



CONSENT CALENDAR

Agenda Item # 5

AGENDA REPORT SUMMARY

Meeting Date: June 13, 2017

Subject: Resolution 2017-19: Cost of living adjustment for all non-represented staff positions

Prepared by: Chris Jordan, City Manager

Attachment:

1. Resolution 2017-19

Initiated by:

City Manager

Fiscal Impact:

\$150,000 in FY 2018 and included in the Proposed Budget

Environmental Review:

Not applicable

Policy Question(s) for Council Consideration:

- Does the City Council want to approve a cost of living adjustment that will assist the City in retaining a highly qualified municipal workforce?

Summary:

- The City annually reviews the City's compensation schedule to ensure City staff is being compensated in accordance with the market
- One tool in evaluating the market is the annual increase in the Consumer Price Index
- CPI for the 12-month period ending March 31, 2017 is 3.8%, which is being recommended as the increase in the salary ranges for all non-represented (not including the City Manager)

Staff Recommendation:

Move to approve Resolution 2017-19 approving a cost of living adjustment for all non-represented positions



Subject: Resolution 2017-19: Cost of living adjustment for all non-represented staff positions

Purpose

To provide non-represented staff with a cost of living adjustment based on the increase in the Consumer Price Index.

Background

It has been the City's practice to provide pay increases to regular, full-time unrepresented, management and executive staff at the same time as increases to members of the City's two collective bargaining units. Historically, this has occurred annually at the beginning of the fiscal year, July 1.

Discussion/Analysis

The provision of municipal services relies on an educated, skilled and experienced workforce. The Los Altos community has been, and continues to, receive excellent municipal services provided by a staff that has been recruited and retained over the years. To continue to be able to provide services that meet the community's standards, it is critical that we are able to recruit highly qualified candidates to the City of Los Altos workforce.

One important factor in recruiting or retaining staff is the level of compensation. When establishing compensation levels, one factor to consider is the increase in the cost of living in the region. The Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco-Oakland-San Jose region for the 12-month period ending March 31, 2017 is 3.8%. Therefore, it is recommended that the salary schedule increase for all full-time, regular, non-represented, management and executive staff (not including the City Manager) mirroring the increase in CPI-U be approved by the City Council.

Options

- 1) Approve Resolution 2017-19, adjusting compensation based on CPI-U

Advantages: Allows the City to continue its current status in the market place for recruiting and retaining qualified staff

Disadvantages: The cost to the City of the increase is \$150,000

- 2) Do not approve the recommended cost of living adjustment

Advantages: The City would not incur the additional expense associated with such an increase

Disadvantages: Makes it challenging to recruit and retain highly qualified staff resulting in the possibility of a degradation of services to the community



Subject: Resolution 2017-19: Cost of living adjustment for all non-represented staff positions

Recommendation

The City Manager recommends Option 1

RESOLUTION NO. 2017-19

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS
APPROVING A COST OF LIVING ADJUSTMENT FOR REGULAR, FULL-
TIME, NON-REPRESENTED, MANAGEMENT AND EXECUTIVE STAFF
FOR FISCAL YEAR 2018**

WHEREAS, the City annually reviews and may revise employee compensation and salary schedule ranges; and

WHEREAS, the City benefits from a highly qualified, municipal workforce; and

WHEREAS, to assist in retaining such a workforce, it is critical that the City's compensation levels are competitive in the marketplace; and

WHEREAS, to remain competitive, the City should adjust salaries to reflect changes in the region's cost of living, and

WHEREAS, the Consumer Price Index for Urban Consumers (CPI-U) for the San Francisco-Oakland-San Jose region increase by 3.8% for the twelve-month period ending the first quarter of 2017,

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Los Altos hereby increases salary ranges for all regular full-time, non-represented, management and executive positions (not including the City Manager) by 3.8% effective the first pay period after July 1, 2017.

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the ____ day of ____, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mary Prochnow, MAYOR

Attest:

Jon Maginot, CMC, CITY CLERK