

RESOLUTION NO. 07- _____

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 20, 2006. 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 20, 2006, at the pay range and monthly rate of pay shown.

Class Code	Class Title	1	2	3	4	5	6	7
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APPOINTED AT-WILL EXECUTIVES

075	Assistant City Manager	\$10,506	\$11,032	\$11,583	\$12,162	\$12,770	\$13,409	\$14,079	Monthly
		\$126,078	\$132,381	\$138,994	\$145,943	\$153,239	\$160,907	\$168,947	Annual
		\$60.61	\$63.64	\$66.82	\$70.16	\$73.67	\$77.36	\$81.22	Hourly
076	City Manager	\$13,126	\$13,782	\$14,471	\$15,195	\$15,955	\$16,752	\$17,589	Monthly
		\$157,507	\$165,386	\$173,650	\$182,336	\$191,455	\$201,022	\$211,072	Annual
		\$75.72	\$79.51	\$83.49	\$87.66	\$92.05	\$96.65	\$101.48	Hourly

APPOINTED AT-WILL SWORN DEPARTMENT DIRECTORS

223	Fire Chief	\$11,112	\$11,670	\$12,253	\$12,866	\$13,509	\$14,184	\$14,893	Monthly
		\$133,344	\$140,040	\$147,036	\$154,392	\$162,108	\$170,208	\$178,716	Annual
		\$64.11	\$67.33	\$70.69	\$74.23	\$77.94	\$81.83	\$85.92	Hourly
207	Police Chief	\$11,390	\$11,961	\$12,559	\$13,187	\$13,846	\$14,538	\$15,265	Monthly
		\$136,680	\$143,532	\$150,708	\$158,244	\$166,152	\$174,456	\$183,180	Annual
		\$65.71	\$69.01	\$72.46	\$76.08	\$79.88	\$83.87	\$88.07	Hourly

APPOINTED AT-WILL DEPARTMENT DIRECTORS

091	Administrative Services Director	\$9,639	\$10,120	\$10,627	\$11,158	\$11,716	\$12,301	\$12,916	Monthly
		\$115,665	\$121,443	\$127,521	\$133,898	\$140,587	\$147,613	\$154,989	Annual
		\$55.61	\$58.39	\$61.31	\$64.37	\$67.59	\$70.97	\$74.51	Hourly
069	Finance Director	\$9,119	\$9,575	\$10,054	\$10,556	\$11,083	\$11,638	\$12,220	Monthly
		\$109,426	\$114,898	\$120,643	\$126,673	\$133,001	\$139,652	\$146,638	Annual
		\$52.61	\$55.24	\$58.00	\$60.90	\$63.94	\$67.14	\$70.50	Hourly

DEPARTMENT DIRECTORS IN THE CLASSIFIED SERVICE

155	Development Services Director	\$10,301	\$10,818	\$11,358	\$11,926	\$12,523	\$13,149	\$13,807	Monthly
		\$123,608	\$129,812	\$136,302	\$143,114	\$150,273	\$157,793	\$165,684	Annual
		\$59.43	\$62.41	\$65.53	\$68.80	\$72.25	\$75.86	\$79.66	Hourly
117	Public Services Director	\$10,246	\$10,757	\$11,295	\$11,860	\$12,453	\$13,075	\$13,729	Monthly
		\$122,950	\$129,088	\$135,544	\$142,317	\$149,433	\$156,906	\$164,747	Annual
		\$59.11	\$62.06	\$65.17	\$68.42	\$71.84	\$75.44	\$79.21	Hourly

SWORN DIVISION MANAGERS IN THE CLASSIFIED SERVICE

205	Police Captain	\$8,588	\$9,018	\$9,468	\$9,942	\$10,439	\$10,961	\$11,509	Monthly
		\$103,061	\$108,210	\$113,616	\$119,304	\$125,268	\$131,532	\$138,108	Annual
		\$49.55	\$52.02	\$54.62	\$57.36	\$60.23	\$63.24	\$66.40	Hourly
214	Battalion Chief	\$7,612	\$7,992	\$8,392	\$8,812	\$9,253	\$9,716	\$10,202	Monthly
		\$91,344	\$95,904	\$100,704	\$105,744	\$111,036	\$116,592	\$122,424	Annual
		\$43.92	\$46.11	\$48.42	\$50.84	\$53.38	\$56.05	\$58.86	Hourly
220	Deputy Fire Chief - (Operations) (Prevention/Fire Marshal)	\$9,288	\$9,753	\$10,241	\$10,753	\$11,291	\$11,856	\$12,449	Monthly
		\$111,456	\$117,036	\$122,892	\$129,036	\$135,492	\$142,272	\$149,388	Annual
		\$53.58	\$56.27	\$59.08	\$62.04	\$65.14	\$68.40	\$71.82	Hourly
219	Fire Division Chief	\$8,660	\$9,095	\$9,550	\$10,028	\$10,529	\$11,055	\$11,608	Monthly
		\$103,920	\$109,140	\$114,600	\$120,336	\$126,348	\$132,660	\$139,296	Annual
		\$49.96	\$52.47	\$55.10	\$57.85	\$60.74	\$63.78	\$66.97	Hourly

