



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:** CEO/Human Resources  
**Department No.:** 012  
**For Agenda Of:** August 25, 2015  
**Placement:** Departmental  
30 minutes  
**Estimated Tme:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors

**FROM:** Jeri Muth, Human Resources Director, 568-2816

Contact Info: Theresa Duer, Assistant HR Director, 568-2822

**SUBJECT:** *Terms and Conditions of Employment: Certain Unrepresented Executives and Unrepresented Managers –Classification and Salary Plan Changes*

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**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:**

As to form: N/A

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

1. Adopt the Resolution in Attachment I establishing a new Classification and Salary Plan for Unrepresented Executive and Management Employees including Attachments A and B to the Resolution (Attachment II contains the tracked changes to the former Resolution); and
2. Determine that these actions are exempt from California Environmental Quality Act (CEQA) review as they are not a project pursuant to CEQA Guidelines section 15378 (b) (2).

**Summary Text:**

The recommendations will result in the following changes to the former Classification and Salary Plan for Unrepresented Executive and Unrepresented Management Employees and are intended to begin addressing issues with the existing system put into effect in 2006. These will be the first phase of improvements and are within budgeted amounts for the current fiscal year.

1. Align some language with existing Civil Service Rule language;
2. Increase the supervisory (compaction) differential from 3% to 5% to be more consistent with the differential for non-management supervisors;
3. Within the existing budgeted amount of 3%, fund January 2016 performance-based merit increases for managers and executives. (The change also provides flexibility for merit increases to exceed the budgeted amount by no more than \$500 per department.) Managers occupying a County management position for a minimum of six months will be eligible for a merit increase of a minimum of 0% to a maximum of 6%, based on performance and not to exceed the top of the range;
4. Provide for annual market/equity adjustments as funding is budgeted and based on specific criteria to be established by the County Executive Officer and the Human Resources Director;
5. Provide the County Executive Officer with the ability to compensate managers who are assigned a significant special project or assignment with a duration of a minimum of 30 days and a maximum of 18 months with a temporary salary increase from 5% to 10%;
6. Provide the County Executive Officer with the ability to make off-cycle salary adjustments, not to exceed the top of the range when rigid adherence to the principles relating to salary adjustments or appointments would be discriminatory, unfair, or detrimental to the best interests of the County and/or to retain managers in the organization; and
7. Increase the top of the current salary ranges by 3%, standardize all ranges, and adjust the salaries of approximately four managers whose salaries are less than the new entry salary on a range.

**Background:**

The current Classification and Salary Plan for unrepresented managers and executives was put into effect in 2006 and, with the exception of three ad hoc changes over the years, the classification and compensation systems have remained substantially unchanged. The existing system does not automatically authorize step or merit increases as do existing systems for non-managers, nor does it contemplate general wage or cost of living increases for managers and executives. Between January 2008 and July 2013, managers received no general wage increases and no merit increases. The first merit increases received by managers occurred in January 2015.

Experience with the existing systems has demonstrated that not all elements work as effectively as possible and that there are opportunities for improvements. Understanding that making significant improvements to the systems would not be feasible during the recession, beginning in 2013 a team of County managers and executives began a comprehensive review of the classification and compensation systems in order to identify needed improvements that could be implemented when the economy improved and as funding was available. The recommended changes reflected in the Resolution will be the first phase of improvements and are within budgeted amounts for the current fiscal year.

It is anticipated that the following additional improvements will be implemented, upon funding, in future years:

- Changing the management compensation philosophy to reflect a market-based focus including moving managers' salaries to their respective markets in a reasonable amount of time;
- A revised management class structure that more clearly defines levels and functions of managers within the organization;
- Moving from a broad pay range to a more narrow pay range divided into steps and allocating managers to those pay ranges based on market rates of pay;
- Making improvements to the existing performance management system and moving from calendar year evaluations and merit increases to a fiscal year cycle; and
- Implementing Civil Service rule changes to reflect compensation system changes governed by Civil Service rules.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

Funding Sources	Current Year Cost			Annualized On-going Cost		
	1% Equity Adjustment	3% Merit Increase	Total Current Year Increase	1% Equity Adjustment	3% Merit Increase	Total Annualized Increase
General Fund Contribution	143,000	260,000	403,000	200,000	520,000	720,000
Departmental Funding	230,000	455,000	685,000	320,000	910,000	1,230,000
<b>Total</b>	<b>373,000</b>	<b>715,000</b>	<b>1,088,000</b>	<b>520,000</b>	<b>1,430,000</b>	<b>1,950,000</b>

The total cost of the recommended equity and performance based merit increases in Fiscal Year 2015-2016 is estimated to be \$1,088,000. This assumes an effective date of October 12, 2015 for equity adjustments and January 1, 2016 for merit increases. These increases would

be funded with \$403,000 of discretionary general funds and the balance of \$685,000 would be funded with other departmental funds (Federal, State, fees, and other sources).

On an ongoing annualized basis, the total cost of recommended equity and merit increases would be \$1,950,000 of which \$720,000 would be funded with discretionary general funds and the balance of \$1,230,000 would be funded with departmental funds.

cc: Mona Miyasato, County Executive Officer  
All executives and managers

**Special Instructions:**

Please return one copy of the approved and signed resolution to Maya Barraza and Jeri Muth in Human Resources.

**Attachments:**

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

- **Attachment A:** Classification and Salary Plan for Executive and Management Employees
- **Attachment B:** Revised Executive and Management Salary Schedule

**Attachment II -** Classification and Salary Plan for Unrepresented Executive and Unrepresented Management Employees (tracked)