



City Council Agenda Item Staff Report

CITY OF SAN BRUNO

DATE: February 28, 2023

TO: Honorable Mayor and Members of the City Council

FROM: Jovan D. Grogan, City Manager

PREPARED BY: Cora Dino, Chief People Officer

SUBJECT: Consider Adoption of a Resolution Adopting Pay Scale for the City Manager Job Classification

BACKGROUND: Beginning January 1, 2023, California's new pay transparency law requiring pay scales in job openings went into effect. Senate Bill 1162 requires employers with 15 or more employees (at least one of whom is located in California) to post a pay scale in any job advertisement or job posting, including positions posted by third parties. "Pay scale" is defined as either the salary or hourly wage range. The goal of the California law is to reduce gender and racial pay gaps.

DISCUSSION: With this new legislation and anticipated City Manager vacancy, staff proposes a pay scale be established for the City Manager job classification in preparation for the upcoming executive search and job posting.

Staff conducted a salary survey with eleven cities, historically used, all in the County of San Mateo, as well as two additional cities Brisbane and San Carlos. The salary survey can be found on Attachment 2 to this staff report. Current City Manager base salaries for the surveyed cities range from a low of \$267,490 per year (Pacifica) to a high of \$376,870 per year (Daly City). Most of these cities hired their City Managers prior to the new requirement to set a salary range and thus, few cities have a published salary range for the position. One city, Menlo Park, has a city manager pay scale of \$203,533 – \$281,111 per year, and two cities (South San Francisco and San Mateo) will soon embark on a city manager recruitment and are anticipated to set a salary range for the position within the coming weeks/months.

The City of San Bruno's current City Manager's base pay is \$284,028 per year. The City of San Bruno's next highest paid executives are the Police Chief and Fire Chief job classifications, both with a pay scale of \$211,428 – \$259,464 per year, effective January 2023. It is important to note that the San Bruno City Council has approved future salary increases for the public safety chiefs of 5% in January 2024 and 3% in January 2025. Together, the increases will bring the salaries of the public safety chiefs to \$280,610 in January 2025.

Typically, there is at least a 10% salary difference between the direct report's top step to that of the first step of their manager. The salary survey shows average city manager salary is set approximately 16% above the next highest-paid executive. In order to provide the City Council with maximum flexibility, staff recommends establishing a salary scale for the San Bruno city manager position that is a minimum of 10% above the top step of the highest paid executive.

The City Council will not be bound to start the next City Manager at the minimum level and can set the initial salary anywhere within the established range.

As noted above, two cities in San Mateo County will be recruiting for City Managers in the next couple of months. The City of South San Francisco has a vacancy and will begin its executive search about the same time as San Bruno. The former South San Francisco city manager's pay was \$307,590 per year. Additionally, the City of San Mateo's City Manager (who currently earns \$283,863 per year) has announced his retirement in June and recruitment would overlap with San Bruno's recruitment.

Based on an analysis, staff proposes a pay scale of \$285,410 – \$385,000 per year. This range is intentionally set wide to provide the City Council the latitude to appoint a qualified city manager within the range commensurate with relevant experience. Additionally, the proposed pay scale ensures the City's pay scale is competitive in order to attract top talent to lead San Bruno as well as ensure a proper pay differential between the city manager and the highest paid executive. The pay scale also provides capacity for future COLA and other merit increases that the Council may negotiate in a multi-year contract for San Bruno's next City Manager.

FISCAL IMPACT: There is no direct fiscal impact from the establishment of a salary scale for the City Manager's position. However, depending on the future compensation that the City Council authorizes for the next City Manager, there may be a need to adjust appropriations to the City Manager's Office to cover any additional compensation expenses.

ENVIRONMENTAL IMPACT: There is no environmental impact.

RECOMMENDATION: Consider Adoption of a Resolution Establishing a Pay Scale for the City Manager Job Classification of \$285,410 – \$385,000 per year.

ALTERNATIVES:

1. Modify the pay scale
2. Reject the pay scale

ATTACHMENTS:

1. Resolution with Pay Scale
2. City Manager Position Base Salary Comparison Table