plan is 101. In theory, the current ordinance language would allow granting the allowance to all of those employees. The reason the benefit was strictly limited several years ago is that it created equity issues – once one deputy director or division director received the allowance others in that pay class argued that they should receive the allowance as well.

If the Council wishes to continue to allow flexibility for the Administration the language could be left as is, or the Administration could institute a requirement to consult with the Legislative Body prior to this being used as a recruiting tool, etc.

#### **Proposed Changes to the Compensation Plans**

The Administration is proposing a number of changes to the compensation plans. In past years, the City has utilized five separate compensation plans specific to each bargaining unit as well as to non-represented employees. Human Resources Administration proposes to consolidate the plans and capture what is common and unique to each plan. The end result is one single compensation plan containing those things which specifically address compensation. In addition, there are two separate ordinances, one addressing holiday, vacation and leave accrual, and the other addressing employee overtime and other pay allowances. **Human Resources Administration will be prepared to provide a synopsis of the proposed changes during the briefing on May 26<sup>th</sup>.**

#### **Plan ‘A’ Sick Leave Modifications**

Earlier this year, there was some discussion with regards to the Administration’s interest in making potential changes to Plan ‘A’ sick leave accumulations for FY 2010. In the interest of transparency and employee involvement, the Administration indicates they will spend the next year creating a process and plan to address future modifications to Plan ‘A’ accumulations.

#### **Salary Suspension Proposal**

As mentioned in other budget staff reports, the Administration is proposing to adjust City employee salaries downward by 1.5% (resulting in a \$1.6 million savings for the General Fund). The salary decrease is offset by an additional four personal holidays per year, which will be allotted one per quarter, and cannot be carried over into the next quarter.