



ADMINISTRATIVE SERVICES COMMITTEE

Agenda

Wednesday, August 3, 2011
4:00 pm

Madison Avenue Meeting Room
500 SW Madison

Discussion/**Possible Action**

I. Ward Boundaries Criteria
(Attachment)

Discussion/**Possible Action**

II. Council Policy Review Process: 91-3.02,
"City Compensation Policy"
(Attachment)

Information

III. Other Business

Next Scheduled Meeting

Wednesday, August 17, 2011 at 4:00 pm
Madison Avenue Meeting Room, 500 SW Madison Ave

Agenda

None at this time

* * * MEMORANDUM * * *

JULY 26, 2011

TO: Administrative Services Committee
FROM: Kathy Louie, Assistant to City Manager/City Recorder
SUBJECT: Criteria for Ward Boundaries Update



I. ISSUE

In addition to the City Charter and State requirements and other general principles adopted by the 2001 City Council for redistricting, are there other criteria to be used to redraw the City's ward boundaries?

II. BACKGROUND

The 2010 Census population for the City of Corvallis was 54,469. Equal population among the nine wards would be approximately 6,052 residents. Using the State's 10% acceptable deviation from the population target, the population range for each ward falls between 5,447 and 6,657.

POPULATION DISTRIBUTION					
Ward	Total Population	Population Target	Population Variation	Meets 10% variation	% Variation from Population Target
1	7,128	6,052	+1,076	no	+17.78%
2	5,916	6,052	-136	yes	-2.25%
3	6,914	6,052	+862	no	+14.24%
4	6,086	6,052	+34	yes	-0.56%
5	5,928	6,052	-128	yes	-2.12%
6	5,629	6,052	-423	yes	-6.99%
7	5,704	6,052	-348	yes	-5.75%
8	5,865	6,052	-187	yes	-3.09%
9	5,299	6,052	-753	no	-12.44%
TOTAL	54,469	54,468			

The Charter and State requirements along with the 2001 adopted principles were shared with the Council at its July 18, 2011 meeting and noted below.

- Section 9(b) of the City Charter states that ward boundaries shall:
 - Conform to the one person, one vote principle
 - Conform to the principles of neighborhood groupings, compactness of area, and regularity of boundaries insofar as can reasonably be attained.

The Secretary of State’s directives includes:

- Be contiguous
- Utilize excising geographic or political boundaries
- Be of equal population
- Not divide communities of common interest
- Be connected by transportation links

General principles adopted in 2001 by City Council for future updates include:

- Follow major geographical boundaries (natural or manmade)
- Try to maintain existing neighborhood associations within one ward
- Disrupt the existing wards as little as possible
- Maintain the one person, one vote principle

IV. DISCUSSION

Population changes from 2000 to 2010 are shown below. Based on the 2010 Census figures, Corvallis experienced population shifts in Wards 1, 3 and 9 and requires adjustment to the City’s ward boundary lines.

POPULATION BY WARD			
Ward	2000 Census Population	2000 Adopted Population	2010 Estimated Population
1	5,717	5,715	7,128
2	5,688	5,711	5,916
3	5,317	5,720	6,914
4	4,491	5,647	6,086
5	5,155	5,711	5,928
6	5,616	5,744	5,629
7	6,116	5,717	5,704
8	5,053	5,637	5,865
9	6,385	5,678	5,299
TOTAL	49,538	51,280	54,469

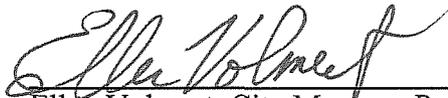
At the July 18, 2011 Council meeting, some Councilors expressed a desire to consider whether other criteria ought to be included. The criteria to redraw the ward boundaries must include the Charter and State requirements described above. It may also include those adopted in 2001 and other criteria the Committee and Council find appropriate.

Once the criteria are approved, the process is for staff to use the established criteria to redraw the boundaries for Administrative Services Committee consideration prior to formal City Council adoption.

IV. REQUESTED ACTION

Staff requests that Administrative Services Committee review the existing criteria, add other criteria as appropriate, and recommend City Council adopt the criteria to be used to redraw the City's ward boundaries.

Review and Concur:



Ellen Volmert, City Manager Pro Tem



Ken Gibb, Community Development Director

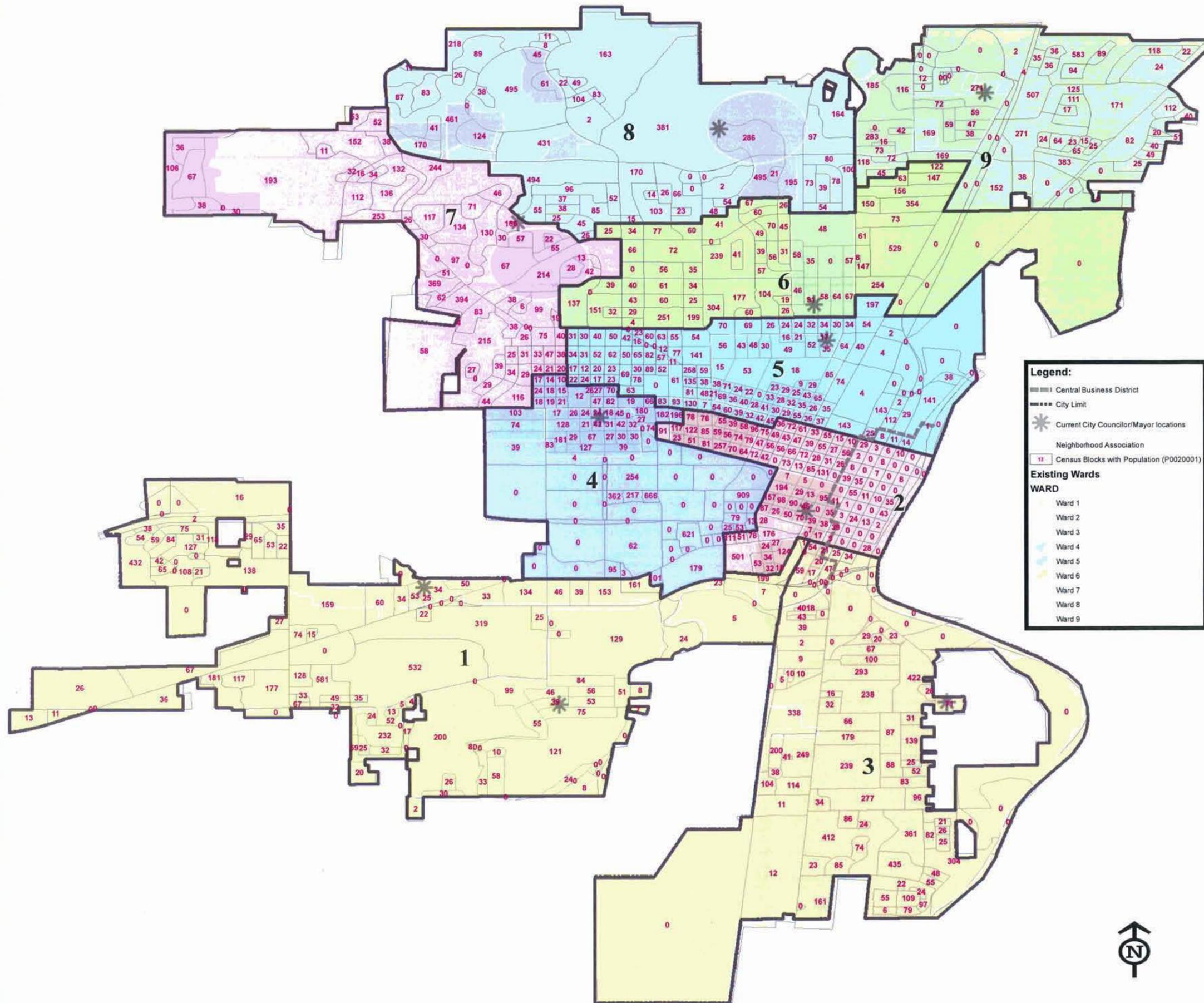


Scott Fewel, City Attorney



City of Corvallis, Oregon

Existing Ward Populations
Using Census 2010 P0020001



Legend:

- ▬ Central Business District
- ▬ City Limit
- ★ Current City Councilor/Mayor locations
- Neighborhood Association
- ▬ Census Blocks with Population (P0020001)

Existing Wards

WARD

- Ward 1
- Ward 2
- Ward 3
- Ward 4
- Ward 5
- Ward 6
- Ward 7
- Ward 8
- Ward 9

POPULATION DISTRIBUTION					
Ward	Total Population	Population Target	Population Variation	Meets 10% variation	% Variation from Population Target
1	7,128	6,052	+1,076	no	+17.78%
2	5,916	6,052	-136	yes	-2.25%
3	6,914	6,052	+862	no	+14.24%
4	6,086	6,052	+34	yes	-0.56%
5	5,928	6,052	-128	yes	-2.12%
6	5,629	6,052	-423	yes	-6.99%
7	5,704	6,052	-348	yes	-5.75%
8	5,865	6,052	-187	yes	-3.09%
9	5,299	6,052	-753	no	-12.44%
TOTAL	54,469	54,468			

INTER

OFFICE**MEMO**

To: Administrative Services Committee
From: Ellen Volmert, City Manager Pro Tem
Subject: Council Policy: Compensation Review
Date: August 3, 2011

PURPOSE

The start of the regular review of City Council Policy 91-3.02 has been moved up in order to allow more time for discussion, especially in regards to how the policy relates to the City Council goal of a sustainable budget. This report describes a proposed review process, how that process relates to other on-going work, and creates a timeline which would provide a revised policy in advance of budget discussions for the 12/13 fiscal year and 2012 labor negotiations.

