



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: November 7, 2023

DEPARTMENT: ADMINISTRATION/HUMAN RESOURCES

FROM: CHE I. JOHNSON, ATTORNEY, LIEBERT CASSIDY WHITMORE

TITLE: WAGE ADJUSTMENTS FOR CITY ATTORNEY AND ASSISTANT CITY MANAGER; AMENDMENTS TO THE COMPENSATION PLANS FOR DEPARTMENT DIRECTORS, CONFIDENTIAL MANAGEMENT, AND CONFIDENTIAL NON-MANAGEMENT

RECOMMENDED MOTION:

A motion approving wage adjustments for the City Attorney and Assistant City Manager and approving amendments to the Compensation Plans for Department Directors, Confidential Management, and Confidential Non-Management.

RECOMMENDATION:

It is recommended that the City Council adopt a Resolution approving wage adjustments for the City Attorney and Assistant City Manager, with modification to the Classification-Salary Schedule, and amending the Compensation Plans for Department Directors, Confidential Management, and Confidential Non-Management as shown in the attached proposed drafts.

EXECUTIVE SUMMARY:

The proposed wage adjustments are (1) a 12.5% increase to base salary for the City Attorney and (2) a sixth step (at 5% above the fifth step) for the Assistant City Manager. These increases would be effective in the first full pay period following Council approval, on November 13, 2023.

Proposed changes to the Compensation Plans for Department Directors, Confidential Management, and Confidential Non-Management are to (1) maintain the City's contribution on health cost sharing for 2024 (at the maximum contribution of 95% of the premium cost for the Platinum plan), (2) add one unpaid day for bereavement leave consistent with state law, and (3) add paid holidays in recognition of Cesar Chavez Day (March 31) and Juneteenth (June 19).

BACKGROUND:

Wage Adjustments

City Attorney Christopher A. Callihan has worked for the City of Salinas in the Office of the City Attorney since September 2003 and as City Attorney since January 2014. The City Council has completed the annual public employee performance evaluation process for Mr. Callihan. As part

of this process, the parties wish to amend Mr. Callihan's employment agreement to reflect a 12.5% increase to base salary.

The Assistant City Manager is the only regular employee classification without a sixth step on the City's Classification-Salary Schedule. The difference between each step is 5%. Salinas Municipal Code section 25-4(f) provides that the sixth step is a longevity step, for employees who have at least five years of full-time service with the City. The incumbent Assistant City Manager, Jim Pia, would qualify for placement at a sixth step.

It is recommended that the wage adjustments for the City Attorney and the Assistant City Manager be effective in the first pay period following Council approval, starting on November 13, 2023.

Health Cost Sharing

The City has contracted with California Public Employees Retirement System (CalPERS) for health benefits since January 2000. CalPERS contracts with various plans that offer insurance by regions established by CalPERS. These plans contract individually with medical providers in the region. Public safety groups have access to health insurance through the Peace Officers Research Association of California (PORAC), which provides coverage at a lower cost.

In December of 2022 and January 2023, Council approved Compensation Plans for the Confidential groups and Department Directors. The Compensation Plans provide for a decrease in the maximum City contribution toward health premiums, from 95% to 80% of the Platinum plan, effective in January 2024. At the time, the City expected uniform cost-sharing across bargaining units, consistent with the Salinas Plan recommendations.

Unexpectedly, in late 2023, Anthem Blue Cross and Salinas Valley Health and its affiliates fell out of contract, leaving hundreds of the City's employees out of network with local medical providers and with limited choices for health plan coverage. In addition, CalPERS announced that the cost of premiums will be increasing significantly in January 2024. As a result of these changes, the City has offered to maintain status quo cost-sharing with other non-safety bargaining units. For consistency, the attached resolution makes the cost-sharing more uniform.

Open enrollment for changing health plans ended on October 13, 2023. Delaying the change in health cost sharing for at least one year will give the City and employees time to plan and may help with recruitment and retention.

Bereavement Leave

A new state law, Government Code section 12945.7, provides for five unpaid days of bereavement leave. The Compensation Plans currently allow for four paid days generally. The proposed change is to add one unpaid day, consistent with state law.

