



MEMORANDUM
OFFICE OF THE
COUNTY EXECUTIVE
COUNTY OF PLACER

TO: Honorable Board of Supervisors
FROM: Thomas M. Miller, County Executive Officer
By Therese Leonard, Principal Management Analyst
DATE: August 9, 2011
SUBJECT: Employee Compensation Report

Information

Receive a report, as requested by your Board, on Placer County employee compensation, in comparison to local agencies in the region as well as other California counties.

Background

Placer County's population was one of California's fastest growing in the early years of the last decade due to its spectacular and diverse geography; thriving economy; and low unemployment rate. This growth led to intense land development activity, residential and commercial, as well as rapidly increasing real estate values. As a result of accelerated population and land development growth, there was a corresponding increased demand for county services. The County expanded its workforce in key areas, especially property appraisal, auditing and accounting, building inspection and enforcement, surveying and engineering, health and human service specialties, and public safety.

As previously noted unemployment was at an all time low, with demand for skilled workers greater than the supply. As a result, competition for these few, skilled recruits was at an all time high, with both government and private sector employers actively marketing and recruiting the limited numbers of professionals. In order for an agency to compete, employee compensation packages evolved statewide over a number of years. This occurred at the State, county, city and local levels in an effort to attract new recruits and, also, retain the workforce and not become a training ground for other agencies. As one agency enhanced employee compensation, the others followed suit in order to maintain their competitive edge. In spite of hiring efforts made in an attempt to keep pace with service demand, Placer County's workloads grew at an exponential rate. Departments were hard pressed to keep pace with the ever increasing demand for services and large backlogs evolved in land development and other program service areas.

Since mid 2007, the County's population growth has slowed, service demand in land development programs areas has significantly declined, and county property values and revenue collections have dropped. In December of 2007, in response to this economic downturn, the Board implemented a hiring freeze which has resulted in over 340 fewer employees today than the County had in 2007. The majority of these vacancies were created through employee

attrition. Placer County continues to provide services to constituents in spite of declining revenues and, in several program areas increased demands, while avoiding the large number of layoffs that have occurred in other jurisdictions. These measures, coupled with several labor cost reductions, successfully aligned the County's ongoing operating costs within available revenues. Over the past 4 fiscal cycles, your Board has reduced labor costs by:

- Limited layoffs (20) due to reduced land development work / revenue and State program changes that required a redirection of staff and revenue.
- Mandatory Time Off (time off without pay) for management, confidential, and professional / general unit employees of 21 days over several years.
- Increased employee pension and health premium cost sharing by all employee groups.
- Adopted second tier retirement plans for all new hires.

On April 5, 2011 your Board directed staff to review Placer County's employee compensation in comparison to other agencies and the private sector and report back at a future date.

Placer County's Current Employee Base

As of June 2011, Placer County had 2,227 active employees, with 86% represented by two employee groups: The Placer Public Employees Organization (PPEO) represents approximately 1,711 active employees in the General and Professional Units and the Placer County Deputy Sheriff's Association represents approximately 212 employees. The remaining 304 county employees are unrepresented and include elected, management, confidential, contract and unclassified. Each "group" has various compensation packages as previously negotiated and approved.

Survey Methodology

Two surveys were conducted and the data compiled for this presentation. The first survey, the Regional Survey, included 3 cities and 3 counties. The second survey, the County Survey, included 7 counties. The 2 surveys agency data was gathered from 4 sources: the 2009 State Controller Report for government agency compensation (data listed by individual employee), a Personnel Department survey of counties and cities effective as of 7/1/11, and data from Salary.com and the State of California, Employment Development Department (EDD) web pages.

It should be noted that survey results are not comprehensive as the data represents a sampling of the County's many classifications. Instead, the survey results provide a high level "snapshot" of Placer County employee compensation in comparison to other agencies and should not be used for salary setting purposes as it is not a complete benchmark study.

