

Increased Compensation: How Does the City Pay for It?

- **Thorough Classification Policy:** The classification policy for city employees is comprehensive, aiming to balance legality and cost-effectiveness for a small city like Sebastopol. It is on the edge of overkill for a small city with 47 employees.
- **Salary Benchmarks and Comparisons:** Including Marin cities in salary benchmarks skews “market” compensation levels. Marin cities have much higher revenue per capita than Sebastopol and the cost of living is much higher which likely drives up salaries. Comparisons with other rural cities in Northern California would have been more appropriate.
- **Total Compensation Includes Benefits:** Sebastopol’s total compensation offers more generous benefits in Lew of “cash”. Normally the weighting is a conscious decision based on what is most attractive to candidates and encourages lower turnover rates. Did Sebastopol choose this strategy? How does the generous vacation and sick day benefits affect getting work done?
- **Union Negotiated Salary Increases:** Sebastopol recently agreed to a one-year contract with 5% salary increases. According the this study, this is the highest increase among the Sonoma County cities. This higher rate of increases in a short period of time will put Sebastopol Salaries well ahead of even Marin County.
- **Cost and Revenue Discrepancies:** Questions remain about how cities like Cotati and Cloverdale deliver comparable services at up to 30% lower costs, have higher headcounts and offer more services like Parks and Recreation staffing. The data raises concerns about Sebastopol's efficiency.
- **Conclusion:** We learned from last year’s audited financials (table 3A) that expenses increased 26.06% due to a “significant increase in public works and public safety expenses, which are driven by higher salaries and wages due to routine merit increases, one time payout, and cost of living adjustments”. These increases are unsustainable as long as revenue is flat to declining.