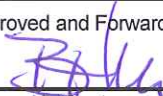




STAFF REPORT

Approved and Forwarded to City Council:


Bryan H. Montgomery, City Manager

Date: June 14, 2016
To: Bryan Montgomery, City Manager
From: Nancy Marquez-Suarez, Asst. to the City Manager/HR Manager
SUBJECT: **Adopt Resolution Regarding 2016-17 Compensation and Benefits Program and Employee Salary Ranges**

Summary and Background

This agenda item has two related parts:

- a) **Proposed Compensation and Benefits Program for Fiscal Year 2016-17**
- b) **Approval of Employee Salary Ranges**

Attached is the current Compensation Policy originally adopted in June of 2001 and amended in 2008. The Policy outlines the process of determining employee compensation and benefits, as well as the process for the establishment of salary ranges.

- a) Pursuant to the Policy, the annual Compensation and Benefits Program is evaluated annually and informed by the City's financial condition and a comparative analysis of salaries and benefits in other cities. The six comparative cities used in the analysis are: Antioch, Benicia, Brentwood, Hercules, Pittsburg, and Pleasant Hill.

Unlike most cities, compensation adjustments are not "automatic" for Oakley City Staff, but rather based on performance (the adjustments are not step-oriented or based solely on cost-of-living adjustments). The proposed merit range for employee compensation for the 2016-2017 Fiscal Year is 0% to 5%. If approved, each employee will undergo a comprehensive employee performance evaluation and the supervisor may recommend and the City Manager approve a salary increase anywhere between 0% and 5%, with any increase being effective the first pay period of August.

The proposed Fiscal Year 2016- 2017 Compensation and Benefits plan includes:

- A merit increase range of 0% to 5%, effective the first pay period of August
- A new, updated list of comparative cities will be proposed to the City Council and, when approved, be used for a new salary survey prior to next fiscal year
- An addition of sixteen (16) hours of Administrative Leave provided to salaried employees who work the modified 9/80 schedule
- The exploration of a retiree health trust program that could be considered in the future years
- All other benefits are to remain as-is.

b) With regard to Salary Ranges, the Policy dictates that 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. The survey helps establish the salary ranges, which does not assume or result in an employee automatically receiving a salary increase. An increase would occur only if the employee's current salary is below the minimum established range.

The last review of ranges took place in fiscal year 2015-2016; therefore, it is proposed that this year the ranges remain the same for almost all of the job classifications. Classifications that will see a change in the range are identified with an asterisk and are the result of previous understandings and agreements established between the Council and Staff members stemming from agreements. Attached as Attachment "A" to the resolution are the proposed salary ranges for each employee job classification.

Fiscal Impact

Approximately \$480,000 is included in the proposed 2016-17 Budget to accommodate the various provisions outlined in the attached resolution.

Recommendation

Adopt the resolution approving the 2016-17 Compensation and Benefits Program and Employee Salary Ranges.

Attachments

1. Compensation Policy
2. Resolution
3. Salary Ranges for Fiscal Year 2016-17



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 add-ons 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 2016-17 COMPENSATION AND BENEFITS PROGRAM
AND EMPLOYEE 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, in establishing the Compensation and Benefits Program the City's financial condition is evaluated and informed by a comparative analysis of salaries and benefits.

WHEREAS, 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, the last comparative salary and benefit study was conducted for Fiscal Year 2015-16; and

WHEREAS, the City Council also desires to set forth the Compensation and Benefits Program for Fiscal Year 2016-17; and

WHEREAS, the City Council desires to approve updated 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. A merit increase range of 0% to 5%, after a comprehensive performance evaluation and effective the first pay period of August;
2. A new, updated list of comparative cities will be proposed to the City Council and, when approved, be used for a new salary survey prior to next fiscal year;
3. An addition of sixteen (16) hours of Administrative Leave provided to salaried employees who work the modified 9/80 schedule;
4. The exploration of a retiree health trust program that could be considered in the future years;
5. All other benefits are to remain as-is;
6. The updated Salary Ranges found in Attachment "A" - attached hereto.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Oakley held on the 14th day of June 2016 by the following vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

APPROVED:

Kevin Romick, Mayor

ATTEST:

