



STAFF REPORT

Agenda Date: 06/13/2017

Agenda Item: 5.3

Approved and Forwarded to City Council:

Bryan H. Montgomery, City Manager

Date: June 13, 2017
To: Bryan Montgomery, City Manager
From: Nancy Marquez-Suarez, Asst. to the City Manager/HR Manager
SUBJECT: **Adopt Resolution Regarding Amendments to the City's Compensation Policy, and approval of 2017-18 Compensation and Benefits Program, and Employee Salary Ranges for Fiscal Year 2017-18**

Summary and Background

This agenda item has three related parts:

- a) **Proposed Amendments to the City's Compensation Policy**
- b) **Proposed Compensation and Benefits Program for Fiscal Year 2017-18**
- c) **Proposed 2017-18 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) Proposed amendments to the Compensation Policy are listed below and a document with changes noted, is attached as Attachment "A":
 - **Section 1.A.** - the maximum end of the salary ranges shall be 13% above the average of the comparable cities
 - **Section 1.B** - the comparable cities used to determine Oakley's salary ranges will move from six to seven cities and consist of Antioch, Brentwood, Martinez, Pittsburg, Pleasant Hill, San Ramon, and Tracy
 - **Section 2.B** – an employee having served for at least five (5) consecutive years in a job classification, shall be placed at least at the mid-point of the job classification in which they completed five years.

- b) Pursuant to the Compensation Policy, the annual Compensation and Benefits Program is evaluated during the City's preparation of the annual budget and informed by the City's financial condition. Also consistent with the Policy, a comparative salary and benefits survey is to be conducted at least every two years. A survey was not conducted last year, but one has been prepared this year. Please note, updating the salary ranges does not mean an employee will receive a salary increase. An employee would only receive an increase if his/her current salary is below the minimum of the updated range for the job classification. The seven comparative cities used in the survey are: Antioch, Brentwood, Martinez, Pittsburg, Pleasant Hill, San Ramon, and Tracy.

Unlike most cities, Oakley City Staff does not receive "automatic" adjustments (step oriented or based solely on cost-of-living adjustments), but rather any adjustment is based on performance. The proposed merit range for employee compensation for the 2017-2018 Fiscal Year is 0% to 4.5%. If approved, each employee will undergo a comprehensive employee performance evaluation which will inform the supervisor's recommended adjustment for City Manager approval. Per the recommended merit range and if approved, employees would be eligible for an increase between 0% and 4.5%, dependent upon their performance. Note that, the increase in the cost of living in the Bay Area, as determined by the Bureau of Labor Statistics, is 3.8% from a year ago (<http://www.bls.gov/ro9/cpisanf.htm>). Increases would be 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 4.5%, effective the first pay period of August
 - An increase in Life Insurance and Accidental Death and Dismemberment will be increased from \$50,000 to \$100,000
 - All other benefits are to remain as is.
- c) 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. Updating salary ranges, does not result in automatic increases to employees. An increase would only occur if an employee's current salary is below the minimum established range.

The last review of ranges took place in fiscal year 2015-2016. In order to remain competitive, aiding in retention and future recruitments, we recommend the adoption of the new salary ranges which reflect the

aforementioned seven comparable cities. Attached as Attachment "B" to the resolution are the proposed salary ranges for each employee job classification for FY 2017-18.

Fiscal Impact

Approximately \$450,000 is included in the proposed 2017-18 Budget to accommodate the various provisions outlined in the attached resolution.

Recommendation

Adopt the resolution amending the Compensation Policy and approving the 2017-18 Compensation and Benefits Program and 2017-18 Employee Salary Ranges.

Attachments

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

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY AMENDING THE CITY'S COMPENSATION POLICY, APPROVING THE 2017-18 COMPENSATION AND BENEFITS PROGRAM, AND ADOPTING THE 2017-18 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; and

WHEREAS, some amendments to the Compensation Policy are deemed important to better reflect the intended purposes of the Policy; and

WHEREAS, pursuant to the Compensation Policy, the City conducts at least every two years a comparative salary and benefit study using comparable cities; and

WHEREAS, a comparative salary and benefit study was recently conducted for Fiscal Year 2017-18; and

WHEREAS, the City Council also desires to set forth the Compensation and Benefits Program for Fiscal Year 2017-18; and

WHEREAS, the City Council desires to approve the 2017-18 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 Compensation Policy is hereby amended and a true and accurate copy is attached as Attachment "A" to this resolution.