BACKGROUND

The policy was established in 1987 and has been revised many times to address emerging issues and legislative changes. It is intended to supplement State requirements for collective bargaining and informs administrative policies on issues such as classification, recruitment, and promotion. It provides much of the framework for Council direction in labor contract negotiations.

State Law

PECBA - Many compensation issues are pre-empted to a certain extent by the Oregon Public Employee Collective Bargaining Act (PECBA). This dictates which employees may organize into represented units, what are considered to be mandatory subjects for bargaining, and what the bargaining process and timelines are. Overall compensation is a mandatory subject of bargaining. The City of Corvallis has four collective bargaining units in addition to employees who are exempt under PECBA.

Excerpts from PECBA are attached to this report for more information. Some of the most important aspects of the law are:

1. Definition and ranking of criteria on which to make arbitration awards – PECBA gives direction to arbitrators as to what they are to base their opinions and awards upon. First priority is given to the interest and welfare of the public. Secondary priority is given to all other criteria which include: the reasonable financial ability to meet the costs of the contract giving due consideration to other services provided by the agency as determined by the governing body; the ability of the agency to attract and retain qualified personnel; the overall compensation presently received by the employees, the comparison of that overall compensation to other agencies; the CPI index; the stipulations of the parties; and, other factors traditionally taken into consideration in the determination of wages, hours, and other terms and conditions of employment (this last is only used if the other factors do not provide sufficient evidence for an award).
2. Overall compensation – defined to include direct wage compensation, vacations, holidays and other paid excused time, pensions, insurance, benefits, and all other direct or indirect monetary

benefits received. A sample of the compensation matrix the City uses in labor negotiations is attached as is a sample total compensation report the City prepares annually for each regular employee to communicate total compensation and changes over time.

3. Comparison – defined as overall compensation of employees performing similar services with the same or other employees in comparable communities. Comparable communities are limited to those of the same or nearest population range within Oregon.

As is evidenced in the language of the law, the law attempts to balance many factors to create fairness in overall compensation within the agency's ability to pay and with the interest and welfare of the public as the primary criteria. This broad language often requires looking at arbitration awards to see how arbitrators are interpreting and applying this language. Three of the City's four bargaining units are strike prohibited and therefore are subject to binding arbitration if the parties do not come to an agreement. Failure to comply with an arbitration award is an unfair labor practice under the law.

PERS

Due to its cost, it is worth noting a few legal requirements relative to the City's participation in the Oregon Public Employee Retirement System. First is that once an agency has become a member, it must remain a member under the law. The City does not have the option to withdraw from the system. Second, there are a number of different tiers or benefit groups within the system with membership in each plan generally based upon the date an employee first becomes a member of the system. There are three such plans currently; tier one, tier two, and OPSRP. These plans also have some differences for public safety vs. general employees, such as an earlier retirement eligibility date for public safety employees. This adds to the cost of the plans for those employees. Regardless of what agency an employee works for or retires from, benefits are determined according to which plan the employee qualifies for, tier one or two or OPSRP. The City has employees on all three plans. Additionally, the employee share of contributions towards that benefit is fixed state-wide at 6% for all employees. Many agencies "pickup" that employee share as a part of compensation (Corvallis does for many employee groups). Agencies do not have a choice as to what plan an employee is placed on or what the employee contribution level is, or what the retirement benefit is. Nor do these vary from one agency to another.

PERS is funded through three sources; employer contributions, employee contributions, and earnings on the investment of these contributions. Since earnings are largely a function of the given economic climate, shortfalls in funding generally fall as impacts to employer rates. Employer rates are based on each agency's projected liabilities vs. the funds in its account, so these do vary from one agency to another and from one rating period to another. Corvallis' rate rose substantially in 2011 and is projected to grow again in 2013, as is the case with almost all public employers in the PERS system. It has also gone down in times when earnings were high or when the City has sold pension obligation bonds to lower its unfunded liability. Drastically different employer rates mean retirement system costs can vary substantially from one agency to another. However, because the benefits do not vary, arbitrators have generally held that the employer contribution is not a factor in overall compensation comparison.

Sustainability

Beyond what is required by State law, the compensation policy connects with the Council Policy on Organizational Sustainability in several areas (excerpt is attached). The overall social sustainability goal for the organization is to treat employees in a fair and respectful manner, providing an inclusive work environment and helping staff develop to their full potential. A summary term for this social sustainability concept is "employer of choice (EOC)." An EOC is one that is recognized for its

leadership, culture, and best practices which attract, optimize, and hold top talent to achieve organizational objectives. By allowing the City to attract and retain the best fit employee for each position and for the organization as a whole, the organization is successful. Aspects include diversity awareness, a positive, respectful work environment, and open and honest communications. These are created through a culture with equal access to opportunities, recognition and rewards, workforce engagement, adaptability to change and the overall physical, emotional and financial health of employees fostered through a positive work/life balance. Elements of this concept therefore do relate to the compensation strategy, especially the concepts and definitions of equity. It is also recognized that a number of factors govern why employees choose to come or stay in the organization and how productive they are. These also differ in importance for each person and even for each person over time.

Living Wage

The City has a living wage that applies to employees of contractors where the contract for service is for \$10,000 or more. The Living Wage was approved by the voters as a citizen sponsored initiative; originally set at \$9 per hour in 2000, the CPI inflator has increased the living wage to \$11.74 per hour beginning July 1, 2011. The hourly rate of pay includes the value of wages and benefits in making the calculation. While the living wage does not directly apply to the City, it is a factor in looking at compensation, in particular for casual employees. As casual wage rates increase, so do the wages for the staff who supervise the casual employees.

DISCUSSION

Questions to be Answered in the Policy Review

- Equity - Similar to the three legs of the sustainability stool (economic, environmental, and social), the current policy defines equity as a three legged stool including external market equity, internal relative worth, and internal job family equity (compression). PECBA and arbitrators have generally placed more consideration with the external market comparison. The relative worth of positions has been an important City policy goal for at least the past twenty years and is implemented through a system of “pointing” positions on a number of factors designed to compare varied jobs against common factors (responsibility, knowledge, physical requirements, work environment and interpersonal relations). This has been particularly important in equitable compensation for professions or positions traditionally held by women and minorities where market rates may be undervalued.

Similarly, there are important recruitment, retention, equity, and morale issues where represented employees make close to or more than the person supervising them who has the additional responsibilities attached to supervisory work. This is particularly an issue where there is the potential for substantial overtime by subordinates, such as in public safety. However, there is no legal obligation to maintain an appropriate compensation differential. Under the policy, the City tries to balance these three legs to determine the most equitable compensation for each position. Does the three legged equity stool still provide a suitable model or guide for appropriate compensation?

- Goals - The current policy’s purpose statement includes a number of goals which salary ranges and total compensation should achieve or support (assure base compensation equity among employees, enhance ability to attract and retain qualified employees, recognize the value of work performed, maintain positive and effective labor relations, and provide flexibility to the City

Council on how to best meet these objectives). There is no priority or ranking given to these goals. Does the City Council want to establish some goals as more important than others or to revise the goals specified?

This statement goes on to express that the goals should be addressed within the economic ability of the City to pay, reasonable limits on the costs to provide services and budgetary restrictions. If the intent is to make these financial considerations primary, the language should likely be strengthened to state that more directly. Or are they intended to be simply a few of several criteria to be balanced in a final product (and remembering that under PECBA, it is considered simply one of many)? There are several references to these economic criteria throughout the policy. Many were added or strengthened at the time of the last review in 2009. Does the Council believe that economic factors are appropriately identified in the goals? If the language in the purpose is made more explicit, is the repetition elsewhere still required?

