



STAFF REPORT

9/24/2024

AGENDA ITEM

**TO: HONORABLE MAYOR
AND MEMBERS OF THE CITY COUNCIL**

**FROM: CARLO TOMAINO
CITY MANAGER**

**BY: PATRICIA AHUMADA
HUMAN RESOURCES MANAGER**

**SUBJECT: RESOLUTION APPROVING SALARY AND BENEFITS FOR EXECUTIVE
MANAGEMENT PERSONNEL; RESOLUTION ADOPTING A REVISED CITY-WIDE
PAY SCHEDULE**

Summary:

The City Council will consider approving and adopting an amended Management Resolution establishing salaries and benefits for the Department Heads and Management employees. The amended Management Resolution includes market median salary adjustments to the Department Head pay schedule and no other changes.

City Council will also consider approving a resolution adopting a City-Wide Pay Schedule as required by the California Public Employees' Retirement System (CalPERS) reflecting the implementation of the amended Management Resolution.

The Management Resolution and City-Wide Pay Schedule must be approved and adopted by the City Council in advance of the adjustments taking place.

Strategic Plan Goal(s):

Goal No. 1 Financial Stability: Ensure the City's long-term financial stability and resilience.

Goal No. 5 High-Functioning Government: Strengthen internal communication, recruitment, retention, systems, and processes to increase the effectiveness and efficiency of City services.

Recommendations:

Adopt the resolutions, entitled:

1. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, AMENDING RESOLUTION NO. 2024-06-6817, APPROVING AND ADOPTING SALARIES AND BENEFITS FOR MANAGEMENT PERSONNEL
2. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, AMENDING RESOLUTION NO. 2024-06-6818, APPROVING AND ADOPTING A CITY-WIDE PAY SCHEDULE AS REQUIRED BY THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS)

Fiscal Impact:

There is no projected fiscal impact for the covered employees; staff does not propose adjustments to actual employee salaries as part of this action.

Background and Analysis:

On June 11, 2024, the City Council adopted resolutions approving the current Memoranda of Understanding (MOU) with the Police Officers Association (POA) and the Signal Hill Employee's Association (SHEA) for a term from July 1, 2024, through June 30, 2027. The City Council also approved a Resolution Establishing Salaries and Benefits for Management Personnel.

In anticipation of labor negotiations with the City's bargaining units, the City retained a consultant to conduct a city-wide salary survey of its classifications. The data demonstrated that base salaries for most classifications had fallen below the market median. As a result, the adopted MOUs included market median adjustments for select classifications and Cost of Living adjustments (COLAs) in each contract year.

The salary survey also demonstrated that base salaries for some management classifications had fallen below the market median. As a result, the adopted Management Resolution adjusted select managers' classifications to market median at the start of FY 2024-25. The Department Head classifications were also determined to be under market median, however, salary adjustments for those positions were not made at the time pending the results of a supplemental salary survey.

In August 2024, Human Resources revisited the Department Head salary study findings and conducted an additional analysis. Upon review, staff determined that market median salary alignment for Department Heads could be accomplished by expanding and shifting the existing pay ranges. By applying this methodology, the City incurs no immediate fiscal impact, and it allows for Department Heads to continue advancing in their respective pay ranges with satisfactory annual performance evaluations.

The new MOUs and Management Resolutions ensure that the City can competitively recruit and retain highly qualified employees, provide stability to current and future employees, and affirm the City's commitment to fiscal responsibility to ensure the City's long-term financial stability.

City-Wide Pay Schedule

The attached City-Wide Pay Schedule for full-time employees incorporates the proposed salary adjustments to the Executive Management salaries. The amended pay schedule for Department Head classifications will be retroactive to the first pay period that includes July 1, 2024. This action complies with the Signal Hill Municipal Code and CalPERS regulations. The effective date of the Management Resolution and City-Wide Pay Schedule is the first pay period that includes July 1, 2024.

Compensation adjustments for Department Heads and Managers must be documented in the Management Resolution governed by the Signal Hill Municipal Code. Furthermore, CalPERS requires that in order to determine the amount of compensation earnable pursuant to Government Code Sections 20630, 20636, and 20636.1, pay rates shall be limited to the amount listed on a pay schedule that has been duly approved and adopted by the employer's governing body in accordance with the requirements of applicable public meeting laws.

Staff recommends the City Council approve the amended Management Resolution and City-Wide Pay Schedule. Upon City Council approval, staff would implement the changes to the Department Head salary schedule retroactively to the first pay period that includes July 1, 2024.

Reviewed for Fiscal Impact:

Sharon del Rosario

Attachment(s):

- A. Resolution Amending Management Salary Schedule
- B. Resolution Amending City-Wide Pay Schedule
- C. Exhibit A - City-Wide Pay Schedule