

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL

FROM: AMY REEVE, HUMAN RESOURCES DIRECTOR

SUBJECT: APPROVAL OF AMENDMENT NO. 2 TO CITY ATTORNEY'S EMPLOYMENT AGREEMENT AND INTRODUCE AN ORDINANCE TO INCREASE THE COMPENSATION OF THE CITY ATTORNEY BY PROVIDING, EFFECTIVE MAY 12, 2019, (1) A 7.5% MERIT INCREASE, AND (2) 2.5% INCREASE IN DEFERRED COMPENSATION FOR A TOTAL CONTRIBUTION OF 5% OF BASE PAY, AND EFFECTIVE JULY 7, 2019, (1) A 2.5% COST OF LIVING SALARY ADJUSTMENT, AND (2) AN INCREASE IN CONTRIBUTION BY THE CITY FOR THE 2019-2020 FISCAL YEAR EQUAL TO 0.25% OF BASE WAGE TO THE CITY ATTORNEY'S RETIREE HEALTH SAVINGS PLAN, FOR A TOTAL CONTRIBUTION OF 0.75% 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. 2 to the Employment Agreement of the City Attorney and introduce an Ordinance to increase the compensation of the City Attorney by providing, effective May 12, 2019 (1) A seven and a half percent (7.5%) merit increase, (2) a two and a half percent (2.5%) increase in deferred compensation for a total contribution of five percent (5%) of base pay, and effective July 7, 2019, (1) a two and a half percent (2.5%) cost of living salary adjustment, and (2) an increase in contribution by the City for the 2019-2020 fiscal year in an amount equal to one-quarter percent (0.25%) of the City Attorney's base wage toward her Retiree Health Savings Plan, for a total contribution by the City of point seven five percent (0.75%) of base wage.

EXECUTIVE SUMMARY

The Human Resources Department recommends that the Council consider amending the Employment Agreement of the City Attorney and introduce an Ordinance increasing the Compensation of the City Attorney by providing the City Attorney, effective May 12,

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2019,(the first pay period following her anniversary date), a 7.5% merit increase, a 2.5% increased contribution to her deferred compensation.

Additionally, effective July 7, 2019, it is recommended that the Council provide the agreed upon 2.5% cost of living salary adjustment and retiree health savings plan contribution of 0.25% of base wage, for a total contribution of 0.75% of base wage, which is the same date that the Council previously approved these benefit increases for Executive Management Staff.

BACKGROUND

The City Attorney'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 Attorney is approved by the Council by resolution.

As established by ordinance, and provided in the City Attorney's employment agreement ("Employment Agreement"), the City Attorney's current salary is \$17,595.84 per month.

The Employment Agreement currently provides that "the City Attorney's compensation shall change by the percentage of the cost of living salary adjustment, if any, paid to the City's Executive Management employees for the 2018-19 fiscal year and each fiscal year thereafter. The City Attorney's compensation shall also change by the benefits adjustment, if any, paid to the City's Executive Management for the 2017-18 fiscal year and each fiscal year thereafter. In addition, upon completion of an annual performance evaluation as set forth in section 5, the City Council shall consider whether to provide a merit increase in the City Attorney's salary subject to the maximum salary range establish for the City Attorney classification."

The Employment Agreement further provides "A Retiree Health Savings Plan (RHS) shall be provided under the same terms it is provided to other executive management employees."

The City Council has completed the City Attorney's annual performance evaluation.

PRIOR CITY COUNCIL REVIEW

On April 18, 2017, City Council, by resolution RES-2017-061, appointed Sue Gallagher to the position of City Attorney, approved the Employment Agreement – City Attorney and authorized the Mayor to execute the agreement on behalf of the City.

On May 2, 2017, City Council adopted Ordinance ORD-2017-007 Establishing Salary and Other Compensation and Benefits for the City Attorney setting the City Attorney's salary at \$17,083.34 per month.

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On July 18, 2017, the Council approved resolution RES-2017-146, 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. In Fiscal Year 2019-20, the Agreement includes, effective the first full pay period following July 1, 2019, a 2.5% 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 0.75% of base wage.

On June 26, 2018, the City Council approved Amendment No. 1 to the Employment Agreement by resolution providing, a 3% cost of living adjustment in the City Attorney's salary effective July 8, 2018 and a contribution by the City of equal to 0.5% of base salary contribution to the City Attorney's Retiree Health Savings Plan.

On July 10, 2018, the City Council adopted an Ordinance setting the City Attorney's salary at \$17,595.84 per month as of July 8, 2018. This increase was based on the cost of living allowance received by Executive Management.

ANALYSIS

The City Attorney's Employment Agreement provides that "the City Attorney's compensation shall change by the percentage of the cost of living salary adjustment, if any, paid to the City's executive management employees for the 2018-19 fiscal year and each fiscal year thereafter. The City Attorney's compensation shall also change by the benefits adjustment, if any, paid to the City's executive management for the 2017-18 fiscal year and each fiscal year thereafter. In addition, upon completion of an annual performance evaluation as set forth in section 5, the City Council shall consider whether to provide a merit increase in the City Attorney's salary subject to the maximum salary range establish for the City Attorney classification." The City Council has completed the City Attorney's annual performance evaluation. The City Attorney's salary is currently 10% below the average of comparable cities. The recommended 7.5% merit increase is based upon excellent performance by the City Attorney, similarly situated employees at comparable agencies and places the incumbent below the maximum of the salary range for the City Attorney classification.

Additionally, the Employment Agreement provides that the City Attorney 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

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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. In Fiscal Year 2019-20, the Agreement includes, effective the first full pay period following July 1, 2019, a 2.5% 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 0.75% of base wage.

To provide the City Attorney 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 2019-2020, Council must approve, by resolution, an amendment to the City Attorney Employment Agreement and adopt an Ordinance establishing the City Attorney's new compensation.

FISCAL IMPACT

The total cost of this resolution and ordinance for the current fiscal year is \$36,481.63.

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. 2 to Employment Agreement
- Resolution/Exhibit A
- Ordinance

CONTACT

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