



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: September 15, 2015
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

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***

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:

- a) 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 Classification and Salary Plan);
- b) Adopt the Resolution in Attachment III granting a 5% wage increase effective September 14, 2015 for 13 managers identified as having been in their current

classification for a minimum of three years and whose salaries are also more than 18% below their respective markets; and

- c) 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 3.5%, 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 so that the range from top to bottom is 65% (consistent with the original span of the broad ranges), and adjust the salaries of approximately four managers whose salaries are less than the new entry salary on a range. (This is an estimated annualized cost of approximately \$35,000.)

In addition, Board actions will provide a 5% pay increase for 13 managers who have been in their current classifications for at least three years and whose salary is considerably below

market. This 5% increase is consistent with equity adjustments provided to certain represented employees with an annualized cost of approximately \$85,600.

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 only merit increases received by managers over the past seven years occurred in January 2008 and 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 executives and managers 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. While the organization is unable to implement all the identified changes due to financial constraints, the recommended changes reflected in the Resolution are feasible at this time and are within budgeted amounts for the current fiscal year.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Funding Sources	Current Year Cost			Annualized On-going Cost		
	Equity Adjustments	3% Merit Increase	Total Current Year Increase	1% Equity Adjustment	3% Merit Increase	Total Annualized Increase
General Fund Contribution	45,000	260,000	305,000	59,000	520,000	579,000
Departmental Funding	48,000	455,000	503,000	62,000	910,000	972,000
Total	93,000	715,000	808,000	121,000	1,430,000	1,551,000

The total cost of the recommended market and performance-based merit increases in Fiscal Year 2015-2016 is estimated to be \$808,000. This assumes an effective date of September 14, 2015 for market adjustments and January 1, 2016 for merit increases. These increases would be funded with \$305,000 of discretionary general funds and the balance of \$503,000 would be funded with other departmental funds (Federal, State, fees, and other sources).

On an ongoing annualized basis, the total cost of recommended market and merit increases would be \$1,551,000 of which \$579,000 would be funded with discretionary general funds and the balance of \$972,000 would be funded with departmental funds.

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

Special Instructions:

Please return one copy each 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)

Attachment III - Resolution Providing Market Increase for Certain Managers