



# Administrative Report

H.20., File # 24-1982

Meeting Date: 12/17/2024

**To: MAYOR AND CITY COUNCIL**  
**From: MIKE WITZANSKY, CITY MANAGER**

## **TITLE**

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2412-122, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, UPDATING THE PAY AND BENEFITS PLAN FOR MANAGEMENT AND CONFIDENTIAL EMPLOYEES

## **EXECUTIVE SUMMARY**

In late 2023, the City reached multi-year agreements on successor Memorandums of Understanding with several of the City's bargaining units. During that time, the City Council also approved a one-year update to the Management and Confidential Employees Pay and Benefits Plan and requested that a comprehensive market survey be conducted prior to completing any subsequent year adjustments. The survey was completed early this fall and reviewed/discussed by the City Council over the past few months. Those discussions resulted in the following proposed changes to the Pay and Benefits Plan in 2025:

- 1) Effective with the first full pay period in January 2025, three percent shall be added to the top of the salary range for each of the Executive, Management and Confidential classifications, excluding the positions of Assistant City Manager, Finance Director, Assistant Fire Chief, Chief Deputy City Treasurer, Human Resources Manager, Risk Manager, and Senior Human Resources Analyst.
- 2) Six positions (three Executive and three Management and Confidential), that are currently below market according to the study, will receive an additional five percent adjustment to the top of the salary range. The six positions include Human Resources Director, Public Works Director, Waterfront and Economic Development Director, Chief Building Official, Assistant Financial Services Director, and Payroll Manager.
- 3) Beginning in January 2025, all employees/officials included in the Pay and Benefits Plan will receive an increase to the monthly health insurance contributions provided by the City (consistent with the other bargaining groups) of \$50 per month for employee coverage, \$100 per month for employee plus one coverage, and \$150 per month for family coverage.
- 4) The in-lieu benefit for unused sick leave upon retirement will be modified for Police and Fire Chiefs with thirty-one plus years of Redondo Beach service.
- 5) Additional Pay and Benefits Plan Provision/Language Clean-Up - All terms and conditions referencing Fire Division Chiefs will be removed, as they have formed their own bargaining unit and will soon have a separate MOU, and language regarding how separating/retiring employees can participate in the Retirement Health Savings Plan will be updated to allow for RHS Plan modifications.

The projected annual cost of the first three pay plan adjustments identified above, when fully realized, is \$307,564. The one-time cost for the change described in item four above is dependent on individual circumstances at the time of retirement and is offset by a reduction in future CalPERS liability costs. There is no cost to the City for the changes described in item five.

The Management and Confidential Group has 31 active employees and represents many diverse job classifications such as City Engineer, Payroll Manager, Chief Building Official, Human Resources Analyst, Deputy City Attorney and appointed Department Directors and their assistants. Adoption of the proposed Resolution would formally approve the proposed changes to the Management and Confidential Pay and Benefits Plan.

### **BACKGROUND**

The previous update to the Management and Confidential Pay Plan took place on December 19, 2023. That update provided a 5% base salary increase for all group employees, converted the plan's 25% Management Incentive Pay special compensation provision into each position's base salary range, and consistent with the other bargaining unit agreements, included an increase to the monthly health insurance premium contribution amounts.

The attached plan, if adopted, would provide the same terms and conditions of employment as the existing plan with the following changes beginning January 2025:

**Salaries:** Based on the results of a recently completed market survey, covered classifications will receive a 3% increase to the top of their respective salary range, with the exclusion of seven positions that will not see a change (Assistant City Manager, Finance Director, Assistant Fire Chief, Chief Deputy City Treasurer, Human Resources Manager, Risk Manager, and Senior Human Resources Analyst). Six classifications, that were identified as below market in the survey, will receive an additional 5% to the top of their salary range (Human Resources Director, Public Works Director, Waterfront and Economic Development Director, Chief Building Official, Assistant Financial Services Director, and Payroll Manager).

**Health Contributions:** Covered employees will receive an increase to their monthly health insurance contributions (consistent with other City bargaining units) of \$50 per month for employee coverage, \$100 per month for employee plus one coverage, and \$150 per month for family coverage.

**Retirement Health Savings Plan:** Police and Fire Chiefs that have 31 years of service in the City of Redondo Beach, will have the option to cash out and deposit a portion of their unused sick leave into their Retirement Health Savings Plan on a graduated scale as follows: 25% of unused sick leave upon completion of year 31 of employment; 50% of unused sick leave upon completion of year 32 of employment; and 75% of unused sick leave upon completion of year 33 of employment.

**Pay Plan Clean Up:** Removal of all terms and conditions referencing Fire Division Chiefs, as they have formed their own bargaining unit, and cost-neutral clean-up of the language regarding how separating or retiring employees can participate in the Retirement Health Savings Plan.

Elected officials and the City Manager also have their benefits tied to the Management and Confidential Pay Plan and will receive the same changes to their health insurance contributions as

employees.

**COORDINATION**

This report was prepared by the Human Resources Department in coordination with the City Manager's Office. The Resolution and Pay Plan were approved as to form by the City Attorney's Office.

**FISCAL IMPACT**

The annual cost for the updated provisions of the Pay Plan, following realization of the proposed salary range adjustments, is \$307,564. Funding for the proposed changes was included in the FY 2024-25 Adopted Budget. The one-time cost for the in-lieu sick leave benefit change for retiring public safety chiefs is dependent on individual circumstances and is offset by a reduction in future CalPERS liability costs.

**APPROVED BY:**

*Mike Witzansky, City Manager*

**ATTACHMENTS**

- Reso - No. CC-2412-122 Updating the Management and Confidential Pay Plan
- Redlined Management and Confidential Pay Plan