



DATE: June 21, 2022

TO: Mayor and City Council

FROM: Assistant City Manager/Interim Director of Human Resources

SUBJECT: Council-Appointed Officers' Employment Agreements: Adopt Resolutions Approving Amendments to the Employment Agreements Between the City of Hayward and the City Attorney, City Clerk, and City Manager and Authorizing the Mayor to Execute the Agreements

RECOMMENDATION

That Council adopts resolutions (Attachments II, III, and IV) approving amendments to the employment agreements between the City of Hayward and the City Attorney, City Clerk, and City Manager and authorizes the Mayor to execute the agreements.

SUMMARY

Pursuant to the employment agreements between the City of Hayward and its Council-Appointed Officers ("CAOs"), subject to evaluation and performance, City Council may increase the salaries of the CAOs by resolution. The current employment agreements between the City of Hayward and both the City Attorney and City Clerk expire June 30, 2025, while the City Manager's current employment agreement expires June 30, 2023.

In March 2022, a total compensation market study was completed for the CAOs. If approved, the CAOs' amended employment agreements will contain equity increases effective the pay period including January 1, 2023. To implement the equity increases, the City used the methodology included in the Memorandum of Understanding (MOU) for the Hayward Association of Management Employees (HAME), approved by Council on January 18, 2022 as a framework. The amended agreements also include a one-time, lump-sum payment effective the pay period including July 1, 2022, in recognition of the CAOs' ongoing satisfactory performance.

BACKGROUND AND DISCUSSION

On January 18, 2022, City Council approved a successor MOU between the City and HAME, which provided for an equity increase during the term of the agreement based on the results of a total compensation market study performed under the previous contract. Equity increases

under the HAME MOU adhere to the following methodology, to which the parties agreed as a way to improve the City's position in the labor market:

- Positions that are more than 15% behind the market median would receive a 10% equity adjustment;
- Positions that are more than 10% behind the market median but less than 15% behind would receive a 5% equity adjustment; and
- Positions that are more than 5% behind the market median but less than 10% behind would receive a 3% equity adjustment.

The results of a total compensation market study completed in March 2022 indicated the City Attorney's salary is currently approximately 18% below the market median for the position, The City Clerk's salary is approximately 9% below the market median, and the City Manager's salary is approximately 11% below the market median. Similar to the City's position with HAME, the City appreciates the value of keeping salaries for the CAOs competitive to retain current talent. Therefore, the proposed amendments would provide for equity increases for the CAOs following the same methodology included in the HAME MOU. Therefore, the proposed amended agreements include a 10% salary adjustment for the City Attorney, a 3% salary adjustment for the City Clerk, and a 5% salary adjustment for the City Manager effective the pay period including January 1, 2023.

The City also offered each of the CAOs the option of either receiving (a) a 2% cost-of-living adjustment (COLA) effective the pay period including July 1, 2022, which would result in an ongoing increase of 2% to the base salary of each, or (b) a one-time, lump-sum payment equal to 4% of the employee's base annual salary effective the pay period including July 1, 2022, paid out on the July 8, 2022, paycheck.

FISCAL IMPACT

If approved, the amendment to the City Attorney Employment Agreement would result in an estimated fiscal impact of \$25,869 to the General Fund. The amendment to the City Clerk Employment agreement would result in an estimated fiscal impact of \$9,259 to the General Fund. Finally, the City Manager Employment Agreement would result in an estimated fiscal impact of \$22,307.

STRATEGIC ROADMAP

This agenda item is a routine operational item and does not relate to any of the six priorities outlined in the Council's Strategic Roadmap.

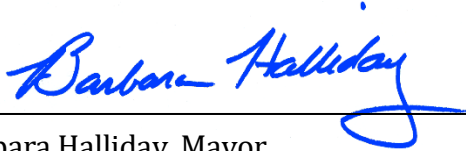
NEXT STEPS

If approved, staff will finalize the amended employment agreements and coordinate payment of the lump sum and implementation of the salary changes with Payroll.

Prepared by: Kakshi Master, Acting Deputy Director of Human Resources

Recommended by: Regina Youngblood, Assistant City Manager/Interim Director of Human Resources

Approved by:



Barbara Halliday, Mayor