

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: DOMINIQUE BLANQUIE, HUMAN RESOURCES DIRECTOR
SUBJECT: APPROVAL OF (1) AMENDMENT NO. 3 TO CITY MANAGER'S
EMPLOYMENT AGREEMENT TO REFLECT THAT THE CITY
MANAGER WAIVED ANY MERIT/MARKET EQUITY SALARY
ADJUSTMENTS IN JUNE 2025 AND COST OF LIVING
INCREASES FROM JULY 2025 THROUGH JULY 2026; (2)
AMENDMENT NO. 1 TO CITY ATTORNEY'S EMPLOYMENT
AGREEMENT TO REFLECT THAT THE CITY ATTORNEY
WAIVED COST OF LIVING INCREASES FROM JULY 2025
THROUGH JULY 2026; AND (3) MODIFICATION TO THE
DOCUMENT SETTING FORTH UNIT 10 EXECUTIVE
MANAGEMENT WAGES, HOURS AND OTHER TERMS AND
CONDITIONS OF EMPLOYMENT TO ELIMINATE JULY 2025
MARKET EQUITY SALARY ADJUSTMENTS

AGENDA ACTION: RESOLUTIONS

RECOMMENDATION

It is recommended by the Human Resources Department that the Council, by three separate resolutions: 1) approve Amendment No. 3 to the Employment Agreement of the City Manager to reflect that the City Manager has waived any merit/market salary adjustment in June 2025 and cost of living salary increases from July 2025 through July 2026; 2) approve Amendment No. 1 to the Employment Agreement of the City Attorney to reflect that the City Attorney has waived cost of living salary increases from July 2025 through July 2026; and 3) modifying the document setting forth the Unit 10 Executive Management's Wages, Hours, and Other Terms and Conditions to eliminate any July 2025 market equity salary adjustments.

EXECUTIVE SUMMARY

The Human Resources Department recommends that the Council consider amending the employment agreements of the City Manager and City Attorney.

The City Manager has offered to waive the merit/market equity salary adjustment due in June 2025 under the terms of her employment agreement. In addition, under her employment agreement, the City Manager is entitled to receive cost of living salary

APPROVAL OF AMENDMENTS TO CITY MANAGER AND CITY ATTORNEY'S
EMPLOYMENT AGREEMENTS AND AMENDMENT TO UNIT 10 WAGES, HOURS
AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT
PAGE 2 OF 5

adjustments (COLAs) provided to Unit 10, the City's Executive Management group, capped at the change in the consumer price index (CPI). Unit 10 – like all other employee groups – are entitled to COLAs in July 2025 and in July 2026. The City Manager has also offered to waive her right to receive these COLAs.

Similarly, the City Attorney's employment agreement entitles the City Attorney to any COLAs provided to Unit 10, capped at the change in CPI. The City Attorney has also offered to waive her right to receive the July 2025 and July 2026 COLAs. Unlike the City Manager's agreement, the City Attorney's employment agreement does not require a merit or market equity salary adjustment.

The Document setting forth Unit 10 Executive Management's Wages, Hours, and Other Terms and Conditions of Employment (Unit 10 Document) provides for a market equity salary adjustment in July 2025. The City Manager recommends that this market equity salary adjustment not be provided to Unit 10 members. Unit 10 members have no objection to this modification.

BACKGROUND

The City Manager and 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 agreements with the City Manager and City Attorney are approved by Council resolution.

The Employment Agreements for both the City Manager and City Attorney currently provide that they "shall receive cost of living increases in salary, in accordance with the cost of living increases subsequently provided to other Executive Management employees of the City pursuant to the City's Compensation Plan for Executive Management employees. Said cost of living increases shall not exceed the annual California Consumer Price Index for Urban Wage Earners and Clerical Workers as calculated by the Department of Industrial Relations, unless expressly approved by the Santa Rosa City Council. In addition, upon completion of each annual performance evaluation as set forth in section 6, the City Council shall consider whether to provide a merit increase in the salary subject to the maximum salary range established for the classification. Whether to provide a merit increase, and the amount of any such increase, shall be at the exclusive discretion of the City Council."

The City Manager's employment agreement also requires the City to provide the City Manager with a merit increase in June 2025, as needed to adjust the City Manager to the current market. The City Attorney's contract does not require a merit or market salary increase.

