



June 18, 2021

TO: CADA Board of Directors

SUBJECT: **June 25, 2021, Board Meeting**
AGENDA ITEM 7
FY 2016 – 2017 SALARY RANGE LIMIT SCHEDULE

CONTACT: Jill Azevedo, Human Resources Manager

RECOMMENDED ACTION:

Staff recommends that the Board adopt a resolution establishing the FY 2021-2022 Salary Limits.

BACKGROUND

CADA personnel policies delegate authority for individual employee salary adjustments to the Executive Director. Adoption of salary range limits, however, requires Board action. At the June Board meeting each year the Board generally makes adjustments, if warranted, for implementation in the next fiscal year.

POLICY ISSUES

To attract and retain qualified staff it is important periodically to conduct compensation studies in order for CADA to remain in relative consistency with its benchmark agencies.¹ In keeping with CADA's practice to conduct a salary structure review every five years, CADA contracted with an outside consultant, Public Sector Personnel Consultants (PSPC), to prepare a comprehensive salary review earlier this year.

PSPC was selected to prepare the salary and benefits structure review because it satisfactorily prepared the last three reports and is familiar with CADA's organizational structure and job descriptions. The review consists of the following sections:

- Section 1: Executive Summary
- Section 2: External Competitiveness Comparisons
- Section 3: Recommended FY 2016/2017 Base Salary Plan
- Section 4: Initial Implementation of the FY 2016/2017 Salary Plan
- Section 5: Appendices (Base Salary Survey Worksheets, Comparator Benefits Data)

A copy of the PSPC report, excluding the appendices, is included as **Attachment 1**.

Public Sector Personnel Consultants (PSPC) found that 28% of CADA's ranges that were surveyed were competitive with the benchmark job classes and 72% of these ranges were not. Based on

¹ CADA's benchmark agencies are the State of California, County of Sacramento, City of Sacramento, Sacramento Housing and Redevelopment Agency, and the Cities of Folsom, Roseville, Stockton, and West Sacramento. CADA also takes into consideration private sector jobs identified by CADA's independent outside consultant.

these survey results, PSPC prepared a table entitled "Table 2 – Proposed Fiscal Year 2021/2022 Salary Ranges" in which ranges that were found not to be competitive are adjusted to the average of prevailing rates, which is defined as +/-5% of the survey jobs' averages matching the Authority's benchmark classes.

The FY 2021-22 Salary Range Limit Schedule, which is attached to the resolution proposed for adoption, is consistent with PSPC's proposal.

STRATEGIC PLAN

This action is consistent with the key CADA value articulated in the Strategic Plan of operating in a fiscally responsible manner. Adopting the recommended salary ranges is fiscally responsible because the new ranges are competitive within the market and working within them will help CADA to better attract and maintain qualified staff.

FISCAL IMPACT

Because the salary range schedule does not set actual employee salaries, adoption of the proposed schedule does not have a direct fiscal impact. For CADA employees, actual salaries are determined by individual performance evaluations within budget parameters established by the Board and the Executive Director. Prior to any salary increase being enacted, the Executive Director assesses the impact of a proposed increase on the overall salaries budget.

ENVIRONMENTAL REVIEW

Not applicable. This is an administrative action and is not a project subject to the guidelines of the California Environmental Quality Act (CEQA).

CONTRACT AWARD CONSIDERATIONS

Not applicable. This action is not subject to CADA Contract Policy.

Attachments:

1. *Results of the 2021 Compensation Survey and Proposed 2021/2022 Plan for the Capitol Area Development Authority.*

RESULTS OF THE 2021 COMPENSATION SURVEY

And Proposed FY 2021/2022 Plan for the
Capitol Area Development Authority

MARCH 2021



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1. EXECUTIVE SUMMARY

It is with pleasure that we present this report describing the results of the 2021 compensation survey and recommended FY 2021/2022 Salary Plan for the Capitol Area Development Authority (“the Authority” or “CADA”).

A. SUMMARY OF FINDINGS

1. The Authority’s base pay ranges are competitive (within 5% of the prevailing rates) for 28% of the salary survey benchmark job classes in comparison to the designated public and private competitor employers (Table 1, page 4).
2. The Authority’s base pay ranges are not competitive (-5% or more below the prevailing rates) for 72% of its salary survey benchmark job classes in comparison to the designated public and private competitor employers (Table 1, page 4).
3. The extent of variance from the estimated prevailing rates ranges from – 25.48% for the salary range assigned to the classification of Leasing Agent to + 10.25% for the salary range assigned to the classification of Renovation & Rehabilitation Specialist (Table 1, page 4). Actual salaries for incumbents in these positions may vary from the Authority’s current calculated Midpoints and the prevailing rates.
4. Proposed pay range adjustments, established at the average of the market rates can be found on Table 2, page 5.
5. The Authority is offering / providing a competitive level of employee benefits in most all areas surveyed. The Authority provides competitive insurance premium allowance for employee plus family coverage, and pays market-average portion of employee retirement contribution. See Appendix II for additional details.

