

RESOLUTION NO. 05- _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, REVISING THE EXECUTIVE COMPENSATION PLAN AND EXECUTIVE SALARY SCHEDULE TO REFLECT CHANGES IN THE ESTABLISHED LABOR MARKETPLACE.

THE CITY COUNCIL OF THE CITY OF COSTA MESA DOES HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The Costa Mesa City Council previously established the Executive Compensation Plan to: 1) promote maximum commitment by City executives to objectives and standards of the City Council and City Manager; 2) establish a system in which compensation serves as an effective device for promoting better job performance; 3) foster the identification of an executive employee group and recognize the distinct character of executive jobs; and, 4) improve the City's ability to attract and retain outstanding executives.

The Human Resources Division annually conducts a survey of the total compensation paid to comparable executive positions in the defined labor marketplace using the most current information available. Historically, the elements of total compensation used in the comparisons are as follows: top step base salary; employer-paid member retirement contribution; 125 cafeteria accounts or individual premiums for health, dental, life and disability insurances at the family rate; deferred compensation contributions paid by the employer; auto allowance; the value of enhanced retirement plans greater than the PERS [2%@60](#) (nonsworn) or PERS [2%@50](#) (safety) formulas; other elements prevalent within the marketplace that the City Manager considers appropriate and that may influence the City's ability to retain and recruit executive employees or remain competitive.

SECTION 2. The following job classifications, placed under the Executive Salary Schedule, are hereby revised to reflect the salary ranges and monthly rates of pay specified, effective the pay period beginning August 21, 2005. The rate of pay for individual executives may be anywhere within the monthly minimum and maximum salary steps. In addition, for non-sworn classifications, the City pays the employees' 7% retirement contribution to the California Public Employees' Retirement System (CalPERS), and for sworn classifications, the City pays the employees' 9% retirement contribution to CalPERS. The job classification of City Clerk is hereby established and placed under the Executive Compensation Plan and Salary Schedule, effective August 21, 2005, at the pay range and monthly rate of pay shown.

| Class Code | Class Title | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|------------|-------------|---|---|---|---|---|---|---|
|------------|-------------|---|---|---|---|---|---|---|

APPOINTED AT-WILL EXECUTIVES

| | | | | | | | | | |
|-----|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|
| 075 | Assistant City Manager | \$10,161 | \$10,669 | \$11,202 | \$11,762 | \$12,350 | \$12,968 | \$13,616 | Monthly |
| | | \$121,932 | \$128,028 | \$134,424 | \$141,144 | \$148,200 | \$155,616 | \$163,392 | Annual |
| | | \$58.62 | \$61.55 | \$64.63 | \$67.86 | \$71.25 | \$74.82 | \$78.55 | Hourly |
| 076 | City Manager | \$12,694 | \$13,329 | \$13,995 | \$14,695 | \$15,430 | \$16,201 | \$17,011 | Monthly |
| | | \$152,328 | \$159,948 | \$167,940 | \$176,340 | \$185,160 | \$194,412 | \$204,132 | Annual |
| | | \$73.26 | \$76.89 | \$80.74 | \$84.78 | \$89.01 | \$93.47 | \$98.14 | Hourly |

