



Legislation Text

File #: 17-0253, **Version:** 1

Consider and take action on a resolution approving a 3% increase in the employee compensation plan and authorizing the City Manager to provide a 3% cost of living adjustment for all employees, with the exception of City Council appointees, effective May 1, 2017 (Mayor Hallisey and Council Member Gross)

Approval of this item will result in a 3% increase for all city employees, except Council appointees (City Manager, City Attorney, City Secretary and City Auditor).

Under the City Charter, Article II, Section 21 (c)(9), the City Manager has the authority to establish and adjust salaries and compensation for all employees not appointed by the City Council in accordance with a compensation plan approved by the City Council.

The employee compensation plan was last updated in FY 2012. The general government (non-civil service) compensation is based upon this plan. No cost of living adjustment has been made to the compensation plan since FY 2012. Increases granted to these employees have been based upon an annual merit pool distributed based upon performance evaluations.

This situation has resulted in:

- no increase to base pay for entry level personnel making recruiting and retention difficult
 - Turnover rate for FY 2016 was 17%; FY 2015 was 16.7% and FY 2014 was 15.7%
- 36 employees are “topped out”; at the top of their pay band and rather than receiving a pay rate increase, receive a lump sum payment and their salary has remained constant

Civil service employees’ compensation plan was also adjusted in FY 2012. Annual cost of living adjustments (COLA) for this group of employees result in a shift (increase) in the plan. In addition, police officers receive step increases based upon their years of service in each rank. In general, these increases are approximately 2%. There are currently 11 officers at the top step of their rank.

A history of adjustments for each group of employees, since the last compensation study is:

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
General Government- merit pool	2%	2%	2%	3%	2%
Civil Service - COLA	2%	2%	2%	3%	2%

The annual cost of this proposal, based upon current budgeted positions, is \$1.127 million. Approval of this item will require a budget amendment of approximately \$470,000 for the remainder of the current fiscal year.

The FY 2017 budget includes funding for a compensation study. A Request for Proposal (RFP) for this service has been evaluated and staff is working to bring forward a contract for City Council approval on April 25. As an interim measure, this action will authorize an adjustment to compensation plans for both civil service and non-civil service employees effective May 1, 2017.

Attachments:

1. Data Sheet

- 2. Proposed Resolution
- 3. Compensation Plan Non-Civil Service
- 4. Compensation Plan Civil Service

FUNDING

{X} Requires Budget Amendment to increase expenditure accounts in all departments