

Continued November 16, 1987

CITY COUNCIL MEETING
NOVEMBER 18, 1987

AMENDED SALARY
RANGES ADOPTED
FOR VARIOUS CITY
OF LODI MANAGEMENT
EMPLOYEES

RES.NO.87-156

CC-34

Following introduction of the matter by the City Manager and Council discussion, Council, on motion of Council Member Pinkerton, Snider second adopted Resolution No. 87-156 - Resolution Granting Increases For Salary Ranges For Certain Unclassified Personnel Effective June 29, 1987 which resolution is hereinafter set forth in its entirety.

RESOLUTION NO. 87-156

RESOLUTION SETTING MONTHLY CONTROL POINTS
FOR CERTAIN UNCLASSIFIED PERSONNEL
EFFECTIVE JUNE 29, 1987

RESOLVED, by the City Council of the City of Lodi that the following monthly control points for unclassified personnel are hereby established effective June 29, 1987. These ranges include salary, pension and deferred compensation.

MANAGEMENT EMPLOYEES	CONTROL POINT EFFECTIVE 6/29/87
. Assistant City Manager	\$4,728
. Community Development Director	\$4,887
. Electric Utility Director	\$5,300
. Finance Director	\$4,494
. Fire Chief	\$4,770
. Police Chief	\$5,185
. Parks and Recreation Director	\$4,251
. Public Works Director	\$5,300
. Administrative Assistant to the City Manager	\$2,957
. Community Center Director	\$3,034

Be it further resolved that these control points be additionally adjusted as follows:

Continued November 10, 1987

	Effective 1/1/88	Effective 1/1/89
. Assistant City Manager	1.6%	1.5%
. Community Development Director	.5%	.4%
. Electric Utility Director	1.4%	1.4%
. Finance Director	4.4%	4.4%
. Fire Chief	1.1%	1.0%
. Parks & Recreation Director	2.9%	2.8%
. Police Chief	0	0
. Public Works Director	1.4%	1.4%
. Administrative Assistant to the City Manager	4.2%	4.1%
. Community Center Director	0	0

The motion carried by the following vote:

Ayes: Councilmembers - Hinchman, Pinkerton, Reid,
Snider and Olson (Mayor)

Noes: Councilmembers - None

It should be noted that two alternate resolutions were
presented for Council review and Council selected Alternate
I.

C O U N C I L C O M M U N I C A T I O N

TO: THE CITY COUNCIL
FROM: THE CITY MANAGER'S OFFICE

COUNCIL MEETING DATE
November 18, 1987

NO.

SUBJECT: ADOPT RESOLUTION ESTABLISHING AMENDED SALARY RANGES FOR VARIOUS
CITY OF LODI MANAGEMENT EMPLOYEES

PREPARED BY: City Manager

RECOMMENDED ACTION: That the City Council adopt Resolution No. 87-156
(Exhibit A) establishing appropriate control points for
management salaries effective June 29, 1987.

BACKGROUND INFORMATION: For a number of years management salaries have been
determined using a group of cities generally ranging in
population 15,000 above and below Lodi's population north
of the Tehacapi's. A mid-quartile mean was determined
which became the control point. Using the control point as the mid-point, a range
was established with the low end 10% below the control point and the high end 10%
above the control point. The control point figure is comprised of salary, Public
Employees' Retirement System employee contributions, deferred compensation and auto
allowance where applicable.

There were some positive aspects of this approach. It
provided a large enough sampling to have statistical significance and represented
cities with which Lodi would compete for candidates for vacancies. By using a
mid-quartile mean it eliminated the extremes from the calculations. The
disadvantage of this method is that it gives extraordinary weight to Bay Area
cities as most of the cities in that population range are in that area.

Council asked staff to develop a group of cities which
were more oriented to the Central Valley. A group of cities along Highways 5, 80
and 99 were selected with populations in excess of 30,000 with four exceptions -
Tracy, Sacramento, Fresno and Bakersfield. Mayor Pro Tempore Randy Snider was
designated by the City Council to work with staff in this effort.

Tracy was included because of its proximity to Lodi. That city is growing rapidly and should surpass 30,000 within the next one or two years. Sacramento and Fresno were eliminated because of their size and Bakersfield because of its distance and its proximity to the Los Angeles basin. The cities in the new survey group are:

- . Chico
- . Clovis
- . Davis
- . Fairfield
- . Manteca
- . Merced
- . Modesto
- . Redding
- . Roseville
- . Stockton
- . Tracy
- . Turlock
- . Vacaville
- . Visalia
- . Woodland

The staff prepared a number of statistical treatments of the salary data. Among these were the mid-quartile mean (the average of the middle 50%), mean, median (the middle number in the group), the 62.5 percentile, an average of the 62.5 percentile and the mean, an average of the 62.5 percentile and the median, and a treatment setting department head salaries as a percentage of the City Manager's salary. The reason for the 62.5 percentile is that is the City of Lodi's relative position based on population. Staff narrowed these approaches to three for final consideration and developed a fourth (the differential approach) which will be discussed herein. A recap of these approaches is presented in an attached memo to the City Council of November 6, 1987 which was discussed in detail at the "shirtsleeve session" of November 10, 1987 (Exhibit B).