- Compensation - The policy currently speaks both to salaries and to total compensation. This provides somewhat of a double test: is total compensation competitive and are salaries competitive? Does the City Council wish to continue to address both or to concentrate the policy language on total compensation?
- Rewards - Given the challenges of meeting the goals relative to basic compensation, is there a desire by the City Council to continue with the long term goal identified in 3.02.033 to search for creative ways to recognize and reward exemplary performance, especially when linked to the desired results of the organization?
- Review - The current review cycle is set at two years. Given the existing economic climate, is there a desire to review it more frequently?
- Performance Measures – The current policy does not include measures on which to base whether or not the policy is being met. Would the City Council like to specify performance measures that could be looked at when the policy is reviewed?
- Data - In addition to the initial information included with this report, and the data development discussed below which is already in process, what other information does the Committee, and ultimately the City Council, need in order to complete its review and adopt a revised policy?

Other Projects Underway

In concert with the policy review, the City Council has authorized staff to engage the Local Government Personnel Institute (LGPI) to conduct a compensation and benchmarking study. This is anticipated to be completed in September with the intent that the information is considered as part of finalizing the policy revision. It will also be used for budget and labor negotiations purposes. Staff is currently working with LGPI on this proposal.

Another significant effort is on-going contract negotiation with AFSCME and CPOA. On-going negotiations should be completed within the timeframe for review of the compensation policy and therefore contract change information will feed into the review for the City Council's information.

The City Council's Financial Policies also include a small section on personal services (attached).

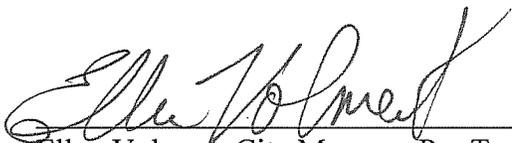
Council Policy 91-3.02 is the primary policy under review at this time, but the language in the financial policies should be reviewed in conjunction with potential changes to 91-3.02 so that the two policy sections remain consistent. Since the financial policies will be reviewed in the fall, this HSC review should fold into recommendations for any changes in financial policy language.

Process and Timeline

The LGPI report and updated contract data will be available in early fall. The regular review date for the policy is October and therefore, depending on direction regarding the questions and scope for the review, by beginning the review now, a final revised policy should be ready for the Committee's recommendation and City Council action in October. This timing also allows for input from the new city manager who is anticipated to begin work with the City in early fall as well.

RECOMMENDATION

That the Administrative Services Committee provide direction relative to the questions to be answered and data to be collected in order to begin the review of the Council Policy: City Compensation.



Ellen Volmert, City Manager Pro Tem

CITY OF CORVALLIS
COUNCIL POLICY MANUAL

POLICY AREA 3 - PERSONNEL AND ADMINISTRATIVE MATTERS

CP 91-3.02 **City Compensation Policy**

Adopted April 6, 1987

Revised 1989
Affirmed October 7, 1991
Affirmed 1993
Revised October 16, 1995
Revised October 20, 1997
Affirmed November 1, 1999
Affirmed June 18, 2001
Revised January 5, 2004
Revised September 7, 2004
Revised November 6, 2006
Revised January 5, 2009

3.02.010 **Purpose**

Compensation is one factor in establishing and maintaining the City as an Employer of Choice and promoting social sustainability in its operations. This policy seeks to establish salary ranges and total compensation for all positions except Council-appointed positions and seasonal or casual positions that will: assure the maintenance of total base compensation equity among employees; enhance the ability of the City to attract and retain qualified employees; recognize the value of work performed by employees to the organization and the community; maintaining positive and effective labor relations; and, address these goals within the economic ability of the City to pay, reasonable limits on the costs to provide City services, and the budgetary restrictions established by the City Council. The policy is intended to also provide flexibility to the City Council on how best to meet these objectives.

Council Policy 91-3.02

3.02.020 Policy

Salary range and other elements of compensation will be established based upon how total compensation best meets the above objectives. Total compensation balances external market values, internal equity among positions within job families (to avoid compression) and internal relative worth (comparing compensation for jobs of equal worth across the organization). Total compensation is defined as all rewards and recognition, including base wages, other salary or incentive compensation, benefits and perquisites; and specifically all direct or indirect wages and benefits for a specific position which have a calculated material value.

Within these policies and limitations, therefore, salary ranges will be competitive in the employment market and within the City organization, and will also be based on the relative compensatory value of jobs within the organization according to skill, effort, responsibility, and working conditions associated with the jobs. To the extent that established salary ranges detract from the City's ability to recruit or retain a qualified work force, salary ranges may be adjusted according to the market value for the job or to prevent serious internal compression between positions.

State law also dictates which employees are covered by collective bargaining agreements and for such employees, compensation is a mandatory subject of bargaining. The application of the above factors, therefore, is also subject to the bargaining process.

3.02.030 Guidelines

The City Manager is authorized to administer this policy through compensation plans developed in accordance with the purposes established in this policy, the following guidelines, and subject to budgetary considerations, the reasonable cost of providing City services, the City's ability to pay, and any applicable provisions of State law:

3.02.031 Internal Compensation relationships

Internal compensation relationships are judged on two factors, relative worth and family structure. Salary relationships (internal relative worth) will be determined through job analysis which will reflect similarities and differences among jobs in:

- a) level of responsibility,
- b) knowledge,
- c) physical requirements of the position,

Council Policy 91-3.02

- d) work environment, and
- e) interpersonal relations.

Compensation relationships will also take into account, where applicable, the City's career and job family structure and any serious internal compensation compression issues, especially as they may impact attracting and retaining a qualified workforce. Compression is defined as an inadequate compensation differential between positions within a particular job family for promotion purposes. Compensation relationships will also take into account the City's ability to pay and the impact on the cost of City services.

3.02.032 External relationships

To be competitive in the employment market, the external value of positions will be determined by comparing total compensation rates for comparable jobs in a reasonable recruiting area and among comparative cities (as defined under state law. State law shall be used to define external comparables. Total compensation placing the City at the mean of comparators is to be used as a guideline, but special market forces impacting recruitment, retention, and other operating needs shall also be considered. Consideration will be given to total compensation data including employee benefits, stability of employment, physical environment, organization and human relations environment in which the work is performed, each organization's ability to pay, and supply and demand forces. This amount shall be the market value of the position.

3.02.033 Excellence

It is a long-term goal of our overall compensation policy that creative ways of recognizing and rewarding excellence in performance be explored and implemented, especially where linked to the organization's ability to achieve desired results.

3.02.040 Review and Update

The "City Compensation" Policy shall be reviewed at least every two years in October by the City Manager for recommendation to the Council on appropriate revisions.

(5) Not more than 30 days after the conclusion of the hearings or such further additional periods to which the parties may agree, the arbitrator shall select only one of the last best offer packages submitted by the parties and shall promulgate written findings along with an opinion and order. The opinion and order shall be served on the parties and the board. Service may be personal or by registered or certified mail. The findings, opinions and order shall be based on the criteria prescribed in subsection (4) of this section.

(6) The cost of arbitration shall be borne equally by the parties involved in the dispute. [1973 c.536 §19; 1995 c.286 §10; 2001 c.104 §76]

Note: The amendments to 243.746 by section 1, chapter 878, Oregon Laws 2009, take effect January 1, 2013. See section 2, chapter 878, Oregon Laws 2009. The text that is effective on and after January 1, 2013, is set forth for the user's convenience.

243.746. (1) In carrying out the arbitration procedures authorized in ORS 243.712 (2)(e), 243.726 (3)(c) and 243.742, the public employer and the exclusive representative may select their own arbitrator.

(2) Where the parties have not selected their own arbitrator within five days after notification by the Employment Relations Board that arbitration is to be initiated, the board shall submit to the parties a list of seven qualified, disinterested, unbiased persons. A list of Oregon interest arbitrations and fact-findings for which each person has issued an award shall be included. Each party shall alternately strike three names from the list. The order of striking shall be determined by lot. The remaining individual shall be designated the "arbitrator":

(a) When the parties have not designated the arbitrator and notified the board of their choice within five days after receipt of the list, the board shall appoint the arbitrator from the list. However, if one of the parties strikes the names as prescribed in this subsection and the other party fails to do so, the board shall appoint the arbitrator only from the names remaining on the list.

(b) The concerns regarding the bias and qualifications of the person designated by lot or by appointment may be challenged by a petition filed directly with the board. A hearing shall be held by the board within 10 days of filing of the petition and the board shall issue a final and binding decision regarding the person's neutrality within 10 days of the hearing.

