



CITY OF CLEARLAKE

City Council

STAFF REPORT

SUBJECT: Consideration of Updates to Management Classification and Benefits Plan and City Salary Schedule

MEETING DATE: July 7, 2022

SUBMITTED BY: Alan D. Flora, City Manager

PURPOSE OF REPORT: ☐ Information only ☒ Discussion ☒ Action Item

WHAT IS BEING ASKED OF THE CITY COUNCIL:

The City Council is being asked to consider changes to the Management Classification and Benefits Plan.

BACKGROUND/ DISCUSSION:

An updated Management Employees Classification and Benefit Plan was adopted by the Council in 2018. According to Section 6-2.1 Salary Adjustments of the Management/Confidential Employees Classification and Benefit Plan (MBP), "*Management Employees shall receive a salary adjustment each July 1st. The salary adjustment shall take into consideration the March to March U.S. All Urban Cities Consumer Price Index, equity adjustments based on the labor market, and the financial condition of the City.*" The Consumer Price Index (CPI) March to March increases which were adopted by the Council were 1.9% in 2019, 1.5% in 2020, and 2.6% in 2021.

As you are aware inflation over the past year has been well above "normal". This has resulted in the CPI from March 2021 to March 2022 being 8.5%. The Council may consider it a stretch to provide a 8.5% COLA to management when the other bargaining groups were provided either a 3% or 4% COLA starting July 1st, even though that is consistent with the Management Benefit Plan. It should be noted that over the past five years the CPI provided to management has fallen behind the COLA provided to all other units, which results in increasing compaction of salaries over time. Over the past five years other units have received 2% more cumulatively in adjustments from those received by management. The Council could consider a range of options including, a 4% increase (consistent with other recent agreements for this year), a 6% increase (including the 4% and an additional 2% reflecting the difference over the past five years and to reduce compaction), an 8.5% (consistent with the the Management Plan), or something in between.

OPTIONS:

1. Provide Direction to Staff.

FISCAL IMPACT:

☐ None ☐ \$ Budgeted Item? ☐ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☐ No If yes, amount of appropriation increase: \$

Affected fund(s): ☐ General Fund ☐ Measure P Fund ☐ Measure V Fund ☐ Other:

Comments:

STRATEGIC PLAN IMPACT

- ☒ Goal #1: Make Clearlake a Visibly Cleaner City
- ☒ Goal #2: Make Clearlake a Statistically Safer City
- ☒ Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- ☒ Goal #4: Improve the Image of Clearlake
- ☒ Goal #5: Ensure Fiscal Sustainability of City
- ☒ Goal #6: Update Policies and Procedures to Current Government Standards
- ☒ Goal #7: Support Economic Development

SUGGESTED MOTIONS:

☒ **Attachments:**

1. Management Benefit Plan
2. CPI Press Release