

SULTAN CITY COUNCIL SUBCOMMITTEE AGENDA ITEM COVER SHEET

ITEM NO: D-1
DATE: February 5, 2009
SUBJECT: Non-represented Employee Compensation Package
CONTACT PERSON: Deborah Knight, City Administrator

ISSUE:

The issue before the city council subcommittee is a continued discussion of the compensation package for non-represented employees. The city council directed a subcommittee of members to review the compensation package approved by Council in Ordinance No. 1013-09 for non-represented employees and make a recommendation to the full council.

STAFF RECOMMENDATION:

Review the agenda cover provided to the Council on January 22, 2009 and discuss:

1. How non-represented employees (employees) are placed in the salary schedule upon hire
2. How employees are moved through the salary schedule
3. Cost-share alternatives for health care benefits.

Ask questions and prepare a recommendation for council consideration.

SUMMARY:

The city council discussed compensation for non-represented employees at the council meeting on January 22, 2009.

Staff noted during the presentation that the process for placing employees in the pay structure at the time of hire was undefined. Council members also discussed the staff proposal to tie step increases to a satisfactory performance evaluation.

The Council adopted Ordinance 1013-09 without a specific policy for placing employees in the pay plan and with step increases effective on the employee's anniversary date based on a satisfactory performance evaluation.

The Council wanted to discuss alternatives and directed the subcommittee to return with a recommendation.

ALTERNATIVES:

Starting Salary

1. Start all new employees at step 1 in the pay plan. This reduces the flexibility when the city is hiring an employee with years of experience. As a small city it is often difficult to recruit qualified applicants. Reducing the compensation to a single non-negotiable number will reduce the cities flexibility in attracting qualified candidates.
2. Start all new employees between steps 1 and step 3 in the pay plan. This is the most common approach used by municipalities and other government agencies to attract and retain employees. This approach allows flexibility but limits the expectations of candidates applying for positions. It also provide for an incentive for the new employee to increase pay with longevity and experience in Sultan. The longer an employee serves a jurisdiction, the more specific knowledge about the community is obtained making the employee more valuable to the community.
3. Do not place any limitations on the hiring salary. This alternative is not usually employed as a pay strategy. Employees typically believe they are worth the top step in pay upon hire. An employee hired at the top steps lacks incentive to improve performance since there is no future link between pay and performance.

Step Increases

1. Base step increases on longevity only with no link to satisfactory performance. This is the standard pay plan approach in a union contract. The thinking is the longer an employee serves the more valuable the employee is to the organization regardless of actual performance.
2. Base step increases on satisfactory performance evaluations. The evaluation can only be tied to completion of specific tasks, projects or performance measures. This is the usual approach in the private sector.
3. Base step increases on some other measure as determined by Council.

Benefits

The benefits package provided to non-represented employees mirrors the benefits package provided to union employees. The non-represented employees would like to switch from AWC dental plan A to dental plan F. The cost difference is \$2.20 dollars per employee per month x 7 employees = \$15.40/month. The benefit to the employee is increased annual maximum coverage from \$1,000 to \$1,500. The union employees were offered the same option and chose not to include the change in their final proposal.

FISCAL IMPACT:

The salary schedule adopted by Ordinance No. 1013-09 is incorporated into the 2009 budget. The proposed cost-share to reduce dependent coverage from 90% to 89% is a small reduction in cost to the City and matched the cost-share under the union contract approved by Council in 2008.

RECOMMENDED ACTION:

Discuss the alternatives provided by staff. Suggest other alternatives. Prepare a recommendation for council consideration.

ATTACHMENT

A - Agenda cover Ordinance No. 1013 Salary Schedule January 22, 2009.

SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET

Agenda Item #: Consent C10
Date: January 22, 2009
SUBJECT: Ordinance 1013- 09 Salary Schedule
CONTACT PERSON: Laura Koenig, City Clerk/Deputy Finance Director

Issue:

The issue before the Council is the adoption of Ordinance 1013-09 (Attachment A) amending Ordinance 1004-08 (Attachment B) to establish salary rates for personnel.

Staff Recommendation:

Adoption of Ordinance 1013-09 amending Ordinance 1004-08 establishing salary rates for personnel.

Summary:

On December 11, 2008, the Council adopted Ordinance 1004-08 to establish salary rates for 2009. During the payroll set up process, it was discovered that Step 1 of the table did not include the 3.2% COLA. The ordinance was not clear on when and how employees receive a pay step increase.

The revised ordinance will reduce the amount of match the City pays for dependent coverage for medical/dental insurance from 90% to 89%. This is consistent with the Public Works Union contract negotiated in 2008.

Alternatives:

1. Move to adopt Ordinance 1013-09 on first reading. This alternative will allow staff to implement the salary schedule as amended.
2. Do not adopt Ordinance 1013-09 to establish an amended salary schedule for employees. This alternative will not have an impact on most of the existing staff as they are (with the exception of one) at Step 2 or 3.

Recommended Action:

Adoption of Ordinance 1013-09 on first reading.