Regional Survey

The 6 agencies included in the Regional Survey for comparison with Placer County's employee compensation were: El Dorado County, Nevada County, Sacramento County, and the Cities of

Roseville, Sacramento and Folsom. These agencies were chosen because of their proximity to Placer County, with a further distinction related to the size of the cities. Due to proximity and / or size, these agencies are “reasonable competition” for regional employee recruitment. The Regional Survey agency demographics are:

<u>Agency</u>	<u># Active Employees</u>	<u>Population</u>	<u>Employee Ratio Per 1,000 Population</u>
Nevada County	788	99,111	7.95
City of Roseville	979	120,593	8.11
City of Folsom	450	72,439	6.21
El Dorado County	1,736	182,498	9.51
Placer County	2,239	352,380	6.35
City of Sacramento	3,693	469,566	7.87
Sacramento County	11,047	1,428,355	7.73

County Survey

The following seven counties were included in the County Survey: Sacramento, El Dorado, San Luis Obispo, Contra Costa, Santa Cruz, Solano and Sonoma. Since service delivery by counties is similar, the professional skill sets employed by one county would, in most cases, be desired by another. About 21% of Placer County’s current workforce has previous CalPERS years of service experience obtained from a different employer indicating that public employers are competing for the same talent. The County Survey agency demographics are:

<u>County</u>	<u># Active Employees</u>	<u>Population</u>	<u>Employee Ratio Per 1,000 Population</u>
El Dorado	1,736	182,498	9.51
San Luis Obispo	2,344	270,966	8.65
Santa Cruz	2,167	265,430	8.16
Placer County	2,239	352,380	6.35
Solano	2,364	414,509	5.70
Sonoma	4,402	487,125	9.04
Contra Costa	7,742	1,056,064	7.33
Sacramento	11,047	1,428,355	7.73

The Regional and County Survey tables above identify active employees as of 6/1/11 and use Department of Finance’s 1/1/11 population figures. An assumption can be made that the more streamlined and efficient the agency operations, the smaller the employee ratio figure will be for every 1,000 population. In essence, less staff is required to provide the same or similar service. For example, El Dorado utilizes 9.51 employees for every 1,000 residents to provide services, while Solano only utilizes 5.7 employees to provide the same or similar services. Notably, Placer County has the second lowest county employee to population ratio at 6.35; which is consistent with previous Board direction to identify critical services to operate more efficiently by utilizing available resources more effectively.

Agency Matches / Positions Compared

For survey results to be a reasonable comparison, specific wage and benefit categories were identified for inclusion in order to present consistency in the comparison of wage and benefits. As a result, staff consistently surveyed the same retirement and health related benefits in both the Regional and County Surveys. Further, only a limited number of benefits were included in the 2009 State Controller's and Salary.com data collection and, no benefits were included in the EDD data, making benefit comparisons with the other data sources difficult.

The selection of survey classes took into consideration those occupations that were most likely to be found in both the public and private sectors. In addition, some classes were deleted from survey results when there was a lack of comparable classes (2 or less). This event occurred when the class did not exist (primarily in cities), had different job functions and / or the class was not available in smaller counties or in the State Controller's data. The more agency classes that could be compared against Placer County's classes, the more accurate the survey results (i.e. Most Accurate = 6 matches out of the maximum of 6 possible / Least Accurate = 3 matches out of 6).

Regional Survey Maximum of 6 Possible "Agency Class Matches"

1. Board of Supervisors / 3 agency matches (1 class compared)
2. Elected Officials / 3 agency matches (3 elected classes compared)
3. Department Heads / 5-6 agency matches (4 classes compared)
4. Deputy Sheriff Unit / 6 agency matches (1 class compared)
5. Management / 3-6 agency matches (4 classes compared)
6. General Unit / 3-6 agency matches (10 classes compared)
7. Professional Unit / 3-6 agency matches (3 positions compared)

Notes:

- * The classes reviewed represent about 22% of the Placer County workforce.
- * Wages and benefits included in the data analysis: employee pension contribution paid by employer; longevity pay; health, dental, and vision; the value of social security paid by employer, and employer paid deferred compensation contributions for employees.
- * Compensation data is as of 7/1/11.

