

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Teresia Zadroga-Haase, Human Resources Director

SUBJECT:

Adoption of Resolution No. 16-0008 Adjusting Salary Ranges for Mid-Management/Confidential for Fiscal Year 2015-2016; Authorization of a Merit Pool of 2% for Management/Confidential for Fiscal Year 2015-2016; and Amendment to City Manager's Employment Agreement to Provide a 2% Merit Increase in Salary (Human Resources Director Zadroga-Haase).

ADOPT RESOLUTION NO. 16-0008; AUTHORIZE MERIT POOL of 2% FOR MANAGEMENT/CONFIDENTIAL; AND APPROVE AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT

REASON FOR AMENDED COUNCIL REPORT:

This report has been amended to include a 2% merit pool for the contract employees, and a 2% increase for the City Manager. The remainder of the original report addressing the other unrepresented employees is the same.

RECOMMENDATION:

It is recommended that the City Council:

- (1) Adopt Resolution 16-0008 authorizing a 2% increase to the Mid-Management/Confidential salary ranges (excluding Executive Management) for Fiscal Year 2015-2016
- (2) Authorize a 2% merit pool for all Management/Confidential positions (including Executive Management) and
- (3) Amend the City Manager's employment agreement to increase his salary by a 2% merit adjustment

FISCAL IMPLICATIONS:

The Fiscal Year 2015-2016 budget includes sufficient funds for these increases.

BACKGROUND:

The Mid-Management/Confidential Unit covers 42 classifications and 52 budgeted positions within the City. The City Manager, Assistant City Manager and Department Heads are not included in this unit. The unit does not engage in collective bargaining since they are not represented. Mid-Management/Confidential salaries within these classifications are based on merit with no automatic increases or cost of living adjustments. The proposed adjustment to the salary ranges only adjusts the minimum and maximum points of the ranges. There is no automatic increase in actual pay unless

an employee falls below the minimum point of the adjusted range.

Personnel Rule V, Section 11 provides the authority for the management pay plan for Mid-Management/Confidential and Executive Management positions. Each fiscal year the City Manager shall include a budget recommendation for funds allocated to salary adjustments of Mid-Management/Confidential and Executive Management employees. The City Manager establishes the guidelines and procedures for setting the salaries of employees assigned to open salary schedules. Individual increases are based on performance and are supported by a performance evaluation. There are no automatic step increases or longevity increases for employees in the Mid-Management/Confidential or Executive Management groups. The City Manager is authorized to grant salary increases based on merit within the budgetary authority provided.

DISCUSSION:

Per Council direction, the recommended action is to adjust the Mid-Management/Confidential salary ranges 2% to maintain consistent salary relationships between the unrepresented Mid-Management/Confidential positions and the represented positions, all of which are receiving increases in salary schedules based upon the successor MOU's approved by Council as follows:

- Teamsters received a 2% increase effective January 9, 2016.
- Police Officers Association received a 2% increase effective January 9, 2016.
- Police Management Association – Police Lieutenants were placed on salary steps; Police Captains received a 3.75% increase effective January 9, 2016.
- Fire Association will receive a 2% increase effective January 23, 2016.

Included in this report is the current and proposed salary ranges for the specific classifications (Attachment 1). The proposed action is consistent with the actions taken by this Council for all represented employees, and consistent with current increases in the labor market in which the City competes for and retains our quality employees.

It is also recommended the Council authorize a 2% merit pool for this fiscal year to be administered by the City Manager as authorized in the Personnel Rules for all unrepresented employees (Mid-management/Confidential and the Executive Managers).

Finally, it is recommended that Council approve Amendment No. 2 to the employment agreement with the City Manager to provide a performance based merit increase of 2%. The City Manager's Employment Agreement provides that, after performing a performance evaluation, the City Council shall consider merit adjustments commensurate with the City Manager's performance. The City Council performed its annual performance evaluation of the City Manager in November 2015, and established performance goals for the next fiscal year. At its December 1, 2015 City Council meeting, the City Council adopted the goals. Based upon the evaluation, the City Council has directed the City Attorney to draft an amendment to the Agreement

providing for a two percent merit increase. If approved, the amended monthly salary of \$21,250 will become effective January 23, 2016.

CONCLUSION:

It is recommended that the City Council adopt Resolution No. 16-0008 authorizing a 2% increase to the Mid-Management/Confidential salary ranges (excluding executive management) for Fiscal Year 2015-2016, thereby maintaining internal equity consistency across the represented and unrepresented salary schedules. It is also recommended that Council approve a 2% merit pool for Mid-Management/Confidential employees and Executive Management employees; and amend the City Manager's contract to include a 2% merit based increase in compensation.

Attachments:

1. Resolution No. 16-0008 (with Exhibit A Management Confidential Salary Ranges)
2. Amendment No. 2 to City Manager's Employment Agreement

RESOLUTION NO. 16-0008

A RESOLUTION OF THE MANHATTAN BEACH CITY COUNCIL
APPROVING SALARY RANGE ADJUSTMENTS FOR THE
UNREPRESENTED MID-MANAGEMENT/CONFIDENTIAL
CLASSIFICATIONS

WHEREAS, Personnel Rule V – Compensation Section 11 (D) Salary Adjustments states in relevant part, “The City Manager may also periodically recommend to the City Council adjustments to the salary ranges based upon cost of living, market indicators and internal salary relationships. The City Council may grant increases to the salary schedules in order to adjust the minimum and maximum ranges based upon the recommendation of the City Manager.”

