

NNNNN
Page 744

From: Rodgers, Terrance
Sent: Tuesday, May 08, 2012 02:21 PM
To: Jimenez, Tomi; Montez, Marion; McGinly, Teresa; Lueras, Lolita; Ray, Angelina T.
Subject: FW: Malckenhorst, Sr. Compensation

Good Afternoon,

Per Tomi's request, I wanted to provide explanation and another option to determine the "compensation earnable" for Mr. Malckenhorst, Sr. The explanations are as follows:

1. Accept payrate as reported, but reduce Longevity to 20% as provided to the group or class, for a total F/C amount of \$42362.40 (#1 in attached)
2. Use \$4797 payrate and 20% Longevity for a total F/C amount of \$5756.40. This was the last verified, full-time payrate and allowable special compensation (e.g. Plotkin with CSBA)-(#2 in attached)
3. Using the \$4797 payrate, allow the actuarially assumed cost-of-living increase (for all miscellaneous members) of 3% per year since 1978. This would provide a monthly payrate of \$10656 plus a 20% Longevity payment of \$2131.20 for a total monthly F/C of \$12787.20. Because we use the actuarially assumed COLA increase, this may help mitigate any unfunded liability issues and, based on experience, is a relatively reasonable monthly F/C for an equivalent position at a comparable city/organization (#3 in attached)
4. Another possible course of action that has been discussed is as follows:

Because the member took on multiple positions and due to the lack of specific information to establish a full-time payrate, another option is to limit the member to an amount on an approved publicly available pay schedule for which a full-time payrate has been established in the next most closely related group or class. This approach potentially provides more consistent application for all affected members, it may be more in alignment with the "spirit" of SB 53 and the definition of payrate in GC 20636(b)(2). Also, this approach is provided as a possible solution in situations where reported compensation does not conform to GC 20636(b)(2) in CCR 570.5(b). For example, when one of the positions listed for the member is the "CEO of the Electrical Department," determine the most closely related group or class on the pay schedule that conforms to the publicly available requirements and for which we can determine was a full-time payrate (e.g. the position is not cited in any resolution for which one person is serving in multiple positions such as Generation Operations Manager which is a subordinate position to CEO of the Electrical Department). By taking this approach, we can establish a full-time rate of pay for the most closely related, similarly situated group or class for services rendered on a full-time basis and pursuant to a publicly available pay schedule.

I hope this makes sense, but please let me know if I need to elaborate.
Regards,

Terrance Rodgers
Compensation Review
916/795.9523