The amendments include:

- a. **Section 1.A.** - the maximum end of the salary ranges shall be 13% above the average of the comparable cities
- b. **Section 1.B** - the comparable cities now be Antioch, Brentwood, Martinez, Pittsburg, Pleasant Hill, San Ramon, and Tracy
- c. **Section 2.A** – an employee having served for at least five (5) consecutive years in a job classification shall be placed at least at the mid-point of the previous or current job classification.

2. A merit increase range of 0% to 4.5%, after a comprehensive performance evaluation and effective the first pay period of August;
3. An increase in life insurance coverage from \$50,000 to \$100,000 for employees
4. All other benefits are to remain as-is
5. The updated Salary Ranges found in Attachment "B" - attached hereto.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Oakley held on the 13th day of June 2017 by the following vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

APPROVED:

Sue Higgins, Mayor

ATTEST:

Libby Vreonis, City Clerk

Date



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.

Revised by the City Council on June 13, 2017

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 plus thirteen percent (13%) for the top end of the ranges. 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](#)
- [San Ramon](#)
- Pittsburg
- [Benecia](#)
- [Tracy](#)
- [Benicia](#)
- [Pleasant Hill](#)
- [Martinez](#)

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~~ [salary ranges for 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 [new](#) 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 an adjustment or postponement of the~~ merit increase is warranted, if an employee began employment near the first full pay period of August).

B. Adjustment to the Middle of the Salary for Employees with at least Five (5) Years of Service

If an employee has served in a job classification for at least five (5) consecutive years, his or her salary shall be at least at the middle of the City Council-approved salary range for that job classification. An employee reclassified or promoted shall be placed at least at the middle of the salary range for the previous classification they held, if he or she has served at least five (5) consecutive years with the City. (An employee is not eligible to receive an adjustment of salary to at least the middle of the salary range of the new position classification until such time as the employee has served at least five (5) years in that new position classification). Adjustments to salary pursuant to this subsection shall be made during the first full pay period following the date the eligible employee completes five (5) consecutive years of service.

B.C. 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

Revised by the City Council on June 13, 2017



City of Oakley

 Effective Date: 7.28.2017 at noon (staff on 9/80
 schedule) or 7.30.2017 (all other staff)

FY 16-17 Salary Scheudle

Approved: 6/13/2017

Position	Current		Approved	
	FY 2016-17 Ranges		FY 17-18 Ranges	
	Monthly Minimum	Monthly Maximum	Monthly Minimum	Monthly Maximum
ACCOUNTING ASSISTANT I (1)	<i>Previously Vacant</i>		\$ 3,720	\$ 5,110
ADMINISTRATIVE ASSISTANT	\$3,575	\$4,405	\$ 3,651	\$ 5,015
ADMINISTRATIVE SPECIALIST (Public Works)	\$4,902	\$6,029	\$ 5,425	\$ 7,492
ASSISTANT ENGINEER	\$6,132	\$7,590	\$ 6,696	\$ 9,330
ASSISTANT TO THE CITY MANAGER (2)	\$8,346	\$10,293	\$ 8,877	\$ 12,585
ASSOCIATE ENGINEER	\$6,970	\$8,579	\$ 7,502	\$ 10,385
BLDG. INSPECTOR I w/CERT	\$5,370	\$6,618	\$ 5,749	\$ 8,016
BLDG. INSPECTOR II W/COMBO CERT	\$5,976	\$7,366	\$ 6,491	\$ 9,045
CHIEF BUILDING OFFICIAL	<i>Vacant</i>		\$ 9,336	\$ 13,159
CITY CLERK (3)	\$8,261	\$9,562	\$ 9,113	\$ 13,101
CODE ENFORCEMENT MANAGER	\$6,744	\$8,197	\$ 7,555	\$ 10,667
CODE ENFORCEMENT OFFICER	\$4,825	\$5,622	\$ 5,375	\$ 7,605
CODE ENFORCEMENT TECHNICIAN	\$3,619	\$4,217	\$ 4,031	\$ 5,704
ECONOMIC DEVELOPMENT MANAGER	\$8,427	\$10,453	\$ 8,221	\$ 12,753
FACILITIES MAINTENANCE	\$3,431	\$4,208	\$ 3,717	\$ 5,132
FINANCE DIRECTOR	\$10,546	\$13,492	\$ 11,309	\$ 16,575
HR MANAGER	\$8,406	\$10,519	\$ 9,768	\$ 14,343
HR TECHNICIAN (4)	\$4,399	\$5,371	\$ 5,054	\$ 7,011
PARALEGAL	\$5,475	\$6,655	\$ 5,332	\$ 7,468
PARKS & LANDSCAPE MAINTENANCE DIVISION MANAGER	\$7,610	\$9,487	\$ 8,569	\$ 12,354

