



# Administrative Report

H.15., File # 25-1701

Meeting Date: 12/16/2025

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

## **TITLE**

APPROVE AN UPDATED PAY AND BENEFITS PLAN FOR THE MANAGEMENT AND CONFIDENTIAL EMPLOYEE GROUP

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2512-103, 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 several multi-year agreements on successor Memorandums of Understanding with the majority of the City's bargaining units. During that time frame, the City executed a one-year update to the Management and Confidential Employees Pay and Benefits Plan. The 2024 update provided for adjustments of 3% to the top of the salary range for a majority of the Management and Confidential positions, a separate salary adjustment for six selected positions, and increases to health insurance contributions for all group employees in 2025 that matched those of the other bargaining units.

As the other bargaining groups entered into multi-year agreements at the time, increases to salary ranges and health insurance contributions are scheduled for 2026 and beyond. To provide comparable benefits in 2026 for Management and Confidential group employees, an update to the Pay and Benefits plan is needed.

The attached Plan, if adopted, would modify the existing pay and benefits as follows:

- 1) Effective the first full pay period in January 2026, 3% would be added to the top of the salary range for each of the Pay Plan's classifications.
- 2) Effective January 1, 2026, members would receive an increase to monthly health insurance contributions (consistent with the other city bargaining units) of \$50 per month for single employees, \$100 per month for employees - plus one, and \$150 per month for family coverage.
- 3) Police and Fire Chiefs with over thirty years of Redondo Beach service credit would be able to convert unused sick leave upon separation.
- 4) Inclusion of language for the annual Holiday Closure that mirrors the other City bargaining groups (three additional December holidays between Christmas Day and New Year's Day as paid holidays for non-safety employees).
- 5) Pay and Benefit Plan Language Clean Up to: 1) include the classification of Social Media

Content Creator, approved in the Budget and by Resolution of the City Council on July 1, 2025, 2) remove all language referencing Management Incentive Pay, which was eliminated in 2024, and 3) update the provisions regarding Longevity Pay and Credit for Unused Sick Leave in retirement, to comply with new CalPERS regulations.

The projected cost of the agreement for the remainder of the fiscal year is \$37,200. The Management and Confidential Group has 32 active employees and represents many diverse job classifications including Payroll Manager, Human Resources Analyst, and Department Directors.

### **BACKGROUND**

The last update to the Management and Confidential Pay Plan took place on December 17, 2024. That update provided adjustments to the top end of the salary range to all but a few positions, along with increases to health care contributions through 2025 in accordance with other bargaining units.

The attached plan, if adopted, would provide the same terms and conditions of employment as the existing plan with the following changes beginning January 2026:

**Salaries:** Based on the results of a recently completed market survey, covered classifications would receive a 3% increase to the top of the salary range.

**Health Contributions:** On January 1, 2026, represented employees would receive a \$50, \$100 or \$150 per month increase to their monthly health insurance contributions, for the employee, employee - plus one, and family coverage tiers, in accordance with the City's other bargaining units through 2026.

**Holiday Closures:** Employees would receive three additional paid holidays in December 2026, mirroring the other bargaining units. City Hall offices are closed on these days, as has occurred for the past several years.

**Pay Plan Clean Up:** In recent years, CalPERS has been closely examining MOU and Pay Plan language referencing reportable compensation for all of its contracting agencies. To comply with the most recent CalPERS regulations, staff propose amending the Pay Plan as follows:

- Removal of all language referencing the previous provision for Management Incentive Pay, which was eliminated in 2024.
- Clean-up of the existing language regarding Longevity Pay, to comply with current CalPERS reporting regulations. Per the California Code of Regulations Section 571, Longevity Pay is reportable only when an employee has served with the same employer, or in the same job classification, for a minimum of five years.

Currently, and historically, the Management and Confidential Pay Plan has offered longevity pay to members with service credit in other public agencies, which many employees, especially department heads, receive upon hiring and view as an attractive benefit. This has been a significant recruiting tool, especially for Executives that often develop their careers in other public agencies. As this type of longevity pay is no longer

considered by CalPERS to be reportable compensation for retirement purposes, the language in the Pay Plan has been amended to require five years of service in the City of Redondo Beach, or in the same job classification with another agency. This new language complies with the requirements of California Code of Regulations Section 571.

The City currently employs eight employees in the Management and Confidential group (six executives and two non-executives) who are benefitting from the prior provision regarding public agency longevity pay with ten years of service. Staff recommends that the employees currently receiving this benefit be grandfathered in, so that they may continue to be paid under the terms and conditions of which they were hired. These grandfathered employees would not be able to retroactively obtain longevity pay beginning at five years of service. New employees however, would have to wait to obtain the five years of service to receive this pay. This language change may affect recruitment in future years, but should provide savings over the long term, as there will be a delay for new employees to receive the benefit until completion of their fifth year of employment with the City.

- In addition, the City's contract with CalPERS already allows for all employees to report unused sick leave to CalPERS in exchange for service credit upon retirement. Recent CalPERS regulations require that language pertaining to this provision also be noted in the Pay Plan, as well as the CalPERS contract.
- Lastly, the recently created Social Media Content Creator position has been included/recognized in the Pay and Benefits Plan. This position was created and approved by the City Council on July 1, 2025.

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

### **COORDINATION**

This report was prepared by the Human Resources Department. The Resolution was approved as to form by the City Attorney's Office.

### **FISCAL IMPACT**

The Fiscal Year 2025-26 cost of the agreement is \$93,600. The total annual cost of the increased pay and benefits when fully realized, following the implementation of performance reviews and a corresponding 3% salary increase, is \$262,200. Funding for the increases is included in the operating budgets of each of the affected departments.

### **APPROVED BY:**

*Mike Witzansky, City Manager*

### **ATTACHMENTS**

- Reso - No. CC-2512-103 Updating the Pay And Benefits Plan For Management and Confidential Employees

