



City of Dinuba

405 EAST EL MONTE WAY
DINUBA, CALIFORNIA 93618

PHONES

City Hall/Finance	209/591-1203
Personnel	209/591-1621
Purchasing/Recreation	209/591-2345
Building/Planning	209/591-1980
Public Works/Parks	209/591-3725
Fire/Ambulance	209/591-3152
Police	209/591-6130

May 5, 1989

TO: J. Edward Todd
City Manager

FROM: Barbara J. Daher
Human Resource Services Manager

SUBJECT: PERFORMANCE-BASED COMPENSATION POLICY NO. 89-2

PURPOSE: The purpose of this memo is to request City Council approval of the attached compensation policy which defines the philosophy of compensation for a performance-based compensation plan for employees in the City of Dinuba. This policy is one identified as a high priority during City Council goal setting.

BACKGROUND: The Personnel Rules and Regulations provides for a Compensation Plan that alludes to what would be considered in arriving at salaries, however, it does not specifically define a policy for compensation. The objective of the attached policy is to provide a means of determining compensation, to clarify expectations with regard to desired employee performance and is based on the principle that accountability for individual performance creates a more responsive work environment.

The objective of compensation for superior performance by Department Managers is to provide an incentive to stimulate managers to perform personally at a more effective level, thereby strengthening each department's ability to achieve its mission and to provide excellence in public services.

Upon approval of the performance-based compensation policy, it will become part of the Personnel Rules & Regulations and the necessary sections will be revised to be consistent with the new policy. In addition, subsequent to adoption of this policy, implementation procedures for rewarding superior performance will be reviewed with Council for inclusion in the compensation plan.

REQUESTED ACTION: That City Council approve the attached performance-based compensation policy.

CITY OF DINUBA

PERFORMANCE-BASED COMPENSATION POLICY

I. POLICY OBJECTIVE

The performance-based compensation policy for the City of Dinuba is based on the philosophy that compensation can positively impact performance, that there should be greater accountability for individual actions and that this accountability can be measured in objective terms. The goal of this Policy is to encourage and support responsive, responsible, and cost-effective service to Dinuba residents through motivation and reward of superior performance by employees.

This goal is accomplished by the following objectives:

1. Attract and retain qualified and motivated employees;
2. Maintain fair and competitive salaries;
3. Maintain both compensation and benefit levels that are mid-range in comparison to cities of similar size, service description, and geographic location;
4. Maintain internal consistency with other City positions;
5. Define clear expectations of job performance;
6. Encourage and support excellence in individual performance.

II. POLICY IMPLEMENTATION

A. City Council allocation for annual compensation:

The City Council is responsible on a fiscal year basis for determining the total compensation available for salary and benefit compensation for employees based on the following:

1. Provision for and consideration of current negotiations and negotiated settlements with represented employees;
2. The City's financial condition and policies;
3. Existing Classification and Compensation Plans;
4. Other relevant considerations.

B. Administration of Compensation Policy:

The City Manager is authorized to administer this policy and shall determine total compensation granted to each employee taking into consideration individual performance and the following guidelines:

1. Internal relationships:

Salary relationships will be determined through job analysis which reflect similarities and differences among jobs as set forth in the City of Dinuba Classification and Compensation Plans.

2. External relationships:

To be competitive in the employment market, the external value of positions will be determined by comparing compensation rates for comparable positions in cities of similar size, service description, and geographic location.

3. Compensation for excellence in performance:

Regular salary adjustments shall reflect competence in individual performance based on specific job objectives accomplished during the fiscal year.

III. COMPENSATION FOR SUPERIOR PERFORMANCE

Department Managers: In order to receive compensation for superior performance, Department Managers must meet all objectives of specific performance plans, based on targets and goals set by the City Manager, and excel in the following:

1. Community service;
2. Maintain consistency of values and actions;
3. Train and develop employees;
4. Pride in and delivery of quality service;
5. Provide leadership for department;
6. Maintain open, honest communication;
7. Support total team effort;
8. Create a positive work environment;
9. Represent City in the community.

