

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: GOLBOU GHASSEMIEH, DEPUTY HUMAN RESOURCES
DIRECTOR
SUBJECT: AMENDMENT TO THE CITY CLASSIFICATION AND SALARY
PLAN INCREASING THE TOP OF THE SALARY RANGE OF THE
ASSISTANT CITY MANAGER, POLICE CHIEF, FIRE CHIEF,
WATER DIRECTOR, DIRECTOR OF TRANSPORTATION &
PUBLIC WORKS, CHIEF FINANCIAL OFFICER, CHIEF
INFORMATION OFFICER, DIRECTOR OF HOUSING &
COMMUNITY SERVICES, HUMAN RESOURCES DIRECTOR,
DIRECTOR OF PLANNING & ECONOMIC DEVELOPMENT,
CHIEF COMMUNICATIONS & INTERGOVERNMENTAL
RELATIONS OFFICER, AND CITY CLERK

AGENDA ACTION: RESOLUTION

RECOMMENDATION

The Human Resources Department recommends that the Council, by resolution, amend the City's Classification and Salary Plan to increase the top of the salary range of the following executive level positions to address pay compaction/compression issues: Assistant City Manager, Police Chief, Fire Chief, Water Director, Director of Transportation and Public Works, Chief Financial Officer, Chief Information Officer, Director of Housing & Community Services, Human Resources Director, Director of Planning & Economic Development, Chief Communication & Intergovernmental Relations Officer, and City Clerk. This item is requesting appropriations for on-going funding.

EXECUTIVE SUMMARY

This item is part of the implementation process of the Citywide Classification and Compensation project to address classifications experiencing pay compression/compaction, which is when a subordinate position is paid equivalent to, above, or too closely to their direct supervisor. The terms pay compression and compaction are interchangeable.

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

The study began in early 2023 and is an ongoing project. Human Resources has held approximately 75 classification and compensation review meetings with interested parties covering over 200 out of approximately 285 current classifications to date, and continues to be engaged in the process to address feedback, follow up with parties, and move the outstanding classifications towards implementation.

Additionally, HR 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. The equity adjustments were implemented on time. However, Executive staff in Unit 10 did not receive equity adjustments.

As part of the side-letter agreements, HR agreed to propose solutions to address pay compression in classifications identified as having compaction as compared to subordinates. The proposed solutions were adopted by Council in October and have already been implemented. Consequently, as a result, there are new instances of pay compression, all the way up the career ladder, warranting additional proposed solutions to eliminate pay compression for certain executive level positions. Human Resources conducted an analysis of each executive level position and determined the appropriate increase to the top salary to correct pay compression. For those positions where there was no pay compression the salary range remains the same. The City Manager and City Attorney positions were not included in the analysis.

The proposed changes are part of this item for Council approval, and the details are included in the attachments.

ANALYSIS

The Human Resources Department has prepared Exhibit A to the Resolution titled “Executive Level Position Adjustments” detailing the analysis of the executive level staff classifications identified as experiencing pay compression. The proposed salary adjustment recommendations ensure appropriate internal alignments while also

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addressing and resolving compaction issues that were identified from the differential analysis performed in the Citywide Classification and Compensation Study.

More specifically, HR recommends that Council approve increasing the top of the annual salary range of the executive level positions as follows:

- Assistant City Manager – from \$ 267,581 to \$308,000
- Police Chief – from \$283,505 to \$331,030
- Fire Chief (with stipend) – from \$275,024 to \$309,777
- Director of Water – from \$249,487 to \$288,156
- Director of Transportation and Public Works – from \$249,487 to \$274,435
- Chief Financial Officer – from \$240,709 to \$252,744
- Chief Information Officer – from \$216,050 to \$235,651
- Director of Housing & Community Services – from \$216,050 to \$235,651
- Director of Human Resources – from \$216,050 to \$235,651
- Director of Planning & Economic Development – from \$216,050 to \$235,651
- Chief Communications & Intergovernmental Relations Officer – from \$ 216,050 to \$226,582
- City Clerk – from \$154,420 to \$168,425

Although the current salaries for the current City Manager and the City Attorney are listed on Exhibit A for reference purposes, this item does not provide an analysis of any compaction issues that may exist with respect to those two Council-appointed positions and no changes for those positions are proposed with this item. Any changes to the City Manager or City Attorney salaries would need to be considered by Council through a separate future public approval process.

FISCAL IMPACT

Department budgets cannot absorb the additional expenditure to address the proposed salary adjustments. As a result, salary adjustments and reclassifications will increase the General Fund expenditures by approximately \$154,500 for the remainder of this fiscal year. Ongoing appropriations of \$309,000 annually are required for the General Fund to address these increases and will be proposed and appropriated as part of the annual budget adoption process. Additionally, there will be impacts on Retirement, Workers' 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

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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
- Exhibit A – Executive Level Salary Adjustments
- Exhibit B – Salary Plan and Schedule

PRESENTER(S)

golbou ghassemieh, Deputy Human Resources Director