B. SUMMARY OF RECOMMENDATIONS

1. Enact a prevailing rate-related salary policy for the Authority (page 5).
2. Establish the Authority’s base salary range competitiveness policy at the average of the estimated prevailing rates (page 5).

2. EXTERNAL COMPETITIVENESS COMPARISONS

The following paragraphs and tables compare the Authority's current salary ranges (calculated salary range Midpoint) to those for similar occupations at the public and private employers with whom the Authority competes to obtain and retain high quality staff.

A. SOURCES OF EXTERNAL DATA

Pay Plans of Individual Employers:

In order to maintain the statistical reliability of the external prevailing rate database, we obtained the complete salary plans from the following jurisdictions and extracted data on their job classes matching the Authority's salary survey benchmarks.

Folsom, City of	Sacramento Area Council of Governments
Roseville, City of	State of California (BU 1 only)
Sacramento County	Stockton, City of
Sacramento Housing & Redevelopment Agency	West Sacramento, City of
Sacramento, City of	

Private Employers in the Sacramento Area:

We extracted data on occupational job classes similar to those employed by the Authority in the private sector from the Economic Research Institute's Salary Assessor for the Sacramento area.

B. SALARY RANGE MIDPOINT COMPARISON

We utilized the standard "structure-to-structure" method to compare the Authority's salary ranges to the prevailing rates. The salary ranges and the prevailing rates are represented by their Midpoints, which are the amounts employers pay for sustained competent job performance.

The Midpoint is the most objective, occupation-specific and consistent component of salary structures among employers, as the varying widths of salary ranges are too great to utilize Minimum or Maximum. Midpoint is not affected by actual salary averages which may reflect longevity, pay-for-performance, and a myriad of subjective salary plan administration characteristics of the comparator employers. When individual salary plans were comprised of steps, the beginning and ending step was added and divided by two (2) to calculate a true midpoint.

C. BENCHMARK OCCUPATIONS

The following Authority job classes had a sufficient number of salary survey “matches” to be utilized for pay structure comparison and salary plan development / planning.

Accounting Manager	Facilities Maintenance Manager	Manager - Contracts & Office
Accounting Specialist	Human Resources/Risk Manager	Marketing & Creative Services Manager
Administrative Assistant	Journeyman - Carpenter	Planning / Asset Management Svcs Director
Construction Manager	Journeyman - Electrician	Prep Coordinator
Controller/Finance Director	Journeyman - Plumbing/Carpentry	Property Manager
Deputy Executive Director	Leasing Agent	Renovation & Rehabilitation Specialist
Development Manager	Leasing Services Manager	Resident Services Representative
Development Service Director	Maintenance Office Coordinator	
Executive Director	Maintenance Specialist	

D. EXTERNAL PREVAILING RATE COMPARISON

Table 1 following this page summarizes the comparison of the Authority’s current salary structure midpoints for all benchmark job classes, to the prevailing rates of the comparator employers from the salary survey sources.

NOTE: Relationship of +/- 5% to the prevailing rates is considered comparable to the prevailing rates.

<u>Relationship to Prevailing Rates</u>	<u>Benchmark Job Classes</u>	<u>% of Sample</u>	<u>Average Variance</u>
Below	18	72%	- 13.60%
Comparable	6	24%	- 2.73%
Above	1	4%	+ 10.25%

The Authority is a competitive employer (within 5% of the prevailing rates) for 28% of the benchmark job classes, and is not a competitive employer (-5% or more below the prevailing rates) for 72% of the benchmark job classes.

E. EMPLOYEE BENEFITS COMPARISONS

Appendix II displays the benefits data provided by the comparators for comparison to the Authority’s benefits practices. CADA is offering / providing a competitive level of employee benefits in most all areas surveyed. CADA provides a competitive premium allowance for employee plus family coverage, and pays a portion of employee retirement contribution that matches market practices/averages.