(3) The arbitrator shall establish dates and places of hearings. Upon the request of either party or the arbitrator, the board shall issue subpoenas. Not less than 14 calendar days prior to the date of the hearing, each party shall submit to the other party a written last best offer package on all unresolved mandatory subjects, and neither party may change the last best offer package unless pursuant to stipulation of the parties or as otherwise provided in this subsection. The date set for the hearing may thereafter be changed only for compelling reasons or by mutual consent of the parties. If either party provides notice of a change in its position within 24 hours of the 14-day deadline, the other party will be allowed an additional 24 hours to modify its position. The arbitrator may administer oaths and shall afford all parties full opportunity to examine and cross-examine all witnesses and to present any evidence pertinent to the dispute.

(4) Where there is no agreement between the parties, or where there is an agreement but the parties have begun negotiations or discussions looking to a new agreement or amendment of the existing agreement, unresolved mandatory subjects submitted to the arbitrator in the parties' last best offer packages shall be decided by the arbitrator. Arbitrators shall base their findings and opinions on these criteria giving first priority to paragraph (a) of this subsection and secondary priority to paragraphs (b) to (h) of this subsection as follows:

(a) The interest and welfare of the public.

(b) The reasonable financial ability of the unit of government to meet the costs of the proposed contract giving due consideration and weight to the other services, provided by, and other priorities of, the unit of government as determined by the governing body. A reasonable operating reserve against future contingencies, which does not include funds in contemplation of settlement of the labor dispute, shall not be considered as available toward a settlement.

(c) The ability of the unit of government to attract and retain qualified personnel at the wage and

benefit levels provided.

(d) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays and other paid excused time, pensions, insurance, benefits, and all other direct or indirect monetary benefits received.

(e) Comparison of the overall compensation of other employees performing similar services with the same or other employees in comparable communities. As used in this paragraph, "comparable" is limited to communities of the same or nearest population range within Oregon. Notwithstanding the provisions of this paragraph, the following additional definitions of "comparable" apply in the situations described as follows:

(A) For any city with a population of more than 325,000, "comparable" includes comparison to out-of-state cities of the same or similar size;

(B) For counties with a population of more than 400,000, "comparable" includes comparison to out-of-state counties of the same or similar size;

(C) Except as otherwise provided in subparagraph (D) of this paragraph, for the State of Oregon, "comparable" includes comparison to other states; and

(D) For the Department of State Police troopers, "comparable" includes the base pay for city police officers employed by the five most populous cities in this state.

(f) The CPI-All Cities Index, commonly known as the cost of living.

(g) The stipulations of the parties.

(h) Such other factors, consistent with paragraphs (a) to (g) of this subsection as are traditionally taken into consideration in the determination of wages, hours, and other terms and conditions of employment. However, the arbitrator shall not use such other factors, if in the judgment of the arbitrator, the factors in paragraphs (a) to (g) of this subsection provide sufficient evidence for an award.

(5) Not more than 30 days after the conclusion of the hearings or such further additional periods to which the parties may agree, the arbitrator shall select only one of the last best offer packages submitted by the parties and shall promulgate written findings along with an opinion and order. The opinion and order shall be served on the parties and the board. Service may be personal or by registered or certified mail. The findings, opinions and order shall be based on the criteria prescribed in subsection (4) of this section.

(6) The cost of arbitration shall be borne equally by the parties involved in the dispute.

243.750 [1963 c.579 §5; repealed by 1969 c.671 §3 (243.751 enacted in lieu of 243.750)]

243.751 [1969 c.671 §4 (enacted in lieu of 243.750); repealed by 1973 c.536 §39]

243.752 Arbitration decision final; enforcement; effective date of compensation increases; modifying award. (1) A majority decision of the arbitration panel, under ORS 243.706, 243.726, 243.736, 243.742 and 243.746, if supported by competent, material and substantial evidence on the whole record, based upon the factors set forth in ORS 243.746 (4), shall be final and binding upon the parties. Refusal or failure to comply with any provision of a final and binding arbitration award is an unfair labor practice. Any order issued by the Employment Relations Board pursuant to this section may be enforced at the instance of either party or the board in the circuit court for the county in which the dispute arose.

(2) The arbitration panel may award increases retroactively to the first day after the expiration of the immediately preceding collective bargaining agreement. At any time the parties, by stipulation, may amend or modify an award of arbitration. [1973 c.536 §20; 1981 c.423 §1; 1983 c.504 §2]

243.756 Employment conditions during arbitration. During the pendency of arbitration proceedings that occur after the expiration of a previous collective bargaining agreement, all wages and benefits shall remain frozen at the level last in effect before the agreement expired, except that no public employer shall be required to increase contributions for insurance premiums unless the expiring

How Are You Paying Your Valued Employees?

Benefit Statements help convey their actual compensation

By Dana Bennett

For government employees, compensation is much more than what comes home in a paycheck. First, there are many intangible benefits, such as greater security; generally fairer application of employment rules; and, of course, performing a role that helps society at large. The vast majority of government job functions give back to the larger society, and that provides a sense of pride in public service. People are often initially attracted to public-sector employment because of these more intrinsic benefits of the job.

In addition, there are the tangible, if not cash-based, benefits, such as time off, insurance, retirement and others. These often make up a greater portion of compensation than for private-sector jobs. Highlighting these benefits of public-sector employment can keep the best employees from looking to jobs elsewhere. It can keep them from losing sight of the bigger picture that drew them to government employment in the first place.

Employee Benefits Statements

One option that may help employees better understand their "total compensation" is to create annual Employee Benefit Statements, which allow an employee's total compensation to be laid out in dollars and cents. Comparing base wage alone ignores a significant portion of the compensation package, including the dollar value of leave time, medical/dental/vision benefits, retirement contributions, disability insurance and even Social Security. In order to truly capture the compensation received from a job, these must all be included.

Presenting the Information

A pie chart is a quick, easy way for employees to see a graphic representation of their compensation (see *sample next page*). It is helpful to include a detailed statement along with whatever chart format you use, so your employees can really examine the data and better understand their compensation components. A standard graphic can be developed to show an "average employee" within your agency. Or, if you have a system that's sophisticated enough, each statement could include a personalized chart showing each individual's actual compensation breakdown.

Beyond the Numbers

In the current economy, Employee Benefit Statements are a reasonably inexpensive way to remind employees that they receive more compensation than they may realize, and to remind them that their jobs provide more than just a paycheck. Government employees sometimes need a reminder that the work they do really matters, and that the people at the top of the organization appreciate and recognize the value of everyone in the organization. Particularly when times are tight and organizations cannot necessarily recognize employees' efforts through better wages or improved working conditions, it is all the more important to remind them that they are valued for the contribution they provide every day. ■

Editor's Note: Ms. Bennett is a Human Resources and Labor Relations Consultant for the Local Government Personnel Institute. Contact her at: dbennett@lmpi.org or (503) 588-2251.

AssetWORKS

APPRAISAL

Innovative Solutions. Accurate Valuations.

For nearly two decades AssetWorks has been a trusted partner and a premiere provider of asset valuation services. With proven expertise and experience, AssetWorks is uniquely qualified to provide appraisals to achieve accurate insurance placement.

Our combination of valuation consultants and state-of-the-art technology offers innovative, customized, and cost effective services for initial and long-term solutions associated with insurance and risk management.

- Valuation of buildings and structures
- Personal property and contents appraisals
- Customized risk pool appraisal programs
- Insurable values perpetuation
- COPE data collection
- On-Site Capital Asset Inventories
- GASB Statements 34/35 Valuation Studies
- Long-Term Accounting Values Compliance
- Infrastructure Valuations
- AssetMAXX Asset Management Web Application

Our goal is to provide the highest quality services while delivering professional, independent, accurate, and supportable valuation conclusions.

