City of Culver City, California

Agenda Item Report

Meeting Date: 07/14/2014	Item Number: A-5
CITY COUNCIL AGENDA ITEM: Adoption of a Resolution Approving an Updated Executive Compensation Plan	
Contact Person/Dept.: Serena Wright	Phone Number: 310-253-5640
Fiscal Impact: Yes [X] No []	General Fund: Yes [X] No []
Public Hearing: [] Action Item: [X]	Attachments: [X]
Commission Action Required: Yes [] No [X]	Dates:
Public Notification: (E-Mail) Agenda and Meetings – City Council (07/09/14)	
Department Approval: Serena Wright (07/08/14)	City Attorney Approval: Carol Schwab (by H. Baker) (07/09/14)
Chief Financial Officer Approval: Jeff Muir (07/08/14)	City Manager Approval: John M. Nachbar (07/09/14)

RECOMMENDATION:

Staff recommends that the City Council adopt a resolution approving an updated Executive Compensation Plan.

BACKGROUND:

In June 2011, the City Council approved carving out Executive Management (EM) level classifications from the Culver City Management Group (CCMG) and placing those classifications in a non-represented capacity.

The City Council subsequently adopted an Executive Compensation Plan which outlines the terms of conditions of employment for EM.

DISCUSSION:

The City Council will be considering adoption of a Memoranda of Understanding (MOU) with CCMG on this evening's agenda. Staff is recommending that the City Council consider providing EM with the same benefits granted to CCMG by adopting a resolution approving an updated Executive Compensation Plan. In summary, those benefits include:

- 2% annual cost-of-living adjustment for each year of the three year term
- 1% annual lump sum non-recurring compensation for each year of the three year term

- Increase tuition reimbursement to $250 per unit
- $1,500 annual education incentive for possession of a Master's degree or above
- Provide 8 additional hours of floating holiday time in recognition of Cesar Chavez day
- Convert the existing 2% Management Incentive Pay to base salary

FISCAL ANALYSIS:

The estimated on-going annual cost of this agreement will be $70,000 in the first year, $115,000 in the second year and $161,000 in the third year. There is an estimated additional cost of $23,000 in each year for the lump-sum compensation that will not continue after the expiration of the MOU. Approximately ninety percent (90%) of these costs will be paid by the General Fund, with the balance to enterprise or special funds.

ATTACHMENTS:

1. Proposed Resolution with updated Executive Compensation Plan (Effective July 1, 2014)

MOTION:

That the City Council:

Adopt a resolution approving an updated Executive Compensation Plan.