



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Human Resources
Department No.: 064
For Agenda Of: 12/6/2016
Placement: Departmental
Estimated Time: 1 Hour
Continued Item: No
If Yes, date from:
Vote Required: 3/5

TO: Board of Supervisors

FROM: Department Lori Gentles, Human Resources Director, 568-2816
Director(s)
Contact Info: Don Nguyen, 568-2823

SUBJECT: Classification and Salary Plan for Unrepresented Executive and Management Employees

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form:

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Adopt the Resolution in Attachment I establishing a new Classification and Salary Plan for Unrepresented Executive and Management employees, including Attachment A to the Resolution. (Attachment II contains the tracked changes to the Resolution); and
- b) In conjunction with the salary increases adopted for County employees represented by SEIU Local 620, adopt compensation pools of 2% effective Pay Period 1, 2017 (FY 16-17), 3% effective Pay Period 15, 2017 (FY 17-18) and 3% effective Pay Period 15, 2018 (FY 18-19), for all Unrepresented Executive (as described in County Code Section 2-71 (f)) and Management employees and grant appointing authorities the discretion to allocate increases to Unrepresented Executives and Managers occupying a County management position for a minimum of six months, who have performed satisfactorily, and who have completed the mandated AB1825 Anti-Harassment training increases of:
 - i) For FY 16-17, a minimum of 0% to a maximum of 3%, not to exceed the adopted compensation pool amount; and
 - ii) For increases in FY 17-18 and FY 18-19, grant the CEO authority to determine the allocation of General, Merit, and/or Equity increases to qualifying Unrepresented Executives and Managers, of a minimum of 0% to a maximum of 5%, not to exceed the adopted compensation pool amount.

- c) In conjunction with the salary increases adopted for County employees represented by SEIU Local 620, adopt salary increases of 2% effective Pay Period 1, 2017 (FY 16-17), 3% effective Pay Period 15, 2017 (FY 17-18) and 3% effective Pay Period 15, 2018 (FY 18-19), for all Unrepresented Confidential employees; and
- d) Adopt the Resolution in Attachment IV creating the new Job Classification and associated Salary Band for the Assistant Department Leader-Specialized;
- e) If the Board of Supervisors approves Recommended Action (b) above, adopt the Resolution in Attachment V establishing compensation rates for Elected Department Heads granting Elected Department Heads flat rate salary increases of 2% effective Pay Period 1, 2017 (FY 16-17), 3% effective Pay Period 15, 2017 (FY 17-18) and 3% effective Pay Period 15, 2018 (FY 18-19);
- f) Determines pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(4) that the above action is a government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and therefore is not a project subject to environmental review.

Summary Text:

The recommendations will result in the following changes to the former Classification and Salary Plan for unrepresented executive and management employees, and are intended to build upon and enhance the plan adopted in 2006 and modified in 2015. These recommendations are initial steps to creating an equitable, flexible, and fiscally responsible plan that supports the County's recruitment and retention of high quality, diverse employees.

- Aligns unrepresented executive and management pay increases with those granted to the County's largest represented employee group
- Establishes compensation pools for Unrepresented Executives and Managers for December 19, 2016 (PP 1 of 2017) of 2%, for July 3, 2017 (PP 15 of 2017) of 3%, and for July 2, 2018 (PP 15 of 2018) of 3% of the budgeted salary amounts for eligible Unrepresented Executives and Managers
- For FY 16-17, grants the CEO authority to determine increases to qualifying Unrepresented Executives and Managers of a minimum of 0% to a maximum of 3%, not to exceed the adopted compensation pool amount
- For FY 17-18 and FY 18-19, grants the CEO authority to determine the allocation of General, Merit, and/or Equity increases to qualifying Unrepresented Executives and Managers of a minimum of 0% to a maximum of 5%, not to exceed the adopted compensation pool amount
- Unrepresented Executives and Managers occupying a County management position for a minimum of six months, who have performed satisfactorily, and who have completed the mandated AB1825 Anti-Harassment training will be eligible for an increase not to exceed the top of their range
- Grants pay increases of 2% effective December 19, 2016 (PP 1 of 2017), 3% effective July 3, 2017 (PP 15 of 2017), and 3% effective July 2, 2018 (PP 15 of 2018) for Unrepresented Confidential employees
- Contingent on the approval of compensation pools for Appointed Department Heads, grants fixed rate salary increases of 2% effective December 19, 2016, 3% effective July 3, 2017, and 3% effective July 2, 2018 for Elected Department Heads
- Defines Total Compensation Philosophy and Strategy
- Changes the Designated Control Point of the Salary Range to a new Quartile System
- Identifies relevant comparative counties and adds city/private sector agencies for hard-to-fill positions for use in market salary studies
- Establishes non-base-building pay components for Longevity and Succession pay

