



# CITY OF SACRAMENTO

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## DEPARTMENT OF EMPLOYEE RELATIONS

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DIRECTOR OF EMPLOYEE RELATIONS

July 29, 1980

City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: Proposed Charter Amendment on Salaries of Employees

### SUMMARY

The proposed amendment to Section 103 of the Sacramento City Charter would allow, but not require, the City to grant retroactive pay adjustments where such adjustments would be permissible under State law.

### BACKGROUND

Article IV, section 17 and Article XI, section 10 of the California Constitution generally prohibits cities from granting retroactive salary increases to employees. Recent court decisions, however, have established exceptions to the general rule, and permitted retroactive salary increases in certain situations. (See Javis v. Cory, 99 Cal. App.3d 150, 154-155 (1979); San Joaquin County Employees Assn. v. County of San Joaquin, 39 Cal. App.3d 83 (1974); Goleta Educators Assn. v. Dall'Armi; 68 Cal. App.3d 830 (1977)).

The exception which is pertinent here provides that if a public agency and an employee organization are negotiating salaries when their contract expires, any salary increases subsequently granted may be made retroactive to the date the contract expired.

The Sacramento City Charter, however, also contains a prohibition against retroactive salary increases, and does not establish any exceptions. Section 103 states that

The annual compensation of the employees of the City shall be fixed by resolution of the City Council. All salaries shall be paid not less frequently than semimonthly and shall be in full compensation for all duties and services performed by such employees of the City. (emphasis added)

Due to the difference in language between the City Charter section and the constitutional provisions just discussed, the City Attorney has advised that the City Charter prohibits granting retroactive pay increases, and that the exceptions established by the courts to the constitutional provisions do not apply to the City Charter.

APPROVED  
BY THE CITY COUNCIL

JUL 29 1980

OFFICE OF THE  
CITY CLERK

The proposed amendment to Section 103 would add subsection (b), to read as follows:

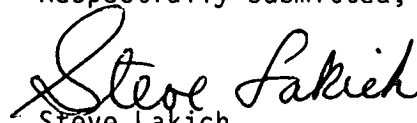
- (b) Nothing in this section prohibits the City from granting retroactive pay adjustments if such adjustments would be permissible under Article IV, section 17 or Article XI, section 10(a) of the California Constitution; provided, however, that nothing in this section requires that such retroactive pay adjustments be granted.

The amendment is intended to permit, but not require, the City to grant retroactive pay increases in those instances where retroactive pay increases would be permissible under Article IV, section 17 or Article XI, section 10(a), as construed by applicable court decisions. Such an amendment would have two beneficial effects: (1) it would add flexibility to the City's negotiations with recognized employee organizations; and (2) it would reduce or eliminate the end-of-the-fiscal-year rush to have labor agreements approved, thereby allowing the Council more time to review such documents before adoption.

RECOMMENDATION

It is recommended that the City Council approve the attached proposal as an amendment to City Charter Section 103 to be submitted to the voters in November, 1980.

Respectfully submitted,



Steve Lakich  
Director of Employee Relations

RECOMMENDATION APPROVED:



Walter J. Slipe  
City Manager

Proposed Charter Amendment

Sec. 103 Salaries of Employees.

- (a) The annual compensation of the employees of the City shall be fixed by resolution of the City Council. All salaries shall be paid not less frequently than semi-monthly and shall be in full compensation for all duties and services performed by such employees of the City.
- (b) Nothing in this section prohibits the City from granting retroactive pay adjustments if such adjustments would be permissible under Article IV, section 17 or Article XI, section 10(a) of the California Constitution; provided, however, that nothing in this section requires that such retroactive pay adjustments be granted.