The major difficulty in surveying only Valley cities is the small number of cities involved and the fact that there are some positions which do not have job comparability. For instance there are only five comparable positions for the City Clerk, and eight for the City Attorney and Parks and Recreation Director, and 10 for the Assistant City Manager and the Administrative Assistant to the City Manager. However, the overriding advantage is that we are looking at cities with not only geographic proximity, but also with similar demographics and lifestyles.

Each of the treatments has advantages and disadvantages.

The mean (average) gives equal weight to all numbers; however, in doing so an extremely high or low number will skew the results. This is especially true if there is a small sample.

The median is the number in the center of an arithmetic array. The only numbers that have significant meaning are the one or two numbers in the middle. Again, if there are a few extremely high or low numbers the results can be skewed or if there is a large spread between the numbers.

The mid-quartile mean becomes helpful in this regard in that the high and low numbers are not included. However, with a small sample size the results are then determined by a very small number of cities.

Using the percentile figures only increases the value above the median and all the same disadvantages are present.

It is recommended that the City Council implement a management compensation plan based on the "differential system." This represents a new approach, and one that has been favorably received by the department heads. In this approach we survey the City Manager's position only, since every city in the survey group has that position. We then establish what the existing market differential is between the City Manager and each of the other positions. For example, what is the average percentage differential between the City Manager and the Public Works Director; the City Manager and Fire Chief; the City Manager and the Finance Director. We determined that the existing City of Lodi differentials between the City Manager and the various department heads was very close to the average differentials which exist in the survey cities. Maintaining the existing, or close to existing, differentials has these advantages:

- . The internal alignments among the department heads will remain the same.
- . There is a City Manager in each city all of whom have the same general responsibilities so the issue of comparability is well established.
- . The effect of one position receiving a substantially greater increase than another is minimized.
- . The plan is consistent and easily understood.
- . The need for a comprehensive annual salary survey is eliminated.
- . The department heads support the concept.

Under this plan we would survey the market every three years to insure that we weren't getting out of line with any one department head position.

One class, that of Administrative Assistant to the City Manager, merits some discussion. There are two positions in this class, the Personnel Officer and a staff position in the City Manager's office. This is the first year we have surveyed this class to include it in the management salary adjustments. In the past this class has received the same general adjustment as granted to the General Service employees. The recommended adjustments will still leave this class approximately 5% below the survey-determined control point at the conclusion of the recommended implementation schedule, but the balance will have to be addressed at a future date. The survey reveals that this class should be compensated at 50% that of the City Manager.

Also attached (Exhibit C) is a comparison of the various differentials arrived at by analyzing both the Valley cities survey and the previous 30,000-60,000 population survey group, as well as the existing City of Lodi differentials and the recommended City of Lodi differentials.

It is therefore recommended that the mid-point (control point) of each class be as follows effective June 29, 1987:

. Assistant City Manager	\$4,728
. Community Development Director	4,887
. Finance Director	4,494
. Fire Chief	4,770
. Parks & Recreation Director	4,251
. Police Chief	5,185
. Public Works Director	5,300
. Electric Utility Director	5,300
. Administrative Assistant to the City Manager	2,873

It is further recommended that these control points be further adjusted as follows:

	Effective 1/1/88	Effective 1/1/89
. Assistant City Manager	1.6%	1.5%
. Community Development Director	.5%	.4%
. Electric Utility Director	1.4%	1.4%
. Finance Director	4.4%	4.4%
. Fire Chief	1.1%	1.0%
. Parks & Recreation Director	2.9%	2.8%
. Police Chief	0	0
. Public Works Director	1.4%	1.4%
. Administrative Assistant to the City Manager	3.0%	3.0%

Respectfully submitted,



Thomas A. Peterson
City Manager

TAP:br

Attachments

RESOLUTION NO. 87-156

RESOLUTION SETTING MONTHLY CONTROL POINTS
FOR CERTAIN UNCLASSIFIED PERSONNEL
EFFECTIVE JUNE 29, 1987

RESOLVED, by the City Council of the City of Lodi that the following monthly control points for unclassified personnel are hereby established effective June 29, 1987. These ranges include salary, pension and deferred compensation.

