STAFF REPORT
REGULAR MEETING

AGENDA DATE: September 16, 2025 **DEPARTMENT:** Human Resources

TITLE:

Resolution No. 46-2025 – approval of certain longevity payments and update to personnel policies

SUMMARY:

Approval of certain longevity payments and update to personnel policies to specifically address non-bargaining employee longevity pay, update employee training and development policy, to include certain advance payments and a license/certification lump sum performance pay program, and adding floating holidays.

BACKGROUND AND JUSTIFICATION:

Regarding Longevity pay, the proposed resolution (i) ratifies certain longevity payments previously made (ii) creates a policy including all criteria for non-bargaining employees to be eligible and continue to receive longevity pay, and (iii) clarifying corrections of missed payments and implementation.

The proposed resolution also updates the Training & Development policy to include certain advance payments, updates the maximum payments during each fiscal year per employee, and provides a new license/certification lump sum performance pay program.

The proposed resolution also provides for elimination of the birthday holiday in exchange for three (3) floating holidays that do not count as hours worked for purposes of overtime calculation.

Longevity Pay
The City has provided longevity pay to various classes of employees over the years. Non-bargaining employees who were not associated with any bargaining unit were provided with longevity pay commensurate with the amounts set forth in the general employees' collective bargaining agreement (PEU) from time to time, notwithstanding that non-bargaining employees are not covered by that agreement. Similarly, certain current non-bargaining employees who were previously included in bargaining units that have since been decertified (PMSA and some IBEW) may have continued to receive contractual payments for a period of time notwithstanding the cessation of the collective bargaining agreements upon revocation of the unit's certification. Finally, some non-bargaining employees have missed payments that would have normally been made while the City's longevity pay practices were under review over the past few months.

Staff is in the process of reviewing its Employee Personnel Policies Handbook, which has not been updated since 2017, other than the recent adoption of the Paid Parental Leave policy. In conducting the initial review, it was noted that the policies do not include a longevity pay policy that comports with the City's current practice of providing longevity pay to non-bargaining employees. The policies also do not address the conversion of employees previously covered by a bargaining unit who became non-bargaining through the state's revocation of the union's certification (PMSA and IBEW). Ordinance 2-32(b)(8) contemplates longevity may be provided for in the position pay plan adopted by the Commission.

For administrative ease, staff seeks to include a comprehensive Longevity Pay Policy for non-bargaining employees, including employees with an employment contract such as the City Manager, in the Employee Personnel Policies Handbook at the same rates included in the recently ratified general employees' bargaining unit which begins at the rate of $500 after completing five (5) years of service, adding an additional $100 each completed year of employment thereafter, with a maximum of $2,000 for completion of twenty (20) years of employment and each year thereafter. The former rates provided to non-bargaining employees began at $375 after completing five (5) years of service, adding an additional $75 each completed year of employment thereafter, with a maximum of $1,500 after the 20th year. The former non-bargaining longevity rates are proposed to be ratified for prior payments and updated with the approval of the updated Longevity Pay Policy to be included Employee Personnel Policies Handbook.

Further, due to the transition of certain positions from bargaining to non-bargaining and other pressing matters, staff inadvertently missed making some longevity payments from October 1, 2024, through present relating to some of these transitioned employees and presently existing non-bargaining employees who were previously covered by the decertified units or who were classified as non-bargaining with no bargaining unit affiliation.

Approximately nine (9) of these transitioned employees (former IBEW) did continue receiving a frozen longevity payment under the voided/expired collective bargaining agreement as an “add pay” amount prorated to an hourly amount, which over the course of one year is equivalent to 70% of their total longevity amount. The remainder of these transitioned employees (former IBEW) were not eligible for longevity under the terms of their then effective collective bargaining agreement.

Staff seek authorization to:

1. Process any missed longevity payments for currently employed non-bargaining employees at the applicable rates in existence prior to adoption of the proposed Resolution 46-2025.
2. Implement the proposed Longevity Pay Policy at the proposed rates for currently employed non-bargaining employees annually.
3. Continue longevity payments for the nine (9) currently employed and specified non-bargaining employees at the frozen longevity pay rate from the voided IBEW collective bargaining agreement.
4. Ratify all prior longevity payments.

Passage of the Resolution and adoption of the Longevity Pay policy will ensure appropriate documentation for internal controls and ensure equal treatment among non-bargaining employees.

The amounts for the employees who transitioned from bargaining to non-bargaining not yet paid is $65,240 and the total annualized cost for Fiscal Year 2024/2025 is budgeted.

The amounts for the non-bargaining employees who were not transitioned from a decertified bargaining unit is $17,100 for the total annualized cost for Fiscal Year 2024/2025, which has been budgeted.
The updated rates have been updated for non-bargaining and bargaining staff for FY 2026 and included in the proposed budget.

Employee Training & Development
Staff reviewed the current policy in relation to employee retention as well as enhancing a higher skilled workforce to support the quality of service provided to the residents and businesses within the City.

The update policy provides for advance payment for courses and exams in preparation for licensure or certification in areas critical to recruitment and retention. The update also proposes an increase in the maximum annual allowable rates per employee per fiscal year commensurate with the education, training or certification level sought.

The proposed policy implements an obligation to remain employed for two (2) years after completion of the coursework/licensing or the employee is responsible for repayment to the City.

The License/Certification Lump Sum Performance Pay program based upon the level achieved at the direction of the City. For example, all levels receive a 5% increase in base pay, but employees achieving a Professional/Expert Level certification also receive a one-time lump sum payment of $2,500. Those achieving an Advanced Level certification receive a one-time lump sum payment of $1,500. This program contains limitations to ensure the certifications, licenses or accreditations are designed to reward advanced training that carries employees' skills beyond the ordinary and enhances the City's delivery of service to the public it serves. Staff who have requested certification and training, have been included in the FY 2026 proposed budget.

Floating Holidays
The Holiday policy previously provided employees with the Employee's birthday as a holiday. The proposed update removes the Employee's birthday and adds three (3) annual Floating Holidays credited on October 1 of each Fiscal Year. These holidays do not count toward hours worked for purposes of calculating overtime, nor are they ever eligible for payout. The floating holidays are also not permitted to be carried over from year to year and are automatically forfeited on September 30 of each year if not used. New hires are provided a proportional number of days based on the hire date.

MOTION:

Move to approve/disapprove Resolution No. 46-2025, approval of certain longevity payments and update to personnel policies

ATTACHMENT(S):

Fiscal Impact Analysis
Resolution 46-2025

FISCAL IMPACT ANALYSIS

Five Year Summary of Fiscal Impact:

Fiscal Years	**2025**	**2026**	**2027**	**2028**	**2029**
Inflows/Revenues					
Appropriated (Budgeted)	0	0	0	0	0
Program Income	0	0	0	0	0
Grants	0	0	0	0	0
In Kind	0	0	0	0	0
Outflows/Expenditures					
Appropriated (Budgeted)	$82,240	0	0	0	0
Operating	$	0	0	0	0
Capital	0	0	0	0	0
Net Fiscal Impact *(If not budgeted)*	0	0	0	0	0
No. of Addn'l Full-Time Employee Positions	0	0	0	0	0

Contract Award - Existing Appropriation (Budgeted)	
	Expenditure
Department/Fund	001/401/402/403/405/408
Division	Various
GL Description	Various
GL Account Number	001/401/402/403/405/408
Project Number	N/A
Requested Funds	$82,240
Remaining Balance	N/A
Source of Revenue (i.e. Paygo. Current Revenue, Bond Money, Grants, etc.)	Current Revenues