



# Agenda Report

**MEETING DATE:** Tuesday, April 12, 2022

**TO:** City Council

**FROM:** CITY MANAGER PRO TEMPORE VIDES

**SUBJECT:** EXECUTIVE TEAM COMPENSATION ADJUSTMENTS

---

## **STATEMENT OF ISSUES:**

The Watsonville Executive Team is composed of eleven department directors who are responsible for the oversight and management of all City departments and operations. The City Manager Pro Tempore discussed and recommended to the Council that the compensation structure of the Executive Team be more closely aligned with those of comparable cities to help address immediate issues of attraction, retention, and internal equity and compaction faced in the City of Watsonville.

## **RECOMMENDED ACTION:**

It is recommended that the City Council adopt a resolution rescinding and replacing the City of Watsonville Compensation and Benefit Plan for members of the Executive Team.

## **DISCUSSION:**

The City of Watsonville has continued to struggle to attract and retain members of the Executive Team. Attracting and retaining experienced department directors in today's competitive job market is critical for the operations of the City. It is necessary to address these concerns immediately as we are in the process of hiring an IT Director and are actively trying to retain current directors in a job market with many attractive openings. With recent hires, the City has had to offer top step in the salary range in order to attract high qualified individuals for these critical positions. Furthermore, this action will help address some inequities across the organization where other management classifications may earn similar salaries to department directors potentially creating compaction issues.

The goal of this action is to proactively address attraction, retention, and compaction issues to ensure a high quality and committed Executive Team to oversee the complex operations and issues facing our community.

It is proposed that the compensation of the Executive Team be adjusted to be more aligned with those of comparable cities. Generally, in our comparable cities, the salaries of department directors are either the same for all members of the team or in two bands commensurate to the complexity and workload associated with managing departmental operations. In Watsonville, salaries of the Executive Team have historically been set at

various levels rather than in bands creating inequities among the directors who have similar levels of responsibility.

It is now proposed that the City create two salary bands for members of the Executive Team to reflect common practice and address equity issues. The Tier A band utilizes the current Police Chief salary as the benchmark and the Tier B salary utilizes the Fire Chief as a benchmark with minor adjustments based on scheduled increases. The total cost of the proposed re-banding of salaries is \$52,797 and not all positions will receive an increase. The table below shows the proposed monthly salary of all directors:

<b>DIRECTOR</b>	<b>Current top step</b>	<b>Proposed top step</b>
<b><i>Tier A</i></b>		
Assistant City Manager	\$16,033	\$16,964
Police Chief	\$16,964	\$16,964
Public Works	\$16,964	\$16,964
<b><i>Tier B</i></b>		
Admin Services	\$15,265	\$15,772
Airport	\$14,969	\$15,772
Community Development	\$15,264	\$15,772
Deputy City Manager	\$15,265	\$15,772
Fire Chief	\$15,694	\$15,772
Information Technology	\$15,265	\$15,772
Library	\$14,969	\$15,772
Parks and Community Services	\$15,265	\$15,772

In addition to the proposed re-banding of the salaries resulting in salary adjustments for some directors, all Executive Team members are eligible to receive a matching contribution not to exceed \$50 per pay period to a deferred compensation plan if they elect to participate. This will be effective in the first pay period after July 1, 2022. All of our comparable cities offer additional monetary benefits that are not currently offered to Watsonville department directors such as car and technology allowance, performance pay, educational incentives, etc. Adding this benefit is another step that will help the City stay competitive. The potential maximum cost of this contribution is \$14,300 total per year.

**STRATEGIC PLAN:**

The proposed re-banding and deferred compensation contribution for the Executive Team are aligned with the Council’s strategic priorities: 2-Fiscal Health and 7-Efficient and High Performing Government.

**FINANCIAL IMPACT:**

The proposed salary adjustment and deferred compensation contribution may have a total annual cost of \$67,097 for the entire Executive Team and can be absorbed in the current departmental budgets.

**ATTACHMENTS AND/OR REFERENCES (If any):**

None.