



HUMAN RESOURCES
& DEVELOPMENT
TULARE COUNTY

AGENDA ITEM
BEFORE THE BOARD OF SUPERVISORS

Agenda Date: July 18, 2006

Item No.

Subject: Creation of Salary Bands

Requests: That the Board of Supervisors adopt the Salary Band Compensation Administrative Regulation No. ____ - July 18, 2006

Summary: Executive and senior management positions should be subject to compensation policies that reflect the nature of their employment. In local government there are two traditional salary setting methodologies. The five step plan in which a new employee is typically appointed at step 1 and moves up the pay scale over three to three and one-half years with periodic pay increases in 5% increments until they reach step 5. The other methodology is a flat rate, the pay for which is modified based general pay increases sometimes described as cost-of-living increases.

In the traditional five step plan the assumption is that an employee begins with somewhat limited experience and their value to the organization increases as they grow in knowledge and experience. Typically high level executive or management vacancies are filled by candidates with experience and expertise. Hence the practice of flat rate salaries. Flat rate positions limits the flexibility of the appointing authority to negotiate an appropriate salary based on the background, experience and expectations of senior managers.

In recent years the salary band concept has achieved some support. A salary band has both a minimum and maximum dollar limit on the compensation of a particular position. However there are no pay steps nor are there any scheduled periodic changes of compensation. The appointing authority may appoint an individual to any dollar amount within that band. Further, the appointing authority has discretion as to when and how much pay increases may be granted. This system can be useful in associating pay with performance.

The County has recently approved some positions in salary bands and this resolution would formalize the structure and define the application of the salary band concept. Salary bands in Tulare County have generally been set with a range that has the high end of the range approximately 20% higher than the low end of the range. A salary band should generally have a range of between 40% to 50%. Consequently it is not necessary to modify the band from year to year to adjust compensation of position incumbents. As staff undertakes a review of management compensation this fall we would propose to develop a schedule of salary bands for the County's senior management positions.

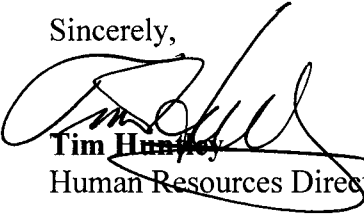
Financing: This policy affects how salaries may be set but does not change any existing compensation packages.

Alternatives: Make no change in the existing policy and direct staff to return with recommendations to place existing banded positions on either a flat rate or in a five step salary range.

Involvement of other Departments or Agencies: County Administrative Office

Signature Requirements: None

Sincerely,



Tim Hunley
Human Resources Director

BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA

IN THE MATTER OF)
Creation of Salary Bands) RESOLUTION NO.
) AGREEMENT NO.
)
)

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD _____,
BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: C. BRIAN HADDIX, COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

* * * * *

That the Board of Supervisors adopt the Salary Band Compensation Administrative
Regulation No. _____ - July 18, 2006

COUNTY OF TULARE
OFFICE OF THE COUNTY ADMINISTRATOR

ADMINISTRATIVE REGULATION NO. _____
(Resolution No. 06-XXX)

SUBJECT: SALARY BANDS

EFFECTIVE DATE: 08-01-06

For some management positions, the Board of Supervisors has adopted salary bands specifying a minimum and maximum flat dollar amount payable for each position. Salary bands, as distinguished from salary ranges/grades, do not have incremental pay adjustments at predetermined intervals based on length of service. Movement within the band is based on merit as recommended by the agency or department head with approval of the County Administrative Officer.

Classifications assigned to salary bands and specific salary band amounts are defined based on action of the Board of Supervisors as approved in a Board resolution. General increases to the minimum and maximum flat dollar amount are also based on action taken by the Board of Supervisors and approved by resolution.

GENERAL PROVISIONS

- A. Adjustments within salary bands may be made in any increment provided such adjustment shall be rounded to the nearest whole dollar.
- B. There is no expectation that any particular position in a salary band would be set at any specific dollar amount in the same manner that positions in salary ranges, after designated service intervals, reach the top step of a range. Salary bands are purposely designed to provide maximum flexibility to increase, decrease, or leave salaries unchanged.
- C. The Board of Supervisors may, by resolution, approve general increases to the salary bands established. Incumbents of classifications in the salary bands are not automatically eligible for this adjustment to salary. Salary adjustments are granted in accordance with provisions indicated below.
- D. While no salary advancement is guaranteed, salaries for incumbents of classifications in a salary band will be paid no more or less than the minimum or maximum dollar amount that defines the salary band.
- E. Salary advancement is based upon meritorious service as recommended by the agency or department head (County Administrative Officer for department heads). Agency and department heads shall request approval from the County Administrative Officer for employee increases within the salary band on a Delegated Action Request or other form

deemed appropriate by the County Administrative Officer. For department head salary advancement requests, the County Administrative Officer shall obtain approval from the Board of Supervisors.

- F. Upon approval of a salary advancement request, the department must complete appropriate payroll processing and submit documentation to the Human Resources Department.
- G. When a salary-banded position is vacated, the Board of Supervisors, after consultation with the County Administrative Officer, shall designate a salary range within the Salary Band that shall be used for purposes of recruitment. Notwithstanding this provision governing the recruitment process, the Board of Supervisors may appoint the candidate selected for the position at any flat dollar amount within the salary band.