Holidays

The City has accepted the proposals of four non-safety bargaining units to add two paid holidays starting in 2024: Cesar Chavez Day (March 31) and Juneteenth (June 19). It is recommended that these holidays be added to the Compensation Plans for Department Directors, Confidential Management, and Confidential Non-Management.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

The proposed actions meet the Effective and Culturally Responsive Government Council goal within the 2022-2025 Strategic Plan and are expected to improve employee recruitment and retention.

FISCAL AND SUSTAINABILITY IMPACT:

The fiscal impacts of these proposals are projected as follows:

- 12.5% increase to City Attorney salary: \$28,750 in base salary annually (approximately \$35,000 total costs annually)
- Sixth step for Assistant City Manager: approximately \$16,000
- Amendments to Compensation Plans: approximately \$15,600 for calendar year 2024.

ATTACHMENTS:

Resolutions
Classification-Salary Schedule
Amendment to City Attorney Employment Agreement
Department Directors Compensation Plan
Confidential Management Compensation Plan
Confidential Non-Management Compensation Plan
2024 CalPERS Health Premiums

RESOLUTION NO. _____ (N.C.S.)

**A RESOLUTION OF THE SALINAS CITY COUNCIL AUTHORIZING THE MAYOR
TO EXECUTE AN AMENDMENT TO THE EMPLOYMENT AGREEMENT
BETWEEN THE CITY OF SALINAS AND CHRISTOPHER A. CALLIHAN AND
APPROVING MODIFICATION OF THE CLASSIFICATION-SALARY SCHEDULE**

WHEREAS, on February 15, 2022, the Salinas City Council approved the Employment Agreement between the City of Salinas and City Attorney Christopher A. Callihan; and

WHEREAS, the City Council and City Attorney have completed the annual public employment performance evaluation process; and

WHEREAS, the City of Salinas desires to make changes to the Employment Agreement; and

NOW, THEREFORE, BE IT RESOLVED that the Salinas City Council authorizes the Mayor to execute an Amendment to Employment Agreement to reflect a 12.% increase in the base wages of the City Attorney, effective November 13, 2023. It is further resolved that the Classification-Salary Schedule shall be modified consistent with such increase.

PASSED AND ADOPTED this 7th day of November 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Kimbley Craig, Mayor

ATTEST:

Patricia Barajas, City Clerk

RESOLUTION NO. _____ (N.C.S.)

**A RESOLUTION OF THE SALINAS CITY COUNCIL APPROVING MODIFICATION
TO THE CLASSIFICATION-SALARY SCHEDULE FOR THE ASSISTANT CITY
MANAGER**

BE IT RESOLVED BY THE CITY COUNCIL OF SALINAS that the Classification-Salary Schedule previously adopted by the City Council by Resolution is hereby amended to reflect the addition of a sixth step for the Assistant City Manager. The incumbent Assistant City Manager shall be placed at the sixth step of the Classification-Salary Schedule effective November 13, 2023.

PASSED AND ADOPTED this 7th day of November 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Kimbley Craig, Mayor

ATTEST:

Patricia Barajas, City Clerk

RESOLUTION NO. _____ (N.C.S.)

**A RESOLUTION OF THE SALINAS CITY COUNCIL APPROVING AMENDMENTS
TO THE COMPENSATION PLANS FOR DEPARTMENT DIRECTORS,
CONFIDENTIAL MANAGEMENT, AND CONFIDENTIAL NON-MANAGEMENT**

BE IT RESOLVED BY THE CITY COUNCIL OF SALINAS that the Compensation Plans for Department Directors, Confidential Management, and Confidential Non-Management are amended with the following changes: (1) maintain the City’s contribution on health cost sharing for 2024 (at the maximum contribution of 95% of the premium cost for the Platinum plan), (2) add one unpaid day for bereavement leave consistent with state law, and (3) add paid holidays in recognition of Cesar Chavez Day (March 31) and Juneteenth (June 19).

PASSED AND ADOPTED this 7th day of November 2023, by the following vote:

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NOES:

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ABSTAIN:

Kimbley Craig, Mayor

ATTEST:

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