Attachments: A. Ordinance 1013-08 Salary Schedule
B. Ordinance 1004-08 Salary Schedule

**CITY OF SULTAN
ORDINANCE NO. 1013-09**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SULTAN
WASHINGTON ESTABLISHING SALARY RATES FOR NON-REPRESENTED
PERSONNEL

WHEREAS, RCW 35A.33.050 requires that salary ranges for various positions in the City be made a part of the annual budget document adopted with the annual budget, and

WHEREAS, the City Council has determined it appropriate to adjust salary ranges for non-represented employees in order to permit salary increases along with approval of benefits,

NOW, THEREFORE, the City Council of the City of Sultan, Washington do Ordain as follows:

Section 1 Salaries. Effective January 1, 2009, non-represented employees shall receive a 3.2% COLA. As part of the City's annual budget, salaries and wages for non-represented employees are hereby approved as follows:

Table 2 –Salary Schedule

Salary Schedule (Steps)					
	Step 1	Step 2	Step 3	Step 4	Step 5
Administrative Assistant	23.41 hr	24.16 hr	24.93 hr	25.73 hr	26.55 hr
Grants/Economic Dev	4,403	4,543	4,689	4,839	4,994
Building Official	4,882	5,039	5,200	5,366	5,538
Clerk/Deputy Finance Director	5,584	5,763	5,947	6,138	6,334
Public Works Director	5,610	5,789	5,975	6,166	6,363
City Engineer	5,699	5,881	6,069	6,263	6,464
Community Development Director	6,935	7,157	7,386	7,622	7,866
City Administrator	8,091	8,350	8,617	8,893	9,177

Section 2 Non Represented Step Increase: Step increases shall be effective on the employee's anniversary date subject to a satisfactory performance evaluation.

Section 3 Benefits: Effective January 1, 2009, the Employer shall pay one hundred percent (100%) of the premium necessary for the purchase of medical and dental

insurance for employees and eighty-nine percent (89%) of the premium necessary to purchase medical and dental insurance for dependents.

Section 4 Union Employees. Wages and benefits for Union represented employees shall be in accordance with the current Union contracts, the salary scales for which are attached to this Ordinance (Exhibit A).

Section 5 Effective Date of Increase: The amendments to the annual salaries provided for in this ordinance shall become effective with the first pay period for 2009 wages.

Section 6 Repealer: Any and all other ordinances or parts of ordinances of the City of Sultan inconsistent with the provisions of this ordinance are hereby repealed to the extent of such inconsistency.

Section 7 Severability: If any section of this ordinance, or if any subsection or part shall be declared unlawful, the balance of this ordinance and of each section shall remain in full force and effect.

Section 8 Effective Date: This Ordinance shall be in full force and effect five days after publication as required by law.

PASSED by the City Council and APPROVED by the Mayor this 11th day of December, 2008.

Carolyn Eslick, Mayor

ATTEST:

Laura J. Koenig, City Clerk

Approved as to form:

Margaret King, City Attorney

**CITY OF SULTAN
ORDINANCE NO. 1004-08**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SULTAN WASHINGTON ESTABLISHING SALARY RATES FOR NON-REPRESENTED PERSONNEL

WHEREAS, RCW 35A.33.050 requires that salary ranges for various positions in the City be made a part of the annual budget document adopted with the annual budget, and

WHEREAS, the City Council has determined it appropriate to adjust salary ranges for non-represented employees in order to permit salary increases along with approval of benefits,

NOW, THEREFORE, be it ordained by the City Council of the City of Sultan, Washington as follows:

Section 1 Salaries. As part of the City’s annual budget, salaries and wages for non-represented employees are hereby approved as follows:

Table 2 –Salary Schedule

Wage and Salary Schedule (Steps)					
	Step 1	Step 2	Step 3	Step 4	Step 5
Administrative Assistant	23.41 hr	24.16 HR	24.93 hr	25.73 hr	26.55 hr
Grants/Economic Dev	4,403	4,543	4,689	4,839	4,994
Building Official	4,882	5,039	5,200	5,366	5,538
Clerk/Deputy Finance Director	5,584	5,763	5,947	6,138	6,334
Public Works Director	5,610	5,789	5,975	6,166	6,363
City Engineer	5,699	5,881	6,,69	6,263	6,464
Police Chief	6,630	6,842	7,061	7,287	7,520
Community Development Director	6,935	7,157	7,386	7,622	7,866
City Administrator	8,091	8,350	8,617	8,893	9,177

Section 3 Union Employees. Wages and benefits for Union represented employees shall be in accordance with the current Union contracts, the salary scales for which are attached to this Ordinance (Exhibit A).

Section 4 Effective Date of Increase: The amendments to the annual salaries provided for in this ordinance shall become effective with the first pay period in 2009.

Section 5 Repealer: Any and all other ordinances or parts of ordinances of the City of Sultan inconsistent with the provisions of this ordinance are hereby repealed to the extent of such inconsistency.

Section 6 Severability: If any section of this ordinance, or if any subsection or part shall be declared unlawful, the balance of this ordinance and of each section shall remain in full force and effect.

Section 7 Effective Date: This Ordinance shall be in full force and effect five days after publication as required by law.

PASSED by the City Council and APPROVED by the Mayor this 11th day of December, 2008.

Carolyn Eslick, Mayor

ATTEST:

Laura J. Koenig, City Clerk

Approved as to form:

Margaret King, City Attorney