APPOINTED AT-WILL DEPARTMENT DIRECTORS

| | | | | | | | | | |
|-----|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|
| 091 | Administrative Services Director | \$9,268 | \$9,731 | \$10,218 | \$10,729 | \$11,265 | \$11,828 | \$12,419 | Monthly |
| | | \$111,216 | \$116,772 | \$122,616 | \$128,748 | \$135,180 | \$141,936 | \$149,028 | Annual |
| | | \$53.46 | \$56.14 | \$58.95 | \$61.90 | \$64.99 | \$68.24 | \$71.64 | Hourly |
| 069 | Finance Director | \$8,819 | \$9,260 | \$9,723 | \$10,209 | \$10,719 | \$11,255 | \$11,818 | Monthly |
| | | \$105,828 | \$111,120 | \$116,676 | \$122,508 | \$128,628 | \$135,060 | \$141,816 | Annual |
| | | \$50.88 | \$53.42 | \$56.09 | \$58.90 | \$61.84 | \$64.93 | \$68.18 | Hourly |
| 223 | Fire Chief | \$10,413 | \$10,934 | \$11,481 | \$12,055 | \$12,658 | \$13,291 | \$13,956 | Monthly |
| | | \$124,956 | \$131,208 | \$137,772 | \$144,660 | \$151,896 | \$159,492 | \$167,472 | Annual |
| | | \$60.08 | \$63.08 | \$66.23 | \$69.55 | \$73.02 | \$76.68 | \$80.52 | Hourly |
| 207 | Police Chief | \$10,413 | \$10,934 | \$11,481 | \$12,055 | \$12,658 | \$13,291 | \$13,956 | Monthly |
| | | \$124,956 | \$131,208 | \$137,772 | \$144,660 | \$151,896 | \$159,492 | \$167,472 | Annual |
| | | \$60.08 | \$63.08 | \$66.23 | \$69.55 | \$73.02 | \$76.68 | \$80.52 | Hourly |

DEPARTMENT DIRECTORS IN THE CLASSIFIED SERVICE

| | | | | | | | | | |
|-----|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|
| 155 | Development Services Director | \$9,962 | \$10,462 | \$10,985 | \$11,534 | \$12,111 | \$12,717 | \$13,353 | Monthly |
| | | \$119,544 | \$125,544 | \$131,820 | \$138,408 | \$145,332 | \$152,604 | \$160,236 | Annual |
| | | \$57.47 | \$60.36 | \$63.38 | \$66.54 | \$69.87 | \$73.37 | \$77.04 | Hourly |
| 117 | Public Services Director | \$9,675 | \$10,158 | \$10,666 | \$11,199 | \$11,759 | \$12,347 | \$12,964 | Monthly |
| | | \$116,100 | \$121,896 | \$127,992 | \$134,388 | \$141,108 | \$148,164 | \$155,568 | Annual |
| | | \$55.82 | \$58.60 | \$61.53 | \$64.61 | \$67.84 | \$71.23 | \$74.79 | Hourly |