- Creates a provision for promotion within the broad Leadership Classifications
- Adds an Assistant Department Leader-Specialized classification to cover positions that require specific licensure/certification in order to do the work
- Increases the maximum term of temporary promotions from 18 months to 24 months and the maximum pay increase from 10% to 15%
- Defines market as +/-10% of the Average Market Midpoint of comparable positions in the survey
- Adjusts the salaries of 18 employees, whose current salaries have been identified as being below market based on the market definition

Background:

At Board and CEO direction to build upon and enhance the classification and salary plan for Unrepresented Executive and Management employees, HR consulted with key stakeholders and consultants to establish a fiscally responsible salary and classification structure that

- Attracts and retains talent
- Enables the County to be competitive with the labor market
- Addresses internal equity
- Enables flexibility and movement through the salary band
- Reinforces performance management and accountability
- Updates the County’s Compensation Philosophy to include total compensation and relevant labor market data, and
- Updates the 2015 salary survey based on the identified Relevant Labor Market

The outcome is a transparent market driven management classification and salary plan that has clear parameters and accountability for hiring managers, incorporates appropriate fiscal controls, is based on relevant market data, and introduces the concepts of total compensation. In addition, the new program provides existing managers with the ability to move through the salary band.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

PLAN COMPONENT	FUNDING SOURCE	FY 2016-17	FY 2017-18	FY 2018-19
2.0% Merit Effective Dec 19, 2016	General Fund	373,000.00	746,000.00	746,000.00
	Non-General Fund	261,000.00	523,000.00	523,000.00
Market Adjustments (18 Managers initially and up to \$75,000 on-going)	General Fund	30,000.00	82,500.00	105,000.00
	Non-General Fund	36,500.00	125,500.00	178,000.00
Longevity Pay (One-Time)	General Fund		60,000.00	61,000.00
	Non-General Fund		33,000.00	21,000.00
Succession Pay (One-Time)	Unknown*	30,000.00	30,000.00	30,000.00
3% Merit Effective July 3, 2017	General Fund		1,152,000.00	1,152,000.00
	Non-General Fund		807,000.00	807,000.00
3% Merit Effective July 2, 2018	General Fund			1,187,000.00
	Non-General Fund			832,000.00
TOTAL		730,500.00	3,559,000.00	5,642,000.00
*Funding Source will be dependent on who is approved for Succession Pay				

Narrative: The fiscal impact of a 2% general salary increase has been budgeted in the FY 16-17 budget that was adopted by the Board and therefore no budget revision is required. FY 17-18 and FY 18-19 costs will be incorporated into future year budgets subject to future Board of Supervisors budget actions. Funding sources for the increases are based on the current estimation of the share of Salaries and Benefits between General Fund and Non-General Fund sources. For other categories such as the Market Adjustments and Longevity pay, the funding source is determined by the fund attached to the affected employees. The approximate fully loaded initial incremental cost increases, as well as the fully loaded ongoing cost of each component, are estimated by fiscal year in the table. Costs for Longevity Pay and Succession Pay are one-time and have no on-going compounding effect.

Special Instructions:

None

Attachments:

Attachment I – Resolution: Classification and Salary Plan for Unrepresented Executive and Management Employees (untracked) including:

Appendix A: Classification and Salary Plan for Executive and Management Employees

Attachment II – Resolution: Classification and Salary Plan for Unrepresented Executive and Management Employees (tracked)

Attachment III – Resolution: Authorizing wage increases for specific Executive and Management Employees with Salaries below market.

Attachment IV – Resolution: Establishing new job classification of Assistant Department Leader – Specialized.

Attachment V – Resolution: Establishing new pay rates for Elected Department Heads

Authored by: Don Nguyen, 568-2823

cc: