



Staff Report

Date: May 24, 2016

To: City Council

From: Valerie Barone, City Manager

Prepared by: Elia Bamberger, Director of Human Resources
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(925) 671-3310

Subject: **Consider an Addendum to the Memorandum of Understanding between the City of Concord and the Office and Professional Employees International Union (OPEIU) Local 29 Adjusting Compensation to Four Engineering Classifications, Junior Engineer, Assistant Engineer, Associate Civil Engineer and Plan Check Engineer, and Consider an Adjustment to Compensation for the City Engineer Classification. Resolution No. 16-4735.2 for adoption.**

Report in Brief

The job market for classifications which require an engineering degree or license has become extremely competitive. Demand for qualified engineers in both the public and the private sectors remains very high, and the City of Concord has experienced significant difficulty recruiting for key engineering positions, including Associate Civil Engineer. Despite extensive outreach and the addition of recruitment incentives, a total of three recruitments have failed to yield a successful candidate for this classification, with two positions being vacant. The inability to attract qualified engineers has impacted operations in the Engineering Division, overburdening existing Engineering staff and requiring longer lead times to prepare and complete work on high priority Capital Improvement Program (CIP) projects, and delays in responding to utility and private sector requests for development review.

A formal compensation study was completed for all ten City classifications which require an engineering degree/license. The study reflects that the City's compensation for five engineering classifications (four within the OPEIU Local 29 bargaining unit, and one unrepresented management position) has fallen significantly below the median of approved comparison agencies for the classifications of Junior Engineer, Assistant Engineer, Associate Civil Engineer, Plan Check Engineer, and City Engineer. To better

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align the City of Concord with the competitive job market for engineering classifications, a salary adjustment for these classifications is necessary to enable the City to compete more effectively in attracting qualified candidates and retain experienced staff.

Recommended Action

Staff recommends that the City Council adopt Resolution No. 16-4735.2 approving an addendum to the Memorandum of Understanding between the City of Concord and the Office and Professional Employees International Union (OPEIU) Local 29 Adjusting Compensation to Four Engineering Classifications, Junior Engineer, Assistant Engineer, Associate Civil Engineer and Plan Check Engineer, and approving an Adjustment to Compensation for the City Engineer Classification. The recommended adjustments are as follows, based on the findings from the total compensation survey recently completed (copy attached):

Class Title	Percentage from Market Median:	City's Proposed Pay Increase:
Junior Engineer	-5.00%	5%
Assistant Engineer	-8.43%	8.5%
Associate Civil Engineer	-12.56%	13%
Plan Check Engineer	-4.29%	4.5%
City Engineer	-3.96%	4%

Increasing the base salary as recommended would result in the following new pay ranges for the four impacted OPEIU classifications:

Class Title	Grade		Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Junior Engineer	010	Hourly Monthly	31.362 7 5,436	32.930 8 5,708	34.577 3 5,993	36.306 2 6,293	38.121 5 6,607	40.027 6 6,938
Assistant Engineer	012	Hourly Monthly	36.723 2 6,365	38.559 3 6,683	40.487 3 7,017	42.511 6 7,368	44.637 2 7,737	46.869 1 8,123
Associate Civil Engineer	014	Hourly Monthly	43.618 7 7,560	45.799 6 7,938	48.089 6 8,335	50.494 1 8,752	53.018 8 9,189	55.669 7 9,649
Plan Check Engineer	014	Hourly Monthly	42.093 5 7,296	44.198 1 7,661	46.408 8,044	48.728 4 8,446	51.164 9 8,868	53.723 1 9,312

The new salary range for the City Engineer classification is as follows:

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Class Title	Grade		Minimum:	Maximum:
City Engineer	M-9	Hourly Monthly	58.3528 10,115	80.2305 13,906

The increases would become effective June 6, 2016, the first day of the first full pay period following Council action.

