

MEMORANDUM

Date: October 12, 2021
To: Personnel Committee
From: Paula O'Keefe, Director of Administration
Subject: Compensation Study – Unrepresented Employees Salary Schedule

RECOMMENDED ACTION

District Staff recommends the Personnel Committee approve the Compensation Study salary increases outlined in the Draft Compensation Study completed by Koff & Associates.

BACKGROUND

In July of 2020, General Manager Tom Hennig commissioned a compensation study for all classifications within the District. The compensation study was to assist with labor negotiations for represented staff and found that the unrepresented staff salaries were severely below market. This study would have been prepared and presented in anticipation of the May 1 annual review date for unrepresented staff, however, due to a change in leadership and a vacant Director of Administration position, staff were unable to present the compensation study.

In late August, 2021, Koff & Associates was asked to revisit the draft study and update the information in order to present to information to the Board. Late September, the District received the draft report from Koff & Associates, which highlighted findings of importance:

1. "RMCS D's base salaries, overall, in comparison to the market median are 3.2% below the market".
2. "Historically, including a recent 2020 survey, the District's benefits package does not contribute to its competitive position compared to the market and, therefore, it is recommended that salary decisions should be based on base salary market results versus total compensation; benefit competitiveness should be evaluated separately.

Staff have had time to review the base salary comparisons provided within the draft report and have attached a recommended course of action for the unrepresented salary structures. While the District generally prefers to make pay grade adjustments during the negotiations cycle, the unrepresented salary schedules are only updated through compensatory review and subsequent Board action.

The District is recommending restructuring our Unrepresented salary schedule to reflect current market wages to be considered more competitive in the job market and properly compensate our existing employees. Based on the recently updated compensation study, several unrepresented positions fell well below market, bottoming at 14% below market for the Utilities Supervisor.

Staff also reviewed benefits to other agencies used in the comparison and found that while the District's benefits are comparable, the leave balance accruals and other additional pays are either behind the market or nonexistent. The District has filled the majority of the unrepresented positions, however the salaries and benefits packages need to be fair and equitable in today's market. Staff have prepared a separate proposal for recommended changes to the Personnel and Pay for Performance Manuals to adjust these items.

Based on staff review of internal roles and responsibilities, in conjunction with the updated Compensation Study by Koff & Associates, staff recommend the following actions be taken:

1. The role and responsibility of the Director of Operations can be considered comparable to the Director of Administration, however the Director of Operations makes approximately 4.76% less at top step than the Director of Administration. Because these two positions require equally educated and skilled professionals within their respective fields, staff are recommending adjusting the salary schedule for the Director of Operations to be aligned with the Director of Administration. This will be at an increased cost of approximately \$19,344 annually (Attachment A).
2. Increase the unrepresented classification paycales to bring the salaries in line with market. While the compensation study states that compensation within 5% of market rate is competitive, increasing the salaries to the top of the market will bring our compensation package high enough to be competitive within the job market and assist with improving employee moral. This will bring all salaries to current market level and will be at an increased cost of approximately \$62,688 (this includes the cost of aligning the Director of Operations salary with Director of Administration). (Attachment B)
3. Apply the salary increases retroactive to May 1, 2021, the beginning of the evaluation cycle, for all staff impacted by the increased salary schedule (Attachment C).

It should be noted that an adjustment to the salary range does not result in an automatic adjustment to any employee's rate of pay, unless the employee's current rate of pay falls below the minimum of their new salary. The Pay for Performance manual allows for that employee's rate of pay to be increased to the minimum of the range if the employee is rated "meets standards" on their last performance evaluation.

SUMMARY

Staff have thoroughly reviewed the compensation study from Koff & Associates and believe that the new base salary rates for unrepresented employees should be applied for all unrepresented classifications that were evaluated and found to be severely under market within the study.

Director of Operations Adjustment

Exempt Employees	Current Top Step	Proposed Top Step	Director of Operations Adjustment	Monthly Increase	Annual Increase	Annual Salary
Director of Administration	12,332.00	13,356.00	-	1,024.00	12,288.00	160,272.00
Director of Operations	11,744.00	12,214.00	13,356.00	1,612.00	19,344.00	160,272.00

* Adjustment to align salaries

Annual Increase in Cost - Exempt Employees

Exempt Employees	Current Top Step	Current Annual Cost	Study Proposed % Increase	Proposed Top Step	Director of Operations Adjustment	Monthly Increase	Annual Increase	Annual Cost
Accounting Manager	11,286.00	135,432.00	0.0%	11,286.00	-	-	-	135,432.00
Chief Plant Operator	8,437.00	101,244.00	9.1%	9,205.00	-	768.00	9,216.00	110,460.00
Director of Administration	12,332.00	147,984.00	8.3%	13,356.00	-	1,024.00	12,288.00	160,272.00
Director of Operations	11,744.00	140,928.00	4.0%	12,214.00	13,356.00	1,612.00	19,344.00	160,272.00
District Secretary	6,228.00	74,736.00	12.2%	6,988.00	-	760.00	9,120.00	83,856.00
Security Supervisor	8,764.00	105,168.00	0.0%	8,764.00	-	-	-	105,168.00
Security Sergeant	6,380.00	76,560.00	0.0%	6,380.00	-	-	-	76,560.00
Utility Supervisor	7,571.00	90,852.00	14.0%	8,631.00	-	1,060.00	12,720.00	103,572.00
Total	72,742.00	872,904.00		76,824.00		5,224.00	62,688.00	935,952.00

* Based on proposed salary schedule top step

Rancho Murieta Community Services District
Unrepresented Salary Schedule
Effective May 1, 2021

District Position	Monthly Salary Range		
	Minimum	Control Point	Maximum
Accounting Manager	\$8,843	\$10,260	\$11,286
Chief Plant Operator	\$6,973	\$8,368	\$9,205
Director of Administration	\$10,118	\$12,142	\$13,356
Director of Operations	\$10,118	\$12,142	\$13,356
District Secretary	\$5,294	\$6,353	\$6,988
General Manager	\$12,258	\$14,709	\$16,180
Security Supervisor	\$6,639	\$7,967	\$8,764
Security Sergeant	\$4,833	\$5,800	\$6,380
Utility Supervisor	\$6,539	\$7,846	\$8,631