



## Staff Report

**Date:** December 6, 2016

**To:** City Council

**From:** Elia Bamberger, Director of Human Resources

**Prepared by:** Elia Bamberger, Director of Human Resources  
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**Subject:** **Considering an amendment to the Employment Agreement between the City of Concord and City Manager Valerie Barone providing for an annual salary increase of 4% effective November 1, 2015 and a future increase of 4.5% (not compounded) to be effective July 1, 2017.**

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### Report in Brief

Valerie Barone was appointed as the Interim City Manager in February, 2012 and the permanent City Manager in April, 2013. Her performance is evaluated annually by the City Council, and her last cost of living adjustment was effective September 29, 2014.

On October 25, 2016, the City Council met in closed session to review the performance of Ms. Barone. The City Council is pleased with her performance, and has concluded that Ms. Barone has efficiently and effectively served as the City Manager since her appointment, guiding the City in achieving its Mission Statement of working with the community to provide responsive, cost-effective, and innovative local government services.

Based on this performance evaluation, it is recommended that Ms. Barone receive a cost of living increase of 4%, effective November 1, 2016, and a further future cost of living increase of 4.5% (not compounded) effective July 1, 2017.

### Recommended Action

Approve the attached contract amendment with City Manager Valerie Barone to provide for a cost of living increase of 4% effective November 1, 2016, and a subsequent increase of 4.5% (not compounded) effective July 1, 2017.

### **Background**

Since her appointment as City Manager, Ms. Barone has continued the direction of the organization as a customer focused, community oriented government agency. Her accomplishments include working with staff on Council's goals and priorities and the adoption of annual balanced budgets. A few of the City's more notable successes under Ms. Barone's leadership over this last year include successful conclusion of negotiations with all bargaining groups achieving Council's desired retiree health care reform and applying the same reform to all unrepresented employees (decreasing the City's unfunded retiree health liabilities by \$16 million), implementation of a robust economic development program that has raised the profile of the City of Concord within the Bay Area business community, and facilitating a thorough but expedited entitlement process for a major new retail center, the Veranda project.

### **Analysis**

Ms. Barone has not received a cost of living increase since September 29, 2014. On July 4, 2016, all Executive, Management, Confidential employees, and the City Attorney received a cost of living adjustment of 4% and 4.5% (not compounded), with the exception of the City Manager. Members of the City's employee bargaining groups likewise received recent cost of living increases as follows:

International Brotherhood of Teamsters Local Union 856	4%	4.5%	7/4/2016
Office and Professional Employees International Union Local 29	4%	4.5%	7/18/2016
Concord Police Officers Association	4%	4.5%	8/1/2016
Concord Police Managers Association Representation Unit	2.5%	3%	8/1/2016

The cost of living increases applied to all Concord employees recognized the significant modification to retiree health care that was recently negotiated. The City Manager is subject to this same retiree health care benefit modification.

Additionally, the cost of living increase recently applied to City Executives has created serious salary compaction between the City Manager and the Chief of Police. This has resulted in the Chief of Police earning over one percent more than the City Manager, to whom he reports.

If this cost of living recommendation is adopted, Ms. Barone receives an annualized salary increase of approximately \$9,810 effective November 1, 2016, resulting in a new annual salary of \$255,083, and an additional increase of approximately \$11,037 effective July 1, 2017, resulting in a new annual salary of \$266,120.

**Financial Impact**

The fully loaded cost of the 4% salary increase effective this fiscal year is approximately \$9,550. There are sufficient funds to cover this increase in the adopted budget.

**Public Contact**

Posting of the agenda.

**Attachments**

1. Amendment to Employment Agreement between the City of Concord and City Manager Valerie Barone

**AMENDMENT TO EMPLOYMENT AGREEMENT**

(City Manager)

**THIS AMENDMENT TO EMPLOYMENT AGREEMENT** between the City of Concord (“City”) and Valerie J. Barone (“Employee”) is dated November 1, 2016. City and Employee are parties to that certain Employment Agreement (City Manager) dated April 13, 2013 as modified by amendments dated November 13, 2013 and January 6, 2014 (collectively, “Employment Agreement”).

A. In consideration of mutual promises, the parties hereby amend Employment Agreement Section 6(a) (Compensation) to read as follows:

(a) Since September 29, 2014, City has paid Employee at the annualized rate of \$245,272.58 (“Base Salary”) for Employee’s services, payable in installments at the same time as other City employees are paid and subject to customary withholding. City hereby approves a total 8.5% non-compounded Base Salary increase allocated as follows: an initial 4.0% Base Salary increase effective November 1, 2016, and a non-compounded 4.5% Base Salary increase effective July 1, 2017. Employee may elect to defer salary up to the maximum amount allowable by law to Employee’s ICMA-RC 457 and/or 401 (k) deferred compensation account(s).

B. Except as expressly modified herein, the Employment Agreement remains in full force and effect.

**IN WITNESS WHEREOF**, the City has caused this modification to the agreement to be signed on its behalf by the Mayor and duly attested by the City Clerk. It has also been executed by Employee.

EMPLOYEE: Valerie J. Barone

CITY: CITY OF CONCORD,  
a California municipal corporation

By:

By:

Name: Valerie J. Barone

Laura Hoffmeister, Mayor

FINANCE DIRECTOR’S CERTIFICATION  
Concord, CA November \_\_\_\_, 2016  
I hereby certify that adequate funds exist or will be received during the current fiscal year 2016/17 to pay the anticipated expenses to be incurred pursuant to this contract.

ATTEST:

By:

Joelle Fockler, MMC, City Clerk

The sum of \$ \_\_\_\_\_.  
Account Code: \_\_\_\_\_

APPROVED AS TO FORM:

By:

By:

Karan Reid, Finance Director

Susanne Meyer Brown, City Attorney