

**REPORT TO MAYOR/REDEVELOPMENT AGENCY CHAIR  
AND COUNCIL/AGENCY BOARD****TO THE HONORABLE MAYOR/REDEVELOPMENT AGENCY CHAIR  
AND CITY COUNCIL/AGENCY BOARD:**

DATE: June 22, 2009

**SUBJECT: RESOLUTIONS APPROVING ADJUSTMENTS TO CITY MANAGER, CITY  
ATTORNEY, EXECUTIVE MANAGEMENT, MANAGEMENT AND  
CONFIDENTIAL EMPLOYEE COMPENSATION****Report in Brief**

In uncertain economic times such as these, it is critically important for the City of Concord management team to demonstrate leadership in addressing the City's fiscal challenges. Accordingly, the City Manager and Executive Management Team are recommending that the City Council and the Redevelopment Agency approve reductions in compensation and benefits for the Executive Management Team, as well as the Management and Confidential employees for Fiscal Year 2009-2010. These compensation adjustments will assist the City in bridging the gap between expenditures and revenues.

**Background**

In letters addressed to the City Council in April of this year, the City Manager, City Attorney and Executive Management Team proposed changes to their salaries and benefits in order to begin the process of addressing the City's fiscal crisis. At a City Council budget workshop held on May 4, 2009, the City Manager reported that he would be recommending implementation of similar one-year changes to salaries and benefits for the unrepresented Management and Confidential employee groups.

**Discussion**

Below is a presentation of the proposed wage and compensation changes by employee group.

- **City Manager, City Attorney and Executive Management:** The Executive Management Team has agreed to an approximately 9% reduction in compensation. This includes a 5% reduction in salaries from current levels to be implemented through 13 furlough days, suspension of future incentive compensation awards pursuant to the City's Executive and Management Compensation Program, suspension of the City's contribution to 401(k) deferred compensation accounts (3% of salary), and a suspension of the City-paid Flexible Benefit Plan (\$2,000 per calendar year). Although the City Manager and City Attorney have individual employment agreements, there is no need for formal amendments to those agreements because the agreements expressly provide that salaries for the City

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Manager and City Attorney may be decreased if salaries are decreased commensurately for all Executive Management employees and that benefit changes may be made if the same changes are applied to all unrepresented management employees. The savings from these proposed adjustments would total approximately \$161,000.

- **Management Employees:** The Executive Management Team recommends that salaries for unrepresented Management employees be reduced by 5%, to be implemented through 13 furlough days, suspension of future incentive compensation awards pursuant to the City's Executive and Management Compensation Program, and suspension of the City-paid Flexible Benefit Plan (\$2,000 per calendar year). The savings from these proposed adjustments would total approximately \$436,000.
- **Confidential Employees:** The Executive Management team recommends that salaries for Confidential employees be reduced by 5%, to be implemented through 13 furlough days and suspension of step increases. The total savings from these proposed adjustments would total approximately \$47,000.

Each of the proposed compensation reductions has been presented to and discussed with the affected employees. The proposed City Council Resolutions would take effect on July 1, 2009 and remain in effect for Fiscal Year 2009-10 only, except for the suspension of City participation in the Flexible Benefit Plan which would take effect on January 1, 2010 because that Plan is structured on a calendar year basis pursuant to federal law requirements. Any future proposals to continue or eliminate these compensation reductions will be presented to the City Council as part of the Fiscal Year 2010-11 budget.

**Fiscal Impact**

The City would reduce expenditures during FY 2009-10 by approximately \$644,000.

**Public Contact**

Posting of the Agenda; direct notice to impacted employees.

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**Recommendation for Action**

Staff recommends that the Council and Redevelopment Agency Board approve the following Resolutions adjusting compensation in the form of salaries and benefits for unrepresented employees:

1. Adopt Resolution No. 09-4735.1, approving adjustments to compensation for the City Manager, City Attorney and Executive Management Employees.
2. Adopt Resolution No.09-4735.2, approving adjustments to compensation for Management Employees.
3. Adopt Resolution No. 09-4735.3, approving adjustments to compensation for Confidential Employees.

