

REPORT TO THE CITY COUNCIL

City of Salinas, California

DATE: December 13, 2016

FROM: Ray E. Corpuz, Jr., City Manager

BY: Marina Horta-Gallegos, Human Resources Officer

SUBJECT: COMPENSATION PLAN FOR DEPARTMENT DIRECTORS

RECOMMENDATION:

It is recommended that the City Council approve the attached resolution authorizing the City Manager to sign the Compensation Plan Agreement for Department Directors.

DISCUSSION:

The Compensation Plan for Department Directors expires on December 31, 2016. With that in mind, the City Manager and Department Directors have discussed a new agreement, and have completed discussions regarding amendments to the Director's Compensation Plan.

The City Manager and Department Directors have reached an agreement for a three-year term, set to begin January 1, 2017 until December 31, 2019. The agreement reflects two and one half (2.5%) percent salary adjustments in years one, two and three effective beginning the pay periods inclusive of January 1, 2017, January 1, 2018 and January 1, 2019, respectively.

Additionally, beginning January 2018, the Department Directors will contribute toward the cost of their monthly health care benefit premiums equal to 5% of the PERS Choice plan premium, with 95% paid by the City. Another negotiated concession reflected in the Compensation Plan includes the addition of a less costly, second tier bilingual pay program of \$75 per pay period for new employees.

ISSUE:

Shall the City Council approve the attached resolution authorizing the City Manager to sign the Compensation Plan Agreement for Department Directors?

FISCAL IMPACT:

The Compensation Plan Agreement changes would result in an annual net increase of approximately 2.5% for the Department Directors, which amounts to \$36,200, \$73,700 and \$112,600 for Directors for each of the three calendar contract years, respectively. The initial amount is included in the 2016-17 fiscal year budget.

CONCLUSION AND RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution authorizing the City Manager to sign the Compensation Plan Agreement for Department Directors. The term of the updated Compensation Plans is three years, from January 1, 2017 to December 31, 2019. Three salary adjustments are included – two and one half (2.5%) percent effective with the pay periods inclusive of January 1, 2017, January 1, 2018 and January 1, 2019.

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**A RESOLUTION OF THE SALINAS CITY COUNCIL AUTHORIZING THE CITY
MANAGER TO EXECUTE THE COMPENSATION PLAN
FOR DEPARTMENT DIRECTORS**

WHEREAS, the City Manager has completed negotiations with Department Directors relating to changes in their Compensation Plan; and

WHEREAS, the City Council desires to make changes to the Compensation Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF SALINAS that the City Manager is hereby authorized and directed, for and on behalf of the City of Salinas, to execute the Compensation Plan for the Department Directors; and

BE IT FURTHER RESOLVED, that the City Manager is hereby authorized to review the compensation and benefits of the individual Department Directors as a part of their annual performance evaluation, or sooner as determined at the discretion of the City Manager, to determine whether additional compensation and/or benefits are warranted and reasonable. Additional compensation and/or benefits which are outside the scope of the Compensation Plan approved by this Resolution are subject to consideration and approval of the City Council.

PASSED AND APPROVED this 13th day of December 2016, by the following vote:

AYES:

NOES:

ABSENT:

Joe Gunter, Mayor

Attest:

Patricia M. Barajas, City Clerk