DIVISION MANAGERS IN THE CLASSIFIED SERVICE

| | | | | | | | | | |
|-----|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|
| 157 | Assistant Development Services Director | \$8,336 | \$8,752 | \$9,190 | \$9,650 | \$10,133 | \$10,640 | \$11,172 | Monthly |
| | | \$100,032 | \$105,024 | \$110,280 | \$115,800 | \$121,596 | \$127,680 | \$134,064 | Annual |
| | | \$48.09 | \$50.49 | \$53.02 | \$55.67 | \$58.46 | \$61.38 | \$64.45 | Hourly |
| 068 | Assistant Finance Director | \$7,825 | \$8,218 | \$8,629 | \$9,060 | \$9,513 | \$9,989 | \$10,488 | Monthly |
| | | \$93,900 | \$98,616 | \$103,548 | \$108,720 | \$114,156 | \$119,868 | \$125,856 | Annual |
| | | \$45.14 | \$47.41 | \$49.78 | \$52.27 | \$54.88 | \$57.63 | \$60.51 | Hourly |
| 214 | Battalion Chief | \$7,175 | \$7,534 | \$7,911 | \$8,307 | \$8,722 | \$9,158 | \$9,616 | Monthly |
| | | \$86,100 | \$90,408 | \$94,932 | \$99,684 | \$104,664 | \$109,896 | \$115,392 | Annual |
| | | \$41.40 | \$43.47 | \$45.64 | \$47.92 | \$50.32 | \$52.84 | \$55.48 | Hourly |
| 059 | Budget and Research Officer | \$7,452 | \$7,824 | \$8,215 | \$8,626 | \$9,057 | \$9,510 | \$9,986 | Monthly |
| | | \$89,424 | \$93,888 | \$98,580 | \$103,512 | \$108,684 | \$114,120 | \$119,832 | Annual |
| | | \$42.99 | \$45.14 | \$47.39 | \$49.77 | \$52.25 | \$54.87 | \$57.61 | Hourly |
| 142 | Building Official | \$8,049 | \$8,453 | \$8,876 | \$9,320 | \$9,786 | \$10,275 | \$10,789 | Monthly |
| | | \$96,588 | \$101,436 | \$106,512 | \$111,840 | \$117,432 | \$123,300 | \$129,468 | Annual |
| | | \$46.44 | \$48.77 | \$51.21 | \$53.77 | \$56.46 | \$59.28 | \$62.24 | Hourly |
| 023 | City Clerk | \$6,522 | \$6,848 | \$7,190 | \$7,550 | \$7,928 | \$8,324 | \$8,740 | Monthly |
| | | \$78,264 | \$82,176 | \$86,280 | \$90,600 | \$95,136 | \$99,888 | \$104,880 | Annual |
| | | \$37.63 | \$39.51 | \$41.48 | \$43.56 | \$45.74 | \$48.02 | \$50.42 | Hourly |
| 112 | City Engineer | \$7,937 | \$8,334 | \$8,751 | \$9,189 | \$9,648 | \$10,130 | \$10,636 | Monthly |
| | | \$95,244 | \$100,008 | \$105,012 | \$110,268 | \$115,776 | \$121,560 | \$127,632 | Annual |
| | | \$45.79 | \$48.08 | \$50.49 | \$53.01 | \$55.66 | \$58.44 | \$61.36 | Hourly |
| 220 | Deputy Fire Chief | \$8,755 | \$9,193 | \$9,653 | \$10,136 | \$10,643 | \$11,175 | \$11,734 | Monthly |
| | | \$105,060 | \$110,316 | \$115,836 | \$121,632 | \$127,716 | \$134,100 | \$140,808 | Annual |
| | | \$50.51 | \$53.04 | \$55.69 | \$58.48 | \$61.40 | \$64.47 | \$67.70 | Hourly |
| 416 | Fairview Park Plan Administrator | \$6,107 | \$6,412 | \$6,733 | \$7,070 | \$7,424 | \$7,795 | \$8,185 | Monthly |
| | | \$73,284 | \$76,944 | \$80,796 | \$84,840 | \$89,088 | \$93,540 | \$98,220 | Annual |
| | | \$35.23 | \$36.99 | \$38.84 | \$40.79 | \$42.83 | \$44.97 | \$47.22 | Hourly |
| 219 | Fire Division Chief/Fire Marshal | \$8,017 | \$8,420 | \$8,841 | \$9,283 | \$9,747 | \$10,234 | \$10,746 | Monthly |
| | | \$96,204 | \$101,040 | \$106,092 | \$111,396 | \$116,964 | \$122,808 | \$128,952 | Annual |
| | | \$46.25 | \$48.58 | \$51.01 | \$53.56 | \$56.23 | \$59.04 | \$62.00 | Hourly |
| 098 | Human Resources Manager | \$7,909 | \$8,302 | \$8,717 | \$9,153 | \$9,611 | \$10,092 | \$10,597 | Monthly |
| | | \$94,908 | \$99,624 | \$104,604 | \$109,836 | \$115,332 | \$121,104 | \$127,164 | Annual |
| | | \$45.63 | \$47.90 | \$50.29 | \$52.81 | \$55.45 | \$58.22 | \$61.14 | Hourly |
| 077 | Legislative & Public Affairs Manager | \$7,521 | \$7,896 | \$8,291 | \$8,706 | \$9,141 | \$9,598 | \$10,078 | Monthly |
| | | \$90,252 | \$94,752 | \$99,492 | \$104,472 | \$109,692 | \$115,176 | \$120,936 | Annual |
| | | \$43.39 | \$45.55 | \$47.83 | \$50.23 | \$52.74 | \$55.37 | \$58.14 | Hourly |
| 451 | Maintenance Services Manager | \$7,258 | \$7,619 | \$8,000 | \$8,400 | \$8,820 | \$9,261 | \$9,724 | Monthly |
| | | \$87,096 | \$91,428 | \$96,000 | \$100,800 | \$105,840 | \$111,132 | \$116,688 | Annual |
| | | \$41.87 | \$43.96 | \$46.15 | \$48.46 | \$50.88 | \$53.43 | \$56.10 | Hourly |
| 047 | Management Information Services Manager | \$7,556 | \$7,935 | \$8,332 | \$8,749 | \$9,186 | \$9,645 | \$10,127 | Monthly |
| | | \$90,672 | \$95,220 | \$99,984 | \$104,988 | \$110,232 | \$115,740 | \$121,524 | Annual |
| | | \$43.59 | \$45.78 | \$48.07 | \$50.48 | \$53.00 | \$55.64 | \$58.43 | Hourly |
| 160 | Neighborhood Improvement Manager | \$6,783 | \$7,124 | \$7,480 | \$7,854 | \$8,247 | \$8,659 | \$9,092 | Monthly |
| | | \$81,396 | \$85,488 | \$89,760 | \$94,248 | \$98,964 | \$103,908 | \$109,104 | Annual |
| | | \$39.13 | \$41.10 | \$43.15 | \$45.31 | \$47.58 | \$49.96 | \$52.45 | Hourly |
| 159 | Planning and Redevelopment Manager | \$6,783 | \$7,124 | \$7,480 | \$7,854 | \$8,247 | \$8,659 | \$9,092 | Monthly |
| | | \$81,396 | \$85,488 | \$89,760 | \$94,248 | \$98,964 | \$103,908 | \$109,104 | Annual |
| | | \$39.13 | \$41.10 | \$43.15 | \$45.31 | \$47.58 | \$49.96 | \$52.45 | Hourly |
| 097 | Police Administrative Services Commander | \$8,306 | \$8,721 | \$9,157 | \$9,615 | \$10,096 | \$10,601 | \$11,131 | Monthly |
| | | \$99,672 | \$104,652 | \$109,884 | \$115,380 | \$121,152 | \$127,212 | \$133,572 | Annual |