County Survey Maximum of 7 Possible "Agency Class Matches"

1. Board of Supervisors / 7 agency matches (1 class compared)
2. Elected Officials / 3-7 agency matches (6 classes compared)
3. Department Heads / 5-7 agency matches (3 classes compared)
4. Deputy Sheriff Unit / 7 agency matches (1 class compared)
5. Management / 6-7 agency matches (4 classes compared)
6. General Unit / 4-7 agency matches (11 classes compared)
7. Professional Unit / 6-7 agency matches (5 classes compared)

Notes:

- * The classes reviewed represent about 26% of the workforce.
- * Wages and benefits included in the data analysis: employee pension contribution paid by employer; longevity pay; health, dental, and vision; the value of social security paid by employer, and employer paid deferred compensation contributions for employees.
- * Compensation data is as of 7/1/11.

2009 State Controller Report

Early in 2010 the California State Controller gathered 2009 employee compensation data from every government agency in the state, by individual employee. It should be noted that the data set was extremely large as it included every employee position employed by every public agency. The State Controller Report included the agency's annual salary maximum, and the individual's total 2009 wages (Box 5 of the W-2) which include any cash outs and or special compensation paid. The data set also included employer paid benefits for employee pension contributions, deferred compensation contributions, and health, dental and vision premium payments.

Private Industry Data Source

Private industry employee compensation was the most difficult data to obtain and *impossible* to validate. The companies that staff contacted requested that their data remain confidential and not be used in a Board presentation and, as a result, staff defaulted to using two internet sources Salary.com and the EDD web page. Salary.com appeared to have the most up-to-date information (2011 data) and web searches could be narrowed down to job title, state, industry, and size of workforce. However, Salary.com only shows a workforce of 350-500 employees as the largest available employer and is not comparable to the size of the Placer County workforce. The Sacramento region is not home to corporate offices that would have similar employee numbers to that of Placer County. EDD data is out-dated, 2006-09, which makes it a questionable comparison, but it was included due to lack of other available sources. Every effort was made to find comparable classes in the private sector when making class selections.

Survey Results

Regional Survey results, Exhibit I, note the difference between Placer County's maximum salary, without benefits, from the average of the other survey agencies, as taken from the following sources: the 2009 State Controller Report; 2011 Regional Survey; Salary.Com 2011 and EDD (data collected from 2006-09). Survey agencies, employee maximum salaries were averaged to determine, by group, if Placer County's maximum salaries were higher or lower than the regional average. For example, the Placer County Board of Supervisors maximum salary is 59% below the average of all other agency board members as detailed in the 2009 State Controller Data and 58% below those detailed in the Counties 2011 Regional Survey. As noted previously, Salary.Com and EDD data sources may not be reliable as the data could not be verified.

In the Regional Survey results, Exhibit II, the schedule includes benefits in the comparisons as taken from the 2009 State Controller Report and the 2011 Regional Survey data tables prepared by Personnel. Actual wages as detailed in the State Controller Report, and noted in column 4, include any wages paid and reported on the employees W-2 so overtime, cashed out leave balances, special pays, etc are included in these figures. As an example, a Placer County deputy sheriff II can receive up to 15% of pay for POST certificate incentives, in addition to education incentives, overtime pay and other special pays that are reflected in the State Controller wage and benefit figures, but are not included in the maximum salary figures.

County Survey results, Exhibit III, gathered data from only the 7 county survey agencies, but otherwise is very similar to Exhibit II. Exhibit IV compares actual maximum salaries of classes for Placer County, The City of Roseville and Sacramento County.

When wage or benefit adjustments are made, total compensation is taken into account. Overall, while survey results for some groups appear to be under compensated when compared to their "county" benchmark average maximum salary, once other benefits are included this difference shrinks and is minimal.

Although the data was collected and analyzed on various different factors, Exhibit IV is a representation of Placer County's recruitment area and highlights the major differences between the private sector and public sector salaries based on similar types of occupations.