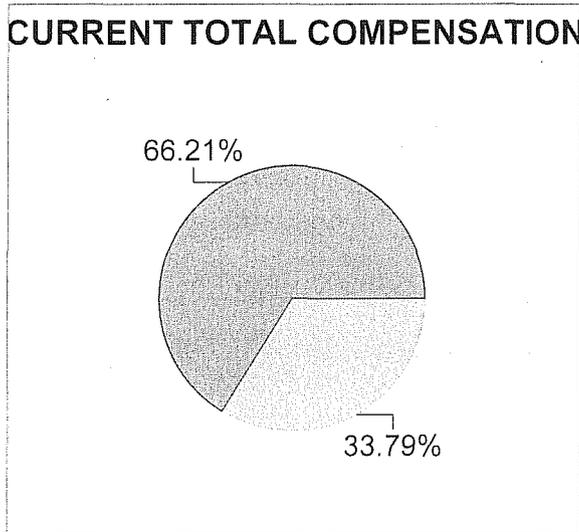
info@assetworks.com

www.assetworks.com

Wayne Smith

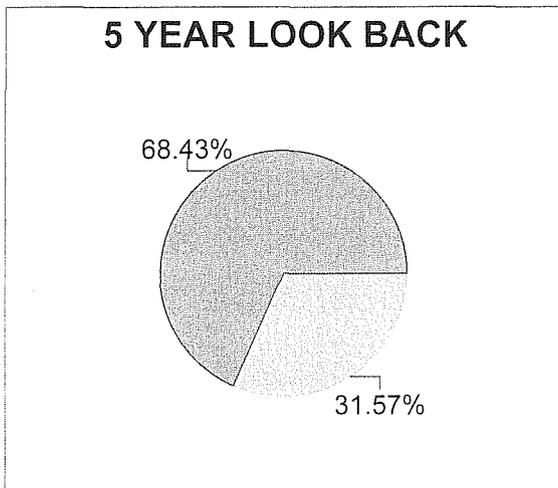
Internal Services Department

This represents your current total City paid compensation for the 12 month period ending 6/16/11



	<u>Current Month</u>	<u>Annually</u>
Salary	\$4,715.09	\$58,231.26
FICA Tax	292.34	3,610.34
Medicare Tax	68.37	844.35
Unemployment Tax	13.00	156.00
Workers Compensation	6.92	83.04
PERS Retirement	110.33	1,362.61
PERS Debt Retirement	320.63	3,959.73
Post Employment RHSP	0.00	0.00
RHSP Contribution	14.15	174.69
Life Insurance	11.88	146.74
Long Term Disability	12.73	157.22
Employee Assistance Program	2.92	35.00
HRA Contribution	0.00	0.00
Medical/Dental Insurance	1,553.28	17,498.10
Benefits	\$2,406.54	\$28,027.83
Salary	4,715.09	\$58,231.26
Total City Paid Compensation	\$7,121.63	\$86,259.09
Total Increase from 5 Years Ago		18.13%

This represents the same total City paid compensation 5 years ago for the 12 month period ending 6/16/06



	<u>Monthly</u>	<u>Annually</u>
Salary	\$4,163.82	\$49,965.84
FICA Tax	258.16	3,097.88
Medicare Tax	60.38	724.50
Unemployment Tax	12.50	150.00
Workers Compensation	6.92	83.04
PERS Retirement	404.72	4,856.68
PERS Debt Retirement	197.78	2,373.38
Life Insurance	12.24	146.90
Long Term Disability	13.32	159.89
Employee Assistance Program	2.50	30.00
Medical/Dental Insurance	952.61	11,431.32
Benefits	\$1,921.13	\$23,053.59
Salary	\$4,163.82	\$49,965.84
Total City Paid Compensation	\$6,084.95	\$73,019.43

These amounts are base wages only and do not include Overtime, Callback, Compensatory Payouts, Vacation Buyback pays, Accruals of Paid Leaves, or Retiree Premium Benefits.

CITY OF CORVALLIS
COUNCIL POLICY MANUAL

POLICY AREA 1 - GENERAL

CP 04-1.08 **Organizational Sustainability**

Adopted May 17, 2004

Affirmed October 17, 2005
Revised December 4, 2006
Revised October 20, 2008
Revised November 2, 2009

1.08.010 Purpose

The City recognizes its responsibility to

- protect the quality of the air, water, land and other natural resources, and to conserve these resources in its daily operations;
- minimize organizational impacts on local and worldwide ecosystems;
- use financial resources efficiently and purchase products that are durable, reusable, non-toxic and/or made of recycled materials; and
- treat employees in a fair and respectful manner, providing an inclusive work environment and helping staff develop their full potential.

The City Council has demonstrated its concern for a sustainable community through the Corvallis 2020 Vision Statement. The purpose of this policy is to ensure City departments develop practices that achieve a more sustainable workplace through plans and programs that promote a balance of environmental values with economic and social equity values in the expenditure of public funds. The City Council, in its leadership position, sets an example by adopting sustainable business practices in its activities and providing the resources necessary to allow the organization to be successful in its sustainability efforts.

1.08.020 Definitions

1.08.021 Sustainability means using natural, financial and human resources in a responsible manner that meets existing needs without compromising the ability of future generations to meet their own needs.

1.08.022 Life-cycle cost analysis examines the full life of a product and its impact on the environment including the resources used to acquire the raw material and to manufacture, process, transport and install the material; the accrued life-time maintenance costs; and the final disposal (including recycle or reuse) of the product.

Council Policy 04-1.08

- 1.08.023 'Triple bottom line' is a framework for measuring and reporting organizational performance against environmental, economic, and social parameters. The term is used to capture the set of values, issues and processes that organizations must address to minimize harm and create environmental, economic, and social value.
- 1.08.024 Greenhouse gases include carbon dioxide, methane, nitrous oxide, ozone and chlorofluorocarbons (CFCs). Activities that emit greenhouse gases into the atmosphere include using non-renewable energy sources such as coal, natural gas, and gasoline to power buildings, street and traffic lights, motor vehicles and equipment.
- 1.08.025 'Employer of Choice' is an organization recognized for its leadership, culture, and best practices that attract, optimize, and hold top talent, achieving organization objectives.
- 1.08.026 ISO 14001, from the International Organization for Standardization's family of standards for environmental management systems (EMS), addresses the environmental impact of an organization's processes, products, and services on the environment.

1.08.030 Policy

The City uses a triple-bottom-line framework to enhance sustainability in all aspects of the organization's activities. City departments, through changes in daily operations, ongoing programs and long-range planning are able to simultaneously have a significant positive impact on the environment, the economic efficiency of municipal government and the social character of the workplace. Departments promote actions which are environmentally and socially beneficial while also being economically intelligent.

1.08.040 Organizational Objectives

- 1.08.041 Encourage, develop and support connections between environmental quality, economic vitality value and social equity.
- 1.08.042 Include long-term and cumulative impacts in decision making .
- 1.08.043 Use City resources efficiently and reduce demand for natural resources, such as energy, land, and water, as a first alternative to expanding supply.
- 1.08.044 Focus on solutions that prevent pollution through planned, proactive actions that go beyond regulatory compliance.
- 1.08.045 Attract and retain the best fit employee for each position and for the organization as a whole, and commit to staff's continued growth and learning, development of new skills and willingness to take on new challenges.
- 1.08.046 Increase diversity and diversity awareness in the workforce, and provide a

Council Policy 04-1.08

positive, respectful work environment, with open and honest communications.

1.08.047 Be a model of sustainable operations for other public and private organizations, and support and implement innovative programs that maintain and promote Corvallis' leadership as a sustainable city organization, and provide services in a way that fosters a more sustainable community.

1.08.050 Triple-Bottom-Line Framework

To the extent possible, sustainable initiatives will meet more than one of the triple-bottom-line components. For each component, goals will be reviewed and refined at least annually to reflect accomplishments of the organization and innovations in sustainable technologies.

1.08.051 Environmental sustainability

The City values actions that are beneficial for the natural environment as well as for the health and safety of employees and the public, and that go beyond regulatory compliance to minimize the City's environmental impacts.

The organization seeks to enhance environmental sustainability through practices that promote clean air and water and reduce:

- solid and hazardous waste;
- use of toxic substances;
- emissions of greenhouse gases and pollutants; and
- consumption of energy, water and natural resources.

Decisions take into consideration protection of open space, protection and restoration of habitat, and preservation of natural biodiversity.

1.08.052 Economic sustainability

The City values wise use of public funds and considers the full cost or life-cycle cost implications of its efforts.

The organization seeks to enhance economic sustainability through purchasing parameters and guidelines that ensure an analysis of sustainably preferable options occurs with each purchase. Decisions take into consideration the time frame within which any incremental initial costs will be paid back from the benefits achieved by environmental or social investments and the need to maintain a healthy financial situation to ensure continued services to the community.

1.08.053 Social sustainability

The City values an open and friendly organization that is free from bigotry and intimidation, and exercises policies and programs that make it an Employer of Choice. In addition, the services provided to citizens do not burden or unfairly impact any one sector of the community.

The organization seeks to enhance social sustainability through a respectful

Council Policy 04-1.08

work environment and an organizational culture that includes:

- equal access to opportunity, recognition and reward;
- engagement in the workplace and organizational goals;
- lifelong learning and adaptability to change; and
- overall physical, emotional and financial health, fostered through a positive work/life balance.

