



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of July 28, 2026

TO: Mayor and Members of the City Council

VIA: Patrick Tang, Interim City Manager

SUBMITTED BY: Kristi Carter, Human Resources Manager

SUBJECT: Adopt a Resolution Approving the Fiscal Year 2026-2027 Master Salary Schedule Pursuant to the California Public Employees' Retirement System Requirements

RECOMMENDED ACTION:

Approve the Fiscal Year 2026-2027 ("FY 2026-2027") Master Salary Schedule effective July 5, 2026, pursuant to the California Public Employees' Retirement System ("CalPERS") requirements.

Adoption of the Master Salary Schedule incorporates previously approved compensation adjustments for represented and unrepresented employee groups and ensures compliance with Title 2, California Code of Regulations Section 570.5.

BACKGROUND:

CalPERS requires participating agencies to maintain a salary schedule that has been approved and adopted by the agency's governing body in accordance with Title 2, California Code of Regulations Section 570.5. The regulation requires that the salary schedule:

- Be duly approved and adopted by the employer's governing body in accordance with applicable public meeting laws;
- Identify the position title for every employee position;
- Show the pay rate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
- Indicate the applicable time base, including hourly, bi-weekly, monthly, or annual compensation;
- Be publicly available and accessible for review;

- Include an effective date and the date of any revisions;
- Be retained by the employer and available for public inspection for not less than five years; and
- Not reference another document in lieu of disclosing the pay rate.

The attached FY 2026-2027 Master Salary Schedule effective July 5, 2026, satisfies the requirements of Title 2, California Code of Regulations Section 570.5, and reflects compensation actions previously approved by the City Council for represented and unrepresented employee groups.

REVIEW AND ANALYSIS:

The proposed FY 2026-2027 Master Salary Schedule consolidates all City classifications and corresponding rates of pay into a single governing body-approved document as required by CalPERS. Adoption of the schedule is an administrative action necessary to maintain compliance with CalPERS regulations and does not authorize any new compensation adjustments.

The FY 2026-2027 Master Salary Schedule incorporates the following compensation actions previously approved by the City Council:

Employee Group	Council Action	Compensation Change
Teamsters Local 315	Resolution No. 25-058 adopted September 23, 2025	3% wage increase for all classifications effective July 5, 2026
Hercules Police Officers' Association	Resolution No. 25-075 adopted December 9, 2025	3% wage increase for all classifications effective July 5, 2026, and market equity adjustments for the Police Officer and Police Sergeant classifications effective July 5, 2026
Executive Level Employees	Resolution No. 25-059 adopted September 23, 2025	3% wage increase for all classifications effective July 5, 2026
Mid-Management Employees	Resolution No. 25-059 adopted September 23, 2025	3% wage increase for all classifications effective July 5, 2026
Non-Represented Employees	Resolution No. 25-059 adopted September 23, 2025	3% wage increase for all classifications effective July 5, 2026

Employee Group	Council Action	Compensation Change
Part-Time Unbenefited Employees	Resolution No. 25-058 adopted September 23, 2025	3% cost of living adjustment effective July 5, 2026

The FY 2026-2027 Master Salary Schedule includes all approved salary ranges and pay rates for City classifications and serves as the official compensation schedule for purposes of CalPERS reporting and compliance.

FISCAL IMPACT:

There is no additional fiscal impact associated with adoption of the FY 2026-2027 Master Salary Schedule. The salary schedule reflects compensation actions previously approved by the City Council and incorporated into the adopted FY 2026-2027 Operating Budget.

ATTACHMENTS:

1. Resolution
2. FY 2026-2027 Master Salary Schedule effective July 5, 2026