



STAFF REPORT
10/14/2026

TO: Honorable Mayor and City Council Members

FROM: Gustavo J. Romo, City Manager

PREPARED BY: Lincoln G. Bogard, Finance Director
Yolanda Lopez, Human Resources Manager

SUBJECT: Resolution No. 2026-60 – Approval of Fiscal Year 2026/27 Salary Adjustments for Water & Sanitation/Utilities Employees

PROJECT DESCRIPTION:

Consideration of Fiscal Year 2026/27 salary adjustments for Water & Sanitation/Utilities employees as the next phase of implementation of the Base Compensation Salary Study for Utility Operations previously approved by the City Council.

STAFF RECOMMENDATION:

Staff recommends that the City Council adopt Resolution No. 2026-60 approving the Fiscal Year 2026/27 salary adjustments for the identified Water & Sanitation/Utilities classifications, retroactive to July 1, 2026.

FISCAL IMPACT:

The fiscal impact on salaries and benefits for Fiscal Year 2026/27 is \$95,069. This amount does not include the Treatment Plant Operator Trainee classification, as the position is currently vacant.

Funding for the proposed salary adjustments was included in the adopted Fiscal Year 2026/27 budget and is available within the Water and Wastewater funds. Therefore, no additional appropriation is requested as part of this action.

BACKGROUND:

On September 24, 2025, the City Council adopted Resolution No. 2025-46 approving the results of the Base Compensation Salary Study for Utility Operations and an initial 3% salary adjustment for the affected Water & Sanitation/Utilities classifications for Fiscal Year 2025/26.

Due to the overall fiscal impact of implementing the study results, the salary adjustments were structured to be phased in over the next two fiscal years. The initial 3% adjustment represented the first phase of implementation, with the remaining adjustments anticipated to be brought back to the City Council for consideration in subsequent fiscal years.

Funding for the Fiscal Year 2026/27 phase was included in the adopted Fiscal Year 2026/27 budget. The City has completed the meet-and-confer process with the affected bargaining units and is now presenting the Fiscal Year 2026/27 salary adjustments to the City Council for consideration and approval.

DISCUSSION/ANALYSIS:

The proposed Fiscal Year 2026/27 salary adjustments represent the next phase of implementation of the Classification and Compensation Study recommendations for the affected Water & Sanitation/Utilities classifications. The salary adjustments previously approved and the proposed adjustments are summarized below:

Classification	FY 2025/2026 Approved on: 9/24/25	FY 2026/2027 Proposed	FY: 2027/2028 Proposed
Assistant Engineer (Utilities)	(3.00%)	4.2%	0%
Environmental/Special Programs Manager	(3.00%)	4.5%	4.5%
Heavy Equipment Operator (Utilities)	(3.00%)	4.5%	4.5%
Sanitary Superintendent	(3.00%)	4.5%	4.5%
Senior Water Service Worker III	(3.00%)	4.5%	4.5%
Senior Water Service Worker IV	(3.00%)	4.5%	4.5%
Treatment Plant Operator Trainee	(3.00%)	4.5%	4.5%
Treatment Plant Operator I	(3.00%)	4.5%	4.5%
Treatment Plant Operator II	(3.00%)	4.5%	4.5%
Treatment Plant Operator III	(3.00%)	4.5%	4.5%
Water Service Worker I	(3.00%)	4.5%	4.5%
Water Service Worker II	(3.00%)	4.5%	4.5%
Water Superintendent	(3.00%)	4.5%	4.5%

The City met with the affected bargaining units regarding the proposed salary adjustments. The Sanitary and Miscellaneous Unit confirmed its agreement to move forward on August 5, 2026, and the Confidential Mid-Management Unit confirmed its agreement on September 15, 2026.

The proposed Fiscal Year 2026/27 salary adjustments range from 4.2% to 4.5%, depending on classification. Upon City Council approval, the adjustments will be retroactive to July 1, 2026.

The Fiscal Year 2027/28 adjustments shown in the table are anticipated to be included in the Fiscal Year 2027/28 budget and will be brought back to the City Council for consideration and approval in next year's budget.

CONCLUSION:

Approval of Resolution No. 2026-60 will authorize the Fiscal Year 2026/27 salary adjustments resulting from the Classification and Compensation Study for the identified Water & Sanitation/Utilities classifications, retroactive to July 1, 2026.

The proposed adjustments continue the City's phased implementation of the compensation study recommendations and have been reviewed with the affected bargaining units.

Staff recommends adoption of Resolution No. 2026-60.

ATTACHMENT(S):

1. Resolution No. 2026-60, including Attachment A – Fiscal Year 2026/27 Salary Adjustments by Classification
2. Updated Fiscal Year 2026/27 Salary Schedule
3. Bargaining Unit Email Confirmations