



AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: MAY 20, 2015

DEPARTMENT: HUMAN RESOURCES
DIRECTOR: DANTAR WATER

☐ Consent ☒ Discussion

SUBJECT:
ADMINISTRATIVE:

Discussion of possible action regarding a Market rate adjustment for the position of City Manager for the City of Las Vegas (Estimated at \$38,509 - General Fund)

Fiscal Impact

☐ No Impact ☐ Augmentation Required
☐ Budget Funds Available

Amount: \$38,509 (Estimated)

Funding Source: General Fund

Dept./Division: Human Resources

PURPOSE/BACKGROUND:

On July 16, 2014, the City Council considered a market study presentation from the Human Resources Department (HR) that recommended a new rate range for the position of City Manager as well as a market rate adjustment for the incumbent City Manager. Council approved the new rate range, but did not approve a market rate adjustment to the City Managers base salary. Also on July 16, 2014, Council awarded the City Manager a 10 percent salary increase based on her performance (although there was some discussion about revisiting her compensation in December 2014, no further market adjustment actions were ever considered). Updated market study data by HR continues to show that the City Managers salary lags behind the salaries of other top executives from the local market with similar levels of responsibility. To remain competitive against relative market comparators, staff recommends the base salary should be considered for an adjustment.

RECOMMENDATION:

Increase incumbent City Manager base salary to \$260,000.

BACKUP DOCUMENTATION:

1. Comparable Local Chief Executive Officers
2. City Manager Base Salary Comparison by Population

Motion made by LOIS TARKANIAN to Approve a salary increase retroactive to 4/1/2015

Passed For: 6; Against: 1; Abstain: 0; Did Not Vote: 0; Excused: 0

BOB COFFIN, RICKI Y. BARLOW, LOIS TARKANIAN, CAROLYN G. GOODMAN, STEVEN D. ROSS, STAVROS S. ANTHONY; (Against-BOB BEERS); (Abstain-None); (Did Not Vote-None); (Excused-None)

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Minutes:

COUNCILWOMAN TARKANIAN provided some background information that she wished to be taken into consideration. She stated that the City of Las Vegas was a large organization with a \$1.2 billion budget and over 3,000 full- and part-time employees, noting that many large businesses did not reach those numbers. CITY MANAGER ELIZABETH FRETWELL has held this position for the last six years, and even with the adjustment last year, she still earned nearly \$30,000 less than her predecessor would have made had he received the exact same compensation changes. The City has had a remarkable recovery over the past few years and finished the last three budget years in the black. Revenues were higher than expenses in the budget approved on May 19, 2015. Bond ratings have improved, most pay and hours have been restored for the City's employees, and most services have been restored for the citizens. The City leads large cities with service quality according to a citizen survey compared nationally. The proposed salary increase may seem like a lot, but when CITY MANAGER FRETWELL'S current salary was compared with other comparable state entities, her salary fell near the bottom, while her accomplishments were at the top. She was considered by many throughout the State and the country as one of the best City Managers available, and the City risked losing her. COUNCILWOMAN TARKANIAN commented that women should be compensated the same as men when in the same employment category. As a woman, she went through similar challenges in her professional career. The requested adjustment merely brought CITY MANAGER FRETWELL into the range of her peers, both locally and nationally.

COUNCILMAN ROSS stated that he would like to hear from DAN TARWATER, Human Resources Director. MR. TARWATER went over what occurred in July 2014, noting that the Council adopted a new minimum pay range of \$200,000 and a maximum of \$320,000 for the City Manager. At that time, the Council also approved a 10 percent raise and had discussed bringing back additional information within a six-month period. MR. TARWATER displayed a slide showing the local salary comparisons of like-sized entities. He disclosed that the range listed for the City of Henderson was what the executive recruiters believed to be necessary to hire a new City Manager. Removing the highest, lowest and the City of Henderson from the mix, the average salary was \$280,000. The second slide displayed was the same slide that was presented in July 2014, but included updated information in the fifth column. A comparison of this information, indicated an average base salary of \$277,000 for someone in this position. As such, staff recommended that CITY MANAGER FRETWELL'S base salary be placed at \$260,000, which was the current midpoint of the salary range adopted in July 2014.

COUNCILMAN ROSS remarked that COUNCILWOMAN TARKANIAN did a great job describing CITY MANAGER FRETWELL'S performance, and he could appreciate the equal pay comment. He supported the increase but indicated that he would like to make it retroactive to January 1, 2015.

COUNCILMAN BARLOW stated that he would support a retroactive date of April, not January, while COUNCILMAN COFFIN supported the salary increase to be effective now. This was a well-deserved increase, not because CITY MANAGER FRETWELL was a woman but because of her talents and conservative management of the City's dollars.

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COUNCILWOMAN TARKANIAN asked if COUNCILMAN COFFIN would support a motion making the salary increase retroactive to April 1, 2015. COUNCILMAN COFFIN'S reply was inaudible. She commented that often times, the City Council gets credit for things when the credit should go to CITY MANAGER FRETWELL.

MAYOR GOODMAN stated that being paid equitably was a sign of your inner feeling of being appreciated for what you do. She stressed how appreciative the City Council was for everything CITY MANAGER FRETWELL has done. She indicated her full support of the salary increase, stating that Las Vegas was a shining star because of her leadership and that of the City Council.

COUNCILMAN BEERS agreed with all comments regarding CITY MANAGER FRETWELL'S competence and leadership but believed the study that was presented comparing the salaries from other jurisdictions was significantly flawed because it did not take into account the value of the extraordinary retirement benefit that all Nevada public employers offer its employees. Some public employers have their employees paying into Social Security. Additionally, PERS (Public Employees Retirement System) was one of the best funded public employee retirement systems in the country because it had been exceptionally well managed. When the retirement compensation was taken into consideration, the difference was not as extreme as it appeared.

COUNCILWOMAN TARKANIAN indicated that her comments were based more on the comparable salaries in Nevada and on CITY MANAGER FRETWELL'S accomplishments. COUNCILMAN BEERS holds CITY MANAGER FRETWELL'S abilities with the utmost respect, but stated that he could not support the increase out of fairness to others.

CITY MANAGER FRETWELL appreciated the Mayors and Councils comments and continued support.