DIVISION MANAGERS IN THE CLASSIFIED SERVICE

157	Assistant Development Services Director	\$8,619	\$9,050	\$9,502	\$9,978	\$10,478	\$11,002	\$11,552	Monthly
		\$103,433	\$108,595	\$114,030	\$119,737	\$125,730	\$132,021	\$138,622	Annual
		\$49.73	\$52.21	\$54.82	\$57.57	\$60.45	\$63.47	\$66.65	Hourly
068	Assistant Finance Director	\$8,091	\$8,497	\$8,922	\$9,368	\$9,836	\$10,329	\$10,845	Monthly
		\$97,093	\$101,969	\$107,069	\$112,416	\$118,037	\$123,944	\$130,135	Annual
		\$46.68	\$49.02	\$51.48	\$54.05	\$56.75	\$59.59	\$62.57	Hourly
059	Budget and Research Officer	\$7,705	\$8,090	\$8,494	\$8,919	\$9,365	\$9,833	\$10,326	Monthly
		\$92,464	\$97,080	\$101,932	\$107,031	\$112,379	\$118,000	\$123,906	Annual
		\$44.45	\$46.67	\$49.01	\$51.46	\$54.03	\$56.73	\$59.57	Hourly
142	Building Official	\$8,323	\$8,740	\$9,178	\$9,637	\$10,119	\$10,624	\$11,156	Monthly
		\$99,872	\$104,885	\$110,133	\$115,643	\$121,425	\$127,492	\$133,870	Annual
		\$48.02	\$50.43	\$52.95	\$55.60	\$58.38	\$61.29	\$64.36	Hourly
023	City Clerk	\$6,744	\$7,081	\$7,434	\$7,807	\$8,198	\$8,607	\$9,037	Monthly
		\$80,925	\$84,970	\$89,214	\$93,680	\$98,371	\$103,284	\$108,446	Annual
		\$38.91	\$40.85	\$42.89	\$45.04	\$47.29	\$49.66	\$52.14	Hourly
112	City Engineer	\$8,207	\$8,617	\$9,049	\$9,501	\$9,976	\$10,474	\$10,998	Monthly
		\$98,482	\$103,408	\$108,582	\$114,017	\$119,712	\$125,693	\$131,971	Annual
		\$47.35	\$49.72	\$52.20	\$54.82	\$57.55	\$60.43	\$63.45	Hourly
416	Fairview Park Plan Administrator	\$6,315	\$6,630	\$6,962	\$7,310	\$7,676	\$8,060	\$8,463	Monthly
		\$75,776	\$79,560	\$83,543	\$87,725	\$92,117	\$96,720	\$101,559	Annual
		\$36.43	\$38.25	\$40.17	\$42.18	\$44.29	\$46.50	\$48.83	Hourly
098	Human Resources Manager	\$8,178	\$8,584	\$9,013	\$9,464	\$9,938	\$10,435	\$10,957	Monthly
		\$98,135	\$103,011	\$108,161	\$113,570	\$119,253	\$125,222	\$131,488	Annual

