RESOLUTION NO. RES2026-210

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING CHANGES TO COMPENSATION AND BENEFITS FOR EXECUTIVE MANAGEMENT AND PROFESSIONAL EMPLOYEES (UNIT 99) AND OTHER UNREPRESENTED EMPLOYEES (UNITS 81/82), FOR FISCAL YEARS 2026-2027, 2027-2028, AND 2028-2029 AND AMENDING THE CITY OF SAN JOSE PAY PLAN, EFFECTIVE JUNE 21, 2026

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

1. That the changes to the compensation and benefits for executive management and professional employees in Unit 99 and other unrepresented employees (Units 81 and 82) for Fiscal Years 2026-2027, 2027-2028, and 2028-2029 are hereby approved. The City Manager is hereby authorized to implement the changes to the compensation and benefits for executive management and professional employees in Unit 99 and other unpresented employees (Units 81 and 82).

2. That amendment to the City of San Jose Pay Plan effective June 21, 2026, to increase the annual pensionable salary range of the Housing Policy and Planning Administrator (3988) classification to $143,381.08 - $179,685.06, in addition to the Fiscal Year 2026-2027 pensionable general wage increase is hereby approved.

3. The terms of the changes to the compensation and benefits for executive management and professional employees in Unit 99 and other unrepresented employees (Units 81 and 82) and the amendment to the City of San Jose Pay Plan are set out and described in the Memorandum to the Mayor and City Council from Jennifer Maguire, City Manager, dated June 5, 2026, attached hereto as Attachment A, and incorporated in this Resolution.

ADOPTED this 16th day of June, 2026, by the following vote:

AYES: KAMEI, CAMPOS, TORDILLOS, COHEN, ORTIZ, MULCAHY, DOAN, CANDELAS, FOLEY, CASEY, MAHAN.

NOES: NONE.

ABSENT: NONE.

DISQUALIFIED: NONE.

Matt Mahan

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, MMC
City Clerk

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Jennifer A. Maguire

SUBJECT: **See Below**

DATE: June 5, 2026

COUNCIL DISTRICT: Citywide

SUBJECT: Compensation and Benefit Changes for Executive Management and Professional Employees in Unit 99 and other Unrepresented Employees (Units 81/82) For Fiscal Years 2026-2027, 2027-2028, and 2028-2029, and Amendment to the City of San José Pay Plan, Effective June 21, 2026

RECOMMENDATION

Adopt a resolution:

(a) Approving and amending compensation and benefit changes for executive management and professional employees in Unit 99 and other unrepresented employees in Units 81/82 for Fiscal Years 2026-2027, 2027-2028, and 2028-2029; and

(b) Amending the City Pay Plan, effective June 21, 2026, to increase the annual pensionable salary range of the Housing Policy and Planning Administrator (3988) classification to $143,381.08 – $179,685.06, in addition to the Fiscal Year 2026-2027 pensionable general wage increase.

SUMMARY AND OUTCOME

Adoption of the resolution and authorization to approve compensation and benefit changes will provide pensionable general wage increases in Fiscal Years 2026-2027, 2027-2028, and 2028-2029 for employees in Unit 99 and other unrepresented employees in Units 81/82. It will also provide additional benefit changes for Fiscal Years 2026-2027, 2027-2028, and 2028-2029. This resolution will also provide a special salary adjustment in the Pay Plan for the Housing Policy and Planning Administrator (3988) classification.

BACKGROUND

General Wage Increases and Benefits for Executive Management and Professional Employees

Executive Management and Professional Employees (Unit 99) consist of approximately 373 full-time equivalent (FTE) positions, including Senior Staff, Executive Staff, senior managers under the City Manager's Appointing Authority, select Council Office staff, senior managers under the appointing authority of the City Attorney, and professional or management employees under the appointing authority of the City Auditor and Independent Police Auditor. In addition, there are employees in Unit 99 who work in the City Clerk's Office.

Employees in Unit 99 are exempt employees and, therefore, do not receive overtime. In addition, they are not on salary steps and progress through the salary range based on increases tied to performance only. Employees in Unit 81 are on 2.50% salary steps and receive automatic step increases. Unit 81 includes part-time, unbenefited employees, such as Student Interns. Unit 82 does not currently have any classifications assigned to it.

The recommended compensation changes for Executive Management employees in Unit 99 and other unrepresented employees in Units 81/82 will provide for increases in Fiscal Years 2026-2027, 2027-2028, and 2028-2029, which are consistent with the agreements that have been reached with other non-sworn bargaining units.

Amendment to the Pay Plan to Increase the Annual Pensionable Salary Range of the Housing Policy and Planning Administrator Classification

The current differential between the Senior Development Officer classification and the Housing Policy and Planning Administrator classification is 1.29%. Given the greater responsibilities of the Housing Policy and Planning Administrator classification and to alleviate compaction, it is recommended that the salary range be increased by approximately 8.60%.

