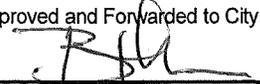




STAFF REPORT

Date: June 30, 2014
To: City Council
From: Nancy Marquez, Asst. to the City Manager/HR Manager
SUBJECT: **Adopt Resolution Regarding 2014-15 Compensation and Benefits Program and new Employee Classifications**

Approved and Forwarded to City Council:


Bryan H. Montgomery, City Manager

Summary

This agenda item has two parts:

- a) Proposed 2014-15 Compensation and Benefits Program**
- b) New Employee Classifications and Salary Ranges**

Attached is the current Compensation Policy originally adopted in June of 2001 and amended in June of 2008. The Policy outlines the process of determining employee compensation and benefits. Pursuant to the Policy, a comparative salary survey is to be conducted at least every two years. Since a study was conducted last year, a new survey was not done this year; therefore all but new employees would remain within the already-approved ranges. The new employee classifications and respective salary ranges are included as Attachment A for the Council's consideration and approval.

Similarly, the attached Resolution includes these new employee classifications and accompanying salary ranges and the proposed 2014-15 Compensation and Benefits Program.

Fortunately, a strengthening of the economy and a stabilization of City revenues allows for some cost of living adjustment for the employees and a one-time bonus payment; however, revenues are not adequate to return to a full merit increase range, as contemplated in the Compensation Policy.

The increase in the cost of living in the Bay Area, as determined by the Bureau of Labor Statistics, is 2.8% (<http://www.bls.gov/ro9/cpisanf.htm>). The proposed 2% adjustment and a one-time payment of \$500 work to bring employees close to this increased cost of living. All other compensation and benefits would remain as they were in fiscal year 2013-14.

Fiscal Impact

Approximately \$72,000 to accommodate the components of the Compensation and Benefit Program for this upcoming fiscal year.

Recommendation

Adopt the resolution approving the 2014-15 Compensation and Benefits Program and the new Employee Classifications.

Attachment

1. Compensation Policy
2. Resolution
3. New Employee Classifications as Attachment A to the Resolution



COMPENSATION POLICY

A compensation policy states the City Council's policy regarding compensation of City employees and provides consistent guidelines in the setting of salary ranges and the movement of employees through the salary ranges.

COMPENSATION POLICY

Compensation for City employees is based upon a philosophy of recruiting a small, highly qualified staff, providing competitive compensation, and expecting a high level of work performance.

It is the intent of the City Council to establish a compensation policy, which will support and recognize innovation and exceptional performance. It is the City Council's policy that compensation is based on performance, therefore, individual compensation adjustments are not "automatic", step-oriented, or solely based on cost-of-living adjustments.

It is the City's goal to establish and maintain a compensation program reflective of its mission, vision, and values. The total compensation program offered includes wage/salary, incentive pay opportunities as applicable, and a wide range of benefits.

The City of Oakley Salary structure and ranges will be reviewed as necessary and will be based on the following criteria: (1) an evaluation of the City's ability to pay; (2) competitive market place survey data; (3) the relative value of each position; (4) individual performance; and (5) qualifications and experience.

The compensation program is designed to enable the City of Oakley to successfully attract, develop, retain, and reward employees for their knowledge and contributions.

The City also wishes to foster a team concept within the organization, recognizing the importance of a satisfied, productive, and cohesive workforce. In implementing this program, the following guidelines will be considered based upon the financial resources of the City.

1. Considerations in Establishing Compensation Package

A. Competitive Position – Establishment of Ranges

Employment classifications will be grouped into salary ranges. The salary ranges will include management and non-management employees. New or any modifications to salary ranges will be recommended by the City Manager and adopted by the City Council.

For each individual classification, the City will establish a salary range with a minimum and maximum salary. It is the City's objective to establish ranges that closely match the salary ranges of surveyed classifications at the mean (average) of the survey agencies. After reaching the maximum point, an employee has the opportunity to earn a lump sum merit award based on exceptional performance, but may not be considered for base salary increases unless his or her salary range is adjusted. Salary ranges for part-time employees will be set by the City Manager.

The City will analyze each individual classification as it best matches the classifications of the survey agencies. The salary ranges for classifications that are not closely matched will be set based on internal relationships or a relationship to a similarly surveyed classification.

B. Labor Market – Comparative Cities

The City has established the following comparative cities for salary setting purposes:

- Antioch
- Brentwood
- Hercules
- Pittsburg
- Benecia
- Pleasant Hill

C. Measurement of Competitive Position

In considering the City's competitive position, total cash compensation will be considered which includes base salary and any cash related additions to base salary. Benefits will be considered, but will not be a part of the direct compensation comparison.