		\$47.18	\$49.52	\$52.00	\$54.60	\$57.33	\$60.20	\$63.22	Hourly
077	Legislative & Public Affairs Manager	\$7,777	\$8,164	\$8,573	\$9,002	\$9,452	\$9,924	\$10,421	Monthly
		\$93,321	\$97,974	\$102,875	\$108,024	\$113,422	\$119,092	\$125,048	Annual
		\$44.87	\$47.10	\$49.46	\$51.93	\$54.53	\$57.26	\$60.12	Hourly
451	Maintenance Services Manager	\$7,505	\$7,878	\$8,272	\$8,686	\$9,120	\$9,576	\$10,055	Monthly
		\$90,057	\$94,537	\$99,264	\$104,227	\$109,439	\$114,910	\$120,655	Annual
		\$43.30	\$45.45	\$47.72	\$50.11	\$52.61	\$55.25	\$58.01	Hourly
047	Management Information Services Manager	\$7,813	\$8,205	\$8,615	\$9,046	\$9,498	\$9,973	\$10,471	Monthly
		\$93,755	\$98,457	\$103,383	\$108,558	\$113,980	\$119,675	\$125,656	Annual
		\$45.07	\$47.34	\$49.70	\$52.19	\$54.80	\$57.54	\$60.41	Hourly
160	Neighborhood Improvement Manager	\$7,014	\$7,366	\$7,734	\$8,121	\$8,527	\$8,953	\$9,401	Monthly
		\$84,163	\$88,395	\$92,812	\$97,452	\$102,329	\$107,441	\$112,814	Annual
		\$40.46	\$42.50	\$44.62	\$46.85	\$49.20	\$51.65	\$54.24	Hourly
159	Planning and Redevelopment Manager	\$7,014	\$7,366	\$7,734	\$8,121	\$8,527	\$8,953	\$9,401	Monthly
		\$84,163	\$88,395	\$92,812	\$97,452	\$102,329	\$107,441	\$112,814	Annual
		\$40.46	\$42.50	\$44.62	\$46.85	\$49.20	\$51.65	\$54.24	Hourly
097	Police Administrative Services Commander	\$8,588	\$9,018	\$9,468	\$9,942	\$10,439	\$10,961	\$11,509	Monthly
		\$103,061	\$108,210	\$113,620	\$119,303	\$125,271	\$131,537	\$138,113	Annual
		\$49.55	\$52.02	\$54.63	\$57.36	\$60.23	\$63.24	\$66.40	Hourly
305	Recreation Manager	\$7,505	\$7,878	\$8,272	\$8,686	\$9,120	\$9,576	\$10,055	Monthly
		\$90,057	\$94,537	\$99,264	\$104,227	\$109,439	\$114,910	\$120,655	Annual
		\$43.30	\$45.45	\$47.72	\$50.11	\$52.61	\$55.25	\$58.01	Hourly
236	Telecommunications Manager	\$7,813	\$8,205	\$8,615	\$9,046	\$9,498	\$9,973	\$10,471	Monthly
		\$93,755	\$98,457	\$103,383	\$108,558	\$113,980	\$119,675	\$125,656	Annual
		\$45.07	\$47.34	\$49.70	\$52.19	\$54.80	\$57.54	\$60.41	Hourly
113	Transportation Services Manager	\$7,967	\$8,366	\$8,785	\$9,224	\$9,685	\$10,169	\$10,678	Monthly
		\$95,604	\$100,393	\$105,418	\$110,692	\$116,226	\$122,033	\$128,137	Annual
		\$45.96	\$48.27	\$50.68	\$53.22	\$55.88	\$58.67	\$61.60	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. Administrative Regulation 2.19 on Executive Leave establishes the provision of 80 hours (112 hours for Battalion Chiefs) of Executive Leave for every executive employee. 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 annually and, if additional hours are approved, the hours are subject to the same carry forward limitations detailed in Administrative Regulation 2.19.

Off-duty executives in the Battalion Chief classification who are assigned by the Fire Chief or designee to a twenty-four (24) hour fire suppression work shift for an emergency assignment associated with an ongoing emergency incident or to replace another Battalion Chief who is on an approved leave of absence, will receive an amount equivalent to one and one-half times (1 ½) their regular rate of pay (overtime). Monthly staff meetings or regular assignments will not be eligible for overtime and shift exchanges between two Battalion Chiefs will not qualify for overtime compensation.

SECTION 7. 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 8. 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 9. 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 10. All resolutions and parts of resolutions in conflict herewith are hereby rescinded.

PASSED AND ADOPTED this 20th day of March, 2007.

Mayor of the City of Costa Mesa

ATTEST:

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, City Clerk of the City of Costa Mesa, do hereby certify that foregoing is the original of Resolution No. 07-__ and was duly passed and adopted by the City Council of the City of Costa Mesa at a regular meeting held on the 20th day of March, 2007.

IN WITNESS WHEREOF, I have hereby set my hand and affixed the Seal of the City of Costa Mesa this 21st day of March, 2007.

City Clerk of the City of Costa Mesa