Table 1 - EXTERNAL PREVAILING RATES COMPARISON

Comparing Base Pay Range Midpoint to Market Midpoint

CADA Job Title	CADA Midpoint	Market Midpoint	Variance	
			\$	%
Leasing Agent	\$37,044	\$49,712	-\$12,668	-25.48%
Planning / Asset Management Svcs Director	\$108,378	\$132,599	-\$24,221	-18.27%
Resident Services Representative	\$33,600	\$40,770	-\$7,170	-17.59%
Leasing Services Manager	\$58,092	\$69,317	-\$11,225	-16.19%
Human Resources/Risk Manager	\$77,004	\$90,371	-\$13,367	-14.79%
Deputy Executive Director	\$131,598	\$154,421	-\$22,823	-14.78%
Controller/Finance Director	\$108,378	\$125,102	-\$16,724	-13.37%
Administrative Assistant	\$35,976	\$41,522	-\$5,546	-13.36%
Development Service Director	\$108,378	\$124,645	-\$16,267	-13.05%
Development Manager	\$83,244	\$95,588	-\$12,344	-12.91%
Journeyman - Electrician	\$56,340	\$64,328	-\$7,988	-12.42%
Accounting Specialist	\$40,038	\$45,548	-\$5,510	-12.10%
Journeyman - Plumbing/Carpentry	\$56,340	\$63,877	-\$7,537	-11.80%
Maintenance Office Coordinator	\$37,044	\$41,968	-\$4,924	-11.73%
Executive Director	\$156,942	\$176,739	-\$19,797	-11.20%
Accounting Manager	\$73,338	\$82,159	-\$8,821	-10.74%
Construction Manager	\$77,004	\$83,476	-\$6,472	-7.75%
Manager - Contracts & Office	\$68,478	\$73,845	-\$5,367	-7.27%
Journeyman - Carpenter	\$56,340	\$59,186	-\$2,846	-4.81%
Maintenance Specialist	\$45,906	\$47,879	-\$1,973	-4.12%
Prep Coordinator	\$43,716	\$45,113	-\$1,397	-3.10%
Property Manager	\$73,338	\$75,147	-\$1,809	-2.41%
Facilities Maintenance Manager	\$83,244	\$84,177	-\$933	-1.11%
Marketing & Creative Services Manager	\$68,478	\$69,072	-\$594	-0.86%
Renovation & Rehabilitation Specialist	\$67,596	\$61,314	\$6,282	10.25%

3. RECOMMENDED FY 2021/2022 BASE SALARY PLAN

The following narratives and tables describe the recommended FY 2021/2022 salary plan for the Authority and its estimated fiscal impact.

A. RECOMMENDED FLEXIBLE SALARY COMPETITIVENESS POLICY

Salary *policy* is the Authority's expression of *where* it will place its salary levels in relation to the prevailing rates, expressed as a *percentage* of the external prevailing rates.

Permanent Prevailing Rate Salary Policy

We recommend that the Authority adopt a permanent policy to place its salary competitiveness policy at the average of the prevailing rates. "*At the prevailing rates*" is defined as +/- 5% of the survey jobs' averages matching the Authority's benchmark job classes. An illustrative prevailing rate resolution wording is:

"It is the policy of the Authority to place its salary range assignments at or near the prevailing rates paid for similar occupations by the public and private employers with whom we compete for high quality staff, if financially able, based on the non-weighted average rates of the designated comparator employers."

This flexible policy will permit the Authority to consider significant factors relating to internal occupational group relationships, supply and demand in the marketplace for specific occupations, and financial constraints.

B. ASSIGNMENT OF JOB CLASSES TO SALARY RANGES

Table 2, on the following page, displays the recommended FY 2021/2022 salary ranges for each of the Authority job classes in descending order. Surveyed job classes were placed as close to the prevailing rates for comparable job classes as was practical without damaging internal equity.