Background

The City of Concord and the Office and Professional Employees International Union (OPEIU) Local 29 are parties to a Memorandum of Understanding effective July 1, 2012, (as amended) ("MOU" or "Memorandum of Understanding"). Among other things, the MOU sets forth pay rates for the Junior Engineer, Assistant Engineer, Associate Civil Engineer and Plan Check Engineer engineering classifications, and certain bargaining requirements. The City Engineer Classification is an unrepresented management position.

The City of Concord has, for some time now, experienced significant challenges in recruiting for key engineering positions. As an example, a total of three separate recruitments have been conducted in an unsuccessful attempt to fill two vacancies in the Associate Civil Engineer classification. The initial recruitment (March 3, 2015 – March 20, 2015) resulted in only twenty (20) qualified applicants, of which six were interviewed; only one was deemed appropriate for hire, and successful placement was made for one of two vacancies. The other position remained unfilled.

A second recruitment effort was made (June 3, 2015 – July 1, 2015) with more extensive advertising and outreach being conducted. The City received only a total of eleven (11) applications from candidates meeting the minimum qualifications for the position. Of those, a total of six were interviewed; only one candidate was determined to be a good fit, and a job offer was made. The candidate rejected the City's offer, based on a competing job offer providing higher compensation.

A third recruitment was initiated after another vacancy in the Associate Civil Engineer classification occurred due to an internal promotion (December 18, 2015 – February 5, 2016). This recruitment involved an extensive advertising campaign to promote the position as effectively as possible. Human Resources staff coordinated with the State of California to obtain the contact information of individuals possessing a valid Civil Engineer license, residing within a broad geographic area in Northern California, and further possessing the requisite years of experience required for the Associate Civil Engineer classification. A total of 1,400 direct mailers with the City's job announcement were sent to those who met the established criteria. Further, the recruitment now included recruitment incentives previously authorized by the City Council, providing for a one-time signing bonus of 5 percent of starting salary (payable 50 percent after six months of satisfactory performance, with the remaining 50 percent payable upon successful completion of the one-year probationary period) as well as front-loading of the first year's accrual of vacation and sick leave.

Despite these efforts, only 22 applications were received from candidates meeting the minimum qualifications for the position. Of those, eight considered the most qualified were invited to continue to the interview process; two job offers were made. Both candidates rejected the City's job offer. One highly qualified candidate advised that when reviewing the City's job offer and total compensation package provided by the City (which included the top step in the City's salary range), it simply wasn't sufficiently advantageous for him to leave his current agency. The other candidate likewise chose to remain with his present employer, having been given a salary increase, rather than accept the City's offer.

Analysis

Given the continued inability to hire, Human Resources contracted with Koff & Associates to perform a total compensation study for all classifications requiring an engineering degree. A total of 10 job classifications were included in the study. The comparison was based on the approved list of local agencies (referred to as the "Rational Universe") established in the last round of fact-finding. As anticipated, the data reflected that the salary offered by the City was 12.56 percent under the median of the marketplace for the Associate Civil Engineer classification. A total of four engineering classifications represented by Local 29, including Associate Civil Engineer, were found to be below the median as follows:

Junior Engineer:	5 percent
Assistant Civil Engineer:	8.43 percent
Associate Civil Engineer:	12.56 percent
Plan Check Engineer:	4.29 percent

Junior Engineer, Assistant Civil Engineer, and Associate Civil Engineer are "flexibly staffed" positions, meaning that a successfully performing incumbent, upon achieving the minimum qualifications of the next highest classification, would automatically be moved to that higher position. Junior Engineer is the entry level position, followed by Assistant Civil Engineer and finally Associate Civil Engineer. While no vacancy currently exists in the Plan Check Engineer classification, it should be noted that the City did experience significant challenges in recruitment for this position in 2013 and 2014, with a total of three recruitments held over a period of nine months required to ultimately fill the vacancy.

