

**REPORT TO MAYOR AND COUNCIL****TO MAYOR AND COUNCIL:**

DATE: September 23, 2014

SUBJECT: RESOLUTIONS APPROVING ADJUSTMENTS TO CITY MANAGER, CITY ATTORNEY, EXECUTIVE MANAGEMENT, MANAGEMENT AND CONFIDENTIAL EMPLOYEE COMPENSATION**Report in Brief**

For many years, the City Council and its employees have worked together to address the City's fiscal challenges and help address the organization's structural budget deficit. The Executive Team, Management and Confidential employees have reduced their pay and benefits over the years in multiple ways including unpaid furlough days, cessation of salary increases; and employees picking up costs associated with retirement and medical benefits, to name a few. Although some of these concessions have been eliminated, the City Council and its employees are still working together to further remedy the City's fiscal challenges.

This proposed action restores the organization's work schedule by re-opening City facilities that were previously closed business days between December 26 and December 31, thereby allowing the community to once again conduct its business with City staff during normal work hours on these days. Prior to this change, the City was closed for business during this period each year, and employees were required to take time off without pay or use their leave balances in order to be compensated for this time off. This proposed action also reduces by 20 percent the amount of the cash-in-lieu health waiver that employees receive for opting out of the City health care benefits, effectuates a change in the bereavement leave benefit, and provides a cost of living adjustment of 2.6% (which approximates the rate of inflation) for all unrepresented employees in the first full pay period following the proposed adoption of these resolutions.

Discussion

Unrepresented management and confidential employees reduced their compensation over the past several years to help address major structural shortfalls in the City's budget primarily caused by the Great Recession and increases in the cost of employee benefits. Concord employees provide excellent public services and are deeply committed to the City. They have unquestionably made significant sacrifices to help the City address the budget shortfalls it has faced over the years. The City has been working to restore City services and some of the concessions given up by its employees. This proposal eliminates the unpaid closure days between December 26 and December 31, and provides a cost of living adjustment for unrepresented employees of 2.6%. It also reduces the health waiver paid to employees who opt out of the City's health insurance plans, which has been a goal of the Council.

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Below is a presentation of the compensation adjustments that apply across all three unrepresented groups, Executive Management, Management, and Confidential employees, followed by a presentation of continued concessions by the Executive Management and Management employee groups.

Adjustments in Compensation For All Unrepresented Employees in FY 2014-2015:

- Beginning in fiscal year 2014-2015, the City will be open for business between December 26 and December 31. Employees shall work during their regularly scheduled days during this time unless they have been approved to take vacation per the City's vacation usage policy. Prior to this agreement, the City was closed for business during this time period, and employees were not paid unless they used their leave balances in order to be compensated during the closure.
- Beginning January 1, 2015, all employees receiving cash-in-lieu of medical benefits as of January 1, 2015, shall receive a reduction of that benefit currently at \$632.63 per month to \$500 per month. All other employees who elect cash-in-lieu of medical benefits after January 1, 2015, shall receive \$200 per month. Additionally, all employees receiving the cash-in-lieu as of January 1, 2015, will receive a one-time payment of \$750 effective the first full pay period in January, 2015.
- Beginning the first full pay period following adoption of Resolutions 14-4735.6, 14-4735.7 and 14-4735.8, all unrepresented employees (with the exception of the City Manager and the City Attorney) shall receive a cost of living adjustment of 2.6%.
- The City's Executive and Management Compensation Program Policy and Procedure 37.9 and Compensation for Confidential Classifications and Employees Program Policy and Procedure 37.10 were superseded by Council action on March 5, 2013. Revised Policy and Procedure nos. 37.9 and 37.10 are included here for council consideration. Each policy was revised to remove the variable pay components that allowed for additional pay above the top of the range of the classifications within the unrepresented group.
- The City and its employees will continue to split evenly any increases (or decreases) in health premiums from the applicable premium rate for the Kaiser plan offered through CalPERS.
- Bereavement Leave:
Effective Fiscal Year 2014-2015, employees will be entitled to a maximum of four (4) days of bereavement leave to attend a funeral in the State of California or a maximum of five (5) days of bereavement leave to attend a funeral outside the State of California per calendar year, due to death of an employee's immediate family member or parent-in-law, grandparent, or grandchild of the employee or his/her spouse. Sons and daughters-in-law shall be included in the definition of immediate family for purposes of Bereavement Leave.

