

2011 - 2012 Statement of Legislative Intent

Approved

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80	1	A	1

Budget Action Title: Executive review of APEX/SAM and IT compensation programs

Councilmembers: Godden; Licata; O'Brien

Staff Analyst: Patricia Lee

Budget Committee Vote:

Date	Result	SB	BH	SC	TR	JG	NL	RC	TB	MO
11/10/2010	Pass 9-	Y	Y	Y	Y	Y	Y	Y	Y	Y

Statement of Legislative Intent:

The Executive intends to review the current Accountability Pay for Executives (APEX), Strategic Advisors and Managers (SAM), and Information Technology (IT) compensation programs in 2011 to determine if the programs provide the appropriate level of classification stratification. The Executive has not determined the parameters or process for this review. Any proposed changes to the programs have potential labor, personnel and fiscal impacts for the City.

The Council requests that the Council and Council Central Staff be included in this review process through either membership in a review committee, interdepartmental team or other process the Executive chooses. In addition, Council requests a quarterly written report on the progress of the review to the Council's Finance and Budget Committee.

Background. Prior to 1998 the City had one classification and compensation system. All City employee job titles were in the Step Progression Program (Step Program). In the Step Program, each job title has a designated pay range with discrete salary steps. Employees progress through the pay range based on length of service. The pay increases at each step of the pay range. In addition, employees receive an annual cost-of-living adjustment (COLA).

Most employees are hired at the first step and advance to step two after six months and to subsequent steps in yearly increments. Most job titles have five steps. When an employee reaches the top step in the job title, the employee is at the top pay for the job title. No matter how long the employee remains in that job title, the pay will not increase except for the annual COLA.

In 1998 the City, with the assistance of a consultant, created two new discretionary compensation programs: the Accountability Pay for Executives (APEX) and Strategic Advisor and Manager (SAM) compensation programs. Since then, additional discretionary pay programs have been added for titles in the Legislative Branch, IT Professionals, Electric Utility Executives, Power Marketers, Investments/Debt Director, Mayoral Assistants, and Assistant City Attorneys.

The City wanted compensation programs where compensation was based on performance not length of service and where appointing authorities had more flexibility over the compensation each employee receives. Every job title within the discretionary pay programs has a pay range. The appointing authority can determine where in the pay range to start a new hire and what if any annual salary adjustment to award. Employees in the discretionary pay programs do not receive a COLA. The only limitation on compensation is that employees can not be paid outside the pay range for their job title. Initially there was also a performance pay component however, that has not been implemented for years due to budget constraints.

Currently there are four job titles and pay ranges in APEX; Executive 1- Executive 4. The Personnel Director has the authority to determine which positions are in the APEX Program, and these are limited to executive-level positions. In 1998, there were 148 positions in APEX; in 2005 there were 137 and in 2010 there are 188.

The SAM compensation programs each have three job titles and pay ranges: Strategic Advisor 1-3 and Manager 1-3. The Personnel Director determines which positions are in the SAM programs. Managers are accountable for translating City objectives into specific policy, programs or service delivery outcomes. Strategic Advisors are either key advisors to senior officials, employees who make recommendations that help shape major City policies or programs or representatives of the City in strategic areas who do not have full accountability for resources to achieve specific outcomes.

In 1998 there were 285 manager positions in SAM; in 2005 there were 289 and in 2010 there were 384. In 1998 there were 50 strategic advisors, in 2005 there were 231 and in 2010 there were 469.

Responsible Council Committee(s): Finance and Budget

Date Due to Council: Written quarterly reports: March, June, September, and December 2011.