Civil engineers are in high demand in both the private and the public sector, with an extremely competitive job market throughout the Bay Area. Additionally, the cities of Pleasant Hill, Walnut Creek, Pleasanton, Livermore, Dublin and San Ramon have all either recently recruited or are in the process of recruiting for similar positions, and so are direct competitors for experienced staff. While none of these agencies are in the "Rational Universe" of comparable agencies, salaries at these agencies are significantly higher than that currently offered by the City of Concord, further eroding the City's ability to hire from the local area. To improve the City's position in the job marketplace, staff is

recommending a corresponding increase to base pay for four engineering classifications, bringing the City's pay ranges into alignment with the median.

As authorized by the City Council, staff has met and conferred with OPEIU Local 29, which supports the proposed increases to base salary for the four classifications that are impacted. As a result, an Addendum to the Memorandum of Understanding (MOU) between the City of Concord and OPEIU Local 29 has been executed. (Attachment 1)

It is anticipated that any future salary increases arising from a successor MOU with OPEIU Local 29 would be in addition to the increase in base salary proposed herein. This may result in the City's engineering classifications ultimately being placed above the median range of comparable "Rational Universe" agencies. However, given the City's anticipated increase in engineering-related needs for the foreseeable future, and the highly competitive job market for engineers in both the private and public sectors, this would benefit the City by creating more advantageous placement in terms of competitive ability to recruit and retain qualified engineers on an ongoing basis.

In addition, the Koff study indicates that the City Engineer classification is 3.96 percent below the median of comparison agencies. This is a key management position, and retention of qualified staff is critical to the City's engineering functions. Effective management of the City's engineering operations and resources has become even more important, given the staffing challenges being experienced. To help ensure retention of a highly competent City Engineer, staff is recommending a 4 percent adjustment to base salary for this critical position. (A summary of the compensation study can be found in Attachment 2.)

Financial Impact

The fully loaded annual cost for the recommended salary adjustments is estimated to be \$96,025. It is anticipated that this cost would be offset by a reduction in charges associated with the use of temporary staff that were hired to help with workloads. Engineering positions in the Current Development Engineering program, such as the Assistant Civil Engineer position, are funded by General Fund revenues. However, a majority of the work effort by the Current Development engineering staff is provided on fee-based development applications, which have 100 percent cost recovery. As a result, a large percentage of the salary increases for this position are recovered by development fees. Similarly, the majority of the work effort of the Building Division Plan Check Engineer is spent on fee-based building permit activities, which also have a 100 percent cost recovery.

Public Contact

The City Council Agenda was posted and a copy was provided to Kelly Gschwend, Vice President and Business Representative for OPEIU, Local 29.

Attachments

1. Addendum to the Memorandum of Understanding between the City of Concord and the Office and Professional Employees International Union (OPEIU) Local 29
2. Summary of Results - Total Compensation Study
3. Resolution No. 16-4735.2

Addendum to the Memorandum of Understanding between the City of Concord and the Office and Professional Employees International Union (OPEIU) Local 29

In the private and public sectors, considerable competition and demand exists for qualified individuals in the Engineering field, making it a challenge for organizations seeking to fill vacancies for classifications which require an Engineering degree and Engineering license. The City of Concord, despite the establishment of recruitment incentives and a high degree of targeted outreach to qualified individuals over three successive recruitment efforts, has been unable to fill vacancies in the Associate Civil Engineer classification. As a result, a compensation study was conducted, which provided evidence that the City's pay scale for certain engineering classifications had fallen significantly below the median of comparable agencies.

In the mutual interest of providing an effective response to this challenge, and enhancing the City's position in the job marketplace for engineers, the parties agree to increase existing salary ranges for the following classifications as indicated below:

Compensation Study Results:

Class Title	Percentage from Market Media	City's Proposed Pay Increase
Junior Engineer	-5.00%	5%
Assistant Engineer	-8.43%	8.5%
Associate Civil Engineer	-12.56%	13%
Plan Check Engineer	-4.29%	4.5%

Current Pay Ranges:

