



STAFF REPORT – CITY COUNCIL MEETING

February 15, 2023

TO: Honorable Mayor and City Council Members

FROM: Nancy Diamond, City Attorney

PREPARER: Danette Demello, Assistant City Manager

DATE: February 08, 2023

TITLE: 1) Approve the Agreement for Employment, City Manager, and 2) Adopt Resolution No. 223-38, a Resolution of the City Council of the City of Arcata Amending the Class and Pay Resolution for Management, Mid-Management, Confidential & Appointed Employees.

RECOMMENDATION:

It is recommended that the Council:

- 1) Approve the Agreement for Employment, City Manager; and
- 2) Adopt Resolution No.223-38, a Resolution of the City Council of the City of Arcata Amending the Class and Pay Resolution for Management, Mid-Management Confidential & Appointed Employees.

INTRODUCTION:

The City Council initially appointed Karen Diemer as City Manager on December 1, 2014; and extended that employment agreement on December 1, 2017. The attached employment agreement extends the employment commitment for an additional three (3) years, expiring on January 31, 2026.

BACKGROUND/DISCUSSION:

Under the new agreement, the City Manager salary over the term of the contract would be tied to a schedule of salary adjustments, and the City Manager would not be eligible to receive any other cost of living or salary adjustments that may be otherwise given to senior management employees. Similar to the previous employment agreements, the City Manager would continue to receive a \$350/month vehicle allowance and benefits package consistent with that of Senior Management.

The City's retirement system (CalPERS) requires that all CalPERS related salaries be included in a publicly available salary schedule, adopted by the governing body. The salary schedule for the City Manager classification has not been adjusted since 2017. For the period covering 2019/2020-2022/2023, City employee groups have received 14% salary adjustments, including the implementation of a new Step 5A and 6. Resolution No. 223-38 amends the Class and Pay Resolution for Management, Mid-Management & Confidential Employees to update the City's appointed classification salary grade of City Manager to (1) include an 8% adjustment to Step 1 and

remainder of steps adjusted accordingly to maintain the established percentage spread between each step; (2) to add a new Step 5A [that is 2.5% above Step 5] and Step 6 [that is 5% above Step 5]. The City Manager is currently at Step 5. The new agreement would give the City Manager a step increase to Step 5A effective the pay period beginning 2/5/23; and a step increase to Step 6 the pay period that includes 7/1/23.

BUDGET/FISCAL IMPACT:

The City Manager's salary increase for the remainder of fiscal year 2022/23 is approximately an additional \$7,890. The department will make adjustments as necessary at mid-year. Future step increases will be included as part of the City's regular budget process.

ATTACHMENTS:

A: City Manager Contract 1-31-26 (PDF)

B: Resolution 223-38 (PDF)