

**CITY COUNCIL
COMPENSATION GUIDELINES AND INTERESTS**

Amended 04-12-10

INTRODUCTION

The City's compensation program should be designed to attract and retain a talented and skilled staff dedicated to the highest standards of public service. It should 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 capacity of the City.

COMPENSATION PHILOSOPHY

The City's compensation philosophy and interest is to establish and maintain a compensation structure designed to be competitive, fair, and sustainable. Structures and ranges will be reviewed and updated as necessary based on an evaluation of the City's ability to pay, relevant market place survey data, internal relationships, and equity among various groups of employees.

It is the City Council's policy direction to move towards a more sustainable pension program by negotiating cost reduction provisions such as a two tiered retirement benefit system and returning to employees paying their share of CalPERS pension contributions.

In setting salaries and benefits, the collective bargaining process will be used to meet and confer with recognized represented employee groups.

IMPLEMENTATION

The City's compensation program will be implemented in accordance with the following guidelines:

1. FISCALLY PRUDENT

The City's practice is to compensate staff in accordance with the City's financial condition. The City will seek to keep staffing levels and compensation at levels that can be sustained within fiscally prudent projections of revenue capacity and adequate operating contingency reserves.

2. ATTRACT AND RETAIN QUALITY EMPLOYEES

The City's compensation program should ensure that the City has the ability to compete for the highest quality of talents and skills available, recognizing that our strongest competitive advantages will not be the highest pay, but rather a combination of competitive compensation, fiscal stability, training opportunities, an empowered and positive work environment, career growth potential and high morale based on our core values and ethical principles.

To ensure that the labor pool is broadened to allow Ventura to compete despite the high cost of living and housing in the area, job postings and recruitment efforts will be broadened to encourage applicants from the non-profit and private sectors to apply and receive serious consideration based on talent and potential to effectively perform essential job functions rather than be evaluated primarily on skills and experience that are solely acquired in local government employment.

3. LABOR MARKET

The City's practice is to survey appropriate comparable organizations in relevant labor markets in all sectors that include public, private and non-profit:

A. Relevant government agencies include:

- City of Camarillo
- City of Oxnard
- City of Santa Barbara
- City of Simi Valley
- City of Thousand Oaks
- Ventura County
- Appropriate special districts

B. Relevant private and not-profit Ventura County organizations where comparable job classes exist.

C. For jobs where local government experience is a significant advantage, the regional market of Southern California cities that are similar to Ventura in population, service structure, and complexity.

D. For those jobs, particularly in certain management roles, where local government experience is essential, the statewide market of cities that are similar to Ventura in population, service structure and complexity.

4. COMPETITIVE POSITION

If fiscally prudent it is the City's objective to compensate employees at rates generally consistent with the middle of the labor market as measured by the average of the combination of the mean and the median.

A. For labor, trades, general and confidential units, the primary market will include the local labor market.

B. For fire and police units, the primary market will include the local labor market.

- C. For supervisory and professional unit the market will include both the local labor market and the regional market.
- D. For management and executive units, the market will include the local labor market, the regional market, and the statewide market.
- E. In addition to the labor market survey data referenced above, in order to address unique compensation concerns, the City and/or recognized employee representatives may, at their discretion, collect and present supplemental market survey data in the context of the meet and confer process.

5. MEASUREMENT OF COMPETITIVE POSITION

Competitive position will be calculated utilizing total cash compensation which includes base salary plus any cash add-ons to base salary such as percentage of PERS pick-up, incentive pay, specialty pay, optional benefit dollars, City paid deferred compensation contributions, etc. In addition, the City will also consider health insurance and retirement benefits, leave benefits, and other compensation related programs and practices as compared to the Labor Market defined in Section 4.

6. INTERNAL ALIGNMENT

Consideration will be given to both labor market survey data and internal relationships in establishing salary ranges. When establishing internal relationships, priority will be given to:

- A. Appropriate differential between superior and subordinate classes
- B. Appropriate differentials among classes in the same class series (i.e. planning)
- C. Relationships among related class series (e.g., planning, inspection services, and engineering)
- D. Relationships across unrelated class series.

7. MIX OF BASE SALARY, TOTAL CASH AND BENEFITS

The City's practice is to provide a mix of base salary, total cash and benefits that is generally competitive with the labor market. When evaluating benefits, the City will consider both the cost and the content of the benefits.

8. PAY ADMINISTRATION

Individual compensation adjustments within the salary range for Executive and Management, employees will be based on (1) fiscal prudence (2) performance, and (3) pay structure adjustments. Compensation adjustments for represented employees and Confidential and Administrative Confidential employees will be made in accordance with the appropriate memorandum of understanding and/or salary resolution.

9. COLLECTIVE BARGAINING

The City's practice is to honor the integrity of the collective bargaining process through good faith negotiations. It is understood that these negotiations will take place exclusively through the recognized representatives of the City and the representatives of the appropriate bargaining unit.

10. SHARING OF COMPENSATION SURVEY INFORMATION

Consistent with the City's commitment to an open and collaborative relationship with employees, the compensation survey data collected pursuant to this program will be shared with unrepresented employees, or the appropriate recognized employee representatives.

11-97: New policy
01-17-01: Deleted City of Escondido from labor market
04-04-06: Revised policy to include appropriate private and non-profit comparisons where applicable
04-12-10: Revised policy to include policy to move toward two-tier pension plan and employee contribution to pension costs