Class Title	Grade		Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Junior Engineer	010	Hourly	29.8693	31.3628	32.9309	34.5775	36.3063	38.1217
		Monthly	5,177	5,436	5,708	5,993	6,293	6,608
Assistant Engineer	012	Hourly	33.8463	35.5386	37.3155	39.1813	41.1404	43.1974
		Monthly	5,867	6,160	6,468	6,791	7,131	7,487
Associate Civil Engineer	014	Hourly	38.6007	40.5307	42.5573	44.6851	46.9194	49.2653
		Monthly	6,691	7,025	7,376	7,745	8,133	8,539
Plan Check Engineer	014	Hourly	40.2809	42.2949	44.4097	46.6301	48.9616	51.4097
		Monthly	6,982	7,331	7,698	8,082	8,487	8,911

The additional base pay for the four classifications will result in the following new pay ranges:

New Pay Ranges:

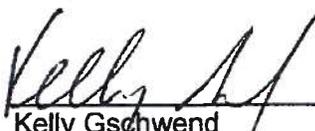
Class Title	Grade		Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Junior Engineer	010	Hourly	31.3627	32.9308	34.5773	36.3062	38.1215	40.0276
		Monthly	5,436	5,708	5,993	6,293	6,607	6,938
Assistant Engineer	012	Hourly	36.7232	38.5593	40.4873	42.5116	44.6372	46.8691
		Monthly	6,365	6,683	7,017	7,368	7,737	8,123
Associate Civil Engineer	014	Hourly	43.6187	45.7996	48.0896	50.4941	53.0188	55.6697
		Monthly	7,560	7,938	8,335	8,752	9,189	9,649
Plan Check Engineer	014	Hourly	42.0935	44.1981	46.408	48.7284	51.1649	53.7231
		Monthly	7,296	7,661	8,044	8,446	8,868	9,312

All other bargaining unit classification pay ranges remain the same. Any subsequent salary adjustments that may arise from a successor Memorandum of Understanding will be added to the new salary ranges for Junior Engineer, Assistant Engineer, Associate Civil Engineer and Plan Check Engineer without any offset. This salary adjustment will become effective with the first full pay period following Council adoption.

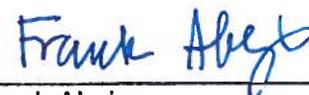
Signed:

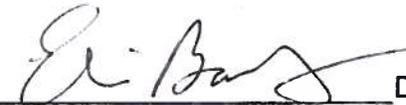
For The Office and Professional
Employees International Union (OPEIU)
Local 29:

For the City of Concord:


Date: 5-9-16
Kelly Gschwend
Vice President/Business Representative
OPEIU, Local 29


Date: 5-10-16
Valerie Barone
City Manager


Date: 5-10-16
Frank Abejo
Bargaining Committee Member
OPEIU, Local 29


Date: 5/10/16
Elia Bamberger
Director of Human Resources

City of Concord
Proposed Range Placement Recommendations
January 2016

Classification Title	Current Top Monthly Salary	% from Total Compensation Market Median	Market Placement Salary	Proposed Top Monthly Salary	Percent Difference	Rationale
City Engineer	\$12,642	-3.96%	\$13,143	\$13,143	3.96%	Market placement.
Assistant City Engineer	\$11,623	0.55%	\$11,559	\$11,623	0.00%	Placement based on current range.
Transportation Manager	\$12,642	5.81%	\$11,907	\$12,642	0.00%	Placement based on current range.
Chief Building Official	\$12,642	7.45%	\$11,701	\$12,642	0.00%	Placement based on current range.
Senior Civil Engineer	\$10,693	3.10%	\$10,361	\$10,693	0.00%	Placement based on current range.
Transportation Program Manager II	\$10,693	2.92%	\$10,381	\$10,693	0.00%	Placement based on current range.
Associate Civil Engineer	\$8,539	-12.56%	\$9,612	\$9,612	12.56%	Market placement.
Plan Check Engineer	\$8,911	-4.29%	\$9,293	\$9,293	4.29%	Market placement.
Assistant Engineer	\$7,487	-8.43%	\$8,118	\$8,118	8.43%	Market placement.
Junior Engineer	\$6,608	-5.00%	\$6,938	\$6,938	5.00%	Market placement.

