



Staff Report

File #: 22-564

Version: 1

Date: 12/12/2022

Item #:

TO: Mayor and City Council

THROUGH: Keith Stahley, City Manager

FROM: Michele Bennett, Human Resources Division Manager

SUBJECT:

Deputy City Manager Compensation.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

Result Area(s): Good Governance.

SUMMARY:

As part of re-organization within the Executive Leadership Team and department director reporting structure, the Deputy City Manager job classification has been updated for use at the request of the City Manager. Recent changes to the Executive Management pay plan did not include a recommendation for a Deputy City Manager classification or compensation as it was not currently in use within the organizational structure. As Deputy City Managers may be assigned subordinate Department Directors as direct reports and assume responsibility for multiple City departmental functions, a new compensation pay range is requested to be added to the existing Executive Management pay plan for the Deputy City Manager job classification.

ISSUE:

Shall City Council approve a new pay grade added to the Executive Management Pay plan, with an estimated range of \$12,759 - \$20,429 per month, and include an additional \$250 per month auto allowance, for the Deputy City Manager job classification as of December 12, 2022?

RECOMMENDATION:

Approve a new pay grade added to the Executive Management Pay plan, with an estimated range of \$12,759 - \$20,429 per month, and include an additional \$250 per month auto allowance, for the Deputy City Manager job classification as of December 12, 2022.

FACTS AND FINDINGS:

As part of the 5-year classification review cycle following the City's new process for non-represented jobs and the City's Compensation Philosophy, the Executive Management group (department directors) compensation structure was approved in August 2022 with a new pay plan that consists of a minimum and maximum salary range for three levels within the executive director group. At the time of that report, the Deputy City Manager job classification was not in use within the current organizational structure and all of the department directors reported directly to the City Manager.

The three levels on the current Executive Management pay plan include:

1. Executive (City Attorney, Enterprise Services Director, Public Works Director), pay range \$12,509 - \$20,029 per month.
2. Public Safety (Fire Chief, Police Chief), pay range \$12,229 - \$19,578 per month.
3. General/Internal (Chief Financial Officer, Community Development Director, Urban Development Director), pay range \$10,681 - \$17,099 per month.

Recent changes made by the City Manager within the Executive Leadership Team include the use the Deputy City Manager classification, with the intent to reorganize some divisions/departments and reporting structure for operational efficiency and streamlining of public and internal service structure. It is anticipated that through the reorganization, two Deputy City Manager positions will assume responsibility for additional City departments and provide direct supervision over departmental functions as well as be part of the strategic structure of the City Manager's Office.

While still under development, part of the reorganization would use the vacant Community Development Director as a Community Services Deputy City Manager, and that position will oversee community programs including the library, parks and recreation, senior center, neighborhood associations, homeless response, culture and tourism, public art, ADA, youth, and volunteer services. The other Deputy position (formerly the Enterprise Services Director position) will oversee all IT, human resources, risk management, fleet and facilities, customer service center, and DEI initiatives. These positions will also assist in Enterprise strategy alongside the City Manager.

Human Resources completed a market review for Deputy City Manager compensation and found that in comparison to other similar sized cities in Oregon and nearby states, the executive level pay grade is behind market by more than six percent at the minimum pay range and zero at maximum pay range.

While the current compression level between the Executive and General/Internal level is within the City Compensation Philosophy (maintain at least fifteen percent), the positions at the General/Internal director level have not been direct reports to the Executive level. By establishing Deputy City Manager classification that may supervise department directors and assume multiple departments oversight, this significantly broadens the scope and level of authority, consequence of

error and impact to the Deputy City Manager. Compensation for those increased duties should be recognized for the accountability and expanded oversight of the organization.

It is recommended that a new pay grade for Deputy City Manager be created that is two percent higher than the Executive pay grade. The estimated pay range is \$12,759 - to \$20,429 per month. This improves the compression tolerance level to be nineteen percent between the department directors the Deputy City Manager may supervise and establishes a more competitive market rate. This pay grade would place the Deputy City Manager compensation level to be two percent above the market at the maximum pay range.

The anticipated fiscal impact of the proposal is approximately \$52,630 for the current fiscal year, including compensation and auto allowance. Funding for this change is anticipated to be available in the budget due to personal savings from position vacancies. If personal savings are not enough to fund the changes, additional funding through a budget contingency transfer may be requested at the end of the fiscal year.

BACKGROUND:

During the new five-year classification and compensation review process, Human Resources identified represented and non-represented classifications with market and pay compression issues and implemented recommendation for pay grade adjustments either through the budget process or brought other staff reports over the past year for Council approval. At that time of the Executive Management review and recommendation, the organizational structure and compensation did not include a Deputy City Manager classification or pay grade.

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Attachments:
1. None