



## City Council Staff Report

**From: City Manager**

**Report Type: CONSENT CALENDAR**

**Lead Department: Human Resources**

**Meeting Date: December 16, 2024**

Report #:2412-3853

### **TITLE**

Adoption of a revised salary schedule for Limited Hourly employees to increase the maximum hourly rate for the Management Specialist classification; CEQA Status - not a project

### **RECOMMENDATION**

Staff Recommends that the City Council adopt a revised salary schedule for limited hourly employees specifically increasing the maximum hourly rate that can be offered to Management Specialist classification.

### **EXECUTIVE SUMMARY**

The City has undertaken substantial investment in career advancement and continuity planning to ensure critical City services and activities are supported at a high performing level now and into the future. A key component of this process is ensuring the subject matter expertise exists within critical areas of service to ensure the delivery of existing services and to train and pass on knowledge to developing internal talent. The Management Specialist classification has been and will continue to provide flexibility as needed and be utilized as a way of bringing on temporary, limited-term, highly experienced, skilled and knowledgeable individuals to take on acting roles when the City faces executive level vacancies, provide development and training to existing staff, or provide specific subject matter expertise.

### **BACKGROUND**

The City of Palo Alto has a Limited Hourly Compensation plan that covers the wages and benefits associated with unrepresented hourly workers hired by the City. The Management Specialist classification is a long-standing range based hourly classification utilized for highly specialized, confidential, or management level assignments where the work is short term, temporary or sporadic in nature. Classifications within the Limited Hourly Compensation plan do not receive benefits such as medical, dental, or vision. Most limited hourly positions are not included in CalPERS pension plans unless the individual hired was already in CalPERS in which

case they must limit their hours to less than 960 in any given fiscal year or be re-entered into CalPERS.

### **ANALYSIS**

The salary schedule for the Management Specialist classification currently ranges from \$17.69 per hour to \$135.20 per hour. This classification has not had a market-based adjustment in over a decade. The proposed adjustment would increase the maximum salary to \$200 per hour to align this critical classification with the current market rate for individuals at the Director, Assistant Director, and/or Division Manager level. As mentioned above, classifications within the Limited Hourly Compensation plan do not receive benefits such as medical, dental, or vision. While the City utilizes contractors and consultants, this classification and salary range will ensure the City has the ability to solicit and manage the level of subject matter expertise or direct supervision needed during vacancies in critical roles and critical projects. Increasing the salary range for the Management Specialist classification will allow the City to bring in high-level expertise when needed in a timelier manner and give the flexibility for them to manage and/or supervise as needed based on the assignment.

### **FISCAL/RESOURCE IMPACT**

There is no fiscal impact to this action by Council. If/when a department submits a requisition to utilize the Management Specialist classification funding is identified in advance by the department from their existing budget to cover the costs of the position being requested.

### **STAKEHOLDER ENGAGEMENT**

During the creation of workforce and continuity planning documents departments identified expected gaps/needs for high level subject matter expertise, managerial oversight, or staff development which led in part to this recommendation. City staff will post the revised salary schedule on the City's website after Council adoption.

### **ENVIRONMENTAL REVIEW**

Council action on this item is not a project as defined by CEQA because adopting a revised salary schedules and compensation plan is a continuing administrative activity. CEQA Guidelines section 15378(b)(2).

### **ATTACHMENTS**

Attachment A: Limited Hourly Salary Schedule FY 2023-24

### **APPROVED BY:**

Sandra Blanch, Human Resources Director