



STAFF REPORT

Date: September 10, 2014
To: Mayor and Members of City Council
From: William R. Galstan, Special Counsel *William R. Galstan*
Cc: Bryan Montgomery, City Manager
Subject: City Manager salary/benefit adjustment

FOR CONSIDERATION AT THE CITY COUNCIL MEETING ON SEPTEMBER 23, 2014

Summary and Recommendation

Approve the attached Sixth Amendment to City Manager Employment Agreement.

Analysis

Annually, every City employee undergoes a performance evaluation and, typically on July 1, compensation adjustments are made to the salaries and benefits of general city employees. The City Council conducts the performance evaluation of the city manager and, pursuant to the Brown Act, appoints a committee to negotiate with him any salary and benefit adjustments mutually desired by the parties. The committee (Pope and Hardcastle) have made their recommendations to the Council, which are acceptable to Mr. Montgomery.

Oakley has adopted a Compensation Policy, which in general expresses the goal of paying City employees competitively based upon salary and benefit surveys of cities that are comparable as to size and location to Oakley.

A salary survey of comparable cities has found that the current city manager salary is approximately 12% below the city manager average salary. When considering that most of the comparable city managers pay 7 to 8% of salary into PERS and Oakley's does not, the "effective" difference is 4.8% below the average.

During the July 1 adjustment for general City employees, certain "equity adjustments" were made in cases where an employee's salary fell below the comparable city average. Equity adjustments of 5%, 7%, 13% and 10% and as high as 18% were made for management and non-management employees who had fallen below comparable salaries.

The Council committee recommends that Mr. Montgomery's salary be increased 2% retroactive to July 1 and increased 2.8% on February 1, 2015 to bring him closer to the comparable city average. It is also recommended that Mr. Montgomery receive the \$76.00 per month allowance for cell phones paid to other Oakley department head employees.



Finally, in recognition of the fact that in 2015 Mr. Montgomery will have served as Oakley's City Manager for 10 years, the Committee recommends a one-time grant of an additional week of personal leave, to be used during calendar year 2015. All of the other terms and conditions of the original Employment Agreement and its amendments remain in effect.

Fiscal Impact

Cost to the General Fund in the amounts specified in this report.

Attachment

Sixth Amendment to City Manager Employment Agreement.

SIXTH AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT

This Sixth Amendment to City Manager Employment Agreement is entered into this 23rd day of September, 2014 by and between the City of Oakley, a municipal corporation ("CITY") and Bryan H. Montgomery ("EMPLOYEE").

The parties agree as follows:

1. Effective immediately, and retroactive to July 1, 2014, EMPLOYEE's monthly salary shall be \$17,000.00;
2. Effective February 1, 2015, EMPLOYEE's monthly salary shall be \$17,476.
3. Effective immediately, and retroactive to July 1, 2014, EMPLOYEE shall be entitled to the \$76.00 per month cellular telephone allowance that is granted to other Oakley department head employees.
4. As a form of management longevity appreciation, CITY hereby grants to EMPLOYEE a one-time additional 40 hours of personal leave to be used during calendar year 2015.
5. All of the unamended portions of the previous Employment Agreement and its amendments shall remain in force and effect.

CITY

EMPLOYEE

Randy Pope, Mayor

Bryan H. Montgomery, City Manager

Approved as to Form:

Derek P. Cole, City Attorney