| | | | | | | | | | |
|-----|------------------------------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|
| | | \$47.92 | \$50.31 | \$52.83 | \$55.47 | \$58.25 | \$61.16 | \$64.22 | Hourly |
| 205 | Police Captain | \$8,306 | \$8,721 | \$9,157 | \$9,615 | \$10,096 | \$10,601 | \$11,131 | Monthly |
| | | \$99,672 | \$104,652 | \$109,884 | \$115,380 | \$121,152 | \$127,212 | \$133,572 | Annual |
| | | \$47.92 | \$50.31 | \$52.83 | \$55.47 | \$58.25 | \$61.16 | \$64.22 | Hourly |
| 305 | Recreation Manager | \$7,258 | \$7,619 | \$8,000 | \$8,400 | \$8,820 | \$9,261 | \$9,724 | Monthly |
| | | \$87,096 | \$91,428 | \$96,000 | \$100,800 | \$105,840 | \$111,132 | \$116,688 | Annual |
| | | \$41.87 | \$43.96 | \$46.15 | \$48.46 | \$50.88 | \$53.43 | \$56.10 | Hourly |
| 236 | Telecommunications Manager | \$7,556 | \$7,935 | \$8,332 | \$8,749 | \$9,186 | \$9,645 | \$10,127 | Monthly |
| | | \$90,672 | \$95,220 | \$99,984 | \$104,988 | \$110,232 | \$115,740 | \$121,524 | Annual |
| | | \$43.59 | \$45.78 | \$48.07 | \$50.48 | \$53.00 | \$55.64 | \$58.43 | Hourly |
| 113 | Transportation Services Manager | \$7,705 | \$8,091 | \$8,496 | \$8,921 | \$9,367 | \$9,835 | \$10,327 | Monthly |
| | | \$92,460 | \$97,092 | \$101,952 | \$107,052 | \$112,404 | \$118,020 | \$123,924 | Annual |
| | | \$44.45 | \$46.68 | \$49.02 | \$51.47 | \$54.04 | \$56.74 | \$59.58 | Hourly |