1.08.060 Implementation

- 1.08.061 The organization is managing its sustainability efforts by developing and implementing a Sustainability Management System (SMS). The SMS follows the ISO 14001 standard but, in keeping with the triple bottom line, weighs social and economic considerations along with environmental ones.
- 1.08.062 An organizational steering committee adopts and implements sustainable strategies and practices in the departments. Along with an implementation team, the committee creates goals, develops metrics, prioritizes projects, investigates new technologies, and measures success.
- 1.08.063 The City Manager promotes the objectives of the policy, adopts and implements sustainable strategies and practices in the departments, documents department progress towards sustainable development on an ongoing basis, and prepares an annual report on progress achieved, as well as the objectives to achieve before the next annual review.
- 1.08.064 Departments inform, educate, encourage, and hold employees accountable for actively participating in programs and policies promoting sustainability; providing the organization with an opportunity to become a community leader.
- 1.08.065 Staff seeks to continually improve best management practices for work activities resulting in more sustainable operations in each of the triple-bottom-line components.

1.08.070 Review and Update

This policy shall be reviewed every two years by the Public Works Department and updated as necessary.

10.04.060 Personal Services

10.04.060.010 Compensation Rates

The City of Corvallis shall strive to pay fair total compensation to its employees, in balance with the City's reasonable ability to pay and to provide services to the community in accordance with City Council goals and priorities. Total compensation includes both salary and fringe benefit levels. The City Council has adopted Council Policy 91-3.02 which identifies how total compensation rates will be determined.

10.04.060.020 Compensation Survey

The City shall conduct compensation surveys, both internally and of similar positions in comparable cities as necessary. These surveys shall be the basis for determining fair total compensation in accord with Council Policy and state law.

10.04.060.030 Work Force Changes

The City's work force, measured in FTE (full time equivalent) shall not fluctuate more than 2% annually without corresponding changes in service levels or scope.

10.04.060.040 Cost Analysis

In establishing pay rates a cost analysis of rate increases will be conducted and shall include the effect of such increases on the City's share of related fringe benefits and unfunded liabilities (including non-salary related benefits), impact on total compensation, the City's ability to pay, and the reasonable cost to provide City services in accordance with City Council goals and priorities.

10.04.060.050 Benefits

Long term costs of changes in benefit packages shall be estimated as well as their impact on total compensation, and this information shall be fully disclosed to the City Council before negotiated labor agreements are affirmed. Benefits are considered in the context of total compensation, the City's ability to pay, and the reasonable cost of providing City services.

To: Administrative Services Committee
From: Dan Brown, Ward 4

July 28, 2011

Subject: Compensation Policy Review

In light of the Council's agreement to review fiscal policies, it seems crucial to review the compensation policy, 3.02, which drives a large part of our expenditures. I would like to propose that we consider creating a new compensation policy from scratch. There have been a number of incremental tweaks since 1987, the sum of which I think have potential to create confusion and lack of clarity. It may simply be easier to start over -- in a purposeful manner.

I. What is compensation?

The title of 3.02 is City Compensation Policy. Getting back to basics, what is this thing called "compensation"?

- something given as an equivalent for services,
- a systematic approach to providing monetary value to employees in exchange for work performed.

The basis for determining compensation for a position or an individual employee is the value of the service provided (to taxpayers or users of the service), not what someone else (in our organization or another organization) is paid.

II. Policy Direction

One job of the City Council is to set up City policies to generally steer the organization.

- a. At the policy level, the City exists to deliver service, not to provide employment. Compensation is a tool used by management for a variety of purposes to further the existence of the organization. Compensation for positions should be adjusted according the City's needs, goals, and available resources, and for individuals, according to quality of delivery.
- b. At the policy level, the Council has a fiduciary responsibility to taxpayers and users of services. The Council must control expenses (the majority of which are compensation) within the City's ability to pay.
- c. At the policy level, the basic alternative to hiring employees is out-sourcing. This choice is the background for all compensation decisions and sets a market rate for total compensation. In this policy context, comparator cities may be less important or even irrelevant.
- d. A good policy should be clear that the City intends to deal with legal requirements (3.02.030). Some are included in 3.02: collective bargaining requirements (3.02.020), external comparables (3.02.032). Other legal issues are not discussed in the current policy: balanced budgets, PERS, unfunded liabilities, etc.

III. Lack of Clarity

A good policy should provide clear direction about the intent of the Council to City staff, councilors, employees, and the public. However, I see confusion in 3.02. I think it would be difficult to imagine that it creates a meeting of the minds between the Council and the staff about Council's intent.

If we had a clear compensation policy, I would expect to see it represented in labor negotiations. Instead, every memo from the staff on this topic begins with a section called "BACKGROUND"; three of the four items in the list are not mentioned in 3.02 City Compensation Policy.

- a. To ensure clear communication, all Council policies including 3.02 should be written using the same conventions for general headings such as: purpose, policy, goals, objectives, guidelines, etc. Currently, 3.02.010 "Purpose" and 3.02.020 "Policy" do not appear to have an underlying structure. Although discussion mentions them, there are no sections in 3.02 called "goals" or "objectives."
- b. Section 3.02.010 is entitled "Purpose." This section incorporates a zillion purposes, goals and objectives. Can anyone understand what the real purpose of the policy is intended to be?
- c. The concept of "total compensation" is defined and that is good; a reader can infer that it has a central role in City Compensation Policy. However, I'm confused by the following statement: "Total compensation balances external market values, internal equity among positions within job families (to avoid compression) and internal relative worth (comparing compensation for jobs of equal worth across the organization)" (3.02.020). Is this important? How does it do all that?
- d. Although they should be, Council priorities are not clearly expressed in 3.02. In well-written documents, priorities are sometimes implied by the order in which listed items appear; is this true or not true in 3.02? For example, the first mention in 3.02 is "Employer of Choice;" does this imply that "Employer of Choice" is the most important purpose of the policy? As another example, is the most important "Guideline" called out to be "Internal Compensation Relationships" (3.02.031) -- as opposed to "External Relationships" (3.02.032) or "Excellence" (3.02.033)?

Priorities may also be implied by frequency of mention. The City's "ability to pay" is discussed in multiple places (3.02.010) (3.02.030)(3.02.031). Does this repetition imply that it is high priority in the City's Compensation Policy? Or not?

- d. I find the redundancy makes 3.02 difficult to read. Although the policy is only 2-1/2 pages long, the same words and phrases are used over and over and over and over again. Ideas are repeated: for example, "detract from the City's ability to recruit or retain a qualified work force . . ." (3.02.020) and "especially as they may impact attracting and retaining a qualified workforce (3.02.031). etc. "Salary range" is used repeatedly, three times in a single paragraph (3.02.020).

g. The 3.02 policy suffers from unclear references and undefined terms:

The terms "objectives" and "goals" are used multiple times. What exactly are the objectives and the goals in the policy? Are objectives and goals the same or different things? Are they the same as "purposes" (3.02.030)?

The term "excellence" (3.02.032) is aspirational, but in practice it is hackneyed boilerplate which came into and went out of fashion during the 20th Century. As used here, it is meaningless. I recommend we drop it.

The term "inadequate compensation differential" (3.02.030) makes some unexplained reference. Inadequate for what?

"This amount will be the market value of the position" (3.02.032). What amount does this refer to? How is "this amount" calculated?

The term "interpersonal relations" (3.02.031) lacks meaning without some context.

"Within these policies and limitations . . ." (3.02.020). To what "policies" does this refer? What "limitations"? The statement should make specific references.

IV. Implementation not Policy

- a. Job analysis (3.02.031) is an implementation tool, not a policy matter.
- b. Total compensation data (3.02.032), as defined in detail, is probably implementation also.

V. 10.04.060 Personal Services

This financial policy also deals with employee compensation issues. When will it be reviewed by ASC? What is the intended relationship between 3.02 and 10.04.060, and why are both included in Council Policies. With regard to 10.04.060, what is the meaning of the term "fair compensation"? Should this loaded term be used?

Volmert, Ellen

To: Mark O'Brien
Cc: Weaver, Linda; Brewer, Nancy
Subject: RE: Compensation

I'll take my best shot at these and cc Nancy and Linda in case they have better wording or see something I have missed.

financially sustainable city budget is one that I believe the City Council will need to define for itself and should be part of the upcoming financial discussion.

total compensation is defined in state law and that language is mirrored in the current policy.

Salary range - encompasses the rates of pay for a specific job classification.

Base pay - describes the rate of pay for a specific job classification within a salary range and absent any special pays for certifications, assignment, market condition, etc.

Benefits are also defined in state law. these are sometimes valued at what the City pays and sometimes based on the "benefit" regardless of what the City pays such as with the employer pers rate or to a certain extent health premiums (when looking at comparability). I will be including in the staff report some documents that list out benefits which might make this a bit more clear.