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. Administrative Assistant to the City Manager	\$2,957
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. Finance Director	4.4%	4.4%
. Fire Chief	1.1%	1.0%
. Parks & Recreation Director	2.9%	2.8%
. Police Chief	0	0
. Public Works Director	1.4%	1.4%
. Administrative Assistant to the City Manager	4.2	4.1
. Community Center Director	0	0

Dated: November 18, 1987

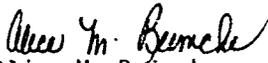
I hereby certify that Resolution No. 87-156 was passed and adopted by the City Council of the City of Lodi in a Regular Meeting held November 18, 1987 by the following vote:

Ayes: Councilmembers - Hinchman, Pinkerton, Reid, Snider and Olson
(Mayor)

Noes: Councilmembers - None

Absent: Councilmembers - None

Attest:


Alice M. Reinche
City Clerk

M E M O R A N D U M

TO: The Honorable Mayor and
Members of the City Council

FROM: City Manager

DATE: November 6, 1987

SUBJ: Department Head Salaries

Attached for your review and consideration is information regarding department head salaries. All data presented herein has been developed from a survey of 15 Central Valley cities, a list of which is also attached.

This office has developed data and recommendations utilizing three rather standard approaches. These are:

- . Mid-Quartile Mean - This is the approach we have used in the past when we had a much larger number of cities.
However, the now relatively smaller number of survey cities, eliminating the top and bottom 25% leaves us with data which is not truly reflective of the current market.
- . Median - This approach can be utilized, but again because of the relatively small number of survey cities, the median point can be unrealistically high or low.
- . Mean - This is the straight average of the 15-city survey group and is statistically valid in most department head positions.
However, some numbers are skewed because of the rather small sample. For example, the Lodi classes of Administrative Assistant, Assistant City Manager, City Attorney and City Clerk do not exist in some other cities in the same manner as we have here. These positions some times do not exist in the smaller cities and thus the presence of just the larger cities causes an imbalance in the data.
- . Differential - This represents a new approach, and one that has been favorably received by the department heads. In this approach we survey the City Manager's position only, since every city in the survey group has that position. We then establish what the existing market differential is between the City Manager and each of the other positions. For example, what is the average percentage differential between the City Manager and the

The Honorable Mayor and
Members of the City Council
November 6, 1987
Page 2

Public Works Director; the City Manager and Fire Chief; the City Manager and the Finance Director. We determined that the existing City of Lodi differentials between the City Manager and the various department heads was very close to the average differentials which exist in the survey cities. Maintaining the existing, or close to existing, differentials has these advantages:

- . The internal alignments among the department heads will remain the same.
- . There is a City Manager in each city all of whom have the same general responsibilities so the issue of comparability is well established.
- . The effect of one position receiving a substantially greater increase than another is minimized.
- . The plan is consistent and easily understood.
- . The need for a comprehensive annual salary survey is eliminated.
- . The department heads support the concept.

Under this plan we would survey the market every three years to insure that we weren't getting out of line with any one department head position.

I will be pleased to review this with you and answer any questions you may have. I would like to place this on the agenda for the regular City Council meeting of Wednesday, November 18, 1987.

I have also included a suggested implementation schedule which spreads the adjustments through January 1, 1989, in the event the Council feels an incremental approach to the implementation of these adjustments is appropriate.

TAP:br

Attachments

TXTA.07A COUNC275

- . Chico
- . Clovis
- . Davis
- . Fairfield
- . Manteca
- . Merced
- . Modesto
- . Redding
- . Roseville
- . Stockton
- . Tracy
- . Turlock
- . Vacaville
- . Visalia
- . Woodland

MID-QUARTILE MEAN
(MINIMUM 4% ADJUSTMENT)

	Present Control Point	Survey	+4%	% Inc.	Rec. % Inc.
Administrative Assistant -----	\$2,710	\$2,884	\$2,999	10.7%	5.8%
Assistant City Manager -----	4,460	4,846	5,040	13.0%	5.8%
Community Development Director -----	4,610	4,589	4,794	4.0%	4.0%
Finance Director -----	4,240	4,282	4,453	5.0%	5.0%
Fire Chief -----	4,500	4,313	4,680	4.0%	4.0%
Parks and Recreation Director -----	4,010	3,997	4,170	4.0%	4.0%
Police Chief -----	4,910	4,644	5,106	4.0%	4.0%
Public Works Director -----	5,000	5,008	5,208	4.2%	4.2%
City Attorney	\$5,319	\$5,643	\$5,869	10.3%	
City Clerk	3,212	3,390	3,526	9.8%	
City Manager	5,866	5,969	6,208	5.8%	

MEDIAN
(MINIMUM 4% ADJUSTMENT)