Table 2 - PROPOSED FY 2021/2022 SALARY RANGES

Executive	PSPC Draft Range
Executive Director	\$11,614 - \$17,420
Deputy Executive Director	\$10,090 - \$15,133
Directors	
Controller/Finance Director	\$8,163 - \$12,248
Development Services Director	\$8,163 - \$12,248
Planning/Asset Management Services Director	\$8,163 - \$12,248
Managers/Administrators	
Development Manager	\$6,272 - \$9,406
Facilities Maintenance Manager	\$5,550 - \$8,324
Construction Manager	\$5,550 - \$8,324
Human Resources Manager	\$6,272 - \$9,406
Property Manager	\$5,378 - \$8,067
Human Resources Administrator	\$5,378 - \$8,067
Accounting Manager	\$5,378 - \$8,067
Resident Services Manager	\$5,378 - \$8,067
Office Manager	\$4,886 - \$7,326
Marketing and Creative Services Manager	\$4,886 - \$7,326
Accounting Supervisor	\$4,752 - \$6,383
Leasing Services Manager	\$4,752 - \$6,383
Construction Administrator	\$4,752 - \$6,383
Communications Administrator	\$3,945 - \$5,915
Maintenance	
Renovation & Rehabilitation Specialist	\$4,333 - \$6,933
Journey Level Trade	\$4,133 - \$6,196
Maintenance Specialist	\$3,182 - \$4,775
Administrative Services	
Accounting Specialist	\$2,989 - \$4,485
Leasing Agent	\$2,989 - \$4,485
Office Coordinator	\$2,989 - \$4,485
Executive Assistant to Board	\$2,989 - \$4,485
Administrative Assistant	\$2,710 - \$4,066
Resident Services	
Resident Services Specialist	\$2,464 - \$3,696

4. INITIAL IMPLEMENTATION OF FY 2021/2022 SALARY PLAN

The initial implementation of the Authority's updated salary plan for FY 2021/2022 will be controlled by financial resources, and therefore balanced between the desire to pay all journey-level employees at the prevailing rates for their occupations and available funds. The following optional approaches are provided for the Authority to select, or modify, the one best suited to its compensation philosophy, historical practices, and available funds.

A. SALARIES BELOW MINIMUM

We recommend that the salary of the any employee whose current amount is less than the Minimum of the salary range for their position's job class be increased to that Minimum amount on the effective date of the updated salary plan.

B. ALTERNATIVE APPROACHES TO IN-RANGE ADJUSTMENTS

In-range adjustments could be made after the plan's effective date (and after all salaries have been adjusted up to Minimum) on each employee's individual salary anniversary date, according to one of the following approaches and funding level options.

Approach A - Longevity/Percentage Increase

This approach provides in-range increases based on years of Authority service.

<u>Years of Service</u>	<u>-----Variable Funding Level-----</u>		
	<u>Option 1 Increase</u>	<u>Option 2 Increase</u>	<u>Option 3 Increase</u>
Less than 1 year	2.0%	1.5%	1.0%
1 - 5 years	2.5%	2.0%	1.5%
6 - 10 years	3.0%	2.5%	2.0%
11 - 15 years	3.5%	3.0%	2.5%
16 - 20 years	4.0%	3.5%	3.0%
Over 20 years	4.5%	4.0%	3.5%

Approach B - Longevity/Compa-Ratio

This approach places individuals at specific positions within the salary range based on their years of Authority service, and does not decrease their current salary amount if it exceeds the designated compa-ratio (relationship of salary to Midpoint).

-----Variable Funding Level-----

<u>Years of Service</u>	<u>Compa- Ratio</u>	<u>Compa- Ratio</u>	<u>Compa- Ratio</u>
Less than 1 year	85%	83%	80%
1 - 5 years	90%	88%	85%
6 - 10 years	95%	93%	90%
11 - 15 years	100%	98%	95%
16 - 20 years	105%	103%	100%
Over 20 years	110%	107%	105%

RESOLUTION NO. 21 - 22

Adopted by the Capitol Area Development Authority

June 25, 2022

**RESOLUTION APPROVING THE FY 2021-2022
SALARY RANGE LIMIT SCHEDULE**

WHEREAS, the Authority's policy is that salary range limits are established by the Board of Directors; and

WHEREAS, the Authority's practice is for staff to prepare and recommend a salary range limit schedule for the upcoming year at the June meeting of the Board.

NOW, THEREFORE, BE IT RESOLVED, by the Capitol Area Development Authority that:

1. The document entitled, "Capitol Area Development Authority Salary Range Limits, Effective July 1, 2021," attached hereto, is adopted as the CADA salary range limit schedule for Fiscal Year 2021-2022, and
2. The Executive Director is authorized to make individual salary adjustments for staff, provided these adjustments do not exceed the adopted salary limits.

Ann Bailey, Chair

ATTEST:

Jill Azevedo
Acting Secretary to the Board of Directors

Attachment 1: Capitol Area Development Authority Salary Range Limits, effective July 1, 2021

Attachment 1

CAPITOL AREA DEVELOPMENT AUTHORITY SALARY RANGE LIMITS, EFFECTIVE JULY 1, 2021

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