

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: DOMINIQUE BLANQUIE, HUMAN RESOURCES DIRECTOR &
GOLBOU GHASSEMIEH DEPUTY HUMAN RESOURCES
DIRECTOR, HUMAN RESOURCES DEPARTMENT
SUBJECT: CLASSIFICATION AND COMPENSATION & SALARY PLAN AND
SCHEDULE

AGENDA ACTION: RESOLUTION

RECOMMENDATION

The Human Resources Department recommends that the Council receive the attached Human Resources Classification/Compensation Reports, and by two resolutions: 1) approve the proposed new classifications, salaries, associated reclassifications, budget adjustments, and adopt the updated Salary Plan and Schedule; and 2) approve the deletion of 2.0 FTE Fire Inspector II and addition of 2.0 FTE Fire Inspector to correct an error in the titles of the budgeted allocations. This item requires appropriations for ongoing funding.

EXECUTIVE SUMMARY

This item is part of the implementation process of the Citywide Classification and Compensation project.

GOAL

This item relates to Council Goal #1 - Achieve and Maintain Budgeting Excellence and Fiscal Stability by prioritizing recruitment and retention to ensure organizational stability.

BACKGROUND/PRIOR COUNCIL REVIEW

The City, in collaboration with the Union Coalition, agreed by Memorandum of Understanding (MOU) with all non-sworn bargaining units, adopted by Council in November 2021, that a Citywide classification and compensation study would benefit the organization. The Human Resources Department (HR) worked with the Union Coalition, through the Request for Proposal (RFP) process started in Spring 2022, to identify and select an experienced classification and compensation expert to conduct the study. As a result, by Winter 2022, Gallagher Benefit Services, Inc. (formerly Koff

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and Associates) was mutually chosen as the consultant to conduct the Citywide Classification and Compensation Study (“the study”).

The study began in early 2023, with the consultant’s data collection process, interviews with incumbents and supervisors, analysis of the data, and meetings held with department leaders to arrive at initial recommendations that were provided to the Human Resources Department (HR) for review in the fall/winter of 2023.

After receiving Gallagher’s initial recommendations and completing its first review of the recommendations, HR engaged with the City’s leadership in the Spring of 2024, to review the proposed changes and receive their feedback. Feedback was evaluated by HR and the consultant, resulting in updates to the recommendations. Simultaneously, HR met with the Union Coalition between the Fall 2023 through Spring 2024 to agree upon comparator agencies for compensation data collection, as well as data points for the survey, the initial list of benchmarks to be surveyed, and the process for sharing information and moving the study forward through the phases of review and feedback. The Human Resources Department also held six (6) information sessions in the month of May 2024, to prepare employees for the receiving the proposed changes. Communication was provided by HR to all employees via email throughout the process.

By June 15, 2024, all preliminary classification specifications and the initial preliminary compensation survey were provided by HR to the Union Coalition. The Human Resources Department engaged in a thorough and inclusive review process with employees, department representatives and selected subject matter experts, and labor representatives to finalize the classification specifications and salary recommendations of the classification and compensation changes presented in this item that are ready for implementation. Implementation will continue in phases as classifications become ready to bring forward after meet and confer.

The Human Resources Department has held approximately 70 classification and compensation review meetings with interested parties covering over 190 out of approximately 285 current classifications to date, and continues to be engaged in the process to address feedback, to follow up with parties, and to move the outstanding classifications towards implementation. The review and feedback collection and evaluation process for classifications met and conferred on ensured that the City had met its obligations with each bargaining unit respectively.

Additionally, the Human Resources Department met and conferred with labor representatives to reach an agreement, through side-letters, regarding the execution of equity adjustments that had been agreed upon in the current MOUs with certain bargaining units, previously approved by Council. The equity adjustments were implemented on time. As part of the side-letter agreements, HR also agreed to conduct a pay compression/compaction analysis and identify current classifications potentially affected by pay compression. This required a City-wide analysis of all departments and the classifications allocated to them to identify any potentially compressed differentials between subordinate and supervisory/management classifications. The Human

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Resources Department agreed to propose solutions to address the identified classifications experiencing pay compression/compaction to determine the estimated increase in annual salary costs. Consequently, in some instances, the proposed solutions resulted in new instances of pay compression which then had to be additionally resolved as a part of the goal of creating more appropriate pay differentials where warranted. The proposed changes are part of this item for Council approval and the details are included in the attachments.

The Human Resources Department would like to thank labor representatives, stewards, leaders, managers/supervisors, and employees for the time, effort, and collaboration towards meeting our mutual goals of completing this important work for the City's classification and compensation structure to be updated and for future maintenance. The time spent meeting with employees across the organization has been valuable to the organization.

Finally, a correction to the budgeted allocations for the Fire Department is requested, such that 2.0 Full Time Equivalency (FTE) for the Fire Inspector II job classification are deleted as the job classification does not exist. Instead, the allocations should be added as 2.0 FTE Fire Inspector, which is the correct classification title.

ANALYSIS

The Human Resources Department has prepared the attached classification and compensation technical report titled, "Classification and Compensation Study Report of the Citywide Classification and Compensation Study," (Exhibits A, B, C, and D to Resolution 1), detailing the analysis and work that has been prepared for this increment of the implementation on the Citywide classification/compensation study. Exhibit B details the classification related actions associated with each studied position. Exhibit C includes the recommended salary ranges for the new classifications being added to the class plan. Exhibit D includes the changes that need to be made to update the City's budget documents.

Exhibit E to Resolution 1, titled, "Classification and Compensation Study Report – Differential Analysis" and its attachments contain the side-letter agreements negotiated with Teamsters bargaining units 4, 6, 7, 17, & 18 (Exhibit F to Resolution 1), an analysis of the classifications that the Human Resources Department identified as experiencing pay compression (Exhibit G to Resolution 1), as well as the proposed salary changes to address the pay compression (Exhibit H to Resolution 1). The report indicates the recommended actions to correct the aforementioned pay compression to maintain more appropriate differentials going forward.

California Code of Regulations, Title 2, Subchapter 1, Employees' Retirement System Regulations section 570.5 requires a member agency's pay schedule to be approved and adopted as a standalone document detailing the pay rates for each agency position. A new Salary Plan and Schedule incorporating these changes is included as Exhibit I to Resolution 1.

FISCAL IMPACT

Department budgets cannot absorb the additional expenditure to address the salary adjustments. As a result, salary adjustments and reclassifications will increase the General Fund expenditures by approximately \$156,905.90 and IT Internal Service Fund salaries will increase by approximately \$35,266 this fiscal year. Appropriations are required for both the General and IT Service Funds to address these increases. The Water Enterprise Fund will experience a salary increase of approximately \$325,070, which can be absorbed by the FY 2025-26 adopted budget. Additionally, there will be impacts on Retirement, Worker's Compensation, and other benefit costs due to changes in wages; these impacts will also require additional appropriations, although they are less substantial than the salary costs.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the recommended action is not a "project" subject to the California Environmental Quality Act (CEQA) because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the recommended action is exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that there is no possibility that the recommended action may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution 1
 - Exhibit A – Classification and Compensation Study Report 1
 - Exhibit B – Classification Changes
 - Exhibit C – New Salary Steps
 - Exhibit D – Summary of Budget Changes
 - Exhibit E – Classification and Compensation Differential Analysis Report
 - Exhibit F – Side Letters
 - Exhibit G – Differential Analysis Compaction Solutions
 - Exhibit H – Differential Analysis New Salary Steps
 - Exhibit I - Salary Plan and Schedule
- Resolution 2 – Fire Position Corrections

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PRESENTER(S)

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