ANALYSIS

The following is a summary of the compensation and benefit changes for executive management and professional employees in Unit 99 and other unrepresented employees that are recommended to be implemented upon approval by the City Council:

<table>
<tr><td>One-Time Non-Pensionable Lump-Sum Payment</td><td>Effective the second full pay period of Fiscal Year 2026-2027, following City Council approval in open session, all full-time employees holding positions in Unit 99 and Units 81/82 shall receive a one-time non-pensionable lump-sum payment equivalent to 1.00% of their base annual wages. To receive this lump-sum payment, the employee (1) must have been employed by the City on June 21, 2026, and (2) must have been continuously employed through the date the payment is made. Benefited and Unbenefited part-time employees shall receive a one-time non-pensionable lump sum payment as provided in the table below:
<table>
<tr><th>Benefit Level</th><th>One-Time Non-Pensionable Lump Sum Payment</th></tr>
<tr><td>30.00 – 34.00</td><td>$ 650</td></tr>
<tr><td>25.00 – 29.00</td><td>$ 550</td></tr>
<tr><td>20.00 – 24.00</td><td>$ 450</td></tr>
<tr><td>19.00</td><td>$ 350</td></tr>
</table></td></tr>
<tr><td>Pensionable General Wage Increase</td><td><u>Fiscal Year 2026-2027</u>

Effective June 21, 2026, employees in Unit 99 and Units 81/82 will receive a pensionable general wage increase of approximately 3.00%. This will result in both the top and bottom of the pay range being increased by approximately 3.00%.

<u>Fiscal Year 2027-2028</u>

Effective the first full pay period of Fiscal Year 2027-2028, employees in Unit 99 and Units 81/82 will receive a pensionable general wage increase of approximately 3.00%. This will result in both the top and bottom of the pay range being increased by approximately 3.00%.

<u>Fiscal Year 2028-2029</u>

Effective the first full pay period of Fiscal Year 2028-2029, employees in Unit 99 and Units 81/82 will receive a pensionable general wage increase of approximately 3.00%. This will result in both the top and bottom of the pay range being increased by approximately 3.00%.</td></tr>
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Vacation Sellback	Beginning calendar year 2027, the maximum number of vacation hours that an employee assigned to Unit 99 may sell back shall be increased from seventy (70) hours to eighty (80) hours per calendar year.

With respect to the amendment to the City of San José Pay Plan, it is recommended that the Housing Policy and Planning Administrator classification salary range be increased by approximately 8.60% to alleviate salary compaction. Thus, the annual pensionable salary range of the Housing Policy and Planning Administrator (3988) classification will be $143,381.08 – $179,685.06, effective June 21, 2026. This increase to the annual pensionable salary range will be in addition to the Fiscal Year 2026-2027 pensionable general wage increase.

EVALUATION AND FOLLOW-UP

No further follow-up action with the City Council is expected at this time.

FISCAL IMPACTS

In Fiscal Year 2026-2027, the ongoing cost of the 3.00% pensionable general wage increase is approximately $2.7 million, of which approximately $1.5 million is in the General Fund. The ongoing cost related to the changes to vacation sell back is approximately $138,000, of which approximately $78,000 is in the General Fund. The ongoing cost of the special adjustment to the Housing Policy and Planning Administrator classification is approximately $59,000, of which approximately $2,000 is in the General Fund. The cost of the one-time non-pensionable lump sum payment is approximately $780,000, of which approximately $439,000 is in the General Fund. In Fiscal Year 2026-2027, the costs in the General Fund will be offset by a recommended decrease to the Salaries and Benefits Reserve and other adjustments, as necessary, and a decrease to the Ending Fund Balance or an alternative funding source in the Special Funds as part of budget actions that will be brought forward for City Council consideration as part of the 2025-2026 Annual Report. Costs associated with vacation sellback will continue to be absorbed by departmental personal services budgets to the extent possible.

In Fiscal Year 2027-2028, the ongoing cost of the 3.00% pensionable general wage increase is approximately $2.8 million, of which approximately $1.6 million is in the General Fund. In Fiscal Year 2028-2029, the ongoing cost of the 3.00% pensionable general wage increase is approximately $2.8 million, of which approximately $1.6 million is in the General Fund. These ongoing increases will be factored into the annual development of the Base Budget. Costs associated with vacation sellback for both of these years will continue to be absorbed by departmental personal services budgets to the extent possible.

COORDINATION

This memorandum was coordinated with the City Attorney's Office, City Manager's Budget Office, and the City Manager's Office of Employee Relations.

PUBLIC OUTREACH

This memorandum will be posted on the City Council Agenda website for the June 16, 2026 City Council meeting.

BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT

No board, commission, or committee recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-010, City Organizational and Administrative Activities resulting in no changes to the physical environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

Jennifer A. Maguire
City Manager

For questions, please contact Aram Kouyoumdjian, Director of the City Manager's Office of Employee Relations and Human Resources Department, at (408) 535-8150.