SECTION 3. With exception of the City Manager, a pay-for-performance evaluation and compensation system will be utilized for all employees in executive job classifications. All compensation increases for executives will be based upon continued meritorious service to the City. Though the City Manager may receive labor marketplace salary adjustments, annual performance evaluations for this position will be conducted in the fall of each year by the City Council.

SECTION 4. The City shall contribute an amount toward the executive flexible benefit plan bucket for the payment of premiums for affected employees and dependents based upon the following criteria:

- Full family coverage for the PERS Choice medical plan under the California Public Employees' Retirement System (CALPERS) health insurance programs;
- Full family coverage for the Dental Indemnity plan;
- Full premium payment for Life Insurance;
- For Department Directors, the Long Term Disability premium will be based upon the top step salary of the highest-salaried Department Director within the classified service;
- For Division Managers, the Long Term Disability premium will be based upon the top step salary of the highest-salaried Division Manager within the classified service.

Any amounts necessary to maintain benefit premiums in excess of the City

contribution specified above shall be borne entirely by the executive employee.

SECTION 5. Executives in the Police Captain classification are eligible to receive P.O.S.T. incentive pay upon attaining a Management Certificate from the State of California Commission on Peace Officer Standards and Training (P.O.S.T.) and ten years of sworn police supervisory experience. The incentive pay will be 5% of base salary and will be included as an element of total compensation in the annual calculation.

SECTION 6. Off-duty executives in the Battalion Chief classification who are assigned by the Fire Chief or Deputy Fire Chief to a twenty-four (24) hour fire suppression work shift to replace another Battalion Chief who is on sick leave, vacation, bereavement leave or other approved absence, will receive an amount equivalent to straight time pay for each hour worked up to a maximum of 80 hours. Monthly staff meetings will be inclusive of the above 80-hour maximum but shift exchanges between two Battalion Chiefs will not qualify for the Shift Replacement Pay. Pursuant to Section 13(a)(1) of the Fair Labor Standards Act, the City will continue to determine that executives in the Battalion Chief classification are exempt from both the minimum wage and overtime provisions of the Fair Labor Standards Act.

SECTION 7. Administrative Regulation 2.19 on Executive Leave establishes the provision of 80 hours of Executive Leave for every executive employee (112 hours for sworn Fire executives). Executives who are regularly assigned as staff support to the City Council, Planning Commission or the Parks and Recreation Commission may be annually granted additional Executive Leave up to forty (40) hours. Executives who are involved in extraordinary major projects or assignments may also be granted additional Executive Leave up to forty (40) hours based upon a Department Director

recommendation, which includes documentation of additional hours regularly worked. The City Manager has the sole discretion to grant or deny additional Executive Leave hours. No employee shall be granted more than 120 Executive Leave hours (168 hours for sworn Fire executive) annually and, if additional hours are approved, the hours are subject to the same carry forward limitations detailed in Administrative Regulation 2.19.

SECTION 8. Pursuant to the Executive Professional Development Reimbursement Program, the City agrees to reimburse Department Directors up to \$2,000 and Division Managers up to \$1,000 per fiscal year for activities, materials, equipment or fees that will aid in their individual professional development. The intent of this program is to encourage and recognize executive staff for pursuing educational, professional or community-oriented activities, enhancing job skills and expertise, and/or purchasing materials/equipment, which improve the executive's performance. These activities, materials, equipment or fees are intended to be beyond what is budgeted for individuals through the annual budget cycle. The reimbursement options available include the following:

- Professional memberships, licenses and certificates that are job-related;
- Professional conferences that are job-related including fees and other expenses while attending;
- Membership dues in community organizations relevant to the executive's job assignment;
- Purchase of job-related professional journals, periodicals, books or other written materials which further knowledge or improvement of effectiveness in performance of duties;
- Education fees that exceed the City's annual \$1,000 tuition reimbursement limit;
- Direct purchase of qualifying computer equipment defined in Administrative

Regulation 2.29;

- Annual payments for the Executive Computer Loan Guarantee Program defined below up to the maximum \$2,000 per fiscal year for Department Directors and \$1,000 for Division Managers.