Libby Vreonis, City Clerk

Date



City of Oakley
FY 16-17 Salary Schedule

Approved XX-XX-XX

Effective Date: 7.29.2016 at noon

Position	2016-17 Range	
	Monthly Minimum	Monthly Maximum
Administrative Assistant	\$ 3,575	\$ 4,405
Administrative Specialist (Public Works)	\$ 4,902	\$ 6,029
Assistant Engineer	\$ 6,132	\$ 7,590
Assistant to the City Manager (1)	\$ 8,346	\$ 10,293
Associate Engineer	\$ 6,970	\$ 8,579
Building Inspector I w/Cert (2)	\$ 5,370	\$ 6,618
Building Inspector II w/Combo Cert	\$ 5,976	\$ 7,366
City Clerk (3)	\$ 8,261	\$ 9,562
City Councilmembers	\$456.76	
City Manager *	\$18,700	
Code Enforcement Manager	\$ 6,744	\$ 8,197
Code Enforcement Officer	\$ 4,825	\$ 5,622
Code Enforcement Technician (4)	\$ 3,619	\$ 4,217
Economic Development Manager	\$ 8,427	\$ 10,453
Facilities Maintenance Worker (4)	\$ 3,431	\$ 4,208
Finance Director	\$ 10,546	\$ 13,492
Human Resources Technician (5) *	\$ 4,339	\$ 5,371
Human Resources Manager (1)	\$ 8,406	\$ 10,519
Paralegal (3)	\$ 5,475	\$ 6,655
Parks & Landscape Maintenance Division Mgr	\$ 7,610	\$ 9,487
Parks & Landscape Maintenance Foreman	\$ 5,466	\$ 6,429
Parks Laborer I	\$ 3,122	\$ 3,997
Parks Laborer II	\$ 3,590	\$ 4,597
Permit Technician	\$ 4,734	\$ 5,849

Planning Manager	\$ 8,524	\$ 10,734
Police Chief	\$ 13,250	\$ 15,000
Police Lieutenant	\$ 11,000	\$ 13,000
Police Officer *	\$ 7,000	\$ 9,350
Police Records Coordinator	\$ 6,134	\$ 7,567
Police Records Technician	\$ 3,780	\$ 4,595

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Police Services Assistant	\$ 3,413	\$ 4,232
Program Coordinator (5)	\$ 4,310	\$ 5,306
Public Works Dir./City Engineer	\$ 11,507	\$ 14,612
Public Works Inspector I	\$ 5,282	\$ 6,573
Public Works Inspector II	\$ 6,208	\$ 7,677
PW Maintenance Laborer I	\$ 3,187	\$ 3,934
PW Maintenance Laborer II	\$ 3,665	\$ 4,524
Records Management Clerk	\$ 3,997	\$ 4,455
Recreation Manager (6)	\$ 6,708	\$ 8,220
Recreation & Events Coordinator	\$ 4,310	\$ 5,306
Senior Accountant	\$ 7,029	\$ 8,619
Senior Accounting Technician	\$ 4,907	\$ 6,073
Senior Civil Engineer	\$ 7,932	\$ 9,842
Senior Planner	\$ 7,093	\$ 8,838
Streets Maintenance Foreman	\$ 5,466	\$ 6,429
Tree Laborer	\$ 3,049	\$ 3,705

*** Denotes only changes from the FY 15-16 Salary Schedule**

1- Employee serves in two positions (Human Resources Manager)

2- One of two employee serves in both positions (Code Enforcement Officer)

3- Employee serves in two positions (Paralegal)

4- Employee serves in two positions (Code Enforcement Technician)

5- Employee serves in two positions (YMWO Program Coordinator)

6-- Employee serves in added capacity of Website Coordinator



City of Oakley
FY 16-17 Salary Schedule

Approved XX-XX-XX

Effective Date: 7.29.2016 at noon

Position	2016-17 Range	
	Minimum Hourly	Maximum Hourly
Accounting Assistant	\$ 15.00	\$ 20.00
Administrative Assistant	\$ 14.00	\$ 19.00
Assistant to the Chief of Police	\$ 18.50	\$ 30.05
Facilities Attendant	\$ 10.00	\$ 12.00
Intern	\$ 10.00	\$ 12.00
Seasonal Public Works Laborer	\$ 11.00	\$ 15.00
Park Monitor	\$ 10.50	\$ 14.00
Police Services Assistant *	\$ 18.00	\$ 23.00
Receptionist	\$ 11.00	\$ 15.50
Recreation Aide	\$ 10.00	\$ 12.00
Recreation Leader	\$ 11.00	\$ 13.50
Sports Field Maintenance	\$ 10.00	\$ 12.00
Senior Recreation Leader	\$ 11.50	\$ 15.50
Lifeguard	\$ 10.50	\$ 12.50