



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Consider Amending the Employment Agreement between the City of Sunnyvale and City Manager Deanna Santana and the City's Salary Schedule to Adjust the City Manager's Compensation

BACKGROUND

The City Council has been meeting since May 2016 to discuss the City Manager's annual performance evaluation. The City Manager's Employment Agreement provides that the City Council may consider a salary adjustment in conjunction with the annual performance evaluation. This report presents the opportunity for the City Council to facilitate a public discussion.

EXISTING POLICY

Council Policy 7.3.1 Legislative Management - Goals and Policies, Goal 7.3D: Maintain a quality work force, consistent with state and federal laws, City Charter, and adopted policies in order to assure that City services are provided in an effective, efficient, and high quality manner.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" with the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378 (b) (5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

DISCUSSION

The City Manager's Employment Agreement provides that the City Council may consider a salary adjustment in conjunction with the annual performance evaluation. The current control point and salary for the City Manager, which was last adjusted in June 2015 by 2%, is \$269,326.

The City Manager's Employment Agreement provides for CalPERS Tier 2 (2% @ 60) pension formula. The Employment Agreement includes a provision that the City Manager follow Department Directors when employee-paid portions of the CalPERS member contribution increase. As such, the portion of the CalPERS member contribution that the City Manager pays has increased from 2% at hire date, to 3% effective August 31, 2014, and to 4% effective July 5, 2015.

For unrepresented management employees, the City Council has approved the budgeted 2% salary increase in FY 2016/17.

FISCAL IMPACT

The FY 2016/17 budget assumes a 2% salary increase for all represented and unrepresented miscellaneous employees. The City Manager's employment agreement anchors benefits to employees in Classification Category "F" (Department Directors) as set forth in the City's Salary

Resolution.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

ALTERNATIVES

1. Authorize the Mayor to execute an Amendment to the Employment Agreement between the City of Sunnyvale and City Manager Deanna Santana and the City's Salary Schedule to Adjust the City Manager's Compensation.
2. Do not consider or authorize an Amendment to the Employment Agreement between the City of Sunnyvale and City Manager Deanna Santana and the City's Salary Schedule to Adjust the City Manager's Compensation.

STAFF RECOMMENDATION

Staff makes no recommendation.

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Reviewed by: Timothy J. Kirby, Director of Finance