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City Manager, City Attorney and Executive Management Continuing Concessions:

- Continued suspension of the City's contribution to 401(k) Deferred Compensation Plan (3% of salary) for Fiscal Year 2014-2015.
- Continued suspension of the City-paid Flexible Benefit Plan (\$2,000) for calendar year 2015.

Management Employees Continuing Concessions:

- Continued suspension of the City-paid Flexible Benefit Plan (\$2,000) for calendar year 2015.

Fiscal Impact

The cost of the compensation adjustments is \$197,960 for Fiscal Year 2014-2015. No budget adjustments are necessary for FY 2014-15 since sufficient funds are available in the adopted FY 2014-15 budget.

Public Contact

All affected employees have been educated about this proposal and the agenda was posted.

Recommendation for Action

- Adopt Resolution No. 14-4735.6, approving adjustments to compensation for City Manager, City Attorney and Executive Management.
- Adopt Resolution No. 14-4735.7, approving adjustments to Management Employees.
- Adopt Resolution No. 14-4735.8, approving adjustments to compensation for Confidential Employees.

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Attachments:

1. Resolution No. 14-4735.6, approving adjustments to compensation for City Manager, City Attorney and Executive Management.
1-A Executive and Management Policy and Procedure 37.9

2. Resolution No. 14-4735.7, approving adjustments to Management Employees
2-A Executive and Management Policy and Procedure 37.9

3. Resolution No. 14-4735.8, approving adjustments to compensation for Confidential Employees.
3-A Compensation for Confidential Classifications and Employees Policy and Procedure 37.10

**BEFORE THE CITY COUNCIL OF THE CITY OF CONCORD
COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA**

**A Resolution Approving Adjustments to
Compensation for City Manager, City Attorney and
Executive Management**

Resolution No. 14-4735.6

WHEREAS, the City Council, at its meeting on September 23, 2014 considered staff's recommended adjustments to the compensation for the City Manager, City Attorney and Executive Management employees for a one-year period; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CONCORD DOES
RESOLVE AS FOLLOWS:**

Section 1. Approves the following adjustments to salary and benefits for the City Manager, City Attorney and Executive Management employees:

- (a) Excluding City Manager and City Attorney, effective the first full pay period after adoption of Resolution No. 14-4735.6, employees shall receive a cost of living adjustment of 2.6%
- (b) Beginning Fiscal Year 2014-2015, City offices will remain open between December 26 and December 31.
- (c) Beginning January 1, 2015, all employees receiving cash-in-lieu of medical benefits as of January 1, 2015, shall receive a reduction of that benefit from \$632.63 per month to \$500 per month. All other employees who elect cash-in-lieu of medical benefits after January 1, 2015, shall receive \$200 per month. Additionally, all employees receiving the cash-in-lieu as of January 1, 2015, will receive a one-time payment of \$750 effective the first full pay period in January, 2015.
- (d) Effective Fiscal Year 2014-2015, implement the revised Executive and Management Compensation Program Policy and Procedure 37.9 (Attachment 1.A).
- (e) Continued suspension of the City's contribution to 401(k) Deferred Compensation Plan (3% of salary) for Fiscal Year 2014-2015.
- (f) Continued suspension of the City-paid Flexible Benefit Plan (\$2,000) for calendar years

2014 and 2015.

(g) The City and the employees covered by this resolution will continue to split evenly any increases (or decreases) in health premiums from the applicable premium rate for the Kaiser plan offered through CalPERS.

