



DATE: April 7, 2026
TO: Mayor and City Council
FROM: Director of Human Resources
SUBJECT: Fiscal Year 2026 Salary Plan Amendment: Adopt a Resolution Approving an Amendment to the City of Hayward Salary Plan for Fiscal Year 2026

RECOMMENDATION

That the City Council adopts a Resolution (Attachment II) approving amendments to the City of Hayward Salary Plan for Fiscal Year 2026, which designate all classifications and corresponding salary ranges for employment with the City of Hayward effective April 6, 2026, superseding Resolution 25-208.

SUMMARY

As required by the Municipal Code, the Fiscal Year 2026 Salary Plan has been revised to reflect compaction adjustments to two (2) classifications in the City’s classified service and a salary adjustment for a single classification in the City’s unclassified service for Fiscal Year 2026, effective April 6, 2026.

FISCAL IMPACT

FY 2024-25: The additional fiscal impact to the FY 2024-25 budget for the salary adjustments to Utility Leader – Water and Senior Utility Leader – Water is \$28, 305 to the Water Enterprise Fund.

FY 2025-26: The additional fiscal impact to the FY 2025-26 budget for the salary adjustments to Utility Leader – Water and Senior Utility Leader – Water is \$35, 643 to the Water Enterprise Fund.

FY-2025-26: The salary adjustment to the Director of Public Works is cost neutral because this change replaces a historic 10% special assignment pay, which is cost equivalent. The adjustment to the salary plan is \$10, 284 annually, which is budgeted to the combination of the Water Enterprise Fund, Sewer and Stormwater Fund, and Measure D Recycling Fund.

These changes do not impact the City’s General Fund.

BACKGROUND/DISCUSSION

In accordance with Municipal Code Sections 2-4.30, 2-4.31, and 2-4.32, at least once each year, a salary plan for each classification within the City's classified service is prepared. The Personnel Commission reviews the salary plan and, after a public hearing thereon, recommends a salary plan to the Council for adoption. The salary plan may be revised or amended if circumstances require. The updates to the salary plan for Fiscal Year 2026 include salary adjustments that maintain differentials in pay agreed to in the related Memorandum of Understanding (MOU), and a salary adjustment to a single unclassified position.

On March 17, 2026, the Personnel Commission held a public hearing and recommended that the City Council approve the amended Fiscal Year 2026 Salary Plan for salaries in the classified service.

In 2019, the Public Works Department underwent an organizational restructuring following the departure of the Director of Public Works. At the time, the Department's leadership model included two Deputy Director classifications: one overseeing Engineering and Transportation, and the other overseeing Utilities and Environmental Services. Upon the vacancy, the City implemented an interim operational model consolidating the functional responsibilities of both areas under a single executive. To support continuity of operation and account for the expanded scope of duties, the incumbent Director of Public Works was assigned additional responsibilities previously distributed across two positions. In recognition of these expanded duties, the City authorized a ten (10%) percent salary adjustment, which has been administered on an ongoing basis since 2019 in the form of special assignment pay (SAP). Over time, this interim structure evolved into a sustained organizational model, effectively consolidating the prior dual-deputy framework into a single Director-level position with broader departmental oversight.

The proposed action formalizes this long-standing structural change by incorporating the previously authorized 10% SAP into the classification's base salary. This adjustment eliminates the need for continued annual renewal of special assignment compensation and aligns the Director classification's base salary with the full scope of assigned responsibilities. This action is cost-neutral to the City, as it reflects the reclassification of existing compensation rather than an increase in overall salary expenditure.

Salary Adjustment

Pursuant to Section 9.02 Lead and Senior Differential Pay of the MOU between the City of Hayward and the Service Employees International Union, SEIU Local 1021, Maintenance Unit, the wage rates for "Lead" classifications shall be set ten percent (10%) above its highest paid linked classification. Due to the level of responsibility, select "Senior" level classifications shall be set at fifteen percent (15%). On July 29, 2024, Equipment Operator (M400), the highest paid linked classification to Utility Leader -Water (M840) received an equity adjustment resulting in compaction between the Utility Leader-Water and Equipment Operator. As a result, the following salary adjustments shall be made in accordance with section 9.02:

UTILITY LEADER – WATER (M840): To maintain a ten percent differential between Utility Leader – Water (M840) and Equipment Operator (M400), a five percent (5.00%) adjustment shall be applied to Utility Leader-Water retroactive to July 29, 2024. The salary range for Utility Leader – Water is \$54.56 Step A and \$63.50 at Step E.

SENIOR UTILITY LEADER – WATER (M845): To maintain a fifteen percent (15%) differential between Senior Utility Leader – Water (M845) and Utility Leader – Water (M840), a five percent (5.00%) adjustment shall be applied to Senior Utility Leader - Water retroactive to July 29, 2024. The salary range for Senior Utility Leader – Water is \$62.70 Step A and \$73.01 at Step E.

DIRECTOR OF PUBLIC WORKS – (U730): Rolling a ten percent (10%) special assignment pay into the base salary for the Director of Public Works (U730), the salary range will be \$138.45 Step A and \$168.29 at Step E.

STRATEGIC ROADMAP

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

NEXT STEPS

This salary plan will be implemented by the Human Resources and Finance Departments and will be reflected in the employees' paychecks dated April 24, 2026, with retroactive payments to follow.

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Recommended by: Marisa Guerrero, Human Resources Manager
Ian Tecson, Director of Human Resources

Approved by:



Jennifer Ott, City Manager