



## MEMORANDUM

**TO:** City Council

**FROM:** Nicole Valentine, Administrative Services Director  
Tashina Ureno, Human Resources Officer

**SUBJECT:** Resolutions Establishing Salary and Benefits for Management and Part-Time Employees for FY 2023-24 and Approval of the Updated Citywide Combined Salary Schedule

**DATE:** June 27, 2023

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### SUMMARY OF ACTION:

Adopt a Resolution modifying pay rates and benefits for unrepresented Management employees, a Resolution modifying pay rates and benefits for unrepresented part-time employees, and approve the updated City combined salary schedule.

### IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The recommended pay rate adjustments and benefit changes included in the FY 2023-24 budget result in increases totaling \$112,800 annually in the General Fund, \$2,100 annually in the Water Fund, \$1,700 annually in the Sewer Fund and \$1,300 annually in the Streets Fund.

### RECOMMENDATION:

1) Adopt a Resolution modifying pay rates and benefits for unrepresented Management employees; 2) Adopt a Resolution modifying pay rates and benefits for unrepresented part-time employees and approving the updated Citywide combined salary schedule; and 3) Determine that adopting the unrepresented Management employees resolution, unrepresented part-time employees resolution, and updated Citywide combined salary schedules is not a project subject to the California Environmental Quality Act ("CEQA") because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines §§ 15060, subd. (b)(2)-(3), 15378.)

### BACKGROUND:

The City of Arroyo Grande has both full-time and part-time employees. Most full-time employees are represented by a bargaining unit (union) or are unrepresented Management employees. Part-time employees are also unrepresented. Therefore,

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adjustments to management and part-time pay rates do not occur as part of a formal negotiation process as they do for represented groups.

On June 22, 2021, Council approved Memorandums of Understanding with the Service Employees International Union (SEIU) and Police Officers' Association (POA) that provide Salary Adjustments for FY 2021-22, FY 2022-23 and FY2023-2024. Management compensation was adjusted for FY 2021-22 and FY 2022-23 based on the approved biennial budget, but FY 2023-24 was not considered at that time. The most current salary schedule was approved by the City Council on January 20, 2023, and adjusted pay rates to address changes to minimum wage laws.

On April 26, 2023, the Five Cities Fire Authority (FCFA) Board approved salary adjustments for FCFA IAFF employees in Fiscal Year 2022-23. Pursuant to the terms of the Joint Exercise of Powers Agreement that created the FCFA, all FCFA employees are employees of the City of Arroyo Grande. As a result, the City's Salary Schedule must be amended to incorporate the salary adjustments approved by the FCFA Board.

#### **ANALYSIS OF ISSUES:**

The City's current salary and classification system strives to accomplish the following goals:

- Ensure that the City has the ability to attract and retain well-qualified personnel for all job classifications;
- Ensure that the City's compensation practices are competitive with those of comparable employers;
- Provide defensibility to City salary ranges based on the pay practices of similar employers; and
- Ensure pay consistency and equity among related classes based on the duties and responsibilities assumed.

The proposed Management Resolution incorporates a number of adjustments. Salary adjustments of 3.5% to all management classifications is recommended in recognition of inflationary and "cost of living" factors for FY 2023-24. This is consistent with the proposed FY 2023-25 Biennial Budget and salary adjustments negotiated with the SEIU and POA for their represented employees. Additionally, the management resolution and salary schedule incorporate a range for the City Manager position as required by the California Pay Transparency Law, codified under [Labor Code 432.3](#). The City also provides medical, dental, and vision insurance plans to eligible employees. Consistent with prior years, an increase to the City's contribution for insurance by an amount equal to one-half of the increase for the lowest cost HMO plan offered by CalPERS, up to a maximum increase of 5% of the change in premium, is recommended. Any increase in premiums above this amount will be the full responsibility of the employee. Increasing part-time pay rates by the same percentage as full-time pay rates for FY 2023-24 is also recommended.

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Salaries and benefit costs included in the proposed FY 2023-24 budget reflect contractually obligated cost of living adjustments under the current bargaining group contracts, which expire June 30, 2024. An Updated Citywide Salary Schedule is proposed for approval in Attachment 2 to implement these changes.

**ALTERNATIVES:**

The following alternatives are provided for the Council's consideration:

1. Adopt the Resolutions as proposed;
2. Amend and adopt the proposed Resolutions;
3. Do not adopt the Resolutions; or
4. Provide other direction to staff.

**ADVANTAGES:**

Adopting the two proposed Resolutions will provide employee salaries and benefits that are compliant with current laws and contracts, provide for consistent and fair compensation, and reflect the job duties and assignments needed throughout the City.

**DISADVANTAGES:**

The recommendation will increase costs to current and future budgets.

**ENVIRONMENTAL REVIEW:**

No environmental review is required for this item.

**PUBLIC NOTIFICATION AND COMMENTS:**

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

**Attachments:**

1. Proposed Resolution - Establishing Wages and Benefits for Management Employees for FY 2023-24
2. Proposed Resolution - Establishing Compensation Adjustments for Part-Time Employees and Approval of the Updated Citywide Combined Salary Schedule