(h) Bereavement Leave:

Effective Fiscal Year 2014-2015, an employee will be entitled to a maximum of four (4) days of bereavement leave to attend a funeral in the State of California or a maximum of five (5) days of bereavement leave to attend a funeral outside the State of California per calendar year, due to death of employee’s immediate family member or death of a parent-in-law, grandparent, or grandchild of the employee or the employee’s spouse. Sons and daughters-in-law shall be included in the definition of immediate family for purposes of Bereavement Leave.

Section 3. This resolution shall become effective immediately upon its passage and adoption.

PASSED AND ADOPTED by the City Council of the City of Concord on September 23, 2014, by the following vote:

AYES: Councilmembers -

NOES: Councilmembers -

ABSTAIN: Councilmembers -

ABSENT: Councilmembers -

I HEREBY CERTIFY that the foregoing Resolution No. 14-4735.6 was duly and regularly adopted at a regular meeting of the City Council of the City of Concord on September 23, 2014.

Joelle Fockler, CMC
Deputy City Clerk

APPROVED AS TO FORM:

Mark S. Coon
City Attorney

Attachment: Executive and Management Compensation Program Policy and Procedure 37.9



CITY OF CONCORD

1:5

Number:	37.9
Authority:	Council Motion
Effective:	-
Revised:	2014
Reviewed:	
Initiating Dept.:	HR

POLICY & PROCEDURE

EXECUTIVE AND MANAGEMENT COMPENSATION

1. GENERAL INTRODUCTION

“Our mission is to join with our community to make Concord a city of the highest quality. We do this by providing responsive, cost effective, and innovative local government services.” (The City of Concord’s Mission Statement, adopted January 31, 1996).

“We will be a customer based, performance driven, results oriented organization, focused on finding the answer, solving the problem, and achieving positive outcomes.

“We will partner with the Concord community to maximize resources, deliver high quality services, and be recognized as setting the standard for excellence.

“We will constantly look for new and better ways to deliver services. We will seek to be innovative, take reasonable risks, learn from our mistakes and always strive for excellence.

“We will be accountable for our performance and our organization’s success, and be recognized for our achievements.

“We set measurable performance goals which support the priorities of the City and our individual work groups. We are given the necessary authority, training and resources to enable us to achieve these goals. Performance reviews are conducted in a timely and effective manner. Employee advancement and other incentives are based on performance. We are proud of the professionalism, competency and dedication that exist throughout the organization.” (Excerpts from Concord’s Vision and Value Statements).

2. POLICY STATEMENT

The City’s Compensation Policy supports and facilitates the mission of making the City of Concord a city of the highest quality. Fairness, competitiveness, and equity are important components of the pay philosophy to the extent they complement the primary focus.

The Executive and Management Compensation Plan will recognize and encourage desired outcomes, innovation, reasonable risk taking, and accountability. While the core principles of the philosophy will remain stable, the Compensation Plan details will be flexible to meet the changing needs of the organizational units and work force arrangements.

3. POLICY IMPLEMENTATION

The City’s compensation policy has been implemented in accordance with the following guidelines:

- 3.1 **Fiscally Prudent.** The City’s practice is to compensate employees in accordance with the City’s financial condition. In determining the City’s financial condition, the City will consider

competing service priorities, reserves, revenue growth, and the Council's adopted budget policies.

- 3.2 **Attract and Retain Quality Employees.** The City's Compensation Plan will provide the City with the ability to attract and retain high quality, innovative, motivated, performance oriented individuals.
- 3.3 **Base Pay.** The maximum base pay rates will generally reflect the economics of the market and serve as the foundation for variable pay. The market will be determined for each position or group of like positions and will typically include comparable sized public agencies located in the Bay Area, but may also include private sector employers, as appropriate.

The maximum rates for individual positions will be valued based primarily on external market considerations modified as appropriate by internal alignment considerations.

