

City of Calistoga

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Staff Report

TO: Honorable Mayor and City Council
FROM: Gloria Leon, Administrative Services Director
VIA: Dylan Feik, City Manager
DATE: August 21, 2018
SUBJECT: Consideration of a Resolution to Accept the Total Compensation Study Final Report Prepared by Koff & Associates

APPROVAL FOR FORWARDING:



Dylan Feik, City Manager

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2 **ISSUE:** Consideration of a Resolution to accept the Total Compensation Study Final
3 Report by Koff & Associates.

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5 **RECOMMENDATION:** Adopt Resolution.

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7 **BACKGROUND/DISCUSSION:**

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9 On September 16, 2014 the City Council adopted Resolution 2014-077 to conduct a
10 comprehensive classification and compensation study through the firm of Koff & Associates
11 recognizing the changes in business, organizational and employment conditions. The
12 study was precipitated by several factors:

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- 15 • The concern of management and the employee groups that employees should be
16 recognized for the level and scope of work performed and that they are paid on a
17 fair and competitive basis that allows the City to recruit and retain a high-quality
18 staff.
 - 19 • To ensure that class descriptions reflect current programs, responsibilities and
20 technology
 - 21 • The desire to have a classification and compensation plan that can meet the needs
of the City

- The desire to ensure that internal relationships of salaries are based upon objective, non-quantitative evaluation factors, resulting in equity across all City departments

The City of Calistoga has used this comprehensive salary and compensation study as a guiding tool for establishing appropriate compensation for personnel.

On February 20, 2018, Council approved Resolution 2018-012 to update the Total Compensation Study for future use.

The goals of the compensation study are to assist the City in developing a competitive pay and benefit plan, which is based upon market data, and to ensure that the plan is fiscally responsible and meets the needs of the City with regards to recruitment and retention of qualified staff.

This report summarizes the study methodology, analytical tools, and the total compensation (salary and benefits) survey findings. The results of the total compensation study showed:

- The City's **base salaries, overall, in comparison to the market median is 2.3% below the market.**
- The City's **total compensation, overall, in comparison to the market median is 0.7% above the market.**
- The City's **benefits package** puts the City in a more competitive position compared to the market and, therefore, salary decisions should be based on total compensation versus base salary market results.
- K&A considers a classification falling within 5% of the median to be competitive.

The study included 55 classifications, and of those 28 full-time and 10 part-time classifications were selected in order to collect salary and benefits data within the defined labor market. Classifications that we would expect to provide a sufficient sample for analysis were selected as "benchmarks" to use as the basis to build the compensation plan. Benchmark classifications are those classifications that are compared to the market, and these classifications are used as a means of anchoring the City's overall compensation plan to the market. Other classifications not surveyed will be included in the compensation plan and aligned to the benchmark classifications using internal equity principles.

The second most important step in conducting a market salary study is the determination of appropriate agencies for comparison. In considering the selection of valid agencies for salary comparator purposes, a number of factors were taken into consideration: organizational type and structure, similarity of population, staff and operational budgets, scope of services provided and geographic location, labor market and compensation philosophy.

64 On November 18, 2014 the City Council adopted Resolution 2014-104 approving a list of
65 comparator cities for the classification and compensation study. The Cities selected and
66 approved by Council were:

- 67
- 68 1. Healdsburg
 - 69 2. St. Helena
 - 70 3. Sebastopol
 - 71 4. Yountville
 - 72 5. Petaluma
 - 73 6. Windsor
 - 74 7. Cloverdale
 - 75 8. Sonoma
 - 76 9. American Canyon
 - 77 10. Napa
 - 78 11. Rohnert Park

79 These same cities were used for the 2018 Total Compensation Study.

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81 A summary of the results can be found in Volume II, Appendix I (See Attachment 2) and
82 the salary survey and benefit information can be found in Volume II, Appendix II. For each
83 surveyed class, there are three information pages:

- 84 • Market base (top step) salary summary data
- 85 • Benefit detail (monthly equivalent values)
- 86 • Monthly total compensation cost summary data

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88 **Conclusion**

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90 The Koff and Associates report is meant to be a tool for the City to create and implement
91 an equitable compensation plan. The recommendation it contains is not binding on the
92 City upon acceptance of the report. However, it is a resource document to assist the City
93 in making compensation decisions to address internal staffing inconsistencies and to see
94 how Calistoga compares to other cities in the same labor pool. The theory is if our
95 employee compensation is comparable to other cities, the ability to keep staff and attract
96 new hires for vacant positions becomes easier. However, there are financial realities (i.e.,
97 ability to pay) and other factors that may also come into play when determining appropriate
98 compensation philosophies and strategies.

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100 **Consistency with City Council Goals and Objectives:** The recommended action
101 supports the FY 2018-19 City Council Goal No. 5, whereby Priority Project 3 is to “evaluate
102 and adjust staffing levels if appropriate to provide optimum service.

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104 **FISCAL IMPACT:** Since no decision is being asked in accepting the report, no financial
105 impact exists.

- 106 **ATTACHMENTS**
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108 1. Draft Resolution
109 2. Total Compensation Study Final Report by Koff & Associates, May 30, 2018

RESOLUTION NO. 2018-XXX

RESOLUTION OF THE CITY COUNCIL, OF THE CITY OF CALISTOGA, COUNTY OF NAPA, STATE OF CALIFORNIA, ACCEPTING THE TOTAL COMPENSATION STUDY PREPARED BY KOFF AND ASSOCIATES DATED MAY 2018

WHEREAS, on February 20, 2018, the City Council adopted Resolution 2018-012 to conduct a total compensation study through the firm of Koff & Associates recognizing the changes in business, organizational and employment conditions; and

WHEREAS, Koff & Associates updated all class descriptions in order to ensure the format was consistent and the duties and responsibilities are current and properly reflect the required knowledge, skills and abilities; and

WHEREAS, the study included fifty-five (55) classifications and of those, twenty-eight (28) full-time and ten (10) part-time classifications were selected in order to collect compensation data within the labor market. Survey classes that had the most consistent and useful survey data were used as "benchmarks" in building the compensation plan; and

WHEREAS, on November 18, 2014 the City Council adopted Resolution 2014-104 approving a list of comparator cities for the classification and compensation study. The cities selected and approved by Council were: Healdsburg, St. Helena, Sebastopol, Yountville, Petaluma, Windsor, Cloverdale, Sonoma, American Canyon, Napa and Rohnert Park; and

WHEREAS, the study determined the median salaries of and total compensation for select classifications using comparator cities; and

WHEREAS, Koff & Associates report is meant to be a tool for the City to create and implement an equitable compensation plan and is not binding on the City. The collected data gives the City an instrument to make future compensation decisions; and

WHEREAS, on August 21, 2018 the City Council reviewed the Koff & Associates Total Compensation Study Final Report at public meeting and considered the content and recommendation as well as the staff report and all public comments on said report.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Calistoga hereby accepts the Koff & Associates report dated May 2018 shown as Exhibit A to this resolution.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Calistoga at a regular meeting held this **21st day of August, 2018** by the following vote:

- AYES:**
- NOES:**
- ABSTAIN:**
- ABSENT:**

CHRIS CANNING, Mayor

ATTEST:

KATHY FLAMSON, City Clerk



May 30, 2018

Total Compensation Study Final Report

City of Calistoga

KOFF & ASSOCIATES

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President

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