

6.1-D.1

REPORT

To the Honorable Mayor and City Council
From the City Manager

February 7, 2005

Subject

Motion to Approve the Executive Management Summary of Benefits effective February 7, 2005.

Recommendation

It is recommended that the City Council, by motion, approve changes to Executive Management Summary of Benefits effective February 7, 2005, as recommended by the Personnel Committee.

Background

The Executive Management Summary of Benefits was last updated in November of 2001, since then various bargaining group changes and legislative changes necessitate an update to the Executive Management Benefits Summary. The Executive Management Benefits Summary covers all Department Heads, Council Appointed Classifications and some Division Managers. The current system provides for a different level of benefits between Department Heads and Division Managers in Executive Management.

In December of 2004, the Personnel Committee met to discuss changes to the Executive Management Summary of Benefits. Recommendations were presented to align salary and benefits among all members of the Executive Management Team and delete the current two-tiered system.

The Personnel Committee recommends the following:

- 2.7% @ 55 and 3% @ 50 PERS Retirement Enhancements
- Establish the same salary setting process for Division Managers as presently used for Department Heads. This is a exclusively performance based salary system with no automatic increases such as cost of living, etc.
- 401-A Program Enhancements including participation of Division Managers in 401-A
- Include appropriate language to incorporate benefit changes due to AB 2205 Domestic Partners Legislation.

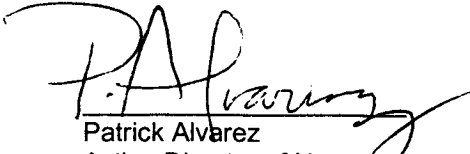
Alternative


Continue with two-tiered system and make only legislative changes or changes required due to enhancements in other bargaining unit agreements.

Fiscal Impact

There is no increased salary cost in Fiscal Year 04-05. The increased cost for the already agreed to retirement enhancements is \$247,047, the majority of these costs will be incurred in Fiscal Year 06-07 and will be budgeted accordingly. There will be a minimal increase in administrative cost for the 401-A plan.

6.1-D.2


Patrick Alvarez
Acting Director of Human Resources


Ed Everett
City Manager

Attachment

Executive Management Summary of Benefits (Available at the City Clerks Office)