

# REPORT

To the Honorable Mayor and City Council  
From the City Manager

April 24, 2006

## **Subject**

City Manager Compensation Adjustment

## **Recommendation**

Adjust the salary of the position of City Manager

## **Background**

The City Manager's last compensation adjustment was more than 3 years ago in March of 2003. As was the case with other Council appointed positions, incumbents suspended salary increases for multiple years. After going a number of years without an increase and falling behind the median salary of the nine (9) comparator agencies, we are recommending that the City Manager's base salary be increased by 5% retroactive to March 21, 2005. If approved, the base monthly salary will increase from \$15,079 to \$15,833 per month. We are also recommending an increase of 5.75% effective July 11, 2005. This is being recommended due to precedent with other City classifications regarding pay compaction and to recognize very strong performance commensurate with the City Manager's recent performance evaluation. This will bring the City Manager's base monthly salary from \$15,833 to \$16,743.

The City Manager's anniversary date for salary adjustments is March of each year. The last compensation adjustment for the City Manager occurred in March of 2003. The City Council did not conduct a performance evaluation March of 2005 when a performance based salary increase would have been granted. In March of 2006, the City Council did conduct the performance evaluation which supports the salary adjustments being recommended at this time.

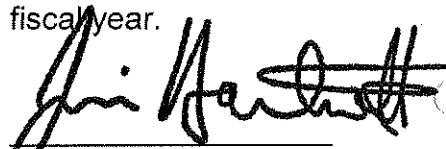
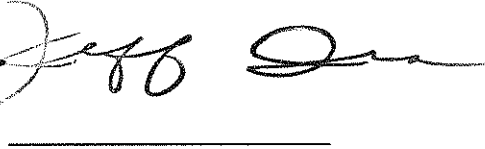
## **Alternative**

- Not grant a salary increase at this time;
- Grant one of the two salary increases at this time;
- Grant a higher salary increase at this time.

The first two alternatives may increase the likelihood of the incumbent relinquishing his position with the City. Recruiting and retaining a City Manager with comparable skills and knowledge would be both costly and unlikely. Additionally, the continuity of sound and demonstrated leadership provided by the current City Manager is critical as the Downtown projects near completion and the City rebounds from the economic downturn.

**Fiscal Impact**

The total cost of the salary increase and salary related benefit costs is \$21,862.20 per fiscal year.

  
\_\_\_\_\_  
Jim Hartnett  
Council Member  
\_\_\_\_\_  
Jeff Ira  
Council Member

**Attachment**

Resolution Authorizing Salary Increase

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION AMENDING SALARY SCHEDULE AND  
COMPENSATION PLAN FOR THE POSITION OF CITY  
MANAGER**

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF REDWOOD CITY, AS  
FOLLOWS:**

1. The current compensation for the position of City Manager is hereby amended by revising the salary schedule as hereinafter described:

A. The salary of the City Manager shall be retroactively increased by the sum of five percent (5%) effective with the pay period beginning on or about March 21, 2005;

B. The salary of the City Manager shall then be retroactively increased by the sum of five and three quarters percent (5.75%) effective with the pay period beginning on or about July 11, 2005; and

2. In addition to the provisions of Paragraph 1, the terms and conditions of employment for the position of City Manager shall include those provisions established for positions included in the Executive Management Classifications set forth in that certain document entitled, "City of Redwood City – Executive Management – Summary of Benefits – Effective February 7, 2005," a copy of which is on file in the office of the Director of Human Resources, except to the extent otherwise provided by letters of agreement dated November 13, 1991, November 2, 1994 November 8, 1995, and June 8, 1998, and subsequent amendments thereto not in conflict with the provisions hereof.

3. This resolution shall be effective upon the date of its adoption.

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