3.4 **Salary Step Plan.**

The City Council shall establish the salary ranges for Executive and Management classifications. The salary ranges for Executive and Management classifications shall be made public on the City's website.

3.4.1 **Initial Placement.** The entrance salary for a new employee entering City service shall be set within the salary range for the classification to which the employee is appointed, depending on the knowledge, skills and abilities of the new employee on the date of hire. Such initial placement shall be at the discretion of the City Manager or designee. Any placement above mid-range shall be at the sole discretion of the City Manager.

3.4.2 **Advancement within Salary Range.** Eligibility for advancement within the salary range shall be based upon time in the classification and based upon merit, at the sole discretion of the City Manager or designee, and with no right to appeal.

3.4.2.1 – *First Year of Service (including promotional assignments):* Executives and Managers successfully completing one year of service are eligible for up to a five percent (5%) increase to base pay in the first full pay period following his/her anniversary date, not to exceed the maximum salary range.

3.4.2.2 – *Second Year of Service and Beyond:* Executives and Managers are eligible for up to a five percent (5%) increase to base pay each year in the first full pay period in October, not to exceed the maximum salary range. For employees in the second year of service in his/her current Executive or Management classification, this amount shall be prorated between the months of the first increase (described in 3.4.2.1 above) and the following October.

3.4.2.3 - In addition to the provisions of this policy governing merit advancement within a range, the City Manager in her/his sole discretion, may grant increases in an amount greater than five percent (5%) for extraordinary performance or in the interest of equity, not to exceed the maximum salary range.

3.4.3 **Advancement Not Automatic.** No advancement within the salary range shall be automatic upon completion of the periods of service outlined above, and all advancements shall be made on the basis of merit as established by the employee's work performance and after written recommendation of the appointing authority and approval by the Human Resources Department and City Manager. Advancements within Salary Ranges may be withheld in cases of inferior work, performance, lack of application, or indifferent attitude. Employees shall participate in the Results-Based Performance Management program wherein all annual evaluations are given at the

end of September each year, and employees are evaluated on whether or not they achieved the results planned. The performance criteria is defined goals and standards that are written by the employee, and approved by the appointing authority, each October.

3.4.5 Cost of Living Adjustments. The Executive and Management employees may receive cost of living increases, at the discretion of the City Council.

5.5 Working Out-of-Class

3.5.1 Definition. Employees who are temporarily assigned by the City Manager, or designee, to perform a substantial amount of additional work customarily assigned to a higher classification.

3.5.2 Pay Differential. The salary increase received by an employee when working out-of-class will be determined by the City Manager based on the range of duties assigned. However, the standard increase will be five percent (5%). Once the Out-of-Class assignment ends, the pay differential shall be terminated. Termination of the pay differential is not discipline and the disciplinary appeal process does not apply under these circumstances.

3.5.3 Duration. Out-of-Class assignments must not extend past six (6) months except through written authorization of the City Manager, or designee.

3.6 Mix of Base Salary, Total Cash, and Benefit. The City's policy 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.

**BEFORE THE CITY COUNCIL OF THE CITY OF CONCORD
COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA**

**A Resolution Approving Adjustments to
Compensation for Management Employees**

Resolution No. 14-4735.7

WHEREAS, the City Council, at its meeting on September 23, 2014 considered staff's recommended adjustments to the compensation for the Management employees for a one-year period; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CONCORD DOES
RESOLVE AS FOLLOWS:**

Section 1. Approves the following adjustments to salary and benefits for Management employees:

