



# City of Los Altos Total Compensation Philosophy

## PURPOSE

The purpose of the City of Los Altos Total Compensation Philosophy is to offer a transparent, thoughtful policy framework that enables the City Council to make systematic decisions around employee total compensation.

The City of Los Altos is a service organization, and to be successful, must be able to attract and retain competent and qualified employees to meet the demands and desires of the community. To achieve and maintain these high standards of service and performance, the City must employ personnel who exemplify our City's values.

A public service environment that is attractive to such individuals depends upon many factors, including a positive culture, pride in the mission of the organization, teamwork and a collaborative work environment, a competitive total compensation program, and non-monetary benefits such as recognition in the workplace for accomplishments, professional and personal development, and opportunities for promotion. The City is committed to becoming an employer of choice as part of an overall strategy of talent acquisition and development. The overall well-being of employees, work-life balance, and their connection to the City of Los Altos will contribute to the accomplishments and organizational strength of our organization and our community.

The compensation program should aim to attract high-skilled, high-performing employees capable of delivering the types of services the community and residents desire. The City will expect all employees to consistently perform to these 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. Employees will understand the process through which their salary is determined and to believe that process is fair. The considerations for salaries will be correlated to work performance, equal pay for equal work.

The City of Los Altos recognizes the importance of our workforce of dedicated and talented professional employees, and is committed to promoting organizational and community values that include exceptional service to the public; consistent and excellent performance; innovation; ethical behavior; while promoting fiscal and environmental sustainability.

## TOTAL COMPENSATION DEFINITION

Total Compensation is the sum of salary, benefits, career development opportunities, and the overall well-being afforded to employees. It is a strategic approach to effectively recruit, retain, motivate, compensate, and create a work culture supportive of high performing employees. The Total Compensation Program is designed to reflect the importance of employees' salary, monetary and non-monetary benefits, and professional and personal development.

## TOTAL COMPENSATION PROGRAM

The City of Los Altos is committed to a total compensation strategy inclusive of competitive salary and benefits that take into consideration:

- Flexibility that is appropriate for the dynamic challenges facing the City;
- The ability for the City to compete successfully for candidates with skills, abilities and expertise that are valued in the marketplace;



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- The Establishment of pay in consideration of similar public and private sector service organizations and relevant recruiting markets;
- Fiscal responsibilities and constraints; and
- Improving employee retention.

### COMPENSATION

Our total compensation program is intended to support each department in attracting, retaining, and rewarding high-performing employees. Program objectives are:

- To establish appropriate salaries for positions on the basis of their relative internal worth and external competitiveness within the relevant labor market;
- To reward excellent performance at all levels within budgetary constraints;
- To ensure pay reflects the contribution, content and complexity of work;
- To establish compensation practices, procedures and guidelines that are consistent, fair, flexible, equitable and transparent for the current and future workforce; and
- To establish compensation policy consistent with the allocation of funds entrusted to Los Altos.

In evaluating competitive compensation, the City will take into account:

- 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.
- The "relevant labor market" is based upon classification, geographic region (predominately local and/or statewide) services offered, and the competitive marketplace to include public, private, and non-profit comparison.
- Internal equity, defined as 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.