Attachments:

Exhibit I – Regional Survey / Maximum Salary

Exhibit II – Regional Survey / Maximum Salary and Benefits

Exhibit III – County Survey / Maximum Salary and Benefits

Exhibit IV – Placer County, the City of Roseville and Sacramento County / Maximum Salary

Regional "Maximum Salary" Survey Results

-- El Dorado, Nevada & Sacramento Counties and the Cities of Roseville,
Sacramento & Folsom

		Maximum Salary			
Group	2009 State Controller	2011 Regional Survey	Salary.Com 2011	EDD 2006-09	
1 Board of Supervisors					
Average \$ (Under) / Over	\$ (43,845)	\$ (41,553)	N/A	N/A	
Average % -Under / Over	-59%	-58%			
2 Elected Officials					
Average \$ (Under) / Over	\$ 23,780	\$ 16,883	N/A	N/A	
Average % -Under / Over	16%	11%			
3 Department Head					
Average \$ (Under) / Over	\$ 10,083	\$ 6,861	\$ (192,980)	\$ 8,424	
Average % -Under / Over	5%	3%	-36%	6%	
4 Management					
Average \$ (Under) / Over	\$ 5,478	\$ 5,643	\$ (22,062)	\$ (27,816)	
Average % -Under / Over	7%	5%	-13%	-19%	
5 DSA Unit					
Average \$ (Under) / Over	\$ (5,163)	\$ (1,924)	\$ (1,197)	\$ (8,337)	
Average % -Under / Over	-7%	-3%	-2%	-11%	
6 PPEO General Unit					
Average \$ (Under) / Over	\$ 4,923	\$ 3,728	\$ (6,731)	\$ (13,364)	
Average % -Under / Over	9%	7%	-8%	-17%	
7 PPEO Professional Unit					
Average \$ (Under) / Over	\$ 3,718	\$ 1,788	\$ 472	\$ (9,900)	
Average % -Under / Over	4%	2%	0%	-10%	

POSITIONS USED IN SURVEY:

- 1 Board of Supervisors:** 5 elected
- 2 Elected Officials:** Assessor, District Attorney & Sheriff.
- 3 Department Heads:** Counsel, County Executive Officer, Personnel Director, & Director of DPW
- 4 Management:** Client Services Program Manager, Engineering Manager, IT Manager, & Managing Accountant Auditor
- 5 DSA:** Deputy Sheriff II
- 6 PPEO General Unit:** Account Clerk, Jrny; Administrative Clerk, Jrny; Associate Appraiser; Buyer II; Client Services Program Specialist II; Collection Agent II; Correctional Officer II; Custodian II; Master Equipment Mechanic; & Maintenance Worker.
- 7 PPEO Professional Unit:** Accountant-Auditor II, Associate Civil Engineer, & IT Analyst II.

Updated: August 2, 2011 / Data as of 7/1/11

Regional Salary and Benefit Results

-- El Dorado, Nevada & Sacramento Counties

Cities of Roseville, Sacramento & Folsom

		Maximum Salary	
Group		2009 State Controller	2011 Regional Survey
1 Board of Supervisors			
	Average \$ (Under) / Over	\$ (43,845)	\$ (41,553)
	Average % -Under / Over	-59%	-58%
2 Elected Officials			
	Average \$ (Under) / Over	\$ 23,780	\$ 16,883
	Average % -Under / Over	16%	11%
3 Department Head			
	Average \$ (Under) / Over	\$ 10,083	\$ 6,861
	Average % -Under / Over	5%	3%
4 Management			
	Average \$ (Under) / Over	\$ 5,478	\$ 5,643
	Average % -Under / Over	7%	5%
5 DSA Unit			
	Average \$ (Under) / Over	\$ (5,163)	\$ (1,924)
	Average % -Under / Over	-7%	-3%
6 PPEO General Unit			
	Average \$ (Under) / Over	\$ 4,923	\$ 3,728
	Average % -Under / Over	9%	7%
7 PPEO Professional Unit			
	Average \$ (Under) / Over	\$ 3,718	\$ 1,788
	Average % -Under / Over	4%	2%

