

# Agenda Report

December 4, 2000

TO: City Council  
FROM: City Manager  
RE: Salary Resolution Amendment – Executive Management Compensation

## RECOMMENDATION:

It is recommended that the City Council adopt a resolution to amend the Salary Resolution to accomplish the following for specified Executive Management classifications which report to the City Manager:

- Increase the control rates for specified Executive Management classifications based on market conditions effective November 20, 2000; and increase the control rates by 3.0% effective July 2, 2001;
- Establish an annual medical examination for the Executive Management classifications which report to the City Manager, effective November 20, 2000;
- Increase the auto allowance for the Executive Management classifications which report to the City Manager, effective November 20, 2000;
- Update the Salary Resolution to include language on the City's new flexible benefits plan previously approved by City Council, effective January 1, 2000.

It is further recommended that the City Council authorize the Director of Finance to prepare a journal voucher allocating funds from the Personnel Services Reserve to the affected General Fund budgets and from the respective unappropriated fund balance to the various non-General Fund budgets.

## BACKGROUND:

Over the past year, the City Council has approved adjustments to the compensation plan for all employee groups whose MOUs were renewed, and for the unrepresented employee groups, with the exception of Executive Management. This agenda report recommends certain adjustments to the compensation plan for the Executive Management classifications which report to the City Manager as follows:

Control Rates: It is recommended that the control rates for the following 12 classifications listed below be adjusted. The increases vary by classification, range from 5.0% up to 20.3%, and are based primarily on the economics of the marketplace and the ability to retain and attract highly qualified executives. While not all cities are used as survey comparisons for all positions (depending upon comparability of position responsibilities), the cities used in the comparison survey are shown in Attachment A. The recommended adjustments will be applied to the control rates (i.e. salary range maximum) for the classifications.

All employee salary adjustments will be determined individually, based on performance. Performance will be evaluated on the measures approved as part of the budget, as well as other criteria established by the City Manager. Each executive committee member will be evaluated in August or September of each year following the close of the prior fiscal year budget.

The 12 classifications recommended for control rate adjustment are:

- Assistant to City Manager.
- Assistant City Manager
- Deputy Public Works Director (this is also a title change)
- Director of Finance
- Director of Housing and Development
- Director of Human Resources
- Director of Human Services, Recreation and Neighborhoods
- Director of Library and Information Services
- Director of Planning and Permitting
- Director of Public Health
- Fire Chief
- Police Chief

The General Manager of Water & Power is not included in this report, as a recommended control rate has not yet been determined. When finalized, a recommendation will be presented to Council for approval at a later date. The Director of Public Works and Transportation is also not included in the recommendations for control rate adjustment, as this position was addressed earlier this year.

For FY 2001-2002, effective July 2, 2001, the control rates for all Executive Management classifications which report to the City Manager are recommended for a 3.0% increase. Again, individual increases will be based on performance.

Annual Medical Examination: It is recommended that the City establish an annual medical examination program for the Executive Management positions which report to the City Manager. Staff has researched and identified a medical facility in Pasadena which will contract with the City to conduct the comprehensive physical exams for Executives, at an approximate cost of \$6,100

per year. This is a benefit typically offered to executives in both the public and private sectors, and gives emphasis to the importance of physical fitness and well being for executives.

Auto Allowance: Presently, the auto allowance for most Executives is \$256 per month. It is recommended that the auto allowance be increased from \$256 per month to \$375 per month effective November 20, 2000. For the Assistant City Manager classification, it is recommended that the auto allowance be increased from \$360 to \$450 per month. While these recommended increases are substantial, it should be noted that the auto allowance rate has not changed since 1992.

Flexible Benefits Plan: On January 1, 2001, the new flexible benefits plan previously approved by City Council will take effect. The language in the Salary Resolution is being updated to provide for the flexible benefits plan, with no change in the benefits dollar amount.

FISCAL IMPACT:

The potential annual maximum cost for the control rate and benefits adjustments total \$154,049 per year, or \$96,280 for the remainder of FY 2001.

For FY 02, the potential maximum cost of the 3% salary increase is \$52,256 per year.

Funds are available from the Personnel Services Reserves for General Fund departments, and from the respective unappropriated fund balance for non-General Fund departments.

Respectfully,

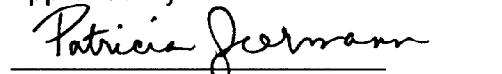


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