



Agenda Report

August 15, 2022

TO: Honorable Mayor and City Council

FROM: Department of Human Resources

**SUBJECT: ADOPTION OF SALARY RESOLUTIONS FOR NON-REPRESENTED
NON-MANAGEMENT, NON-REPRESENTED MANAGEMENT, AND
EXECUTIVE MANAGEMENT EMPLOYEES**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the action proposed herein is not a "project" as defined in the California Environmental Quality Act (CEQA), Public Resources Code Section 21065 and Section 15378(b)(2) of the State CEQA Guidelines and, as such, is not subject to environmental review;
2. Adopt the Non-Represented Non-Management Salary Resolution;
3. Adopt the Non-Represented Management Salary Resolution; and
4. Adopt the Executive Management Salary Resolution.

BACKGROUND:

The City Council establishes by resolution the salaries and benefits for classifications that are not represented by an employee association or union. The City Council may adopt salary resolutions as necessary in order to make adjustments to wages, benefits and working conditions for non-represented employees. The non-represented employee resolutions are typically reviewed once annually.

On March 14, 2022, the City Council approved a 2.5% wage increase for all non-represented employee classifications as well as a subsequent increase of 2.0% effective January 2, 2023. In the months following Council's approval of these increases, several represented employee groups have negotiated wage increases that slightly exceed what has been allocated for non-represented employees.

The purpose of this recommendation is to maintain equity in wage growth between the City's represented and unrepresented employee groups by moving the 2.0% increase currently scheduled for January 2, 2023 up to August 29, 2022 and providing an additional 1.0% increase effective August 29, 2022.

In addition to across the board wage increases, other recommended updates include additional increases to the classifications of Director of Housing and Director of Parks, Recreation and Community Services. These classifications are recommended for additional increases in order to preserve internal alignment and maintain parity with comparable classifications at other agencies in the City's labor market. These increases are subject to satisfactory performance. The City Manager will have the discretion to determine the timing of the incumbents' movement to the new control rate.

The changes to non-represented employee resolutions are summarized as follows:

Non-Represented Non-Management:

1. Salary Increases:
 - a. Effective August 29, 2022, Non-Represented Non-Management employees, with the exception of retired annuitants, will receive a wage increase in the amount of 3.0%. This increase is provided in lieu of the 2.0% increase that is scheduled for January 2, 2023.
2. The Non-Represented Non-Management Salary Resolution includes additional routine annual updates to medical benefit contribution rates.

Non-Represented Management:

1. Salary Increases:
 - a. Effective August 29, 2022, Non-Represented Management employees will receive a wage increase in the amount of 3.0%. This increase is provided in lieu of the 2.0% increase that is scheduled for January 2, 2023.
2. Provide overtime in the amount of 1.5 times the base hourly rate for Police Lieutenants when required to report to work after-hours in response to criminal investigations and SWAT events.
3. The Non-Represented Management Salary Resolution includes additional non-economic language changes related to pensionable helicopter premium pay, grievances, and routine annual updates to medical benefit contribution rates.

Executive Management:

1. Salary Increases:

- a. Effective August 29, 2022, Executive employees, with the exception of Council appointed Executives, will receive a wage increase in the amount of 3.0%. This increase is provided in lieu of the 2.0% increase that is scheduled for January 2, 2023.
- b. Effective August 29, 2022, the following classifications will receive an additional labor market and/or internal equity increase to the control rate as follows:
 1. Director of Parks, Recreation and Community Services: 11.8%
 2. Director of Housing: 11.8%

2. The Executive Salary Resolution includes additional non-economic language changes related to pensionable management incentive / bonus premium pay and routine annual updates to medical benefit contribution rates.

COUNCIL POLICY CONSIDERATION:

The recommended changes to the salary resolutions support the City Council's strategic goal of maintaining fiscal responsibility and stability.

FISCAL IMPACT:

The fully burdened FY 2023 cost of the recommended increases is approximately \$600,000, with ongoing costs of approximately \$440,000 annually thereafter. The FY 2023 Operating Budget includes assumed growth to cover anticipated salary and benefit increases which is expected to absorb the recommended increases. However, staff will monitor personnel expenses and request a supplemental appropriation during the fiscal year if necessary. Approximately 71% of the cost is funded directly through the General Fund.

Respectfully submitted,



ALEX SOUTO
Acting Director of Human Resources

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Analyst

Approved by:



CYNTHIA KURTZ
Interim City Manager

Attachments:

1. Non-Represented Non-Management Salary Resolution
2. Non-Represented Management Salary Resolution
3. Executive Management Salary Resolution