- (a) Effective the first full pay period after adoption of Resolution No. 14-4735.7, employees shall receive a cost of living adjustment of 2.6%.
- (b) Beginning Fiscal Year 2014-2015, City offices will remain open between December 26 and December 31.
- (c) Beginning January 1, 2015, all employees receiving cash-in-lieu of medical benefits as of January 1, 2015, shall receive a reduction of that benefit from \$632.63 per month to \$500 per month. All other employees who elect cash-in-lieu of medical benefits after January 1, 2015, shall receive \$200 per month. Additionally, all employees receiving the cash-in-lieu as of January 1, 2015, will receive a one-time payment of \$750 effective the first full pay period in January, 2015.
- (d) Effective Fiscal Year 2014-2015, implement the revised Executive and Management Compensation Program Policy and Procedure 37.9 (Attachment 2.A).
- (e) Continued suspension of the City-paid Flexible Benefit Plan (\$2,000) for calendar years 2014 and 2015.
- (f) The City and the employees covered by this resolution will continue to split evenly any increases (or decreases) in health premiums from the applicable premium rate for the

Kaiser plan offered through CalPERS.

(g) Bereavement Leave:

Effective Fiscal Year 2014-2015, an employee will be entitled to a maximum of four (4) days of bereavement leave to attend a funeral in the State of California or a maximum of five (5) days of bereavement leave to attend a funeral outside the State of California per calendar year, due to death of the employee’s immediate family member or death of a parent-in-law, grandparent, or grandchild of the employee or the employee’s spouse. Sons and daughters-in-law shall be included in the definition of immediate family for purposes of Bereavement Leave.

Section 3. This resolution shall become effective immediately upon its passage and adoption.

PASSED AND ADOPTED by the City Council of the City of Concord on September 23, 2014, by the following vote:

AYES: Councilmembers -

NOES: Councilmembers -

ABSTAIN: Councilmembers -

ABSENT: Councilmembers -

I HEREBY CERTIFY that the foregoing Resolution No. 14-4735.7 was duly and regularly adopted at a regular meeting of the City Council of the City of Concord on September 23, 2014.

Joelle Fockler, CMC
Deputy City Clerk

APPROVED AS TO FORM:

Mark S. Coon
City Attorney

Attachment: Executive and Management Compensation Program Policy and Procedure 37.9



CITY OF CONCORD

1:5

Number:	37.9
Authority:	Council Motion
Effective:	-
Revised:	2014
Reviewed:	
Initiating Dept.:	HR

POLICY & PROCEDURE

EXECUTIVE AND MANAGEMENT COMPENSATION

1. GENERAL INTRODUCTION

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“We will partner with the Concord community to maximize resources, deliver high quality services, and be recognized as setting the standard for excellence.

“We will constantly look for new and better ways to deliver services. We will seek to be innovative, take reasonable risks, learn from our mistakes and always strive for excellence.

“We will be accountable for our performance and our organization’s success, and be recognized for our achievements.

“We set measurable performance goals which support the priorities of the City and our individual work groups. We are given the necessary authority, training and resources to enable us to achieve these goals. Performance reviews are conducted in a timely and effective manner. Employee advancement and other incentives are based on performance. We are proud of the professionalism, competency and dedication that exist throughout the organization.” (Excerpts from Concord’s Vision and Value Statements).

2. POLICY STATEMENT

The City’s Compensation Policy supports and facilitates the mission of making the City of Concord a city of the highest quality. Fairness, competitiveness, and equity are important components of the pay philosophy to the extent they complement the primary focus.

The Executive and Management Compensation Plan will recognize and encourage desired outcomes, innovation, reasonable risk taking, and accountability. While the core principles of the philosophy will remain stable, the Compensation Plan details will be flexible to meet the changing needs of the organizational units and work force arrangements.

3. POLICY IMPLEMENTATION

The City’s compensation policy has been implemented in accordance with the following guidelines:

- 3.1 **Fiscally Prudent.** The City’s practice is to compensate employees in accordance with the City’s financial condition. In determining the City’s financial condition, the City will consider

competing service priorities, reserves, revenue growth, and the Council's adopted budget policies.