Position	Current		Approved	
	FY 2016-17 Ranges		FY 17-18 Ranges	
	Monthly Minimum	Monthly Maximum	Monthly Minimum	Monthly Maximum
PARKS & LANDSCAPE MAINTENANCE FOREMAN	\$5,466	\$6,429	\$ 5,958	\$ 7,096
PARKS & LANDSCAPE MAINTENANCE SUPERINTENDENT	\$6,690	\$8,132	\$ 7,425	\$ 10,487
PARKS & LANDSCAPE MAINTENANCE CREW LEADER	\$4,965	\$6,136	\$ 4,974	\$ 6,866
PARKS LABORER I	\$3,122	\$3,997	\$ 3,140	\$ 4,370
PARKS LABORER II	\$3,590	\$4,597	\$ 3,540	\$ 4,988
PERMIT TECHNICIAN	\$4,734	\$5,849	\$ 4,891	\$ 6,800
PLANNING MANAGER	\$8,524	\$10,734	\$ 9,589	\$ 14,048
PLANNING TECHNICIAN	<i>Vacant</i>		\$ 4,701	\$ 6,599
POLICE CHIEF	\$13,250	\$15,000	\$ 14,142	\$ 22,188
POLICE LIEUTENANT	\$11,000	\$13,000	\$ 9,929	\$ 16,097
POLICE OFFICER	\$6,200	\$9,350	\$ 6,618	\$ 10,787
POLICE RECORDS COORDINATOR	\$6,134	\$7,567	\$ 5,549	\$ 6,341
POLICE RECORDS TECHNICIAN	\$3,780	\$4,595	\$ 4,189	\$ 5,797
POLICE SERGEANT	\$7,500	\$11,135	\$ 7,966	\$ 12,725
POLICE SERVICES ASSISTANT	\$3,413	\$4,232	\$ 3,528	\$ 4,910
PRINCIPAL PLANNER	<i>Vacant</i>		\$ 8,663	\$ 12,247
PROGRAM COORDINATOR	\$4,310	\$5,306	\$ 4,481	\$ 6,134
PUBLIC WORKS DIR/CITY ENGINEER	\$11,507	\$14,612	\$ 12,066	\$ 17,570
PUBLIC WORKS INSPECTOR I	\$5,282	\$6,573	\$ 5,985	\$ 8,355
PUBLIC WORKS INSPECTOR II	\$6,208	\$7,677	\$ 6,659	\$ 9,300
PW MAINTENANCE LABORER I	\$3,187	\$3,934	\$ 3,140	\$ 4,370
PW MAINTENANCE LABORER II	\$3,665	\$4,524	\$ 3,540	\$ 4,988
RECORDS MANAGEMENT CLERK	\$3,997	\$4,455	\$ 4,390	\$ 6,021

Position	Current		Approved	
	FY 2016-17 Ranges		FY 17-18 Ranges	
	Monthly Minimum	Monthly Maximum	Monthly Minimum	Monthly Maximum
RECREATION MANAGER (5)	\$6,708	\$8,220	\$ 7,885	\$ 11,062
RECREATION & EVENTS COORDINATOR	\$4,310	\$5,306	\$ 4,752	\$ 6,556
SENIOR ACCOUNTANT	\$7,029	\$8,619	\$ 7,926	\$ 11,131
SENIOR ACCOUNTING TECHNICIAN	\$4,907	\$6,073	\$ 5,078	\$ 7,059
SENIOR CIVIL ENGINEER	\$7,932	\$9,842	\$ 8,741	\$ 12,307
SENIOR PLANNER	\$7,093	\$8,838	\$ 7,873	\$ 11,129
STREETS MAINTENANCE FOREMAN	\$5,466	\$6,429	\$ 5,994	\$ 7,699
TREE LABORER	\$3,049	\$3,705	\$ 3,540	\$ 4,988

