

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL

FROM: JEREMIA MILLS, EMPLOYEE RELATIONS MANAGER
HUMAN RESOURCES DEPARTMENT

SUBJECT: APPROVAL OF AMENDMENT NO. 3 TO CITY MANAGER'S
EMPLOYMENT AGREEMENT AND INTRODUCTION OF
ORDINANCE TO INCREASE THE COMPENSATION OF THE
CITY MANAGER BY PROVIDING, EFFECTIVE JULY 8, 2018, (1)
A 3% COST OF LIVING SALARY ADJUSTMENT, AND (2) AN
INCREASE IN CONTRIBUTION BY THE CITY FOR THE 2018-
2019 FISCAL YEAR IN AN AMOUNT EQUAL TO 0.25% OF BASE
WAGE TO THE CITY MANAGER'S RETIREE HEALTH SAVINGS
PLAN, FOR A TOTAL CONTRIBUTION BY THE CITY OF 0.5% OF
BASE WAGE

AGENDA ACTION: RESOLUTION AND ORDINANCE INTRODUCTION

RECOMMENDATION

It is recommended by the Human Resources Department that the Council, by resolution, approve Amendment No. 3 to the Employment Agreement of the City Manager and introduce an Ordinance to increase the compensation of the City Manager by providing, effective July 8, 2018, (1) a 3% cost of living salary adjustment, and (2) an increase in contribution by the City for Fiscal Year 2018-2019 in an amount equal to 0.25% of base wage to the City Manager's Retiree Health Savings Plan, for a total contribution of 0.5% of base wage.

EXECUTIVE SUMMARY

The Human Resources Department recommends that the Council consider amending the Employment Agreement of the City Manager and introducing an Ordinance increasing the Compensation of the City Manager by providing the City Manager, effective July 8, 2018, the same 3% cost of living salary adjustment and retiree health savings plan contribution of 0.25% of base wage, for a total contribution of 0.5% of base wage that the Council previously approved for Executive Management Staff.

APPROVAL OF AMENDMENT NO. 3 TO CITY MANAGER EMPLOYMENT AGREEMENT

PAGE 2 OF 4

BACKGROUND

The City Manager's salary and compensation are set by ordinance adopted by City Council as required by the City Charter, and the City's employment agreement with the City Manager is approved by the Council by resolution.

As established by ordinance, and provided in the City Manager's employment agreement as previously amended ("Employment Agreement"), the City Manager's current salary is \$19,365 per month.

The Employment Agreement currently provides that "the City Manager's compensation shall change by the percentage of the cost of living salary adjustment, if any, and benefits adjustment, if any, paid to the City's executive management in the then current fiscal year, unless the Council fixes some different amount for the City Manager in advance of July 1st."

The Employment Agreement further provides that the City shall provide the City Manager with a Retiree Health Savings Plan "under the same terms it is provided to other executive management employees."

On July 18, 2017, the Council approved a three-year Wages, Hours and other Terms and Conditions of Employment Agreement for Executive Management. In Fiscal Year 2017-18, the Agreement includes a 3% cost of living salary increase and a 0.25% of base wage retiree health savings plan contribution for executive management, effective the first full pay period following July 1, 2017. In Fiscal Year 2018-19, the Agreement includes, effective the first full pay period following July 1, 2018, a 3% cost of living salary adjustment and an increase in City's contribution by 0.25% of base wage retiree health savings plan contribution, for a total contribution of 0.5% of base wage.

PRIOR CITY COUNCIL REVIEW

On August 5, 2014, City Council, by resolution, appointed the current City Manager to the position of City Manager, approved the Employment Agreement – City Manager and authorized the Mayor to execute the agreement on behalf of the City.

On August 26, 2014, City Council adopted an Ordinance Establishing Salary and Other Compensation and Benefits for the then new City Manager setting the City Manager's salary at \$17,895 per month with a two and one half (2.5%) cost of living increase effective on July 12, 2015.

On August 30, 2016, City Council adopted Resolution No. 28853 approving Revised Amendment No. 1 to Employment Agreement - City Manager. That amendment provided the City Manager with a cost of living salary increase of 2.5% effective on July 10, 2016, bringing the City Manager's salary to \$18,801 per month.

APPROVAL OF AMENDMENT NO. 3 TO CITY MANAGER EMPLOYMENT AGREEMENT

PAGE 3 OF 4

On September 13, 2016, City Council adopted an Ordinance setting the City Manager's salary at \$18,801 per month as of July 10, 2016.

On July 18, 2017 City Council approved Resolution No. RES-2017-146 which, beginning on July 9, 2017, gave Unit 10 – Executive Management a 3% cost of living salary increase and a contribution by the City for the current fiscal year to Retiree Health Savings Plan equal to 0.25% of base salary.

On December 5, 2017, the City Council approved Amendment No. 2 to the Employment Agreement by resolution providing, a 3% cost of living adjustment in the City Manager's salary effective July 9, 2017 and 0.25% of base salary contribution to the City Manager's Retiree Health Savings Plan.

On December 5, 2017, the City Council adopted an Ordinance setting the City Manager's salary at \$19,365 per month as of July 9, 2017.

ANALYSIS

The City Manager's Employment Agreement provides that "the City Manager's compensation shall change by the same percentage of the cost of living salary adjustment, if any, and benefits adjustment, if any, paid to the City's executive management in the then current fiscal year, unless the Council fixes some different amount of the City Manager in advance of July 1st." Additionally, the Employment Agreement provides that the City Manager shall be provided a Retiree Health Savings Plan (RHS) "as provided to other management employees."

On July 18, 2017, the Council approved a three-year Wages, Hours and other Terms and Conditions of Employment Agreement for Executive Management. In Fiscal Year 2017-18, the Agreement includes a 3% cost of living salary increase and a 0.25% of base wage retiree health savings plan contribution for executive management, effective the first full pay period following July 1, 2017. In Fiscal Year 2018-19, the Agreement includes, effective the first full pay period following July 1, 2018, a 3% cost of living salary adjustment and an increase in City's contribution by 0.25% of base wage retiree health savings plan contribution, for a total contribution of 0.5% of base wage.

To provide the City Manager with the same cost of living salary adjustment, and the same retiree health savings plan contribution provided to the executive management team in Fiscal Year 2018-2019, Council must approve, by resolution, an amendment to the City Manager Employment Agreement and adopt an Ordinance establishing the City Manager's new compensation.

APPROVAL OF AMENDMENT NO. 3 TO CITY MANAGER EMPLOYMENT AGREEMENT

PAGE 4 OF 4

FISCAL IMPACT

The total cost of this resolution and ordinance for the current fiscal year is \$7,587.00; this expenditure is included in the proposed Fiscal Year 2018 – 2019 budget.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment A – Amendment No. 3 to Employment Agreement
- Resolution/Exhibit A
- Ordinance

CONTACT

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