- 3.2 **Attract and Retain Quality Employees.** The City's Compensation Plan will provide the City with the ability to attract and retain high quality, innovative, motivated, performance oriented individuals.
- 3.3 **Base Pay.** The maximum base pay rates will generally reflect the economics of the market and serve as the foundation for variable pay. The market will be determined for each position or group of like positions and will typically include comparable sized public agencies located in the Bay Area, but may also include private sector employers, as appropriate.

The maximum rates for individual positions will be valued based primarily on external market considerations modified as appropriate by internal alignment considerations.

3.4 **Salary Step Plan.**

The City Council shall establish the salary ranges for Executive and Management classifications. The salary ranges for Executive and Management classifications shall be made public on the City's website.

3.4.1 **Initial Placement.** The entrance salary for a new employee entering City service shall be set within the salary range for the classification to which the employee is appointed, depending on the knowledge, skills and abilities of the new employee on the date of hire. Such initial placement shall be at the discretion of the City Manager or designee. Any placement above mid-range shall be at the sole discretion of the City Manager.

3.4.2 **Advancement within Salary Range.** Eligibility for advancement within the salary range shall be based upon time in the classification and based upon merit, at the sole discretion of the City Manager or designee, and with no right to appeal.

3.4.2.1 – *First Year of Service (including promotional assignments):* Executives and Managers successfully completing one year of service are eligible for up to a five percent (5%) increase to base pay in the first full pay period following his/her anniversary date, not to exceed the maximum salary range.

3.4.2.2 – *Second Year of Service and Beyond:* Executives and Managers are eligible for up to a five percent (5%) increase to base pay each year in the first full pay period in October, not to exceed the maximum salary range. For employees in the second year of service in his/her current Executive or Management classification, this amount shall be prorated between the months of the first increase (described in 3.4.2.1 above) and the following October.

3.4.2.3 - In addition to the provisions of this policy governing merit advancement within a range, the City Manager in her/his sole discretion, may grant increases in an amount greater than five percent (5%) for extraordinary performance or in the interest of equity, not to exceed the maximum salary range.

3.4.3 **Advancement Not Automatic.** No advancement within the salary range shall be automatic upon completion of the periods of service outlined above, and all advancements shall be made on the basis of merit as established by the employee's work performance and after written recommendation of the appointing authority and approval by the Human Resources Department and City Manager. Advancements within Salary Ranges may be withheld in cases of inferior work, performance, lack of application, or indifferent attitude. . Employees shall participate in the Results-Based Performance Management program wherein all annual evaluations are given at the

end of September each year, and employees are evaluated on whether or not they achieved the results planned. The performance criteria is defined goals and standards that are written by the employee, and approved by the appointing authority, each October.

3.4.5 Cost of Living Adjustments. The Executive and Management employees may receive cost of living increases, at the discretion of the City Council.

3.5 Working Out-of-Class

3.5.1 Definition. Employees who are temporarily assigned by the City Manager, or designee, to perform a substantial amount of additional work customarily assigned to a higher classification.

3.5.2 Pay Differential. The salary increase received by an employee when working out-of-class will be determined by the City Manager based on the range of duties assigned. However, the standard increase will be five percent (5%). Once the Out-of-Class assignment ends, the pay differential shall be terminated. Termination of the pay differential is not discipline and the disciplinary appeal process does not apply under these circumstances.

3.5.3 Duration. Out-of-Class assignments must not extend past six (6) months except through written authorization of the City Manager, or designee.

3.6 Mix of Base Salary, Total Cash, and Benefit. The City's policy 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.

