

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 STUDY
IMPLEMENTATION AND ADOPTION OF SALARY PLAN AND
SCHEDULE

AGENDA ACTION: RESOLUTION

RECOMMENDATION

The Human Resources Department recommends that the Council, by resolution, receive the Classification and Compensation Study Report, approve the proposed new classifications, salary ranges, associated reclassifications, and budget adjustments, and adopt the updated Salary Plan and Schedule.

EXECUTIVE SUMMARY

This item implements a portion of the Citywide Classification and Compensation Study.

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").

CLASSIFICATION AND COMPENSATION STUDY IMPLEMENTATION AND
ADOPTION OF SALARY PLAN AND SCHEDULE
PAGE 2 OF 4

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 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 a total of 92 initial classification and compensation review meetings with interested parties, including approximately 800 incumbents and their representatives, covering all 285 current classifications. With the implementation of this item, the Citywide Classification and Compensation Study will be 40% implemented. Human Resources continues to be engaged in the ongoing follow up and review 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

CLASSIFICATION AND COMPENSATION STUDY IMPLEMENTATION AND
ADOPTION OF SALARY PLAN AND SCHEDULE
PAGE 3 OF 4

between subordinate and supervisory/management classifications. The Human Resources Department also agreed to evaluate and propose solutions to address classifications experiencing pay compression/compaction and to estimate the associated annual salary impacts. In some instances, proposed solutions created additional compression issues that also required adjustment in order to maintain appropriate pay differentials where warranted. The agreed upon equity adjustments and compaction corrections were implemented on October 21, 2025 (Council Item #13.7). As a result of the wage corrections, the City's recruitment and retention rates have seen significant improvement, helping towards stabilizing the City's staffing and service delivery.

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.

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 the Resolution), detailing the analysis and work that has been prepared for this phase of implementation of the Citywide Classification and Compensation Study. Exhibit A is HR's technical report detailing the items being implemented with this phase of the Study. Exhibit B details the classification related actions associated with each studied position in this phase. Exhibit C includes the recommended salary ranges for the new classifications being added to the class plan for this phase. Exhibit D includes the changes that need to be made to update the City's budget documents. Exhibit E is the City's updated Salary Plan and Schedule.

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 E to the Resolution.

FISCAL IMPACT

Cost impacts of these classification & compensations changes are not significant to any single fund and can be absorbed in the adopted annual department budgets. Salary adjustments and reclassifications will increase the General Fund expenditures by approximately \$50,000 after considering reimbursements from other funding sources.

CLASSIFICATION AND COMPENSATION STUDY IMPLEMENTATION AND
ADOPTION OF SALARY PLAN AND SCHEDULE
PAGE 4 OF 4

The IT internal service fund expenditures will increase by \$28,473, Water Enterprise fund expenditures will increase by \$31,916, and the Violence Prevention Public Safety and Prevention Tax special revenue fund expenditures will increase by \$12,065. 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, though anticipated to be less significant than the direct salary impacts.

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
 - Exhibit A – Classification and Compensation Study Report
 - Exhibit B – Classification Changes
 - Exhibit C – New Salary Steps
 - Exhibit D – Summary of Budget Changes
 - Exhibit E – Salary Plan and Schedule

PRESENTER(S)

Dominique Blanquie, Human Resources Director
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