



REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of February 27, 2024

TO: Mayor Romero and Members of the City Council

SUBMITTED BY: J. Patrick Tang, City Attorney

SUBJECT: Proposed Resolution to Amend City Manager Hall's Employment Agreement to Increase the Annual Salary from \$262,086 to \$285,000 and to Provide Education Incentive Pay of 3%

RECOMMENDED ACTION:

Discuss and consider adoption of a resolution to amend City Manager Dante Hall's Employment Agreement to increase the current annual salary from \$262,086 to \$285,000 and to Provide Education Incentive Pay of 3%.

BACKGROUND:

On July 27, 2021, the City Council approved a five-year Agreement for City Manager/Executive Director Services (hereinafter "Original Agreement") to employ Dante Hall as the City Manager of the City of Hercules. The Original Agreement provides for, among other matters, an annual performance review, an annual cost of living adjustment ("COLA") of 3%, and benefits on the same terms and conditions as other Senior Management Employees. See Attachment 1.

On October 25, 2022, the City Council approved a resolution to amend the Original Agreement to increase the City Manager's COLA to 4.5% for fiscal years 2022-23 and 2023-24, to make it consistent with the COLA previously approved by the Council for the Senior Management Group. See Attachment 2.

On February 13, 2024, the City Council in closed session appointed an ad hoc subcommittee ("Subcommittee") composed of members Dan Romero (Mayor) and Dion Bailey (Vice Mayor), tasked with reviewing city manager salaries in other jurisdictions and making recommendations to the full City Council regarding a potential salary increase for the City Manager position in order to provide a Retention Incentive for City Manager Dante Hall, who is now in his third year serving as the Hercules City Manager.

DISCUSSION:

Every year since becoming City Manager, Dante Hall has received positive annual evaluations, and his work is highly valued by the City Council and the community. The Council has determined that it is in the City's best interest to retain the current city administrator, thus providing continuity and stability at a time when Hercules needs strong administrative leadership to manage a wide range of Council and community demands and expectations.

The demand for qualified and experienced City Managers is particularly competitive. The City Council recognizes that to retain top talent, the City of Hercules must remain competitive with other cities looking to hire qualified city managers.

After having reviewed relevant City Manager salary and benefits information from various other cities including Orinda, Oakley, Pleasant Hill, Martinez, Albany, El Cerrito, San Pablo, Pinole, Lafayette, and Suisun, the Council Ad Hoc Subcommittee composed of Mayor Romero and Vice Mayor Bailey are recommending that the full Council approve a Resolution to Amend City Manager Hall's employment agreement to increase his annual salary from the current amount of \$262,086 to a proposed amount of \$285,000. In addition, the subcommittee is recommending that an additional 3% be awarded for relevant post-graduate degrees obtained (Education Incentive Pay). The changes to the original 2021 Employment Agreement as amended in 2022 are shown in Redline in Attachment 3.

ACTION:

Discuss and consider adoption of a Resolution Increasing the City Manager's Compensation and providing for an additional 3% Education Incentive Pay.

ATTACHMENTS:

1. 2021 Agreement with Dante Hall for City Manager/Executive Director Services.
2. 2022 Amendment 1 to Original Agreement.
3. Proposed changes to 2021 Agreement as amended.
4. Resolution to Increase City Manager Salary and providing for Education Incentive Pay.