



CITY OF SAN MATEO

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Agenda Report

Agenda Number: 13

Section Name: {{section.name}}

File ID: {{item.tracking_number}}

TO: City Council

FROM: Drew Corbett, City Manager

PREPARED BY: Human Resources Department

MEETING DATE: September 16, 2019

SUBJECT:

City Manager, City Attorney, Department Head and Deputy Director Compensation Plan Amendment

RECOMMENDATION:

Adopt a Resolution to amend the 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, and their salary ranges are determined by the City Council.

The Department Heads are in 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 9, 2018.

The process to develop the General Fund long-term financial plan and the 2019-20 Adopted Budget included a focus on the sustainability of ongoing spending commitments. Pension expenditures are set to nearly double over the next eleven years, which impacts the funds available to devote to competing resource demands.

Built into these financial documents are assumed employee salary increases of two per cent (2%) in the 2019-20 Adopted Budget. Therefore, the proposed resolution recommends a 2% increase effective September 8, 2019 to the salary ranges for department heads and deputy directors, with a 5% increase for the Assistant City Manager classification as it is significantly behind the market median. 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:

There is no budgetary impact for the compensation adjustments for department heads and deputy directors. The adopted 2019-20 budget assumed 2% salary range increases, and the proposed compensation adjustments can be accommodated

within existing departmental operating budget appropriations.

ENVIRONMENTAL DETERMINATION:

This plan 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

Exhibit A – City Manager, City Attorney, Department Head, Deputy Director Salary Schedule

Exhibit B – City Council Merit Salary Schedule

Att 2 – Track Changes - Compensation Plan

STAFF CONTACT

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