Market value - I don't think I would define it as you have although we probably talk about it that way. What you are describing is referred to more as comparable value in state law and looks at a very specific market - other like sized city organizations in Oregon. In human resources/compensation terms "market" would be broader than just other cities and would include looking at the local labor market, public and private. Since we are governed by the state law, that is what our policy refers to.

Compression - I think you have it about right and we do describe it that way in the policy.

Relative Compensatory Value - I would just use relative value from which compensation is derived through the City's classification and compensation point factor system and looking at defined levels of five factors. The factors are a little different than what you describe: level of responsibility, knowledge, physical requirements of the position, work environment, and interpersonal relations. Internal comparable worth is really the same.

Stability of employment - This is a difficult one and I don't know that I have seen a consistent definition in the HR profession. Generally, it refers both to an employee's total time with an employer (vs. in one position with one employer) and to the nature of the employment environment as perceived by the employee. Therefore, contributing factors are leadership development and succession planning, lifelong learning, and effective recruitment and evaluation systems; but also effective labor relations, a respectful workplace, and effective work/life balance. The reality and the perception of stability is a particular challenge in times of change.

Job Family - A job family is created when you have jobs related based on the technical area of work being performed (such as administrative support, engineering, planning, law enforcement, etc.) but which are distinct enough to merit separate job classifications. This could be based on the level of expertise required, supervisory roles, etc. Other terms used to describe this are a career ladder or lattice. An example would be the engineering family which has engineering technicians, civil engineer 1 and 2, engineering supervisor and city engineer job classifications within it.

Does that help?

From: Mark O'Brien [mailto:elect.obrien@gmail.com]

7/26/2011

Sent: Tuesday, July 26, 2011 10:44 AM
To: Volmert, Ellen
Subject: Compensation

Ellen,

May I please request that you take a shot at completeing/editing this list of definitions related to City compensation? I'm trying to develop an understanding of the language in the existing policy. Feel free to add any other important terms I may have missed. Thank you.

Mark OB

Fiscally Sustainable City Budget-a budget where increases in the City's expenses are no greater then increases in City annual revenues

Total Compensation-all rewards and recognition including base wages, other salary and incentive compensation, benefits and prerequisites; and specifically all direct or indirect wages and benefits for a specific position which have a material value.

Salary Range???

Base Wage???

Benefits???

Market Value-the amount of total compensation for a given job based on average compensation rates of comparable cities as defined by State law

Compression-inadequate compensation differential between positions of differing levels of responsibility within a particular job family

Relative Compensatory Value-compensation based on the relative value of jobs within the organization according to skill, education, effort, responsibility and working conditions.

Stability of Employment???

Internal Relative Worth???

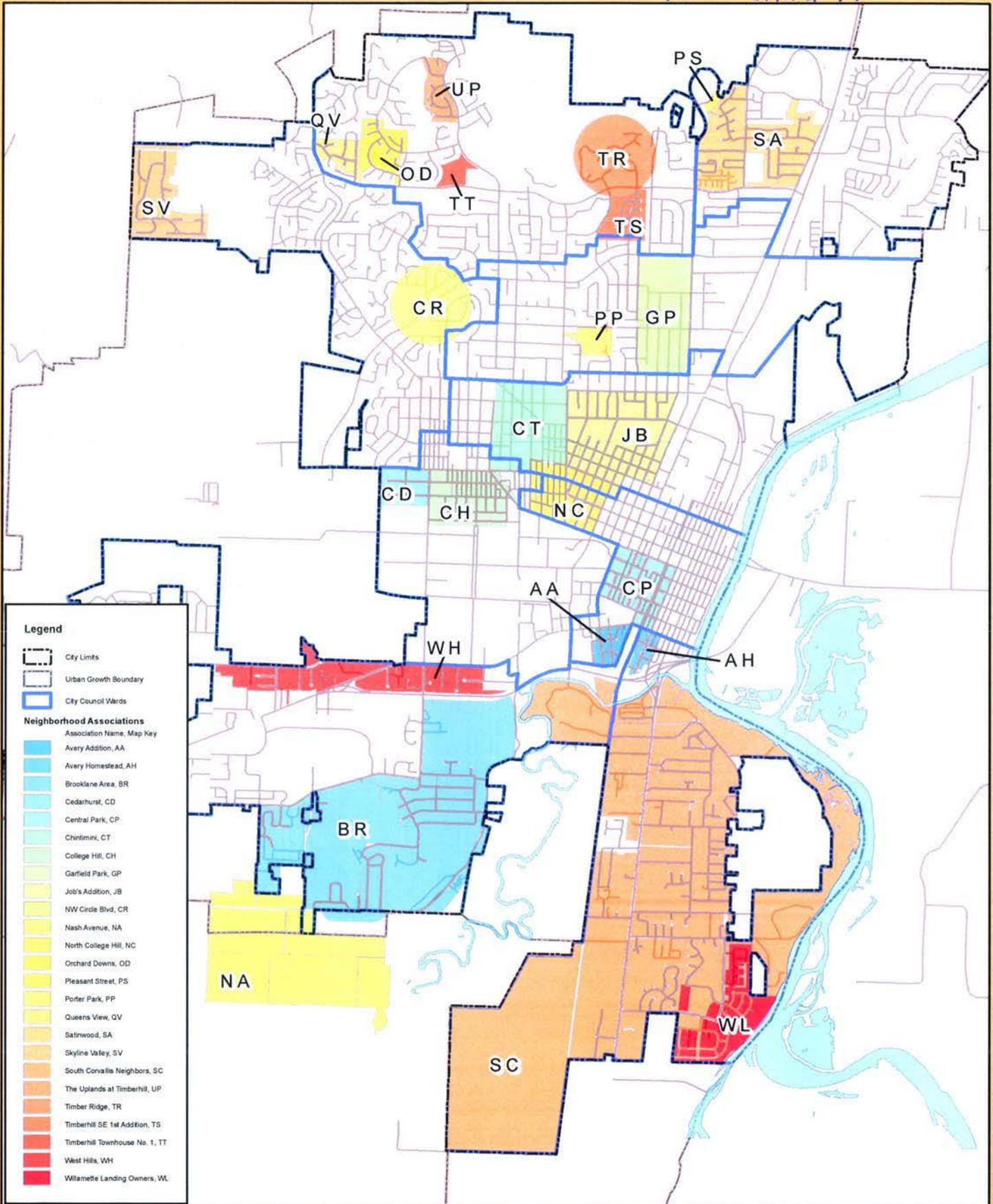
Job Family???

Total Compensation???

Corvallis Neighborhood Associations

(with City Council Ward boundaries)

Attachment A



Information: Individual Neighborhood Association boundaries are subject to change and are based on information provided by the Neighborhood Association.