**BEFORE THE CITY COUNCIL OF THE CITY OF CONCORD
COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA**

**A Resolution Approving Adjustments to
Compensation for Confidential Employees**

Resolution No. 14-4735.8

WHEREAS, the City Council, at its meeting on September 23, 2014 considered staff's recommended adjustments to the compensation for Confidential employees for a one-year period; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CONCORD DOES
RESOLVE AS FOLLOWS:**

Section 1. Approves the following adjustments to salary and benefits for Confidential employees:

- (a) Effective the first full pay period after adoption of Resolution No. 14-4735.7, employees shall receive a cost of living adjustment of 2.6%.
- (b) Beginning Fiscal Year 2014-2015, City offices will remain open between December 26 and December 31.
- (c) Beginning January 1, 2015, all employees receiving cash-in-lieu of medical benefits as of January 1, 2015, shall receive a reduction of that benefit from \$632.63 per month to \$500 per month. All other employees who elect cash-in-lieu of medical benefits after January 1, 2015, shall receive \$200 per month. Additionally, all employees receiving the cash-in-lieu as of January 1, 2015, will receive a one-time payment of \$750 effective the first full pay period in January, 2015.
- (d) Effective Fiscal Year 2014-2015, implement the revised Compensation for Confidential Classifications and Employees Policy and Procedure 37.10 (Attachment 3.A).
- (e) The City and the employees covered by this resolution will continue to split evenly any increases (or decreases) in health premiums from the applicable premium rate for the Kaiser plan offered through CalPERS.
- (f) **Bereavement Leave:**
Effective Fiscal Year 2014-2015, an employee will be entitled to a maximum of four (4)

1 days of bereavement leave to attend a funeral in the State of California or a maximum of
2 five (5) days of bereavement leave to attend a funeral outside the State of California per
3 calendar year, due to death of the employee’s immediate family or death of a parent-in-
4 law, grandparent, or grandchild of the employee or his/her spouse. Sons and daughter-in-
5 law shall be included in the definition of immediate family for purposes of Bereavement
6 Leave.

7 **Section 3.** This resolution shall become effective immediately upon its passage and adoption.
8

9 **PASSED AND ADOPTED** by the City Council of the City of Concord on September 23,
10 2014, by the following vote:

11 **AYES:** Councilmembers -

12 **NOES:** Councilmembers -

13 **ABSTAIN:** Councilmembers -

14 **ABSENT:** Councilmembers -

15 **I HEREBY CERTIFY** that the foregoing Resolution No. 14-4735.8 was duly and regularly
16 adopted at a regular meeting of the City Council of the City of Concord on September 23, 2014.
17

18
19 _____
Joelle Fockler, CMC
Deputy City Clerk

20 **APPROVED AS TO FORM:**

21
22 _____
Mark S. Coon
City Attorney

23
24 Attachment: Compensation for Confidential Classifications and Employees Policy and Procedure
25 37.10
26
27
28



CITY OF CONCORD

Number:	37.10
Authority:	Council Motion
Effective:	9/23/14
Revised:	
Reviewed:	2014
Initiating Dept.:	HR

COMPENSATION FOR CONFIDENTIAL CLASSIFICATIONS AND EMPLOYEES

1. PURPOSE

To establish guidelines to equitably compensate employees in Confidential classifications.

2. DEFINITIONS

“Compensation” means all salary, benefits, perquisites, or other valuable consideration paid to an employee for services rendered.

“Confidential Employee” means any person defined and determined to be a “Confidential Employee” in accordance with Policy & Procedure No. 37.34, titled Employer-Employee Relations.

3. GENERAL

3.1 Compensation for employees in Confidential classifications is intended to be reasonably competitive with current trends in compensation provided to employees occupying comparable level confidential positions in other organizations while maintaining due consideration for internal relationships among classifications within related occupational groups.

3.2 Confidential compensation also is intended to be commensurate with actual job performance; to provide motivation for greater future accomplishment in achieving program or departmental goals within available resources without unnecessary increased costs; and to recognize extraordinary performance and exceptional contribution to departmental and overall City programs and goals.

4. POLICY IMPLEMENTATION

The City’s compensation policy has been implemented in accordance with the following guidelines:

4.1 **Fiscally Prudent.** The City’s practice is to compensate employees in accordance with the City’s financial condition. In determining the City’s financial condition, the City will consider competing service priorities, reserves, revenue growth, and the Council’s adopted budget policies.

