



Legislation Details (With Text)

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Title: Action to Approve a Merit-based Salary Adjustment for City Manager and to Adopt a Resolution Approving and Adopting the Updated Unclassified Salary Plan that increases the annual base salary for the City Manager to \$418,220.76

Sponsors:

Indexes:

Code sections:

Attachments: 1. Unclassified Salary Plan eff 12-24-2023 (for Council 01-09-2024).pdf, 2. Resolution.pdf, 3. Jovan Grogan Employment Contract.pdf, 4. Resolution No. 24-9300

Date	Ver.	Action By	Action	Result
1/9/2024	1	City Council and Authorities Concurrent	Approved	Pass

REPORT TO COUNCIL

SUBJECT

Action to Approve a Merit-based Salary Adjustment for City Manager and to Adopt a Resolution Approving and Adopting the Updated Unclassified Salary Plan that increases the annual base salary for the City Manager to \$418,220.76

COUNCIL PILLAR

Enhance Community Engagement and Transparency

BACKGROUND

The employment agreement between the City of Santa Clara and the City Manager, Jovan D. Grogan, includes the following provisions under Compensation.

3.2 Adjustments.

- (a) Employee shall receive a two percent (2.0%) Cost of Living Adjustment (“COLA”) to their Base Salary, effective the first regular pay period in 2024.
- (b) Prior to the first regular pay period in 2024, and in conjunction with Employee’s annual performance appraisal (see Section 4 below), the City Council will meet with the Employee for the express purpose of determining, in its sole discretion, whether to grant Employee a merit-based salary adjustment, in an amount deemed appropriate by the City Council and otherwise permitted by law. This merit-base salary adjustment would be in addition to the COLA identified in Section 3.2, subsection (a) above.
- (c) Following January 30, 2024, Council will, in its sole discretion, determine whether to

provide Employee with any additional base salary or other compensation adjustments. Council will make such determinations in conjunction with Employee's annual performance (see Section 4 below) or at any other time that Council, in its sole discretion, deems appropriate. Any adjustments made pursuant to this subsection shall be memorialized in writing as an amendment to this Agreement and shall be approved by the City Council in open session.

On December 12, 2023, the City Council approved and adopted a resolution that updated the unclassified pay plan effective December 24, 2023, to include the revised annual base salary for the City Manager at \$413,157.48, which reflects the 2.0% COLA, as referenced in the employment agreement.

On December 4, 2023, the City Council discussed in Closed Session the performance of the City Manager, and on December 12, 2023, considered awarding a merit increase for the City Manager. The new annual base salary of the City Manager is now lower than that of the Chief Operating Officer and Chief Electric Utility Officer, which both report to the City Manager. Both of these positions are represented by the Miscellaneous Unclassified Management Employees (Unit 9), which received a 3.25% on December 24, 2023. As a result, the City Council provided direction to bring forward a merit-based salary adjustment for the City Manager that would equate to 1% above the two incumbents that are above the City Manager salary, effective as of the same date as the Unit 9 COLA for the two incumbents. The base salary for the two incumbents is approximately \$414,079. The revised annual base salary for the City Manager would need to be revised to \$418,220.76, to be 1% above that of the two incumbents. The merit-based salary adjustment equates to an approximate 1.23% increase in the annual base salary for the City Manager.

Section 9 of the Personnel and Salary Resolution requires City Council approval of compensation plans for unclassified positions. California Code Regulations Section 570.5 governs and requires the adoption of updated publicly available salary schedules by the governing body. The proposed Council action satisfies these applicable requirements. The updated salary plan reflects the Council approved merit increase for the City Manager.

In addition, the Brown Act requires that where final action is being taken to approve a salary schedule that includes a change to the compensation of a local agency executive (here, the City Manager), a verbal summary of that executive compensation shall be stated at the regular meeting of the legislative body at which the schedule is approved.

DISCUSSION

On February 7, 2023, the City Council approved the employment agreement between the City and Jovan D. Grogan. Per the agreement, the City Manager received a 2.0% COLA effective December 24, 2023. The current salary plan that was approved on December 12, 2023, reflects the new annual compensation for the position of City Manager of \$413,157.48.

In addition, the City Council discussed and provided direction to bring forward a merit-based salary adjustment for the City Manager that would equate to 1% above the two incumbents that are above the City Manager salary. The base salary for the two incumbents is approximately \$414,079. The revised annual base salary for the City Manager would need to be revised to \$418,220.76, to be 1% above that of the two incumbents. The merit-based salary adjustment equates to an approximate 1.23% increase in the annual base salary for the City Manager.

Based on the direction, it is recommended that the City Council approve and adopt a resolution that adjusts the compensation of the City Manager to \$418,220.76, which is an approximate 1.23% merit-based increase, and would be 1% above that of the two incumbents whose salary currently exceeds that of the City Manager.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

The general wage increase for the City Manager has a salary cost of approximately \$5,100. This additional cost will be absorbed by the departments existing budget for FY 2023/24 and will be factored into the FY 2024/25 budget.

COORDINATION

This report has been coordinated with the Finance Department and City Attorney’s Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email clerk@santaclaraca.gov <<<mailto:clerk@santaclaraca.gov>>>, or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Approve a merit-based salary adjustment for the City Manager in the amount of \$5,063.28, effective as of December 24, 2023; and
2. Adopt a Resolution to approve the revised unclassified salary plan that adjusts the City Manager annual salary to \$418,220.76, to satisfy the requirements of California Code of Regulations Section 570.5, effective December 24, 2023; and

Reviewed by: Aracely Azevedo, Director of Human Resources

Approved by: Nadine Nader, Chief Operating Officer

ATTACHMENTS

1. Unclassified Salary Plan (effective 12-24-2023) approved 1-9-2024
2. Resolution Approving Updated Salary Plan
3. Employment Agreement by and between the City of Santa Clara, California and Jovan D. Grogan