

MEMORANDUM

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: CITY MANAGER CYNTHIA ALAMILLO

RE: SALARY SCHEDULE FOR 2020-21

DATE: MAY 1, 2019

RECOMMENDED ACTION:

Motion to adopt resolution setting salary schedule for 2020-21, instruct City Manager to bring the matter of cost-of-living adjustments to the December 9, 2020 Council meeting for further consideration, include a Building Official/Code Enforcement position and establish a salary range for it.

BACKGROUND INFORMATION:

City Council Policy Letter 2008/4/02 summarizes the Council's policy regarding total compensation. This policy suggests that every four years an outside, impartial firm be retained to collect and analyze pay data from around the area. In 2018, the City hired the Local Government Personnel Institute to review and update job descriptions and perform another compensation survey based on the updated job descriptions. The LGPI report was the basis for updating the City's salary schedule. The report recommended that the City provide a cost of living adjustment (COLA) each subsequent year to keep the salary ranges competitive with those of other comparable Cities. However, this year, the state of emergency declared due to the COVID-19 virus has complicated the decision for COLA increases.

Cities throughout Oregon are either not making cost of living adjustments and in some cases are cutting back staff positions. Some other cities are in better financial shape and are making cost of living adjustments either for contractual reasons or policy reasons.

With conservative revenue projections, it appears that Manzanita could make small cost of living adjustments without jeopardizing positions or reducing services. However, my initial staff recommendation is that the cost of living adjustment be on hold until there is a better understanding of the economic impact of COVID-19.

If the Council decides to provide cost of living increases and the revenues received by midyear are significantly under the estimated amounts, it might require the staff to make adjustments in expenditures to make it through the rest of the year. Therefore, as an alternative, I propose to not make cost of living adjustments at the beginning of the year, but calendar a discussion of possible adjustments at the December Council meeting after we had some experience as how the revenue streams have been affected by COVID-19. In December, the Council could make a retroactive increase, and increase as of July or no increase. Another option is not providing COLA increases this fiscal year and double the increase for the 2021-22 fiscal year.

I believe City staff understands the economic uncertainty, but also expects that the Council will

keep the salary schedule and total compensation in line with comparable Cities as discussed in the total compensation policy.

New Position

The proposed salary resolution includes the Building Official/Code enforcement position. This position is a proposition from the restructuring of the Building Department project. This new position is evenly split between Building Official and Code Enforcement duties. Therefore, the salary for this position was determined by calculating 50% of the salary based on Building Official salaries from comparable cities and the other 50% from the City's Licensing and Ordinance Specialist position, which is also code enforcement. The addition of the Building position to the salary schedule will not affect the city if Council decides not fulfill at position at this time.

Health Insurance

The plan year for health insurance plans through City/County Insurance Services (CIS) is the calendar year. The current rates will continue through December of 2020. Thereafter the CIS Board has guaranteed that the rate increase in 2021 for medical insurance will not exceed 5.5%, the dental insurance rate will not increase and the rate increase for vision insurance will not increase.

There are some changes in personal situations among the staff which have also increased the cost to the City. The increase for health insurance costs is \$6,952, which is about a 13% overall increase over last year.

Retirement

The chart below shows the retirement contributions that the City will pay to the Public Employee Retirement System. The City also pays the 6% employee share into the system, which is done by most Cities. The actual rates are adjusted every two years.

The following is a chart showing the rates that are being paid this fiscal year and what will be paid next year (includes 6% employee share picked up):

Percentage of salary (includes 6% employee share picked up)

	Budget <u>2020-21</u>
PERS	35.09%
OPSRP – general	23.38%
OPSRP – police/fire	28.01%

The City only has one employee who is in the PERS (Public Employee Retirement System) plan; the balance of the employees is in the OPSRP (Oregon Public Service Retirement Plan) plan.

RESOLUTION NO. 20-09

**A RESOLUTION SETTING SALARIES FOR CITY EMPLOYEES FOR
FISCAL YEAR 2020-21**

WHEREAS, the City Manager has analyzed current salary rates, compensation policies and personnel developments and has recommended adjustments to the City Council; and,

WHEREAS, the City has traditionally used the Portland Consumer Price Index and salaries of comparable cities to adjust the salary ranges to reflect the increase in the cost of living; and

WHEREAS, the COVID-19 state of emergency creates a significant amount of uncertainty as to whether cost of living adjustments to the salary ranges can and should be made; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MANZANITA:

Section 1. Effective July 1, 2020, the salary rates for regular City employees are hereby adopted as follows:

**City of Manzanita
2020-21 Salary Schedule (Monthly)
Proposed**

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
City Manager	6,401	6,722	7,058	7,411	7,781
Assistant City Manager	4,753	4,990	5,240	5,502	5,777
Finance and Admin Specialist	3,577	3,756	3,944	4,141	4,348
Munic Court & Water Utility Clerk	3,224	3,385	3,555	3,732	3,919
Licensing & Ordinance Specialist	3,224	3,385	3,555	3,732	3,919
Police Chief	6,101	6,406	6,727	7,063	7,416
Police Officer	4,408	4,628	4,860	5,103	5,358
Building Official/Code Enforcement	4,063	4,266	4,479	4,703	4,939
Public Works Director	5,729	6,015	6,316	6,632	6,963
Senior Utility Worker	3,577	3,756	3,944	4,141	4,348
Utility Worker	2,905	3,050	3,202	3,363	3,531

Section 2: The City will pay 94 percent of the premium cost of medical, dental and vision insurance coverage for 2020-21 for full time employees and a proportional amount for part time employees working 24 or more hours per week. Eligible full time employees shall pay 6 percent of the premium as a monthly payroll deduction and eligible part time employees shall pay an amount proportional to the number of hours worked as a monthly payroll deduction.

PASSED by the City Council and signed by me in authentication of its passage this 6th day of May, 2020.

ATTEST:

Michael Scott, Mayor

Cynthia Alamillo, City Manager/Recorder