



CITY OF SAN MATEO

City Hall
330 W. 20th Avenue
San Mateo CA 94403
www.cityofsanmateo.org

Agenda Report

Agenda Number: 14

Section Name: {{section.name}}

File ID: {{item.tracking_number}}

TO: City Council

FROM: Drew Corbett, City Manager

PREPARED BY: Human Resources Department

MEETING DATE: February 22, 2022

SUBJECT:

Department Heads and Deputy Directors – Compensation Plan Amendment

RECOMMENDATION:

Adopt a Resolution to amend the Consolidated City Manager, City Attorney, Department Head and Deputy Director Compensation Plan to include salary increases for Department Heads and Deputy Directors.

BACKGROUND:

The City Council determines the salary and benefits compensation for employees. The Department Heads and Deputy Directors are not represented by a bargaining group. Their salary ranges are determined by the City Council as set forth in the Consolidated City Manager, City Attorney, Department Head and Deputy Director Compensation Plan.

The Department Heads are at-will positions and serve at the pleasure of the City Manager. The Deputy Director classifications are in the competitive service as defined by Municipal Code Chapter 2.57. Department Heads and Deputy Directors last received increases to their salary ranges on September 16, 2019.

Prior to the pandemic, the City's General Fund Long-Term Financial Plan assumed annual employee salary increases of two percent (2%). Due to sudden and severe impact to transient occupancy tax and sales tax revenue caused by the COVID-19 pandemic, the City chose to tap into the Rainy-Day fund to prevent layoffs and then entered into concession bargaining discussions with its bargaining units. Department Heads and Deputy Directors were the first group of employees to forgo salary increases in fiscal years 2020 and 2021 to support the Financial Stability Plan. The Adopted 2021-22 Budget assumed zero percent (0%) salary increases for Department Heads and Deputy Directors.

The mid-year budget update presented to the City Council on January 18, 2022, projected increased General Fund revenues in the amount of \$10.7 million and decreased expenditures in the amount of \$2.8 million, which provides funding to support salary increases. Therefore, the proposed resolution recommends a four percent (4%) increase effective March 6, 2022, to the salary ranges for Department Heads and Deputy Directors. The proposed resolution does not amend the salary for City Manager or City Attorney.

Pursuant to Municipal Code Section 4.02, the City Council provides for the compensation of all officers and employees and salaries shall be fixed by Resolution. Title 2 of the California Code of Regulations (CCR), Section 570.5, requires the City Council to adopt a full salary schedule, as a standalone document detailing the rates of pay for each City classification, and to maintain this salary schedule as a publicly available document for at least five years. The California Public Employees' Retirement System (CalPERS) uses this salary schedule to determine the "compensation earnable" when calculating the monthly pension an individual will receive when they retire. "Compensation earnable" is defined by the Public Employees' Retirement Law (PERL) Government Code Sections 20636, and 20636.1 as pay rate and special compensation as defined in the statutes.

BUDGET IMPACT:

Approval of the compensation resolution results in an increase of \$60,815 in total compensation for the Department Heads and Deputy Directors for the remainder of the fiscal year. No additional budget authority is required, as this amount can be absorbed within existing operating budgets.

ENVIRONMENTAL DETERMINATION:

This action is not a project subject to CEQA, because it is a government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. (CEQA Guidelines Section 15378(b)(4).)

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 - Proposed Resolution

Att 2 - Track changes City Manager, City Attorney, Department Head, Deputy Director Compensation Plan

STAFF CONTACT

Teresa Abrahamsohn, Director of Human Resources

tabrahamsohn@cityofsanmateo.org

650.522.7276