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Attachment #1: Resolution No. 4735.1 – City Manager, City Attorney, and Executive Management  
Attachment #2: Resolution No. 4735.2 – Unrepresented Management  
Attachment #3: Resolution No. 4735.3 – Unrepresented Confidential

BEFORE THE CITY COUNCIL OF THE CITY OF CONCORD  
COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA

A RESOLUTION APPROVING ADJUSTMENTS  
TO COMPENSATION FOR CITY MANAGER,  
CITY ATTORNEY AND EXECUTIVE  
MANAGEMENT EMPLOYEES

Resolution No. 09-4735.1

WHEREAS, the City Council, at its meeting June 22, 2009, considered staff's recommended adjustments to the compensation for the City Manager, City Attorney and Executive Management employees for a one-year period.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CONCORD DOES  
RESOLVE AS FOLLOWS:

Section 1. Approves the following adjustments to salary and benefits for the City Manager, City Attorney and Executive Management employees: (a) five percent (5%) reduction in salary from current levels, to be implemented through 13 furlough days during Fiscal Year 2009-10 as determined by the City Manager, (b) suspension of future incentive compensation awards pursuant to the City's Executive and Management Compensation Program for Fiscal Year 2009-10, (c) suspension of the City's contribution to 401(k) Deferred Compensation Plan (3% of salary) for Fiscal Year 2009-10, and (d) suspension of the City-paid Flexible Benefit Plan (\$2,000) for calendar year 2010.

Section 2. This resolution shall become effective immediately upon its passage and adoption.

**PASSED AND ADOPTED** by the City Council of the City of Concord on June 22, 2009, by the following vote:

**AYES:** Councilmembers -

**NOES:** Councilmembers -

**ABSTAIN:** Councilmembers -

**ABSENT:** Councilmembers -

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**BEFORE THE CITY COUNCIL OF THE CITY OF CONCORD  
COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA**

**A RESOLUTION APPROVING ADJUSTMENTS  
TO COMPENSATION FOR MANAGEMENT  
EMPLOYEES**

Resolution No. 09-4735.2

**WHEREAS**, the City Council, at its meeting June 22, 2009, considered staff’s recommended adjustments to the compensation for Management employees for a one-year period.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CONCORD DOES  
RESOLVE AS FOLLOWS:**

**Section 1.** Approves the following adjustments to salary and benefits for Management employees: (a) five percent (5%) reduction in salary from current levels, to be implemented through 13 furlough days during Fiscal Year 2009-10 as determined by the City Manager, (b) suspension of future incentive compensation awards pursuant to the City’s Executive and Management Compensation Program for Fiscal Year 2009-10, and (c) suspension of the City-paid Flexible Benefit Plan (\$2,000) for calendar year 2010.

**Section 2.** This resolution shall become effective immediately upon its passage and adoption.

**PASSED AND ADOPTED** by the City Council of the City of Concord on June 22, 2009, by the following vote:

**AYES:** Councilmembers -

**NOES:** Councilmembers -

**ABSTAIN:** Councilmembers -

**ABSENT:** Councilmembers –

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**BEFORE THE CITY COUNCIL OF THE CITY OF CONCORD  
COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA**

**A RESOLUTION APPROVING ADJUSTMENTS  
TO COMPENSATION FOR CONFIDENTIAL  
EMPLOYEES**

Resolution No. 09-4735.3

**WHEREAS**, the City Council, at its meeting June 22, 2009, considered staff's recommended adjustments to the compensation for Confidential employees for a one-year period.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CONCORD DOES  
RESOLVE AS FOLLOWS:**

**Section 1.** Approves the following adjustment to salaries for Confidential employees: five percent (5%) reduction in salary from current levels, to be implemented through 13 furlough days during Fiscal Year 2009-10 as determined by the City Manager.

**Section 2.** This resolution shall become effective immediately upon its passage and adoption.

**PASSED AND ADOPTED** by the City Council of the City of Concord on June 22, 2009, by the following vote:

**AYES:** Councilmembers -

**NOES:** Councilmembers -

**ABSTAIN:** Councilmembers -

**ABSENT:** Councilmembers -

**I HEREBY CERTIFY** that the foregoing Resolution No. 09-4735.3 was duly and regularly adopted at a regular joint meeting of the City Council and the Redevelopment Agency of the City of Concord on June 22, 2009.

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Mary Rae Lehman, CMC  
City Clerk

**APPROVED AS TO FORM:**

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Craig Labadie  
City Attorney