



## CITY OF MOUNTAIN VIEW

**MEMORANDUM**

City Manager's Office

**DATE:** May 29, 2018

**TO:** City Council

**FROM:** Audrey Seymour Ramberg, Assistant City Manager

**VIA:** Daniel H. Rich, City Manager

**SUBJECT:** **One-Time Employee Appreciation Bonus Options**

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**BACKGROUND**

At the Narrative Budget Report Study Session on May 1, 2018, the City Council requested additional information regarding providing a one-time bonus to employees in recognition of the work performed, similar to Council's direction during the 2016-17 budget process.

At that time, the Council considered three different types of bonus: flat dollar cash payment, percent of salary cash payment, or hours of paid leave. Council's direction was to provide a \$500 flat dollar payment. Staff had recommended this approach since it would recognize all regular employees equally (pro-rated for part-time employees) and reinforce that the bonus is a unique event, separate from ongoing compensation.

**ANALYSIS**

The projected General Operating Fund balance provides an opportunity for Council to consider making allocations to certain one-time uses, including paying down long-term liabilities and funding capital projects. An option raised by a Councilmember during the discussion of the Narrative Budget was to consider using a portion of the available carryover funds to pay a one-time bonus to City employees, similar to that provided during the 2016-17 budget process. The intent of this bonus would be to express appreciation for employees' hard work during the year in response to the high levels of demand for City services that have accompanied the economic recovery. If Council approves payment of an employee bonus, it is with the understanding that it is being offered as a symbolic, yet meaningful, gesture of appreciation that is a unique event without any bearing on ongoing compensation or expectation of precedent.

Should Council direct that a bonus be offered in Fiscal Year 2018-19, staff suggests the same methodology as in Fiscal Year 2016-17: a flat dollar cash payment of \$500 (prorated for part-time employees) at an estimated cost of \$280,000, from the Fiscal Year 2017-18 General Fund Carryover. Those eligible to receive the bonus would be regular, benefited full-time and part-time employees (including Limited-Period and Provisional positions) who started with the City by January 1, 2018 and are still employed with the City as of June 30, 2018 and were working during this time.

ASR/PJK/2/FIN

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