Performance will be evaluated annually with compensation for superior performance occurring in the year following the superior performance.

DEFINITIONS OF EXCELLENCE

1. SERVICE TO COMMUNITY

- a. Philosophy and vision: Mission goal and statement
- b. Establish and achieve high standards: Quality services that we provide
- c. Proactive
- d. Does not accept low standard work
- e. Work best to our ability
- f. Respond to and meet community needs
- g. Knowledge of current and innovative trends
- h. Public open door policy (accessible)
- i. Return phone calls (communication)
- j. Avoiding crisis situations
- k. Close link to community

2. PRIDE IN AND DELIVERY OF QUALITY SERVICE

- a. Timely service
- b. Feel we can make a difference
- c. Positive communication with public to provide service
- d. Best possible job with resources

3. REPRESENT CITY IN THE COMMUNITY

- a. Educate community
- b. Provide aid and assistance
- c. Attend meetings in community organizations (active & involved)
- d. Facilitate for community: Bring resources together (resource broker for "experts")
- e. Set future for Dinuba by representing City
- f. Be out in front of community (visible and supportive)
- g. Answer questions and respond
- h. Set positive standard as a representative of City at all times
- i. Postpone personal plans to attend community meetings

4. MAINTAIN CONSISTENCY OF VALUES AND ACTIONS

- a. Fair
- b. Consistent
- c. Accountability
- d. Set standards
- e. Obtainable goals
- f. Positive example by doing
- g. Respect differing points of view
- h. Create public awareness of expectations
- i. Set and enforce high yet obtainable work standards
- j. Follow and enforce City policies and procedures
- k. Trust
- l. Respect
- m. Commitments are kept and met

5. TRAIN AND DEVELOP EMPLOYEES

- a. Technical
- b. Department staff meetings
- c. Periodic technical review
- d. Growth development: Personally and professionally
- e. Develop self esteem
- f. Encourages independent thought
- g. Cross training
- h. Explains expected results and provides necessary information
- i. Educational opportunity
- j. Develop values and vision of City departments
- k. Delegation
- l. Find talents and use it by further development
- m. Learn from employees
- n. Planning and scheduling for staff

6. PROVIDE LEADERSHIP FOR DEPARTMENT

- a. Set goals, standards
- b. Establish vision and values (long term)
- c. Set example
- d. Clear understanding of organization goals
- e. Takes responsibility for outcome
- f. Participates in problem solving
- g. Accountability
- h. Makes correct decisions under pressure
- i. Self starter
- j. Taking calculated risks
- k. Innovative
- l. Supportive
- m. Entrepreneur
- n. Ongoing program for staff improvement
- o. Realistic target dates
- p. Leader in his/her field and recognized for it

7. MAINTAIN OPEN, HONEST COMMUNICATION BY:

- a. Presentations to Council are true
- b. Acknowledging employees on personal basis
- c. Keep employees informed
- d. Open door policy
- e. Evaluation system
- f. Good listener
- g. Frequent update of progress of job performance

8. SUPPORT TOTAL TEAM EFFORT

- a. Respect for members of team
- b. Open feedback
- c. Accept professional criticism (constructive)

- d. Empathy
- e. Trainer: Accept "handicaps" - patience for lack of knowledge in field of others
- f. Share and inform
- g. Supporting decisions made by others
- h. Volunteers resources for programs
- i. Turn disagreements into positive experiences
- j. Action plans discussed and agreed upon (consensus)

9. CREATE A POSITIVE WORK ENVIRONMENT

- a. Treat employees as "winners"
- b. Working conditions
- c. Sense of humor
- d. Train and developments
- e. Generates enthusiasm
- f. Pride in surroundings and work areas, vehicles
- g. Handles complaints and grievances effectively
- h. Replace non-team employees: Help them leave organization if values are not the same as organization
- i. Available and accessible for employees
- j. Set standards and follow standards
- k. Be a part of the solution (resource)