The Department Director and Administrative Services Director must approve participation in the activities and/or purchase of the materials/equipment in advance. Claims for reimbursement must be accompanied by documentation that an eligible expense has been incurred during the fiscal year for the executive employee only. Any portion of the reimbursement amount not incurred within the fiscal year shall remain City funds unless prior approval has been received by the City Manager. Requests to carry forward unencumbered amounts to the next fiscal year must receive approval by the City Manager prior to the end of the fiscal year. All payments will be in the form of reimbursement and no executive employee will directly receive cash for this benefit. Reimbursements, which are subject to taxation, will be processed through the payroll system. The Finance Department shall administer this program in accordance to the stated purpose and will provide the appropriate forms and procedures. This reimbursement program does not prohibit individual departments from continuing to budget funds for executive staff attendance at professional conferences and seminars, for the payment of professional membership dues, and/or for the purchase of books, journals and written materials that are job-related and will enhance an executive's knowledge or expertise.

SECTION 9. Executive employees who have passed probation and at-will Department Directors are eligible to participate in the Executive Computer Loan Guarantee Program. The City shall specify the minimum equipment configuration and it is the employee who is responsible to negotiate the price for the equipment and to bring

a copy of the order/quote to the MIS Division for approval before loan application and purchase. The executive must apply for a loan with the Costa Mesa Federal Credit Union that will be subject to all Credit Union lending practices. The City will agree to guarantee the loan for the executive, which thereby will lower the interest rate on the loan.

Loan payments must be by payroll deduction. Each loan payment period shall not exceed 30 months and the aggregate value of the loan(s) shall not exceed \$3,500 per executive. As a condition of the program, terminating executives participating in the program must satisfy any outstanding amounts of the loan with the final paycheck. The City will continue to provide the software necessary for executives to have remote access to the City's servers and compatibility to City software. In order for an executive to receive a loan under the program for equipment upgrades or purchase of new equipment components that meet the City-approved minimum configuration, the executive must certify that he/she already owns the remaining components required to meet the minimum equipment configuration. Equipment purchased under this program becomes the property of the executive. No more than once a year an executive may request reimbursement for payments under the Executive Computer Loan Guarantee Program along with Credit Union verification that the payments have been made by the employee. Department Directors may request up to \$2,000 and Division Managers up to \$1,000 per fiscal year under the Executive Professional Development Reimbursement Program.

SECTION 10. The 401(a) deferred compensation plan provides executives with another tax-deferred savings plan for future financial planning. The City will provide a .5% per pay period employer contribution for any executive whose management group elects to participate in the 401(a) plan. The employer contribution will be reflected in that

executive's annual total compensation calculation. However, the City will not provide an employer contribution to the current 457 deferred compensation plan and the executive must make all 457 contributions.

SECTION 11. All resolutions and parts of resolutions in conflict herewith are hereby rescinded.

PASSED AND ADOPTED this 18th day of October 2005.

Mayor of the City of Costa Mesa

ATTEST:

Deputy City Clerk of the City of Costa Mesa

APPROVED AS TO FORM

City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF COSTA MESA)

I, Julie Folcik, Deputy City Clerk and ex-officio Clerk of the City Council of the City of Costa Mesa, hereby certify that the above and fore-going Resolution No. 05-___ was duly and regularly passed and adopted by the said City Council at a regular meeting thereof, held on the 18th day of October, 2005.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of the City of Costa Mesa this 19th day of October 2005.

Deputy City Clerk ex-officio Clerk of the
City Council of the City of Costa Mesa