



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Amend the Salary Schedule to Adopt New Salary Range for the City Manager Classification

BACKGROUND

The City Council held a special meeting on September 1, 2017 to discuss executive compensation. The City Council approved placing a public hearing agenda item on the agenda for the regular City Council meeting on September 12, 2017 for formal action. Based on that action, this Report to Council has been prepared to facilitate the public discussion and Council action.

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.

Sunnyvale City Charter Article VIII Section 800, states in part: "The City Manager shall be chosen by the City Council on the basis of his/her executive and administrative qualifications."

Sunnyvale City Charter Article VIII Section 801 Compensation - The City Manager shall be paid a salary commensurate with his/her responsibilities as chief administrative officer of the City, which salary shall be established by ordinance or resolution.

ENVIRONMENTAL REVIEW

Increasing the salary range for the City Manager position is not a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378 (b) (4) in that is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

DISCUSSION

The City Manager position is an at-will classification, appointed by the City Council in accordance with the City Charter, Article VIII - Sections 800 and 801. The current salary for the City Manager classification does not have a salary range of minimum to maximum amount. Salary is subject to negotiation annually at the performance evaluation process. As shown in the table below, in the recent 9-year history, the City Manager classification received a total of 6% in salary increases, of which 2% was offset by the employee pick-up of the retirement contribution amount for a net cumulative amount of 4.12%. Five years have been with no salary increase and three years have been the 2% budgeted assumption increase. No increase is currently approved for FY 2017/18.

Salary Increases History -

Effective	Salary Increase (\$)	Salary Increase (%)
December 2008	\$258,868	
2009	No change	-
2010	No change	-
2011	No change	-
2012	No change	-
August 2013	\$264,045	2.0%
2014	No change	-
June 2015	\$269,326	2.0%
July 2016	\$274,713	2.0%
2017	No change	-
Total Increase		6.0%
Average Annual Increase		0.7%

The current salary for the City Manager classification is below market. The salary has not been significantly adjusted for nine years and as a result has not kept pace with internal comparability, external comparability, or with the consumer price index (CPI). With the upcoming recruitment for the City Manager position, candidates will want to know that Sunnyvale maintains a competitive salary range and provides for the opportunity of real wage growth. In addition, the City has a reduced benefit with the second-tier retirement plan (2% at age 60) for new employees. Seasoned City Managers currently working at other CalPERS agencies are likely to have a more generous retirement benefits through their current agencies. All these issues, along with the high cost of living in the Silicon Valley, present significant challenges for recruitment.

The City Manager classification is a very competitive hiring market. Experienced City Managers are likely employed and highly sought after. Measures should be taken to present the City as an employer of choice for qualified candidates. Since the current City Manager submitted her resignation, adjusting the salary range prior to recruitment for this position will accomplish this goal.

The City Council Compensation Sub-Committee is recommending to modify the salary range before recruitment is started. The recommended salary range is 15% above the proposed Assistant City Manager salary range as presented in attachment 1. This recommendation is also consistent with Council direction at the September 1, 2017 special council meeting.

FISCAL IMPACT

The cost for the City Manager is budgeted in the operating program for the City Manager's Office. The cost for the entire City Managers' office is ultimately allocated across all operating funds in the City. As the recruitment process will take some time, the impact of this adjustment on the current year can be absorbed in the current budget and adjusted for with the FY 2018/19 Budget.

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. Adopt a resolution amending the City's Salary resolution by amending the Salary Schedule to increase the salary range for the City Manager classification.
2. Do not adopt a resolution amending the Salary Schedule to adopt a new salary range for the City Manager classification.

STAFF RECOMMENDATION

Alternative 1: Adopt a resolution amending the City's Salary Resolution by amending the Salary Schedule to increase the salary range for the City Manager classification.

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Reviewed by: Teri Silva, Director, Human Resources

ATTACHMENTS

1. Resolution to Amend the City's Schedule of Pay
2. Compensation survey