



City of Oregon City

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Staff Report

File Number: 18-376

Agenda Date: 8/15/2018

Status: Agenda Ready

To: City Commission

Agenda #: 3b.

From: City Manager Tony Konkol

File Type: Communication

SUBJECT:

Oregon City Management Salary Study and Proposed Compensation Adjustments

RECOMMENDED ACTION (Motion):

City Manager Update

BACKGROUND:

MBL Group, LLC performed a salary study for the non-represented city staff to compare existing salary ranges throughout the region. The objectives of the study were to update the 2004 management compensation plan, compare the city's non-represented compensation to comparable cities, review internal equity of positions and responsibilities, address the existing city policy of limiting salaries to the mid-point of the existing salary range and consider changes to the compensation package to remain competitive in the region. The study and the objectives were in response to a number of questions raised by non-represented employees in multiple departments. The MBL Group compared 27 positions within the management group with similar positions in cities throughout the region and collected data on compensation.

The study demonstrated the following:

- * Oregon City's salaries on average are slightly below comparable cities average maximum salaries;
- * Few cities utilize a merit program; and
- * More than half of the cities offered deferred compensation programs.

The City Manager convened a work group of managers from across departments to review the study, which resulted in the following proposed changes to the city's compensation package for the management team:

- * Reduce the City's existing maximum salaries to be consistent with the average maximum salaries in the region;
- * Rescind the mid-point salary policy;
- * Reduce the merit pay program from a maximum of 5% to 3% for department directors and managers;
- * Implement a 3% deferred compensation program for the managers;
- * Realign positions for internal equity based on responsibilities;
- * Update the compensation study every 5 years; and
- * Update certain policies to ensure consistent implementation across all departments.

The proposed changes to the management compensation study are estimated to cost approximately \$200,000 - \$250,000 in total over the next 5 years, depending on such factors as retention of existing employees, performance and approved merit pay in subsequent budgets.

BUDGET IMPACT:

Amount: \$200,000 - \$250,000

FY(s): Over the next 5 years

Funding Source: Multiple budgets