



**CITY OF STANWOOD  
COUNCIL AGENDA STAFF REPORT**

**ITEM NUMBER:** 10a  
**DATE:** November 21, 2016  
**SUBJECT:** Proposed Resolution to Adopt the City's Salary and Benefits Schedule for 2017  
**CONTACT PERSON:** Deborah Knight, City Administrator  
**ATTACHMENTS:** A – Resolution 2016-23

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**ISSUE**

The issue before the city council is whether or not to adopt a resolution establishing the city's pay and benefits schedule for city employees for 2017.

**RECOMMENDATION**

Adopt Resolution 2016-23 establishing the city's pay and benefits schedule for city employees for 2017.

**DISCUSSION**

**Represented Employees**

There are bargaining groups in the city: Teamsters – Public Works and Teamsters – Administrative (hereinafter referred to collectively as "Teamsters" for the sake of discussion).

The Teamsters are currently working under a 2-year contract that expires on December 31, 2016. Negotiations are complete for the Public Works contract. The new public works pay schedule is included in Resolution 2016-23. Negotiations are still underway for the Administrative employees. There will be no changes to the Administrative employee salaries and benefits until the city and the Teamsters can reach agreement and ratify a new contract for the bargaining unit.

**Non-represented Employees**

All city employees who are not represented by the Teamsters are considered non-represented employees (hereinafter referred to as "non-represented").

The city conducted a salary and benefits survey for non-represented employees in 2014 effective January 1, 2015 using comparable cities as adopted by council at the August 21, 2014 regular council meeting as follows:

*Table 1 – Comparable Cities*

City	Population	County	Assessed Value
Stanwood	6,340	Snohomish	591,926,022
Brier	6,315	Snohomish	659,670,947
Duvall	7,120	King	699,978,432
Gig Harbor	7,670	Pierce	1,652,017,762
Normandy Park	6,350	King	1,090,663,677
North Bend	6,020	King	812,577,555
Fircrest	6,540	Pierce	553,632,539
Sedro-Woolley	10,610	Skagit	696,093,913
Blaine	4,785	Whatcom	774,011,259
Average	6,861		836,730,234

As a result of the survey, the following salary schedule was adopted for 2016:

*Table 2 – 2016 Salary Scale*

Description	Minimum	Maximum
City Administrator	\$ 9,437	\$ 10,622
Public Works Director	\$ 8,384	\$ 9,437
Community Development Director	\$ 7,724	\$ 8,693
Finance Director / City Clerk	\$ 7,716	\$ 8,685
Asst. PW Director / City Engineer	\$ 7,458	\$ 8,394
Building Official	\$ 6,734	\$ 7,579
Senior Accountant	\$ 6,176	\$ 6,951
Senior Planner	\$ 5,848	\$ 6,582
Planner	\$ 4,696	\$ 5,285
Building Inspector	\$ 5,031	\$ 5,662
Field Supervisor	\$ 5,865	\$ 6,601
Mayor	\$ 1,200	\$ 1,200
Councilmember	\$ 325	\$ 325
Part-Time and Seasonal Employees	\$9.47/hr	\$40.00/hr

The 2017 Salary Schedule reflects a 1.8% cost of living (COLA) increase based on 90% of Bureau of Labor Statistics Data, Consumer Price Index – Urban Wage Earners and Clerical Workers (CPI-W) from June 2015 to June 2016.

The COLA was reduced by 10% (i.e. 90% of CPI-W) primarily to reflect the fact that benefit costs have increased at a faster pace than salaries, and the expectation is that this trend will continue in the future. Medical insurance premiums, for example,

increased by 5% in 2017, and another 5% increase is projected in the 2018 budget. In order for the city to balance the overall compensation budget (i.e. salaries and benefits), salary increases must be held at a lower rate to offset relatively higher benefit increases.

