



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of December 9, 2025

TO: Mayor and Members of the City Council

SUBMITTED BY: Dante Hall, City Manager
Edwin Gato, Director of Finance
Kristi Carter, Human Resources Manager

SUBJECT: Approve a One-Time Non-Pensionable Payment of 3% of Total Gross Salary for the 2024-25 Fiscal Year for Employees Covered Under the Executive Level, Mid-Management, and Non-Represented Employee Pay and Benefits Plans

RECOMMENDED ACTION:

Staff recommends that the City Council adopt a Resolution approving a three percent (3%) one-time non-pensionable payment for employees covered under the Executive Level, Mid-Management, and Non-Represented Pay and Benefits Plans and authorize the City Manager to execute any related amendments to the approved 2025-2027 Pay and Benefits Plans.

DISCUSSION:

On September 23, 2025, the City Council approved the 2025-2027 Pay and Benefits Plans for Executive Level, Mid-Management, and Non-Represented employee groups. In recognition of continued service and performance, and to support workforce stability in a competitive labor market, staff recommends approval of a three percent (3%) one-time non-pensionable payment of total gross salary for FY 2024-25 for employees within these groups.

Consultations with the executive level, mid-management, and non-represented employee groups have been completed; proceeding with the revisions to the Pay and Benefits Plans for the executive, mid-management, and unrepresented groups is timely. A summary of the changes proposed by the employee groups is set forth below:

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| Pay and Benefits Plan Employee Group | Summary of Terms | Total # of employees | Cost |
|--------------------------------------|--|----------------------|----------|
| Executive Level | Three percent (3%) One-Time Non-PERSable retention payment | 7 | \$51,000 |
| Mid-Management | Three percent (3%) One-Time Non-PERSable retention payment | 2 | \$12,000 |
| Non-Represented | Three percent (3%) One-Time Non-PERSable retention payment | 6 | \$27,000 |

This recommendation aligns with the City's strategic goals of maintaining a competitive total compensation package while ensuring fiscal responsibility and operational effectiveness. This adjustment supports employee morale, retention, and recognition efforts, particularly in a period of constrained recruitment across public agencies.

FISCAL IMPACT:

The staff recommends that the City Council authorize an appropriation for a one-time retention payment of 3% of the gross salary for non-represented employees for the fiscal year 2024-25, to be distributed in fiscal year 2025-26. Sufficient resources are available in the General Fund reserve to support this allocation. The Finance Department has conducted a thorough review of the proposal and confirmed that it aligns with the City's established financial parameters.

ATTACHMENTS:

1. Resolution
2. Revised 2025-2027 Executive Pay and Benefits Plan
3. Revised 2025-2027 Mid-Management Pay and Benefits Plan
4. Revised 2025-2027 Non-Represented Pay and Benefits Plan