Wages & Benefits			
Actual Wages, Pension, Deferred Comp., Health, Dental & Vision		Max. Salary, Pension, FICA, Longevity, 401K, Health, Dental & Vision	
2009 State Controller		2011 Regional Survey	
\$ (53,604)	\$	\$ (42,096)	
	-63%		-57%
\$ 67,400	\$	\$ 26,537	
	36%		14%
\$ 4,106	\$	\$ 15,096	
	2%		6%
\$ 8,869	\$	\$ 11,105	
	7%		8%
\$ 17,311	\$	\$ 3,698	
	16%		3%
\$ 7,180	\$	\$ 5,528	
	12%		7%
\$ 7,521	\$	\$ 4,764	
	8%		4%

POSITIONS USED IN SURVEY:

- 1 Board of Supervisors:** 5 elected
- 2 Elected Officials:** Assessor, District Attorney & Sheriff.
- 3 Department Heads:** County Counsel, County Executive Officer, Personnel Director, & DPW Director
- 4 Management:** Client Services Program Manager, Engineering Manager, IT Manager, & Managing Accountant Auditor
- 5 DSA:** Deputy Sheriff II
- 6 PPEO General Unit:** Account Clerk, Jrny; Administrative Clerk, Jrny; Associate Appraiser; Buyer II; Client Services Program Specialist II; Collection Agent II; Correctional Officer II; Custodian II; Master Equipment Mechanic; Maintenance Worker & Associate Planner.
- 7 PPEO Professional Unit:** Accountant-Auditor II, Associate Civil Engineer, & IT Analyst II.

Updated: August 1, 2011 / Data as of 7/1/11

**7 Counties Surveyed--
Employee Compensation Survey Results**

Group	Maximum Salary	
	2009 State Controller	7 County Survey 2011
1 Board of Supervisors		
Average \$ (Under) / Over	\$ (69,821)	\$ (69,328)
Average % -Under / Over	-70%	-70%
2 Elected Officials		
Average \$ (Under) / Over	\$ 8,311	\$ 7,530
Average % -Under / Over	6%	6%
3 Department Head		
Average \$ (Under) / Over	\$ (1,949)	\$ (2,105)
Average % -Under / Over	-2%	-2%
4 Management		
Average \$ (Under) / Over	\$ 4,357	\$ 3,752
Average % -Under / Over	4%	3%
5 DSA Unit		
Average \$ (Under) / Over	\$ (15,178)	\$ (12,353)
Average % -Under / Over	-19%	-15%
6 PPEO General Unit		
Average \$ (Under) / Over	\$ 1,207	\$ 1,029
Average % -Under / Over	2%	2%
7 PPEO Professional Unit		
Average \$ (Under) / Over	\$ (8,125)	\$ (2,038)
Average % -Under / Over	-2%	-2%

Wages & Benefits	
Actual Wages, Pension, Deferred Comp., Health, Dental & Vision	Maximum Salary, Pension, FICA, Longevity, Deferred Comp., Health, Dental & Vision
2009 State Controller	7 County Survey 2011
\$ (95,632)	\$ (89,391)
-75%	-73%
\$ 26,379	\$ 13,532
13%	8%
\$ (2,270)	\$ 6,952
-1%	2%
\$ 11,750	\$ 12,021
9%	8%
\$ 490	\$ 1,031
0%	1%
\$ 3,664	\$ 2,906
6%	4%
\$ 4,409	\$ 1,826
4%	2%

COUNTIES USED IN "BENCHMARK" SURVEY:

El Dorado County	San Luis Obispo	Sonoma
Sacramento County	Santa Cruz	
Contra Costa	Solano	

POSITIONS USED IN SURVEY:

- 1 Board of Supervisors:** 5 elected
- 2 Elected Officials:** Assessor, Auditor-Controller, Treasurer, Clerk Recorder, DA & Sheriff.
- 3 Department Heads:** Counsel, County Executive Officer, & Personnel Director
- 4 Management:** Client Services Program Manager, Engineering Manager, IT Manager, & Managing Accountant Auditor.
- 5 DSA Unit:** Deputy Sheriff II
- 6 PPEO General Unit:** Account Clerk, Jrny; Administrative Clerk, Jrny; Associate Appraiser; Buyer II; Client Services Program Specialist II; Collection Agent II; Correctional Officer II; Custodian II; Master Equipment Mechanic; Maintenance Worker; & Client Services Practitioner II.
- 7 PPEO Professional Unit:** Accountant-Auditor II, Associate Civil Engineer, IT Analyst II, Deputy District Attorney IV & Registered Nurse.