WHEREAS, the City Council approved and adopted successor Memoranda of Understanding (MOUs) for represented employees to provide salary range increases effective in January 2016; and

WHEREAS, the City Manager recommends adjusting the Management/Confidential salary ranges to maintain consistency with the salary schedules for represented employees.

NOW THEREFORE, THE MANHATTAN BEACH CITY COUNCIL HEREBY RESOLVES:

SECTION 1. The City Council hereby approves and adopts:

A. The adjusted salary ranges for the unrepresented Management Confidential classifications in Exhibit A.

SECTION 2. The City Manager or his designee shall adjust the salary schedule as approved starting with the January 23, 2016 pay period.

SECTION 3. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED and ADOPTED this 19th day of January, 2016.

Ayes:
Noes:
Abstain:
Absent:

Mark Burton
Mayor City of Manhattan Beach

ATTEST:

Liza Tamura, City Clerk

Management/Confidential Salary Ranges

Exhibit A

Positions		Current Salary Range		2% Salary Range Adjustment	
Accountant	MC 1	\$5,029.00	\$6,634.00	\$5,130.00	\$6,767.00
Executive Assistant					
HR Technician					
Legal Secretary					
Management Fellow					
Senior Deputy City Clerk					
HR Analyst	MC 2	\$6,099.00	\$7,918.00	\$6,221.00	\$8,076.00
Management Analyst					
Older Adult Supervisor					
Police Records Manager					
Senior Accountant					
Environmental Prog. Mgr.	MC 3	\$6,848.00	\$8,881.00	\$6,985.00	\$9,059.00
Equipment Mtnc Supv.					
Facility/Electrical Supervisor					
Financial Analyst					
GIS Analyst					
Maintenance Supervisor					
Senior Mgmt Analyst					
Urban Forester					
Water Supervisor					
Cultural Arts Mgr	MC 4	\$8,132.00	\$10,593.00	\$8,295.00	\$10,805.00
Purchasing Manager					
Recreation Services Mgr					
Revenue Services Mgr					
Senior Civil Eng.					
Senior HR Analyst					
Sr. Plan Check Eng.					
Sr. Planner					
Building Official	MC 5	\$9,951.00	\$12,947.00	\$10,150.00	\$13,206.00
Communication/Civic Engagement Mgr					
Controller					
Economic Vitality Manager					
IS Manager					
Maintenance Manager					
Planning Mgr					
Principal Civil Engineer					
Risk Manager					
Utilities Mgr					
Assistant Finance Director	MC 6	\$11,021.00	\$14,338.00	\$11,241.00	\$14,625.00
City Engineer					
Battalion Chief		\$11,227.00	\$14,606.00	\$11,452.00	\$14,898.00

AMENDMENT NO. 2 TO EMPLOYMENT AGREEMENT

This Amendment No. 2 ("Amendment 2") to that certain Employment Agreement dated July 7, 2014 by and between the City of Manhattan Beach, a municipal corporation ("City") and Mark Danaj ("Employee") is entered into on January 19, 2016.

RECITALS

A. The City and Employee entered into an employment agreement ("Agreement") on June 7, 2014. In July 2015, the parties extended the term of the Agreement to June 30, 2020 ("Amendment").

B. Section 4(A) of the Agreement states: "At its sole discretion, the City Council shall consider merit adjustments commensurate with Employee's performance in accordance with the evaluation process pursuant to Section 5 of this Agreement."

C. Section 5 of the Agreement provides for annual evaluations of Employee's performance. Pursuant to Section 5 of the Agreement, the City Council performed its annual evaluation ("Evaluation") of Employee's performance in November 2015, and established goals for Employee for Fiscal Year 2016-2017. At its December 1, 2015 City Council meeting, the City Council adopted the goals.

D. Based upon the Evaluation, the City Council has directed the City Attorney to draft an amendment to the Agreement providing for a two percent merit increase to Employee's base salary.

NOW, THEREFORE, the Parties hereby amend the Agreement as follows:

1. Section 4(A) (Base Salary) of the Agreement is hereby revised to read:

"A. Base Salary.

(1) For the period of June 7, 2014 through January 22, 2016, City shall pay Employee a monthly base salary of \$20,833.33.

(2) Effective January 23, 2016, City shall pay Employee a monthly base salary of \$21,250.00.

(3) At its sole discretion, the City Council shall consider merit adjustments commensurate with Employee's performance in accordance with the evaluation process pursuant to Section 5 of this Agreement.

(4) Employee's salary shall be subject to withholding and other applicable taxes, and shall be payable to Employee at the same time as other employees of City are paid. Employee shall be exempt from the overtime pay provisions of California law (if any) and federal law."

2. Except as specifically amended by the first amendment and this Amendment No. 2, all terms and conditions set forth in the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment is entered into January 19, 2016.

CITY OF MANHATTAN BEACH

EMPLOYEE


By: _____
Mayor

Date: _____

ATTEST:

APPROVED AS TO FORM:

City Clerk



City Attorney