



# AGENDA REPORT

**Department:** Human Resources  
**Prepared by:** Alicia Hicks, Human Resources Director  
**Meeting Date:** Tuesday, October 7, 2025  
**Approved by:** Scott Huth, Interim City Manager

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**SUBJECT:**

Increases to Salaries and Benefits for Executive, Management, and Confidential Groups.

**RECOMMENDATION:**

Adopt the Resolution Entitled, "Resolution of the City Council of the City of National City, California, Approving Salary and Benefit Changes for the Executive, Management, and Confidential Employee Groups and Authorizing a Fiscal Year 2025-2026 Budget Appropriation in the Amount of \$1,204,317 to Fund the Stated Salary and Benefit Increases."

**BOARD/COMMISSION/COMMITTEE PRIOR ACTION:**

Not Applicable.

**EXPLANATION:**

The City of National City has three formal union-represented employee associations, Police Officer's Association (POA), Firefighter's Association (FFA), and Municipal Employees Association (MEA), and three informal employee groups who are not represented or subject to the terms of collective bargaining agreements.

The Executive, Management and Confidential Groups are not represented by a labor association and, consequently, they are not governed by the State of California's rules and procedural guidelines for public employee collective bargaining. Recently, the City ratified agreements with MEA and FFA, finalizing labor negotiations with the two groups with a negotiated approval of a three-year agreement.

As part of the term alignment, the City is striving to move towards equity between the employee groups and between the City and neighboring public agencies. To support this goal, the City has agreed to bring the salaries of the Executive, Management, and Confidential Groups to the median rate in the first year, effective July 1, 2025.

As agreed, the City will provide a five-percent (5%) increase for all non-represented groups of a five-percent (5%) salary increase for year two (FY 2026)) and five-percent (5%) salary increases for year three (FY 2027)) for those employees in the Executive, Management, and Confidential Groups effective July 1 of those calendar years 2026-2027.

This approach promotes equitable treatment of staff and addresses issues of salary compaction, where the wages of represented employees may equal or exceed the wages of their supervisors.

Furthermore, the City has agreed to provide the Confidential Group a minimum of five (5) years of employer paid health insurance upon retirement which equates to \$20.00 towards every year

the employee has worked for the City of National City and a member of CalPERS. Not to exceed age 65.

The Executive and Management Groups already receive this benefit.

#### Severance Compensation Language for Executive Leadership

In the event the City terminates Executive's employment without cause, Executive shall be entitled to severance compensation, subject to applicable law, in accordance with the following schedule:

1. Completion of Twelve (12) Months of Continuous Service- Executive shall be entitled to three (3) months base salary as severance.
2. Completion of Twenty-Four (24) Months of Continuous Service- Executive shall be entitled to six (6) months of base salary as severance.

#### **FINANCIAL STATEMENT:**

The projected Citywide financial impact of the three-year contract with Executive, Management and Confidential Groups is approximately \$2.33 million of additional labor costs of which, \$1,204,317 will impact the City's current Fiscal Year 2025-2026, Operating and Capital Budget. Staff requests a Citywide increase in appropriations of \$1,204,317 for the Fiscal Year 2025-2026, Operating and Capital Budget.

#### **RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:**

Not Applicable

#### **ENVIRONMENTAL REVIEW:**

This is not a project under CEQA, and is therefore, not subject to environmental review. CCR15378; PRC 21065.

#### **PUBLIC NOTIFICATION:**

The Agenda Report was posted at least 72 hours before the Regular Meeting date and time, and 24 hours before a Special Meeting in accordance with the Ralph M. Brown Act

#### **ORDINANCE:**

Not Applicable

#### **EXHIBITS:**

Exhibit A - Resolution

Exhibit B - Confidential Salary Table Eff. July 8, 2025 through FY 2028

Exhibit C - Management and Executive Salary Tables Eff. July 8, 2025 through FY 2028

Exhibit D – FY 2025-2026 Increase in Budget Appropriations

Exhibit E – Summary of Benefits Conf./Mgmt./Exec.