D. Frequency of Salary Survey

At least every two years, the City's individual job classifications will be surveyed to assess the City's position relative to the comparative cities as described above. Benchmark classifications will be included in the survey along with other positions that may be common among the survey agencies. Salary ranges will be adjusted at the discretion of the City Council, if necessary to maintain the City's competitive position in the market, taking into consideration the City's financial situation.

2. Individual Employee Compensation

A. Employee Salary Adjustments

Individual compensation adjustments within the salary ranges will not be "automatic," step-oriented or based solely on cost-of-living adjustments, but will be based on 1) fiscal prudence, 2) objectives achieved, and 3) exceptional individual performance.

The City Manager sets the actual salaries for each employee to be hired within each City-Council approved salary range between the minimum point and the maximum point. On rare occasion, the City Manager may set a salary above the salary range maximum point. The City Manager has the ability to administratively move an individual within the salary range. (The City Council sets the actual salary of the City Manager). Periodically, the City Council will adopt revised salary ranges that take into consideration the competitive market place and the cost of living. When the City Council approves a new or adjusted salary range, the City Manager shall consider said adjustment as each affected employee is evaluated for a merit increase.

NOTE: The approved adjustment to a salary range does NOT automatically move the employee within the range, but grants the authority to the City Manager to consider such an increase based on merit, cost of living, and

competitiveness along with any other merit increase range approved by the City Council.

At the time employees are evaluated, the level of performance for each employee will be determined. The range for the percentage of any merit increase (x % - x %) will be determined by the City Council before July 1st of each year depending upon the City's competitive position in the market and taking into consideration the City's financial situation. Performance evaluations for all employees will then be conducted and any merit increase considered by the City Manager to be effective the first full pay period of August. (The City Manager will consider, when determining any merit increase, if an employee began employment near the first full pay period of August).

B. Recognition of On-going Innovation and Exceptional Performance (Annual Merit Award)

Employees who exhibit innovation and exceptional performance during the previous year may be eligible to receive a lump sum merit award as deemed appropriate by the City Manager. The award will not exceed 10%. Any award above this amount requires approval of the City Council.

3. Non-Salary Benefits

At least every two years, the City will review the benefits and related costs provided by the City's survey agencies, to assure the City remains competitive on the basis of total compensation and benefits. Any change in benefits will be approved by the City Council with consideration of the City's competitive position in the market and taking into consideration the City's financial situation.

Approved June 24, 2008

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY APPROVING THE 2014-15 COMPENSATION AND BENEFITS PROGRAM AND APPROVING NEW EMPLOYEE POSITION CLASSIFICATIONS AND ASSOCIATED SALARY RANGES

WHEREAS, the City Council adopted a Compensation Policy on June 25, 2001 and that was amended on June 24, 2008 establishing the City of Oakley's policy regarding employee compensation in conformance to City Ordinance 17-00; and

WHEREAS, pursuant to the Compensation Policy, the City conducts at least every two years a comparative salary and benefit study using the six comparative cities of Antioch, Benicia, Brentwood, Hercules, Pleasant Hill and Pittsburg; and

WHEREAS, a comparative salary and benefit study was conducted last year and a new study was not conducted for Fiscal Year 2014-15; and

WHEREAS, the City Council also desires to set forth the compensation and benefits program for Fiscal Year 2014-15; and

WHEREAS, the City Council desires to approve new employee classifications and the corresponding salary ranges pursuant to the Compensation Policy.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Oakley hereby approves the following:

- 1) the Fiscal Year 2014-15 Compensation and Benefits Program shall include a 2% cost of living adjustment for employees effective the first pay period in July, and a \$500 one-time payment to all employees in good standing during the first pay period in December; and
- 2) the new Employee Position Classifications and Salary Ranges found in Attachment A.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Oakley held on the 30th day of June 2014 by the following vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

APPROVED:

Randy Pope, Mayor

ATTEST:

Libby Vreonis, City Clerk

Attachment A

New Employee Classifications & Salary Ranges

Position	Proposed 2014-15 Range	
	Minimum Monthly	Maximum Monthly
Human Resources Manager	\$ 7,540	\$ 9,480
Human Resources Assistant	\$ 3,765	\$ 4,782
Economic Development Manager	\$ 7,837	\$ 9,859
Housing & Economic Development Analyst	\$ 7,475	\$ 9,359
Code Enforcement Coordinator	\$ 4,714	\$ 5,730
Code Enforcement Technician	\$ 2,925	\$ 4,157
Recreation & Events Coordinator	\$ 3,958	\$ 4,855
<i>1 Position now filled by the Assistant to the City Manager</i>		
<i>2 Position now filled by the Senior Planner</i>		