In addition to the new pay model, non-represented employees switched from Delta Dental Plan A to Plan F effective January 1, 2016. The benefits are almost identical between the two plans; the major difference is that Plan F offers an annual plan maximum of \$1,500, while Plan A offers just \$1,000. Presented below is a comparison of 2016 rates:

Table 4 – Comparison of Delta Dental Monthly Rates (Plan F vs. Plan A)

Description	Plan F	Plan A	Difference	Percentage Difference
Employee	\$ 54.79	\$ 52.78	\$ 2.01	3.8%
Employee + 1 dependent	\$ 103.63	\$ 100.21	\$ 3.42	3.4%
Employee + 2 or more dependents	\$ 162.21	\$ 158.28	\$ 3.93	2.5%

**FINANCIAL IMPACT**

The financial impact to the city of salaries and benefits for city employees has been reflected in the 2017-2018 budget. The 2017-2018 budget assumes a 2% cost-of-living increase for represented employees in 2018 per the recommended labor agreement with the Public Works bargaining unit, plus any scheduled step increases. For non-represented employees, the proposal includes a \$42,435 salary adjustment pool to be distributed at the discretion of the Mayor.

The financial impact of switching the dental plan averages about \$3 per month per covered employee, or about \$324 per year (\$3 X 12 months X 9 employees = \$324/year), which has been included in the proposed 2017 and 2018 budgets.

**CITY COUNCIL OPTIONS**

- 1) Adopt Resolution 2016-23 formally adopting a salary and benefit schedule for city employees effective January 1, 2017.
- 2) Do not adopt Resolution 2016-23 formally adopting a salary and benefit schedule for city employees effective January 1, 2017.
- 3) Do not adopt Resolution 2016-23 formally adopting a salary and benefit schedule for city employees effective January 1, 2017, and direct staff to address specific council concerns or provide additional information.

**RECOMMENDED MOTION**

**I MOVE TO ADOPT RESOLUTION 2016-23 FORMALLY ADOPTING A SALARY AND BENEFIT SCHEDULE FOR CITY EMPLOYEES EFFECTIVE JANUARY 1, 2017.**

CITY OF STANWOOD  
Stanwood, Washington

RESOLUTION 2016-23

A RESOLUTION OF THE CITY OF STANWOOD, WASHINGTON  
FORMALLY ADOPTING A SALARY AND BENEFIT SCHEDULE FOR  
CITY EMPLOYEES EFFECTIVE JANUARY 1, 2017

**WHEREAS**, it is necessary and appropriate to establish the salary and benefits schedule for employees and elected officials of the City of Stanwood by resolution of the city council; and

**WHEREAS**, pursuant to RCW 35A.11.020, the city council has the power to fix the compensation and working conditions of its officers and employees; and

**WHEREAS**, on July 9, 2015 the city council approved an agreement by and between City of Stanwood and Teamsters Local Union No. 231 (representing the administrative employees) for the period from January 1, 2015 through December 31, 2016; and

**WHEREAS**, on November 21, 2016 the city council approved an agreement by and between City of Stanwood and Teamsters Local Union No. 231 (representing the public works employees) for the period from January 1, 2017 through December 31, 2019; and

**WHEREAS**, negotiations are still ongoing with Administrative employees, and the presumption is that there will be no new contract in effect on January 1, 2017, after the existing contract has expired, so that there will be no change in pay and benefits for the Administrative Employees until a new contract has been approved by both parties; and

**WHEREAS**, city council adopted the results of the salary and benefits plan for its non-represented employees by Resolution 2014-25 on December 11, 2014; and

**WHEREAS**, the city council amended the benefits plan for its non-represented employees by Resolution 2015-02 on January 8, 2015;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STANWOOD, WASHINGTON, AS FOLLOWS:**

**Section 1: Adopting Pay and Benefits for Teamsters Administrative Employees**

That the monthly base compensation for City employees represented by Teamsters Local Union No. 231 (representing the Administrative Employees), subject to adjustments as contained in collective bargaining agreements by the City as set forth below:

	<b>Minimum</b>	<b>Maximum</b>
Permit Specialist I	\$3,788	\$4,330
Permit Specialist II	\$4,114	\$4,654
Administrative Asst. I	\$3,680	\$4,222
Administrative Asst. II	\$4,114	\$4,654
Administrative Lead	\$4,546	\$5,088
Accounting Clerk I	\$3,030	\$3,572
Accounting Clerk II	\$3,356	\$3,896
Accounting Clerk III	\$3,572	\$4,114
Accounting Clerk IV	\$4,005	\$4,546
Police Records Clerk I	\$3,464	\$4,005
Police Records Clerk II	\$4,114	\$4,654
Office Clerk I	\$3,030	\$3,572
Office Clerk II	\$3,464	\$4,005
Deputy City Clerk I	\$3,788	\$4,330
Deputy City Clerk II	\$4,114	\$4,654

Other pay and benefits for City Teamsters Administrative Employees are enumerated in the current Collective Bargaining Agreement.