On July 9, 2024, the Council adopted a resolution approving a document setting forth Unit 10 Executive Management Wages, Hours, and Other Terms and Conditions of

APPROVAL OF AMENDMENTS TO CITY MANAGER AND CITY ATTORNEY'S
EMPLOYMENT AGREEMENTS AND AMENDMENT TO UNIT 10 WAGES, HOURS
AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT
PAGE 3 OF 5

Employment (Unit 10 Document), which included salary terms that were consistent with those agreed upon between the City and its non-safety unions in July 2024. Under the Unit 10 Document, Unit 10 members, like the City's other employee groups, are to receive COLAs in July 2025 and July 2026. Additionally, like other employees, Unit 10 members who are below market are to receive a market equity salary adjustment not to exceed 5% of their base salary in July 2025. That benefit is set forth in Article 43.5 of the Unit 10 Document.

PRIOR CITY COUNCIL REVIEW

On December 7, 2021, City Council, by resolution RES-2021-221, appointed Maraskeshia Smith 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 December 14, 2021, City Council adopted Ordinance ORD-2021-017 Establishing Salary and Other Compensation and Benefits for the City Manager, setting the City Manager's salary at \$22,500 per month, and \$270,000 annually.

On November 9, 2021, the Council approved resolution RES-2021-193, setting forth the Wages, Hours and Other Terms and Conditions of Employment Agreement for Unit 10 Executive Management for three years. This agreement provided a 2.5% cost of living salary adjustment effective July 1, 2023.

On March 29, 2022, the City Council approved Amendment No. 1 to the Employment Agreement by resolution providing, a 2.5% cost of living adjustment in the City Manager's salary to \$23,062.50 per month, or \$276,750 annually, effective April 1, 2022.

On June 6, 2023, the City Council approved Amendment No. 2 to the Employment Agreement by resolution providing, (1) a 5% merit increase in salary effective January 1, 2023, (2) a 2.5% cost of living salary adjustment effective July 2, 2023, (3) a 5% merit increase in salary effective December 3, 2023, (4) a 6% based on \$276,750 merit increase the first pay period in June 2024, (5) an increase in June 2025, as needed to adjust the City Manager to the current market, (6) an enhanced wellness benefit of \$4,800 annually, (7) a five-year contract term, and (8) exploration of housing loan options.

On August 22, 2023, City Council, by resolution RES-2023-153, appointed Teresa Stricker 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 August 22, 2023, City Council, by ordinance ORD-2023-013, Establishing Salary and Other Compensation and Benefits for the City Attorney, setting the City Attorney's

APPROVAL OF AMENDMENTS TO CITY MANAGER AND CITY ATTORNEY'S
EMPLOYMENT AGREEMENTS AND AMENDMENT TO UNIT 10 WAGES, HOURS
AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT
PAGE 4 OF 5

salary at \$24,500.00 per month, and \$294,000.00 annually.

On July 9, 2024, City Council, by resolution RES-2024-112, approved a modified document setting forth the Wages, Hours, and Other Terms Unit 10 – Executive Management for three years.

ANALYSIS

Due to the City's current and foreseeable projected budget deficits, staff requests the following changes be approved by Council:

- The City Manager has offered to waive any COLA she would be entitled to receive from July 2025 through July 2026 as well as any merit or equity salary adjustment she is owed in June 2025.
- The City Attorney has offered to waive any COLA she would be entitled to receive from July 2025 through July 2026.
- The City Manager has also requested that Council eliminate any market equity salary adjustment to be provided to Unit 10 – Executive Management in July 2025. Unit 10 members have no objection to this change.

The Human Resources Department recommends that the Council adopt the proposed resolutions to implement these changes.

FISCAL IMPACT

The salary savings from the proposed changes will help offset the General Fund. The estimated savings is \$196,000.00.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the recommended action is not a "project" subject to the California Environmental Quality Act (CEQA) because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the recommended action is exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

APPROVAL OF AMENDMENTS TO CITY MANAGER AND CITY ATTORNEY'S
EMPLOYMENT AGREEMENTS AND AMENDMENT TO UNIT 10 WAGES, HOURS
AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT
PAGE 5 OF 5

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – Unit 10 – Wages, Hours, and Terms redlined 43.5
- Resolution – Approving Amendment No. 3 to City Manager's Employment Agreement and Exhibit A – Amendment No. 3 to Employment Agreement
- Resolution – Approving Amendment No. 1 to City Attorney's Employment Agreement and Exhibit A – Amendment No. 1 to Employment Agreement
- Resolution – Modifying the Wages, Hours, Terms and Exhibit A – Modifying Wages, Hours, and Other Terms and Conditions of Employment for Unit 10

PRESENTER

Dominique Blanquie, Human Resources Director