4.2 **Attract and Retain Quality Employees.** The City’s Compensation Plan will provide the City with the ability to attract and retain high quality, innovative, motivated, performance oriented individuals.

4.3 **Base Pay.** The maximum base pay rates will generally reflect the economics of the market and serve as the foundation for variable pay. The market will be determined for each position or group of like positions and will typically include comparable sized public agencies located in the Bay Area, but may also include private sector employers, as appropriate.

The maximum rates for individual positions will be valued based primarily on external market considerations modified as appropriate by internal alignment considerations.

4.4 **Salary Step Plan.**

The City Council shall establish the salary ranges for Confidential classifications. The salary ranges for Confidential classifications shall be made public on the City's website.

4.4.1 **Initial Step Placement.** The entrance salary for a new employee entering City service shall be the first, second, or third or fourth step of the salary range for the classification to which the employee is appointed, depending on the knowledge, skills and abilities of the new employee on the date of hire. Such initial step placement shall be at the discretion of the City Manager or designee. Any initial step placement above step 4 shall be at the sole discretion of the City Manager.

4.4.2 **Salary Step Movement.** Eligibility for a salary step movement shall be based upon time in the classification and based upon merit, at the sole discretion of the City Manager or designee, and with no right to appeal. An eligible employee hired at Step 1 shall be considered for advancement to Step 2 thirteen pay periods (approximately six months) following date of hire; with the effective date adjusted to the beginning date of the closest pay period at that time. The effective date shall become the anniversary date. If employed at other than Step 1, then consideration for advancement to the next salary step will take place after completion of twenty-six (26) full pay periods of satisfactory performance in the current step, and upon the approval of the City Manager or designee. The effective date shall be adjusted to the beginning date of the closest pay period at that time. No step increase shall exceed step 6 of the pay range.

Consideration for each subsequent step advancement shall be after twenty-six (26) full pay periods (approximately one year) of the appropriate anniversary date. If early advancement is authorized, it shall coincide with the beginning of a pay period.

4.4.3 **Step Advancement No Automatic.** No advance in salary steps shall be automatic upon completion of the periods of service outlined above, and all increases shall be made on the basis of merit as established by the employee's work performance and after written recommendation of the appointing authority and approval by the Human Resources Department and City Manager. Step advancements may be withheld in cases of inferior work, performance, lack of application, or indifferent attitude. . Employees shall participate in the Results-Based Performance Management program wherein all annual evaluations are given on the employee's anniversary date each year, and employees are evaluated on whether or not they achieved the results planned. The performance criteria is defined goals and standards that are written by the employee, and approved by the appointing authority, annually.

4.4.3 **Special Salary Adjustments.** Notwithstanding anything in these Rules to the contrary, in order to correct gross inequities or to reward outstanding achievement and performance, the City Manager may, upon recommendation of the appointing authority and the Human Resources Director, adjust the salary step of an incumbent of a particular position to any step within the pay range for the class to which the position is allocated. If a special salary step adjustment is authorized, it shall coincide with the beginning date of a pay period.

4.4.4 **Cost of Living Adjustments.** The Confidential employees may receive cost of living increases, at the discretion of the City Council.

4.5 **Working Out-of-Class**

3.5.1 *Definition.* Employees who are temporarily assigned by the City Manager, or designee, to perform a substantial amount of additional work customarily assigned to a higher classification.

3.5.2 *Pay Differential.* The salary increase received by an employee when working out-of-class will be determined by the City Manager based on the range of duties assigned. However, the standard increase will be five percent (5%). Once the Out-of-Class assignment ends, the pay differential shall be terminated. Termination of the pay differential is not discipline and the disciplinary appeal process does not apply under these circumstances.

3.5.3 *Duration.* Out-of-Class assignments must not extend past six (6) months except through written authorization of the City Manager, or designee.

4.6 **Mix of Base Salary, Total Cash, and Benefit.** The City's policy 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.