

## **Methodology Used when Preparing Compensation Studies and Negotiating Employee Salaries**

During negotiations of successor Memoranda of Understanding (MOU) with the City's Safety and Miscellaneous bargaining units, the City utilizes the services of an external consultant to conduct a comprehensive compensation study to use as a tool for negotiating employee salaries. The compensation study helps the City ensure that employees receive fair and equitable compensation to attract and retain talented individuals.

The compensation survey parameters include the selection of public agencies that are used to compare wages and benefits of the City of Stockton. These comparable agencies are selected based on public service employers with whom the City would compete for employees, the size and complexity of the agency, the geographic proximity, and the nature of services provided. During the most recent contract negotiations for Safety in 2022 and with the Miscellaneous bargaining units in 2023, the City utilized the following agencies:

- **The Stockton Police Officers' Association (SPOA) and the Stockton Police Management Association (SPMA):** Bay Area Rapid Transit (BART), City of Bakersfield, City of Elk Grove, City of Fresno, City of Livermore, City of Modesto, City of Ontario, City of Pomona, City of Riverside, City of Sacramento, City of San Bernardino, City of Tracy, and County of San Joaquin.
- **The Stockton Firefighters Local 456 (Fire) and Stockton Fire Management Unit:** Alameda County Fire Department, City of Bakersfield, City of Fresno, City of Modesto, City of Ontario, City of Pleasanton, City of Sacramento, San Joaquin Fire Authority (Tracy), Cosumnes Community Services District, County of San Bernardino, Sacramento Metro Fire Department.
- **Miscellaneous Units and Unrepresented Management/Confidential and Law Employees:** City of Bakersfield, City of Chula Vista, City of Fairfield, City of Fremont, City of Hayward, City of Livermore, City of Lodi, City of Manteca, City of Modesto, City of Riverside, City of Sacramento, City of Salinas, City of San Bernardino, San Joaquin County, City of Tracy.

The consultant gathers key salary and benefits data from comparable agencies to determine the City's position in the labor market based on the median of the market. The labor market median is described as the "middle" of the market and is a common market position because the data is less likely to be skewed by outliers (high and low-paying agencies in the market). The City's philosophy for salary increases is to offer a combination of Cost-of-Living Adjustment (COLA) and Market Adjustment increases that will move employees to the median of the market based on total compensation. The City has accomplished moving employees near or at the median of the market during the 2022 and 2023 MOU contract negotiations. The exception is the Operations and Maintenance (O&M) and Trades and Maintenance (T&M) units which have not yet reached an agreement on successor MOUs. Some classifications in these units remain with salaries under the median of the market.