



Interoffice Memorandum

Human Resources Department

Date: 3/16/2018

From: Wendy Silva, Director of Human Resources 

To: Honorable Mayor and Council

Subject: City Council Meeting of 3/21/2018, Agenda Item A-1

Honorable Mayor & Council:

The written report provided to the City by Mr. Manfredi regarding his recommendations on the compensation study was provided to Koff & Associates, the consultant hired to complete the management employee compensation study. Koff & Associates representatives Katie Kaneko and Kari Mercer, who will be in attendance at the 3/21/2018 meeting, reviewed Mr. Manfredi's report with both City staff and Mr. Manfredi.

Koff & Associates then prepared the attached information related to potential comparable agencies after gathering information on the factors recommended for consideration. When reading the matrix, a lower score means the analyzed City was closer in comparison to the City of Madera; a higher score in a given category indicates the City was less like Madera in comparison.

The representatives from Koff & Associates will have a presentation at the meeting to review this and other information. Mr. Manfredi will also be in attendance.

To: Wendy Silva, Human Resources Director
From: Katie Kaneko, Project Director
Subject: Comparator Agency Analysis for the Total Compensation Study
Date: 3/15/18

In developing the list of potential agencies for the compensation study, Koff & Associates (K&A) evaluated a number of comparative indicators related to the City of Madera's demographics, financials, and scope of services provided. The following details the methodology and the specific criteria included in the analysis:

1. Organizational type and structure: K&A generally recommends that agencies of a similar size and structure providing similar services to that of the Madera be used as comparators. (As a side note, it's important to point out that when it comes to technical job classifications, the size of an organization is not as critical as these classes perform fairly similar work. The difference in size of an organization becomes more important when comparing classes at the management level. The scope of work and responsibility for management classifications becomes much larger as an organization grows. Factors such as management of a large staff, consequence of error, the political nature of the job, and its visibility all grow with larger organizations. When it is difficult to find agencies that are similar in size, it is important to get a good balance of smaller and larger agencies.)
2. Similarity of population, staff, and operational budgets: These elements provide guidelines in relation to resources required (staff and funding) and available for the provision of services.
3. Scope of services provided and geographic location: Organizations providing the same services are ideal for comparators, and most comparator agencies included in the analysis provide similar services to the City of Madera. Specifically, K&A focused on whether agencies provided the following:
 - Water Distribution, Wastewater Collection and Treatment, Public Works, Police, Recreation, Community Development
4. Labor market: In the reality that is today's labor market, many agencies are in competition for the same pool of qualified employees, and individuals often don't live in the communities they serve. The geographic labor market area, where the City of Madera may be recruiting from or losing employees to, is taken into consideration when selecting comparator organizations.

The comparator agency analysis includes specific data and a summary of the ranking for each proposed data factors:

1. Geographic Proximity
2. Population Served
3. Full-Time Equivalent (FTE)
4. Sales Tax Per Capita
5. Expenditures Per Capita
6. Cost of Living
7. Services provided

The overall ranking is based on the absolute value difference between the agency on each factor and the City of Madera regardless of whether the agency is higher or lower for that factor.

The analysis gathered data for informational purposes only, such as the Median Home Price and Median Household Income comparison data. These criteria are not part of the overall comparison score, as these two factors are components of the % Above/Below U.S. Cost of Living Average. The analysis utilizes the Cost of Living in the overall rank, as an indicator of the local economy for each agency.

The highlighted agencies are those agencies that were identified as being the most similar to the City of Madera based on the eight factors analyzed above.

Once these comparator agencies are approved, K&A can begin the data collection for the compensation study, which is an essential process to ensure that the City of Madera understands its position in the marketplace and its competitive landscape.

City of Madera
Proposed List of Comparators
March 2018

Agency	Geographic Proximity	Population	FTE	Expenditure per Capita	Sales Tax Revenue Per Capita	% above or below U.S Cost of Living Average Index of 100%	Comparable Services	Overall Comparison Score	Overall Rank
City of Madera	1	1	1	1	1	1	1	7	1
City of Merced	5	10	9	10	6	8	1	49	2
City of Porterville	16	4	4	14	3	7	1	49	2
City of Tulare	13	2	2	7	7	18	1	50	4
City of Turlock	11	5	3	6	18	17	1	61	5
City of Fresno	3	20	20	3	11	4	1	62	6
City of Hanford	20	7	6	11	15	3	1	63	7
City of Galt	19	14	10	8	5	6	1	63	7
City of Chowchilla	2	17	17	17	8	1	1	63	7
City of Lodi	18	3	5	18	13	5	1	63	7
City of Sanger	6	12	15	12	10	9	1	65	11
City of Los Banos	10	11	11	19	4	11	1	67	12
City of Manteca	15	6	7	13	9	20	1	71	13
City of Clovis	4	16	13	2	14	10	17	76	14
City of Delano	17	8	12	4	20	14	1	76	14
City of Ceres	14	9	8	16	2	13	17	79	16
City of Reedley	9	13	14	20	12	12	1	81	17
City of Selma	7	15	16	9	16	15	17	95	18
City of Visalia	12	19	19	5	19	19	16	109	19
City of Kingsburg	8	18	18	15	17	15	20	111	20

City of Madera
Proposed List of Comparators
March 2018

Ranking	Comparator Agency	Overall Criteria Comparison Score
	Client Name	Rank
	City of Madera	
	City of Merced	49
	City of Porterville	49
	City of Tulare	50
	City of Turlock	61
	City of Fresno	62
	City of Hanford	63
	City of Galt	63
	City of Chowchilla	63
	City of Lodi	63
	City of Sanger	65
	City of Los Banos	67
	City of Manteca	71
	City of Clovis	76
	City of Delano	76
	City of Ceres	79
	City of Reedley	81
	City of Selma	95
	City of Visalia	109
	City of Kingsburg	111

Closely Ranked Comparator Agencies

Legend: A lower Overall Comparison Score indicates that the comparator agency is more similar to the City of Madera.

Column A: Ranking based upon comparison score.

Column B: Agency Name

Column C: The Overall Criteria Comparison Score is equal to the sum of ranking for each criteria.

The Overall Comparison Score is comprised of the following criteria:

- 1- Geographic Proximity Comparison
- 2- Population Comparison
- 3- Full Time Equivalent Comparison
- 4- Expenditure Comparison
- 5- Expenditure per capita Comparison
- 6- Sales Tax Revenue per capita Comparison
- 7- FTE to Population Ratio Comparison
- 8- Cost of Living Average Comparison
- 9- Comparable Services Comparison