



DATE: December 4, 2018

TO: Mayor and City Council

FROM: Director of Human Resources

SUBJECT: Adoption of Resolution Approving an Amendment to the City of Hayward Salary Plan for Fiscal Year 2019

RECOMMENDATION

That the City Council adopts the attached Resolution (Attachment II) and approves an amendment to the City of Hayward Salary Plan for fiscal year 2019 ("FY 2019"), which designates all classifications and the corresponding salary range for employment in the City of Hayward government as of December 24, 2018, superseding Resolution No. 18-220 and all amendments thereto.

SUMMARY

It is requested that the City Council adopt an amended FY 2019 Salary Plan for the unclassified service. Changes to the Salary Plan for the unclassified service include market equity adjustments to the salary of the City Manager, Director of Information Technology/Chief Information Officer ("IT Director"), and the Director of Library Services.

BACKGROUND/DISCUSSION

1. City Manager - On November 27, 2018, the City Council approved modification and extension of the employment agreement with the City Manager. The approved agreement provides for a seven percent (7%) market equity adjustment effective January 1, 2019. In making the recommendation for a market equity adjustment, the Council considered the City Manager's performance and a recent salary survey that demonstrated that the City Manager's total compensation is approximately fifteen percent (15%) below the mid-market and she is the second lowest paid in comparison to the survey cities (Alameda, Berkeley, Daly City, Palo Alto, Richmond, San Leandro, San Mateo, Santa Clara, and Vallejo). If approved, the annual salary for the City Manager will be changed from \$254,072 to \$271,856.
2. Director of Information Technology - A total compensation survey conducted in January 2018 demonstrates that this position is approximately 3% below mid-market. The City of Hayward uses mid-market as its target compensation level. In addition to the total compensation survey, other factors such as ability to attract and retain talent and internal equity are considered when setting salaries. If approved, the annual salary range for the IT Director will be changed from \$162,760 at Step A to \$197,828.80 at Step E, to the proposed salary of \$167,648 at Step A to \$203,756.80 at Step E.

3. Director of Library Services - The City recently recruited for this vacant position and learned that in order to attract professionals in the field, the salary would have to be adjusted to make it competitive with agencies in the region that are also recruiting. In addition to setting the salary to one that is attractive to the selected candidate, the recommended adjustment also factors in internal equity. Staff is recommending that this position be set equivalent to the IT Director to be competitive in the external market and in alignment with internal salary structures. If approved, the annual salary range for the Director of Library Services will be changed from \$160,804.80 at Step A to \$195,478.40 at Step E, to the proposed salary of \$167,648 at Step A to \$203,756.80 at Step E.

FISCAL IMPACT

The proposed salary changes result in an approximate fiscal impact to the FY 2019 General Fund Budget as follows:

City Manager: \$5,133
Director of Information Technology: \$2,963
Director of Library Services: \$4,139

The FY 2019 increases will be absorbed in the adopted Operating Budget. Additional budget allocations will be requested as part of the FY 2019 mid-year review and/or the FY 2020 budget adoption process.

STRATEGIC INITIATIVES

This agenda item is a routine operational item and does not relate to one of the City Council's Strategic Initiatives.

NEXT STEPS

The salary adjustments will be implemented by the Human Resources and Finance departments effective December 24, 2018, which is the pay period that includes January 1, 2019. Any necessary budget changes will be made during the FY 2019 mid-year review and/or FY 2020 budget adoption process.

Prepared and Recommended by: Nina S. Collins, Director of Human Resources

Approved by:



Kelly McAdoo, City Manager