

Capitola City Council

Agenda Report



Meeting: June 26, 2025
From: City Manager Department
Subject: FY 2025 – 2026 Salary Schedule

Recommended Action: Adopt a resolution approving the Fiscal Year 2025-26 annual salary adjustments, consistent with the following employment agreements: Association of Capitola Employees, Police Officers Association, Confidential Employees, Mid-Management Employees, Police Captains, the Department Head Compensation Plan, and City Manager Employment Agreement.

Background: City Council adoption of a salary resolution establishes the legal current salary schedule for each permanent regular employee position. The City Council should adopt a salary resolution annually, upon review and recommendation of the City Manager. California Public Employee's Retirement Law and Section 570.5 of the California Code of Regulations Title 2 requires the "City Pay Rates and Ranges" to be approved by the City Council in an open meeting and be publicly posted, which is done annually on the City's website.

Additionally, as required by California Government Code Section 54953(c)(3), an oral report must be made before the City Council takes final action on the salaries, salary schedules, and fringe benefit compensation for the City's management employees, which includes department heads and the City Manager. The City of Capitola and its bargaining units have existing labor agreements that run through June 30, 2027. Cost-of-living adjustments (COLAs) are included in the agreements.

Discussion: The attached salary schedule will go into effect the first full pay period after July 1, 2025. This year, the salary changes will be effective July 6, 2025, through June 30, 2026.

The following table shows increases for groups and positions:

Group	COLA % increase	Healthcare contribution increase <i>Employee only</i>	Healthcare contribution increase <i>Employee +1</i>	Healthcare contribution increase <i>Employee +2</i>
ACE	3%	\$50/month	\$75/month	\$100/month
Police Captains				
Confidential				
Mid-Management				
Management & CM				
POA:				
Sworn (Sergeants & Officers), Records Manager	3%			
CSOs	1%			

Fiscal Impact: The fiscal impact of the previously agreed-upon FY 2025-26 cost of living salary increases is \$355,654, which is included as part of the budget set for adoption on June 26, 2025.

Attachments:

1. Resolution
2. Exhibit A: City Salary Schedule

Report Prepared By: Chloé Woodmansee, Assistant to the City Manager

Reviewed By: Julia Gautho, City Clerk; Jim Malberg, Finance Director

Approved By: Jamie Goldstein, City Manager