Legend for columns:

- 1- Classification title
- 2- Current maximum monthly salary
- 3- % City of Concord's total compensation is above or below the total compensation market median.
- 4- Market placement salary based on increasing or decreasing Concord's current top monthly salary by the % difference with the total compensation market median.
- 5- The salary is the proposed maximum monthly based on the market median and/or internal alignment.
- 6- Percent City of Concord's current maximum monthly salary is above/below proposed salary.
- 7- Rationale The rationale expresses how the consultant arrived at each recommendation (i.e., the proposed placement within the salary ranges).

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

A Resolution Approving an Addendum to the Memorandum of Understanding between the City of Concord and the Office and Professional Employees International Union (OPEIU) Local 29 Adjusting Compensation to Four Engineering Classifications, Junior Engineer, Assistant Engineer, Associate Civil Engineer and Plan Check Engineer, and Approving Adjustment to Compensation for the City Engineer Classification

Resolution No. 16-4735.2

WHEREAS, the City of Concord and the Office and Professional Employees International Union (OPEIU) Local 29 parties to a Memorandum of Understanding effective July 1, 2012(as amended) (“MOU” or “Memorandum of Understanding”). Among other things, the MOU sets forth pay rates for the Junior Engineer, Assistant Engineer, Associate Civil Engineer and Plan Check Engineer engineering classifications, and certain bargaining requirements; and

WHEREAS, the City Engineer Classification is an unrepresented management position; and

WHEREAS, due to significant challenges in recruiting for key engineering purposes, the City Manager and City staff are recommending adjusting compensation for five Engineering classifications including Office and Professional Employees International Union (OPEIU) Local 29 classifications Junior Engineer, Assistant Engineer, Associate Civil Engineer and Plan Check Engineer, and unrepresented management classification City Engineer; and

WHEREAS, City representatives and the duly appointed representatives of the Office and Professional Employees International Union (OPEIU) Local 29 have met and conferred in accordance with Section 3500 et. Seq. of the California Government Code; and

WHEREAS, City representatives and the duly appointed representatives of OPEIU Local 29 signed the attached amendment on May 10, 2016; and

WHEREAS, the City Manager and City staff recommend that the terms and conditions of the Memorandum of Understanding amendment be approved by the City Council; and

WHEREAS, the City Council, at its meeting on May 24, 2016, considered staff’s recommended adjustments to the compensation for five Engineering classifications, Junior Engineer,

1 Assistant Engineer, Associate Civil Engineer, Plan Check Engineer and City Engineer.

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

4 **Section 1.** Approves the written Amendment to the Memorandum of Understanding between
5 the City of Concord and OPEIU Local 29 making the following adjustments to salary and benefits for
6 the classifications of Junior Engineer, Assistant Engineer, Associate Civil Engineer and Plan Check
7 Engineer:

- 8 (a) Effective the first full payment period after adoption of Resolution No. 16-4735.2, base
9 salary shall be increased by 5% for Junior Engineer; 8.5% for Assistant Engineer, 13%
10 for Associate Civil Engineer; and 4.5% for Plan Check Engineer.

11 **Section 2.** Approves the following adjustments to salary and benefits for the classification of
12 City Engineer:

- 13 (a) Effective the first full payment period after adoption of Resolution No. 16-4735.2, base
14 salary shall be increased by 4% for City Engineer.

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

16 **PASSED AND ADOPTED** by the City Council of the City of Concord on May 24, 2016, by
17 the following vote:

18 **AYES:** Councilmembers -

19 **NOES:** Councilmembers -

20 **ABSTAIN:** Councilmembers -

21 **ABSENT:** Councilmembers –

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1 **I HEREBY CERTIFY** that the foregoing Resolution No. 16-4735.2 was duly and regularly
2 adopted at a regular meeting of the City Council of the City of Concord on May 24, 2016.
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5 _____
6 Joelle Fockler, MMC
7 City Clerk

8 **APPROVED AS TO FORM:**

9 _____
10 Susanne Meyer Brown
11 City Attorney
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