**Section 2: Adopting Pay and Benefits for Teamsters Public Works Employees**

That the monthly base compensation for City employees represented by Teamsters Local Union No. 231 (representing the Public Works Employees), subject to adjustments as contained in collective bargaining agreements by the City as set forth below:

	<b>Minimum</b>	<b>Maximum</b>
Public Works Technician I	\$3,626	\$4,685
Public Works Technician II	\$3,851	\$4,976
Public Works Lead Person	\$4,742	\$6,128
Water Treatment Plant Operator I	\$3,903	\$5,046
Water Treatment Plant Operator II	\$4,150	\$5,363
WW Treatment Plant Operator I	\$4,139	\$5,349
WW Treatment Plant Operator II	\$4,442	\$5,741
WW Treatment Plan Lead	\$4,932	\$6,374

Other pay and benefits for City Teamsters Public Works Employees are enumerated in the current Collective Bargaining Agreement.

**Section 3: Adopting Pay and Benefits for Non-Represented Employees** That the monthly base compensation for City employees and elected officials who are not represented by a union or bargaining group subject to adjustments as contained herein as set forth below:

	<u>Minimum</u>	<u>Maximum</u>
City Administrator	\$9,626	\$10,834
Public Works Director	\$8,552	\$9,437
Community Development Director	\$7,878	\$8,693
Finance Director / City Clerk	\$7,870	\$8,685
Asst. PW Director/City Engineer	\$7,607	\$8,394
Building Official	\$6,869	\$7,579
Senior Accountant	\$6,300	\$6,951
Senior Planner	\$5,965	\$6,582
Planner	\$5,132	\$5,775
Mayor	\$1,300	\$1,300
Councilmember	\$350	\$350
Part-Time and Seasonal Employees	\$9.53/hr	\$50.00/hr

a) Salary Increases Based on Performance

On January 1<sup>st</sup> of each year, full-time non-represented employees may, in addition to contract adjustments, receive an annual salary increase based on individual performance as determined by the Mayor. The total amount of performance increases shall not exceed the salary adjustment pool, which is calculated by the finance director and authorized by the City Council as a percentage share of annual full-time, non-represented salaries.

For the 2017 budget year, the performance pool will be \$42,435, which is based on a 1.8% cost of living increase plus a 3% performance step increase as determined by the non-represented salary survey.

b) Health Insurance and Retirement Benefits

The City of Stanwood currently provides the following benefits for non-represented employees:

- o Medical - The City pays 100% employee cost for medical, dental and vision insurance.
- o For dependent medical benefits, the employee shall share the cost of benefits under Association of Washington Cities (AWC) Health First Plan as follows:

Effective January 1, 2017:

Spouse	9% of the 2017 rate per month
First Dependent	9% of the 2017 rate per month
Second Dependent	9% of the 2017 rate per month
Full Family	9% of the 2017 rate per month

- o \$10,000 life insurance paid by the city.
- o Public Employees Retirement System (PERS). Benefit levels and contributions are set by the State of Washington
- o Deferred Compensation Plan. The City is a member of the State Deferred Compensation Plan which allows employees to make tax deferred deposits up to dollar limits defined by the IRS.
- o Delta Dental Plan F

c) Dual Insurance Program

All employees are eligible to remove their spouse and/or dependents from the city's medical plan and receive fifty percent (50%) of the employer's portion of the monthly premium. This incentive will be added to the employee's paycheck as taxable income. In addition, the employee will save the premium they are currently paying for dependent medical insurance. Employees will be required to sign a waiver certifying that they or their dependents or spouse have other medical insurance. If the employee's dependents or spouse later involuntarily lose their (non-city) medical coverage, they are eligible to rejoin the city's medical plan on the first day of the following month.

d) Other Benefits as Provided in the Personnel Policy Manual

The City of Stanwood provides other benefits to its employees as enumerated in the Personnel Policy Manual as approved by City Council.

**ADOPTED** by the city council and **APPROVED** by the mayor this 21st day of November, 2016.

CITY OF STANWOOD

By \_\_\_\_\_  
Leonard Kelley, Mayor

ATTEST:

By \_\_\_\_\_  
Deborah Knight, Interim City Clerk

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