



# COUNCIL REPORT

**DATE:** September 24, 2024  
**CATEGORY:** New Business  
**DEPT.:** City Council  
**TITLE:** **Compensation for Council Appointees**

## **RECOMMENDATION**

Adopt a Resolution of the City Council of the City of Mountain View Approving Annual Compensation Increases for the City Attorney, City Clerk, and City Manager, to be read in title only, further reading waived (Attachment 1 to the Council report).

## **BACKGROUND**

Compensation for City employees may be adjusted through:

- Cost-of-Living Adjustments (COLAs) to salary which are typically established in labor agreements negotiated with the City's employee groups;
- Merit or step increases to salary which are provided through individual annual performance evaluations;
- Equity adjustments to salary which are based on labor market conditions for specific job classifications or based on salary compaction between a manager and subordinate staff; and
- Changes to other compensation and/or benefits in the total compensation package, such as deferred compensation or supplemental pays, based on negotiations, merit, or labor market justification.

For the three City officials appointed by the City Council (City Attorney, City Clerk, and City Manager), the City Council conducts an annual evaluation and market study to determine appropriate compensation adjustments for adoption at a Regular Meeting of the City Council.

Per Council Policy D-9, Council Appointee Communications and Performance Evaluation Process, the City Attorney, City Clerk, and City Manager received the same annual cost-of-living

adjustment (COLA) consistent with the unrepresented miscellaneous department heads, which was 4% this fiscal year effective the pay period including July 1, 2024.

Currently, Council appointees receive the following ongoing City contributions to their deferred compensation accounts:

- City Attorney: 2% of base salary to a 457 plan.
- City Clerk: 1% of base salary to a 457 plan.
- City Manager: 4% of base salary to a 457 plan and a flat amount contribution of \$8,451.21 (equivalent to 2% of base salary) annually to a 401(a) plan (indexed by the COLA and/or merit applied to the incumbent's salary each year).

### **ANALYSIS**

The 2024 Council appointee performance evaluation process included review of their Fiscal Year 2023-24 accomplishments. All the Council appointees have provided important and valuable service to the City of Mountain View over the last year and the Council is pleased with their performance.

Based on this review, the application of COLAs consistent with unrepresented miscellaneous department heads, and in recognition of budget constraints in the Five-Year Forecast, no ongoing merit adjustments are proposed at this time. Therefore, the following one-time compensation for the City Attorney, City Clerk, and City Manager, is proposed:

City Attorney: A one-time lump-sum City contribution to a 457 deferred compensation plan in the amount of \$6,975.04 (equivalent to 2% of base pay per the Fiscal Year 2024-25 salary plan adopted June 23, 2024) to be paid no later than December 31, 2024.

City Clerk: A one-time lump-sum City contribution to a 457 deferred compensation plan in the amount of \$4,373.05 (equivalent to 2% of base pay per the Fiscal Year 2024-25 salary plan adopted June 23, 2024) to be paid no later than December 31, 2024.

City Manager: A one-time lump-sum City contribution to a 401(a) plan in the amount of \$8,451.21 (equivalent to 2% of base pay per the Fiscal Year 2024-25 salary plan adopted June 23, 2024) to be paid no later than December 31, 2024.

**FISCAL IMPACT**

The total cost of the one-time contributions for these appointees is approximately \$20,000. There is sufficient funding included in the one-time budget approved by the Council in the Fiscal Year 2024-25 Adopted Budget for these deferred compensation contributions.

**ALTERNATIVES**

Provide alternative direction to staff regarding compensation for Council appointees.

**PUBLIC NOTICING**—Agenda posting.

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Attachment: 1. Resolution