	Present Control Point	Survey	+4%	% Inc.	Rec. % Inc.
Administrative Assistant -----	\$2,710	\$2,837	\$2,950	8.9%	8.9%
Assistant City Manager -----	4,460	4,720	4,909	10.1%	10.1%
Community Development Director -----	4,610	4,580	4,794	4.0%	4.0%
Finance Director -----	4,240	4,285	4,456	5.1%	5.1%
Fire Chief -----	4,500	4,318	4,680	4.0%	4.0%
Parks and Recreation Director -----	4,010	4,000	4,170	4.0%	4.0%
Police Chief -----	4,910	4,550	5,106	4.0%	4.0%
Public Works Director -----	5,000	4,892	5,200	4.0%	4.0%
City Attorney	\$5,319	\$5,642	\$5,868	10.3%	
City Clerk	3,212	3,271	3,402	5.9%	
City Manager	5,866	5,868	6,103	4.0%	

	Present Control Point	<u>MEAN</u>		% Inc.	Rec. % Inc.
		Survey	+4%		
Administrative Assistant -----	\$2,710	\$3,094	\$3,218	18.7%	9.1%
Assistant City Manager -----	4,460	5,065	5,268	18.1%	9.1%
Community Development Director -----	4,610	4,814	5,007	8.6%	8.6%
Finance Director -----	4,240	4,532	4,713	11.2%	9.1%
Fire Chief -----	4,500	4,531	4,712	4.7%	4.7%
Parks and Recreation Director -----	4,010	4,293	4,465	11.3%	9.0%
Police Chief -----	4,910	4,972	5,171	5.3%	5.3%
Public Works Director -----	5,000	5,285	5,496	9.9%	9.1%
City Attorney	\$5,319	\$5,744	\$5,974	12.3%	
City Clerk	3,212	3,525	3,666	14.1%	
City Manager	5,866	6,156	6,402	9.1%	

DIFFERENTIAL

	Present Control Point	Present % of City Mgr	Survey % of City Mgr	Recommended % of City Mgr	+4% Central Adjustment	Recommended % Increase
Administrative Assistant -----	\$2,710	46.2%	52.8%	50%	\$3,201	18.1%
Assistant City Manager -----	4,460	76.0%	79.7%	76%	\$4,866	9.1%
Community Development Director -----	4,610	78.6%	75.8%	77%	4,930	6.9%
Finance Director -----	4,240	72.3%	73.6%	76%	4,866	14.8%
Fire Chief -----	4,500	76.8%	75.2%	76%	4,866	8.1%
Parks and Recreation Director -----	4,010	68.4%	71.0%	70%	4,481	11.7%
Police Chief -----	4,910	83.7%	80.8%	81%	5,186	5.6%
Public Works Director -----	5,000	85.2%	84.6%	85%	5,442	8.8%
City Attorney	\$5,319	90.1%	85.2%	85%	\$5,442	
City Clerk	3,212	54.7%	55.2%	55%	3,521	
City Manager	5,866	100%	100%	100%	6,402	

DIFFERENTIAL
IMPLEMENTATION

	Present Control Point	7/1/87	Adj. Control Point	1/1/88	Adj. Control Point	Cost of Adj 1987-88	1/1/89	Gen. Adj. 7/1/88
Administrative Assistant	\$2,710	6.0%	\$2,873	3.0%	\$2,959	7.5%	3.0%	?
Assistant City Manager	4,460	6.0%	4,728	1.6%	4,804	6.8%	1.5%	?
Community Development Director	4,610	6.0%	4,887	.5%	4,911	6.25%	.4%	?
Finance Director	4,240	6.0%	4,494	4.4%	4,692	8.2%	4.4%	?
Fire Chief	4,500	6.0%	4,770	1.1%	4,822	6.55%	1.0%	?
Parks and Recreation Director	4,010	6.0%	4,251	2.9%	4,374	7.45%	2.8%	?
Police Chief	4,910	5.6%	5,185	0	5,185	5.6%	0	?
Public Works Director	5,000	6.0%	5,300	1.4%	5,374	6.7%	1.4%	?
City Attorney	\$5,319	2.3%	\$5,441	0	\$5,441	2.3%	0	?
City Clerk	3,212	6.0%	3,405	1.8%	3,466	6.9%	1.8%	?
City Manager	5,866	6.0%	6,218	1.6%	6,317	6.8%	1.5%	?

DIFFERENTIAL
COMPARISONS

(% Compensation)

	Previous Survey (30-60K)	Valley Survey	Current Lodi	City Manager's Recommendation
Administrative Assistant to the City Manager	49.7	52.8	46.2	50
Assistant City Manager	79.0	79.7	76.0	76
Community Development Director	75.5	75.8	78.6	77
Finance Director	73.9	73.6	72.3	76
Fire Chief	77.5	75.2	76.8	76
Parks and Recreation Director	70.6	71.0	68.4	70
Police Chief	81.9	80.8	83.7	81
Public Works Director	83.4	84.6	85.2	85
City Attorney	85.0	85.2	90.1	85
City Clerk	50.7	55.2	54.7	55