

## City of Santa Monica Compensation Philosophy

The City of Santa Monica strives to provide exemplary service to the community by being a model for 21st Century government. Recognizing the centrality of our workforce of dedicated and talented professional staff, we are committed to promoting organizational and community values that include: exceptional service to the public; consistent and excellent performance; innovation; good fiscal, social, and environmental stewardship; and ethical behavior.

To achieve and maintain our high standards of service and performance, the City must continue to attract and retain well-qualified staff who exemplify the organization's values. A public service environment that is attractive to such individuals depends upon many factors, including pride, teamwork, a competitive compensation program, and non-monetary benefits such as recognition in the workplace for accomplishments, professional development and opportunities for promotion and a positive work environment. The City is committed to being an "employer of choice" as part of an overall strategy of attracting and retaining talent that will uphold the City's organizational values.

The compensation program should aim to retain and attract high-skilled, high-performing staff capable of delivering the highest standards of public service to our community. The City will expect all staff to consistently perform to those high standards in their work performance, customer service, ethics and passion for public service. The City will also strive to administer pay and benefits in a way that is fair and transparent to all, that provides equal pay for equal work, and that does not take into consideration race, ethnicity, religion, sex, gender, sexual orientation, gender identity or expression, or other factors unrelated to work performance.

In order to provide competitive, sustainable, and responsible compensation, the City will take into account the following:

- Total compensation which consists of but is not limited to: direct compensation, e.g. salary; and indirect compensation such as health insurance, retirement, professional development and time-off benefits.
- In evaluating competitive compensation, the City will take into account:
  - A. Financial sustainability as reflected by the City's financial forecasts and revenue projections, competing service priorities, long-term liabilities, capital improvement and other asset requirements, and fund reserve levels.
  - B. The "relevant labor market" which may vary depending upon classification but is primarily defined by geographic region (predominately local and/or state-wide) and key markets (municipal and other government agencies) and if applicable, private sector when readily available and effectively comparable.
  - C. "Internal Relationships" referring to the relative value of classifications to one another as determined by the City. The City will compare responsibilities,

skill level, knowledge, ability and judgment to determine similarity, and evaluate the equity of pay differentials.

- D. Other relevant factors may include unforeseen economic, regulatory or service changes.
- E. Transparency with the community, recognizing that taxpayers and ratepayers ultimately fund all employee compensation and deserve commensurate value from all those who work for the City. This includes not only disclosure of the components of workforce compensation, but adequate advance notice of material policy changes in order to participate effectively in decision-making that affects the City's finances.

Ideally, every five years, the City will evaluate its compensation structure, programs and policies to assess market competitiveness, effectiveness and compliance with applicable State and federal law. This is with the understanding that more frequent adjustments to the compensation structure may be needed as a result of intermittent evaluations or other factors already cited. This will be accomplished by working with all City staff and their representatives to fairly apportion compensation and benefits, utilizing the collective bargaining process when applicable, or other appropriate Council-management processes.