

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: AMENDMENT TO THE CLASSIFICATION AND COMPENSATION
& SALARY PLAN AND SCHEDULE AND ADOPTION OF AN
UPDATED 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 resolution: 1) approve the proposed new classification, salaries, associated reclassifications, and budget changes; 2) adopt the updated Salary Plan and Schedule; and 3) authorize the Chief Financial Officer to increase appropriations in an amount of \$163,122.15. This item is requesting appropriations for ongoing funding.

EXECUTIVE SUMMARY

This item is part of the phased implementation process of the Citywide Classification and Compensation project. This item addresses newly created classifications in the Planning and Economic Development and Water departments and also corrects an inadvertent error in the salary range of the new Project Manager classification adopted by Council in October 2025.

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

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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, 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 80 classification and compensation review meetings with interested parties covering over 240 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 Resources Department agreed to propose solutions to address the identified

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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 previous Council Item #13.7 approved on October 21, 2025, and Council Item #14.10 approved on December 16, 2025 have already implemented most of the pay compaction solutions. This current item is to bring forward the next batch of classification and compensation changes ready for implementation.

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, 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.

Finally, there is one correction to Council Item #13.7 adopted by Resolution RES-2025-169 on October 21, 2025, requested as part of this item. The correction concerns the salary establishment for the new Project Manager classification. The proposed internal alignment of setting the salary at 5% below the Associate Civil Engineer classification was accepted; however, the aligned salary range was calculated prior to the COLA adjustment and equity increase effective July 13, 2025, and inadvertently never updated upon implementation. The updated Salary Plan and Schedule (Exhibit B) now reflect the correct salary range and the estimated annual salary increase of \$12,737.60, keeping the original effective date of November 2, 2025 as was negotiated with labor.

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 A to Resolution 1.

FISCAL IMPACT

General Fund salaries will increase by approximately \$42,811.95 to address three reclassifications to newly created classifications in the Planning and Economic

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Development Department. Water Enterprise Fund salaries will increase by approximately \$101,510.20 to address the creation of two new classifications in the Water Department. Beyond salary adjustments, the proposed changes will result in increased costs for wage-based benefits, such as Retirement and Workers' Compensation. These increases are estimated at \$5,600 for the General Fund and \$13,200 for the Water Enterprise Funds. As no funding was allocated for these specific increases in current projections, the General Fund portion will compound the existing \$8.4 million deficit, which is currently balanced using General Fund Reserves. Costs allocated to the Water Enterprise Funds will be covered by the approved rate increases within the current adopted rate structure. These fiscal impacts are further detailed in the Summary of Budget Changes, Exhibit D.

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.

EXHIBITS

- 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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