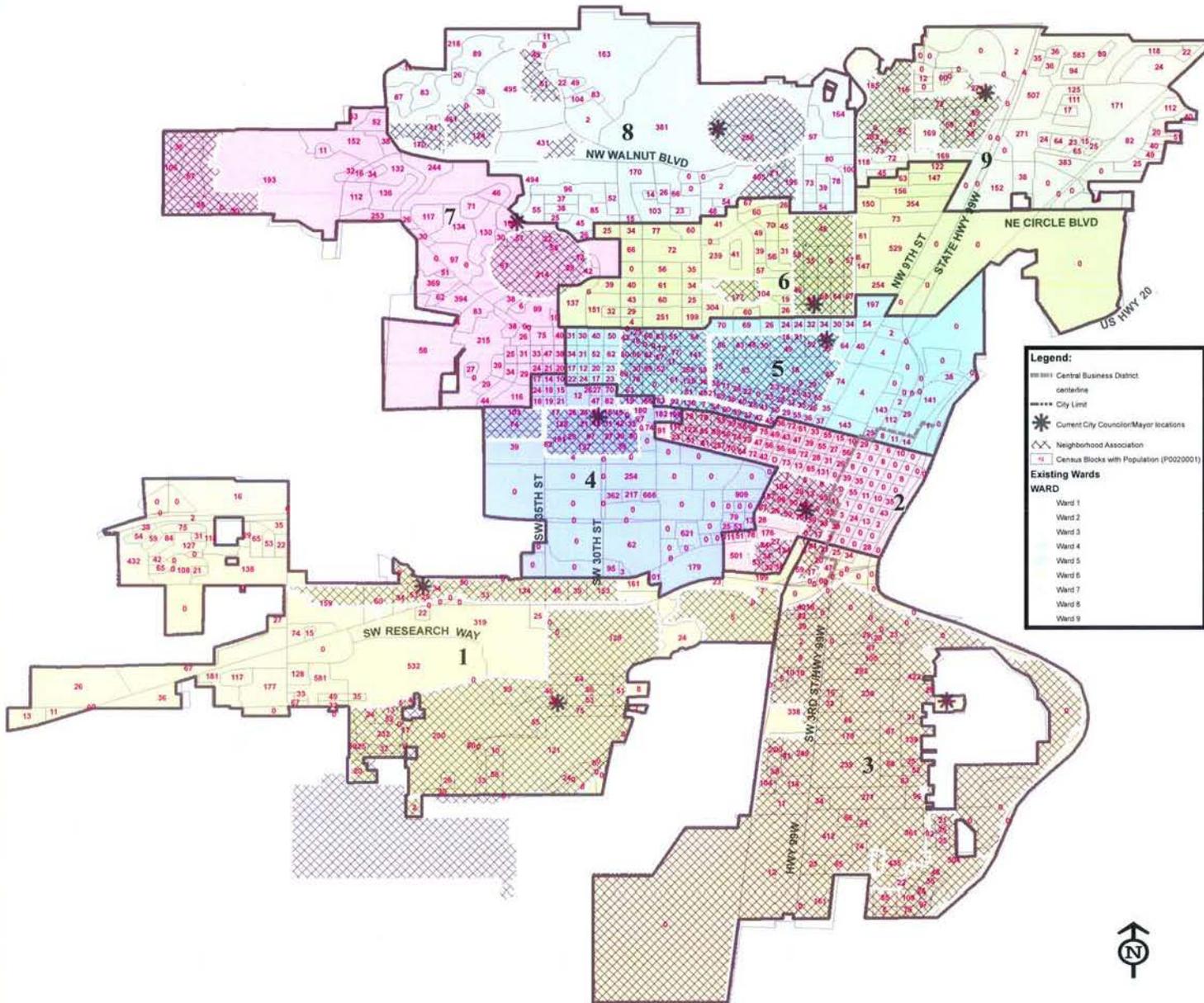
Revised: July 27, 2011

Map Author: City of Corvallis - Community Development Department



City of Corvallis, Oregon

Existing Ward Populations
Using Census 2010 P0020001



Legend:

- ▨ Central Business District
- City Limit
- ★ Current City Council/Mayor locations
- ⊞ Neighborhood Association
- Census Blocks with Population (P0020001)

Existing Wards

WARD

- Ward 1
- Ward 2
- Ward 3
- Ward 4
- Ward 5
- Ward 6
- Ward 7
- Ward 8
- Ward 9

POPULATION DISTRIBUTION					
Ward	Total Population	Population Target	Population Variation	Meets 10% variation	% Variation from Population Target
1	7,128	6,052	+1,076	no	+17.78%
2	5,916	6,052	-136	yes	-2.25%
3	6,914	6,052	+862	no	+14.24%
4	6,086	6,052	+34	yes	-0.56%
5	5,928	6,052	-128	yes	-2.12%
6	5,629	6,052	-423	yes	-6.99%
7	5,704	6,052	-348	yes	-5.75%
8	5,865	6,052	-187	yes	-3.09%
9	5,299	6,052	-753	no	-12.44%
TOTAL	54,469	54,468			

10 July 2013 © Urbanform/Urban Analysts Inc. and © 2013-2014 Urbanform/Urban Analysts Inc.

Attachment C
(from Councilor O'Brien)

CITY OF CORVALLIS
COUNCIL POLICY MANUAL

POLICY AREA 3-PERSONNEL AND ADMINISTRATIVE MATTERS

CP 91-3.02

City Compensation Policy

Adopted April 6, 1987

Revised August 8, 2011

3.02.010 Purpose

This policy seeks to provide a basis for establishing total compensation for those directly employed by the City of Corvallis. Council-appointed, seasonal and casual positions are not covered by this policy.

3.02.020 Mission

To ensure long term community livability, fiscally sustainable City budgets and social sustainability within the City organization, through administration of compensation policies designed to maximize efficient delivery of City services while also recognizing the value of work performed by employees.

3.02.030 Compensation Goals

The Council supports the following prioritized goals in this order;

- a. Ensure the delivery of high quality City services at a level desired by citizens.
- b. Attract and retain highly qualified employees.
- c. Maintain positive and effective labor relations.
- d. Ensure compensation equity among employees.
- e. Avoid inadequate compensation differentials when possible.
- f. Provide the City Council with the flexibility necessary to meet organizational goals.

3.02.040 Definitions

- a. Base Wage. The amount of pay for a specific job classification within a salary range, absent compensation for health benefits, retirement contributions, or special pays for certifications, assignments, market conditions, etc.
- b. Benefits. As defined by State law and generally referring to the portion of total compensation not represented by wages.
- c. Compensation Equity.
- d. Compression. An inadequate vertical compensation differential between positions with differing levels of responsibility within a particular job family.
- e. External Equity.

- f. Fiscally Sustainable City Budget. A City budget where increases in annual expenses are no greater than increases in associated annual revenues.
- g. Inadequate Compensation Differential.
- h. Interpersonal Relations.
- i. Job Classification.
- j. Job Family Structure. A tool to differentiate jobs within a similar technical area but which are distinct enough, based on level of responsibility, experience, knowledge, etc, to merit different job classifications.
- k. Knowledge.
- l. Level of Responsibility.
- m. Market Value. An external valuation based on analysis of roughly equivalent positions from comparator cities, as defined by State law, and within a reasonable recruitment area.
- n. Physical Requirements.
- o. Rate of Pay. The amount of pay represented by base wage plus any special pays for certifications, assignments, market conditions, etc.
- p. Relative Compensatory Value. Factors in determining total compensation, horizontally, across the organization including level of responsibility, knowledge, physical requirements, work environment and interpersonal relations.
- q. Salary Range. Encompasses the range of base wages within a specific job classification.
- r. Social Sustainability. Reference CP 1.08.053
- s. Stability of Employment. Generally referring to an individual's duration of employment with a given organization in combination with that individual's perception of that employment situation.
- t. Total Compensation. All rewards and recognition including base wages, other salary and incentive compensation, benefits and prerequisites; and specifically all direct or indirect wages and benefits for a specific position which have a material value.
- u. Work Environment.

3.02.050 Policy

3.02.051 Fiscal Constraints

Goals shall be addressed within the following fiscal constraints;

1. the economic ability of the City to pay
2. reasonable limits on the cost to provide City services
3. budgetary restrictions established by the City Council

3.02.052 Administration

The City Manager is authorized to administer this policy through plans developed in accordance with the City Compensation Policy mission, goals and policies. The City manager will give particular attention to the City's long term budgetary outlook, the

City's ability to pay, the reasonable cost of providing City services as well as any applicable State law.

3.02.053 Total Compensation

Salary range and all other elements of compensation shall be established on the basis of how well the organization's total compensation best meets stated policy goals and constraints.

3.02.054 Recruitment and Retention

To the extent that employee compensation is found to detract from the City's ability to recruit or retain a qualified work force, compensation may be adjusted according to the results of a market value analysis for specifically impacted job classifications.

3.02.055 Collective Bargaining

State law dictates which employees are covered by collective bargaining agreements; and for such employees, compensation is a mandatory subject of bargaining. The application of CP 91-3.02 is, therefore, also subject to the collective bargaining process.

3.02.056 Survey of Comparable Cities

Surveys of comparable cities, as defined by State law, regarding compensation for specified positions as well as overall compensation structure are a standard implementation tool in analyzing appropriate employee compensation levels. Compensation survey results will be reported to Council in a timely manner.

3.02.057 Exceptional Service

The City has long desired a means to reward employees, work groups and teams for exceptional service to citizens. The Council supports the development and implementation of creative programs and incentives, both monetary and non-monetary, to recognize exceptional service by employees leading to the enhancement of community livability.

3.02.060 Compensation Equity

3.02.061 External Relationships

To be competitive in the employment market, the external value of individual job classifications will be determined by comparing City total compensation rates with those of comparator cities, as defined by State law, within a reasonable recruitment area.

Additional factors may be used to evaluate comparator's total compensation rates including;

1. Supply and Demand Forces
2. Comparator's ability to pay
3. Employee Benefits
4. Stability of employment
5. Physical Environment
6. Organization and Human Relations

3.02.062 Relative Compensatory Value

Relative compensatory value will be a consideration in determining appropriate total compensation. Determining the relative value of job classifications within the organization includes analysis of similarities and differences between them using the following factors;

1. Level of Responsibility
2. Knowledge
3. Physical Requirements
4. Work Environment
5. Interpersonal Relations

3.02.063 Compression

Proper analysis of job family structure is an important implementation tool with respect to the preservation of vertical compensation equity and the avoidance of serious compensation compression issues.

3.02.080 Review and Update

These policies will be reviewed every two years by the City Manager in October, or sooner by Council request, for recommendation to the Council on appropriate revision.