



BOARD LETTER APPROVAL

*Deitra Barnett*

Deitra Barnett (Feb 22, 2024 10:44 PST)

**DEITRA O. BARNETT**

**Director of Employee Relations and Benefits**

**DATE:** February 21, 2024

**SUBJECT:** Cost of Living Salary Adjustment for General Manager and Chief Engineer Water and Power

**SUMMARY**

Los Angeles City Charter Section 508 provides that the amount of compensation for City of Los Angeles (City) General Managers (GMs) be adjusted by the appointing commission within guidelines established by the Los Angeles City Council (City Council). LADWP proposes to implement Cost of Living Adjustments (COLAs) for the General Manager and Chief Engineer of LADWP consistent with those approved for the City's other GMs, including the other proprietary departments.

LADWP proposes the following COLAs for the General Manager and Chief Engineer of LADWP, effective on the implementation dates below, as follows:

- Increase of 2.75 percent effective January 20, 2020
- Increase of 2.00 percent effective June 20, 2022
- Increase of 2.00 percent effective January 30, 2023
- Increase of 1.50 percent effective June 19, 2023
- Increase of 3.00 percent effective July 3, 2023

It should also be noted that the LADWP General Manger's current salary of \$400,019.04 has remained unchanged since his initial regular appointment in 2019. This salary is lower than the new minimum under Salary Range M-13 approved by the City Council on December 5, 2023. The final proposed COLA, effective July 3, 2023, will place the LADWP General Manager salary approximately 2.77 percent above the minimum currently established for this position.

For reference, the new minimum and maximum amounts set by the City Council for proprietary department GMs are as follows:

<b>Salary Range M-13</b>	<b>Minimum</b>	<b>Maximum</b>
Bi-Weekly	\$16,668.00	\$28,774.40
Monthly	\$36,252.90	\$62,584.32
Annual	\$435,034.80	\$751,011.84

City Council action under CF 99-1800-S28 also established General Manager merit pay guidelines that are further described below. No action on this provision is being taken at this time.

City Council approval is not required.

### **RECOMMENDATION**

It is recommended that the Board of Water and Power Commissioners (Board) approve and adopt the attached Resolution authorizing the above COLAs for the General Manager, which has been approved as to form and legality by the City Attorney.

### **FINANCIAL INFORMATION**

There is no fiscal impact to the City’s General Fund as all funds are budgeted under LADWP. LADWP already has sufficient budgeted funds to cover labor costs for the 2023-2024 fiscal year budget, including the increase associated with these COLAs, if approved.

### **BACKGROUND**

The City Council took a series of actions from 2019 through 2023 involving compensation for non-represented employees of the City (City Council Files [CF] 19-1164, 19-1164-S2, 23-0620, and 23-1268), which includes the General Manager of LADWP. Among the actions taken was approval of the COLAs listed on the below table.

The City Administrative Officer’s (CAO) office implemented the listed COLAs for the GMs of the City Council-controlled departments, and subsequently indicated that proprietary departments may implement salary changes through their respective Board approvals. The Board of Harbor Commissioners and the Board of Airport Commissioners also implemented these COLAs for their respective GMs. City Council approval is not required.

City Council action under CF 99-1800-S28 also established General Manager merit pay guidelines that authorize the Board to increase the salary of the LADWP General Manager by a maximum of five (5) percent one time within the first six (6) months of the fiscal year after a written evaluation is completed.

Therefore, as of December 5, 2023, the Board has the additional authority to approve future merit pay salary adjustments for the General Manager each year within the approved salary range. The General Manager and Chief Engineer has not requested that the Board act on this authority.

**LADWP General Manager Salary Details with Proposed COLAs:**

Current		Proposed 2.75% Eff. 1/20/20		Proposed 2.00% Eff. 6/20/22	
Monthly Salary	Annual Salary	Monthly Salary	Annual Salary	Monthly Salary	Annual Salary
\$33,334.92	\$400,019.04	\$34,251.90	\$411,022.80	\$34,937.46	\$419,249.52

Proposed 2.00% Eff. 1/30/23		Proposed 1.50% Eff. 6/19/23		Proposed 3.00% Eff. 7/03/23	
Monthly Salary	Annual Salary	Monthly Salary	Annual Salary	Monthly Salary	Annual Salary
\$35,636.94	\$427,643.28	\$36,171.12	\$434,053.44	\$37,256.88	\$447,082.56

**ENVIRONMENTAL DETERMINATION**

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060(c)(3). In accordance with this section, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378(b)(5) states that organizational or administrative activities that will not result in direct or indirect physical changes in the environment do not meet that definition. Therefore, the approval of the COLA is not subject to CEQA.

**CITY ATTORNEY**

The Office of the City Attorney reviewed and approved the Resolution as to form and legality.

**ATTACHMENTS**

- Resolution
- CF 23-1268, City Ordinance 188050
- CF 23-0620, City Ordinance 187937, Attachment B-II, GM Salaries, LAAC 4.61
- CF 19-1164-S2, City Ordinance 186922
- CF 19-1164
- CF 99-1800-S28