Updated: August 2, 2011 / Data as of 7/1/11

EXHIBIT IV

Position Maximum Salary Results

-- Placer County, Sacramento County, the City of Roseville, & Salary.Com

2011 Maximum Salary							
Group	Placer County	Sacramento County	Placer (Under) / Over	City of Roseville	Placer (Under) / Over	Salary.Com 2011	Placer (Under) / Over
Department Head							
County Counsel	\$ 210,540	\$ 215,796	-2%	\$ 250,164	-19%	\$ 235,980	-12%
County Executive	\$ 249,324	\$ 258,204	-4%	\$ 251,436	-1%	\$ 734,749	-195%
Director of DPW	\$ 165,780	\$ 158,988	4%	\$ 175,284	-6%	N/A	N/A
Personnel Director	\$ 142,812	\$ 158,988	-11%	\$ 147,264	-3%	\$ 210,888	-48%
DSA Unit							
Deputy Sheriff II	\$ 70,227	\$ 73,038	-4%	\$ 76,324	-9%	\$ 71,424	-2%
Management							
Client Serv. Prog. Manager	\$ 107,100	\$ 118,440	-11%	N/A	N/A	\$ 95,988	10%
Engineering Manager	\$ 126,816	\$ 127,704	-1%	\$ 149,868	-18%	\$ 154,200	-22%
IT Manager	\$ 120,708	\$ 109,188	10%	\$ 119,664	1%	\$ 151,800	-26%
Managing Acct. Auditor	\$ 114,672	\$ 111,084	3%	\$ 114,588	0%	\$ 155,556	-36%
PPEO General Unit							
Account Clerk, Journey	\$ 45,144	\$ 41,280	9%	\$ 49,584	-10%	\$ 47,352	-5%
Admin. Clerk Journey	\$ 40,008	\$ 35,868	10%	\$ 47,232	-18%	\$ 49,428	-24%
Associate Appraiser	\$ 79,224	\$ 73,440	7%	N/A	N/A	\$ 111,396	-41%
Buyer II	\$ 63,528	\$ 64,332	-1%	\$ 64,692	-2%	\$ 71,040	-12%
Client Services Prog. Spec.II	\$ 51,060	\$ 48,276	5%	N/A	N/A	\$ 58,764	-15%
Collection Agent II	\$ 49,776	\$ 47,484	5%	\$ 52,068	-5%	\$ 48,552	2%
Correctional Officer II	\$ 59,208	N/A	N/A	\$ 64,668	-9%	\$ 59,268	0%
Custodian	\$ 40,008	\$ 38,568	4%	\$ 47,568	-19%	\$ 39,240	2%
Equip. Mechanic Mstr	\$ 65,172	\$ 65,652	-1%	\$ 72,588	-11%	\$ 66,240	-2%
Maintenance Worker	\$ 51,060	\$ 46,392	9%	\$ 53,220	-4%	\$ 53,724	-5%
Planner, Associate	\$ 79,224	\$ 69,552	12%	\$ 84,564	-7%	\$ 92,448	-17%
PPEO Professional Unit							
Accountant-Auditor II	\$ 68,436	\$ 64,332	6%	N/A	N/A	\$ 66,515	3%
Civil Engineer, Associate	\$ 98,556	\$ 101,832	-3%	\$ 93,444	5%	\$ 85,404	13%
Deputy DA IV	\$ 129,036	\$ 125,256	3%	N/A	N/A	\$ 192,834	-49%
IT Analyst II	\$ 89,388	\$ 83,160	7%	\$ 83,832	6%	\$ 87,600	2%
Registered Nurse	\$ 71,856	\$ 84,048	-17%	N/A	N/A	\$ 71,856	0%

Note: N/A indicate "No Comparable Class".