

Meeting Date: 9/10/2013

Report Type: Consent

Report ID: 2013-00712

Title: City Treasurer Position Salary Adjustment

Location: Citywide

Issue: The City Council establishes the salary of Charter Officers and desires to make a salary adjustment for the City Treasurer position.

Recommendation: Pass a Motion approving an annual salary of \$179,500 for the City Treasurer effective September 21, 2013.

Contact: Geri Hamby, Director of Human Resources, (916) 808-7173

Presenter: None

Department: Human Resources

Division: HR Administration

Dept ID: 08001011

Attachments:

1-Description/Analysis

City Attorney Review

Approved as to Form

Sandra Talbott

9/4/2013 2:07:35 PM

Approvals/Acknowledgements

Department Director or Designee: Geri Hamby - 8/29/2013 11:52:49 AM

Description/Analysis

Policy Considerations: The City Council last set the salary range of the City Treasurer at a minimum of \$149,886 to a maximum of \$224,828 by Resolution No. 2009-422 reflecting a cost of living adjustment granted to management employees.

Economic Impacts: None

Environmental Considerations: Under the California Environmental Quality Act (CEQA) guidelines, continuing administrative activities do not constitute a project and are therefore exempt from review.

Sustainability: Not applicable

Commission/Committee Action: None

Rationale for Recommendation: The City Treasurer has not received a pay increase since assuming the position in May 2008. For the last several years, the investment return on the City's Treasury Pool of cash has been far above that of other larger cities in California. On an annual basis, the interest rate has been 0.7% to 1.2% higher than that of comparable treasury pools. After the recent sale of water and wastewater revenue bonds, the Treasury Pool has ranged in value from \$650 million to \$1 billion. The difference in interest earnings, as compared to other cities, has resulted in \$5 million to \$8 million additional revenue for the various funds.

The Treasurer's Office issued short-term notes to cover the general fund cash flow gap at very low interest rates for the current year and the past three years. The investment of these funds for the last eight months was not necessary to cover the cash flow gap, resulting in recovery of all or most of the costs of the annual borrowing.

For the past four years, through investment returns and City contributions to the fund, the closed Sacramento City Employees Retirement System (SCERS) fund has provided pension benefits to approximately 1,200 retirees and survivors. Additionally, through investment returns the fund has grown. In the last two years, both the long-term liability and City contribution to the fund has declined.

Since January, the Treasurer's Office has executed five long-term debt issues. The Treasurer's Office has assembled teams of City staff, banks, and legal advisors to secure funds for City projects and refinance debts to lower costs.

The Water and Wastewater Bonds received high investment grade ratings of AA- and AA. In executing the Water Bond sale, the Treasurer was able to secure AAA prices lowering debt service payments to between \$50,000 and \$100,000 a year, and between \$1.5 million and \$3.0 million over the term of the bond.

The refinancing of CFD bonds in North Natomas resulted in reduced tax payments for property owners, primarily homeowners.

Financial Consideration: The City Treasurer position is an existing budgeted full-time equivalent position. In the current year, the department will cover costs associated with this change. The Treasurer's budget will be adjusted to reflect the City Treasurer compensation in the Fiscal Year 2014/15 Proposed budget.

Emerging Small Business Development (ESBD): Not applicable