- 1- Employee serves in two positions (Administrative Assistant)
- 2- Employee serves in two positions (Human Resources Manager)
- 3- Employee serves in two positions (Paralegal)
- 4- Employee serves in two positions (Program Coordinator)
- 5- Employee serves in added capacity or website coordinator



City of Oakley

Effective Date: 7.28.2017 at noon (staff on 9/80 schedule) or 7.30.2017 (all other staff)

FY 16-17 Salary Schedule

Approved: 6/13/2017

Position	Current		Approved	
	2016-17 Ranges		FY 17-18 Ranges	
	Hourly Minimum	Hourly Maximum	Hourly Minimum	Hourly Maximum
ACCOUNTING ASSISTANT	\$ 15.00	\$ 20.00	\$ 16.00	\$ 22.00
ADMINISTRATIVE ASSISTANT	\$ 14.00	\$ 19.00	\$ 15.00	\$ 21.00
FACILITIES ATTENDANT	\$ 10.00	\$ 12.00	\$ 12.50	\$ 15.00
INTERN	\$ 10.00	\$ 12.00	\$ 11.00	\$ 13.00
PARK MONITOR	\$ 10.50	\$ 14.00	\$ 12.50	\$ 18.00
POLICE SERVICES ASSISTANT	\$ 18.00	\$ 23.00	\$ 20.00	\$ 26.00
RECEPTIONIST	\$ 11.00	\$ 15.50	\$ 11.50	\$ 16.00
RECREATION AIDE	\$ 10.00	\$ 12.00	\$ 11.50	\$ 12.50
RECREATION LEADER	\$ 11.00	\$ 13.50	\$ 12.50	\$ 15.50
SEASONAL PARKS & LANDSCAPE LABORERS	\$ 11.00	\$ 15.00	\$ 12.50	\$ 18.00
SPORTS FIELD MAINTENANCE	\$ 10.00	\$ 12.00	\$ 12.50	\$ 18.00
SENIOR RECREATION LEADER	\$ 11.50	\$ 15.50	\$ 14.50	\$ 18.00
LIFEGUARD	\$ 10.50	\$ 12.50	\$ 11.50	\$ 13.00



City of Oakley

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FY 16-17 Salary Scheudle

Approved: 6/13/2017

Position	Current		Approved	
	2016-17 Ranges		FY 17-18 Ranges	
	Hourly Minimum	Hourly Maximum	Hourly Minimum	Hourly Maximum
ACCOUNTING ASSISTANT	\$ 15.00	\$ 20.00	\$ 16.00	\$ 22.00
ADMINISTRATIVE ASSISTANT	\$ 14.00	\$ 19.00	\$ 15.00	\$ 21.00
FACILITIES ATTENDANT	\$ 10.00	\$ 12.00	\$ 12.50	\$ 15.00
INTERN	\$ 10.00	\$ 12.00	\$ 11.00	\$ 13.00
PARK MONITOR	\$ 10.50	\$ 14.00	\$ 12.50	\$ 18.00
POLICE SERVICES ASSISTANT	\$ 18.00	\$ 23.00	\$ 20.00	\$ 26.00
RECEPTIONIST	\$ 11.00	\$ 15.50	\$ 11.50	\$ 16.00
RECREATION AIDE	\$ 10.00	\$ 12.00	\$ 11.50	\$ 12.50
RECREATION LEADER	\$ 11.00	\$ 13.50	\$ 12.50	\$ 15.50
SEASONAL PARKS & LANDSCAPE LABORERS	\$ 11.00	\$ 15.00	\$ 12.50	\$ 18.00
SPORTS FIELD MAINTENANCE	\$ 10.00	\$ 12.00	\$12.50	\$18.00
SENIOR RECREATION LEADER	\$ 11.50	\$ 15.50	\$ 14.50	\$ 18.00
LIFEGUARD	\$ 10.50	\$ 12.50	\$ 11.50	\$ 13.00