

MEMORANDUM

Date: October 18, 2021
To: Personnel Committee
From: Paula O'Keefe, Director of Administration
Subject: Personnel Packet

RECOMMENDED ACTION

On October 14, District staff brought the following items to the Personnel Committee for review and discussion:

- Updates to the Personnel and Pay for Performance Manuals
- Security Gate and Security Patrol Officer Reclassifications
- 2021 Unrepresented Salary Schedule Adjustments
- Request for Two New Accounting Technician positions

The Personnel Committee approved all discussion items for Board recommendation on October 20th. District Staff recommends the Board adopt all changes recommended within this staff report.

BACKGROUND

Over the last 18 months, the District has had high turnover and increasing workloads. Or many year, the District operated under a "status quo" without truly addressing administrative issues, long-term sustainability and planning for the future. The District is in dire need of a total overhaul of processes, systems and staffing. The Board authorized much needed changes to existing positions within the Administration office in May of 2021, however additional changes are needed and additional positions are necessary to not only address the workloads not being completed, but to prepare the District for future growth and development.

Staff brought forward several items to the Personnel Committee on October 14th to discuss district staffing needs. The Personnel Committee discussed each item at length and recommended the items be brought back to the Board for approval at the October 20th Board meeting.

Personnel and Pay for Performance Manual Updates

Staff reviewed the Personnel and Pay for Performance Manuals and found many inconsistencies and outdated language that needed correction. The Koff & Associates compensation study also noted that they were only able to compare base salary as the District's benefits packages were inconsequential or non-existent. Staff spent time reviewing comparator agencies and found several areas the District could adjust to create a more competitive salary "package" when recruiting for key positions.

While the District's health benefits are comparable, other compensable benefits are lacking or nonexistent. In the last 18 months the District has experienced significant turnover and has been unable to retain and hire quality staffing. For example, if a potential candidate has a choice between working for the District with a competitive salary, but another agency is providing a competitive salary package that includes increased leave accruals, administrative leave, stipends, etc, the potential candidate will decline our opportunity for a more favorable package.

Staff also reviewed the work schedule and surveyed nearly all employees on preference. Because of the District's remote location, many employees travel upwards of 30+ miles one way to work, five days a week. This could mean a daily two hour commute. Because working remotely is not an option, this creates a potential eleven hour work day. Staff have expressed the need for better work life balance, to include an alternate work schedule and a half hour lunch. Some benefits to adjusting the District's work schedule are better attendance and productivity, reduction of overtime and better morale.

Staff request the District attorney review the alternative work schedule for any potential FLSA violations. The District is a local government agency employer and is subject to the federal over time law, but not the state. FLSA required payment of overtime hours worked in excess of 40 hours in a work week and does not have a daily requirement. The daily overtime requirement of California law does not apply to the District so the implementation of an alternate work schedule will not incur additional overtime.

The changes to the Pay for Performance manual will increase the annual cost to the District by \$8,400 annually. Staff presented changes to both the Personnel and Pay for Performance manual at the Personnel Committee on October 14, 2021.

Gate and Patrol Reclassifications

The District has three vacant positions within Security, two Gate Officers and one Patrol Officer. These vacant positions have been posted for several months without finding successful candidates, however the District has tentatively offered employment to fill one Gate Officer position.

While there is a significant recruitment problem across the nation, the District has a larger disadvantage for several reasons, including low wages, remote work location and no upward mobility. While the District generally prefers to make pay grade adjustments during the negotiations cycle, in order for the District to hire a qualified candidate during this critical time, it is necessary to upgrade the salary schedule and job descriptions. The total cost to the District is projected to be approximately \$15,000 in base salary increases annually, based on the projections using the new salary ranges.

Staff recommends creating a "series" classification for both Gate Officer and Patrol Officer that will allow the District to "promote in place" qualified staff and allow more flexibility within the pay range to bring new employees in at a higher range based on prior education and experience.

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. If approved, supervisors will review each employee's qualifications and pay ranges to determine eligibility of increase in pay and/or grade based on the new classification requirements.

The total potential cost to the District is approximately \$15,000 annually. Staff presented these reclassifications to the Security Gate Officer and Security Patrol Officer on October 14, 2021.

Unrepresented Employee Salary Schedule

In late August, 2021, Koff & Associates was asked to revisit the 2020 draft compensation 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, Staff reviewed the base salary comparisons provided within the draft report and prepared a recommended course of action for the unrepresented salary structures for the Personnel Committee. 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.

Based on staff review of internal roles and responsibilities, in conjunction with the updated Compensation Study by Koff & Associates, staff recommends the Board approved the following:

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.
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).
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.

The total cost to the District is approximately \$62,688 annually, however the District budgeted an additional \$30,000 in anticipation of salary increases. This reduces the cost to the District to approximately \$32,688 in the current Fiscal Year. Staff presented the restructured Unrepresented Salary Schedule on October 14, 2021.

Request for Two New Accounting Technician Positions

In May of 2021, the District reorganized and reclassified several positions within the Administration office. This reorganization allowed District staff to review, evaluate and update the job duties for each of the impacted classifications. At the time, the hope was to provide much needed acknowledgment and redistribution of workload amongst the full and part time staff.

Because the District has had high turnover within recent months, it was apparent that an analysis of workload was necessary to determine the whether the high volume of workload required additional staffing. It became evident the existing workload was a contributing factor in the exits of the employees. The sheer volume and backlog of the existing workload must be split three separate duties for the Accounting Technician:

Accounts Payable and Receivable
Utility Billing
HR/Payroll

Currently, the District has a single Accounting Technician position that is responsible for A/P, A/R, Payroll, Utility Billing and supports the front desk with customer service, bank deposits, and other accounting functions, leaving a significant gap in several processes relating to all three major job components. Two prior incumbents incurred 20+ hours of overtime each pay period to process payroll and A/P, while leaving other tasks untouched. This left

our current staff with nearly a years' worth of backlog, filing, outstanding invoices unpaid from prior fiscal year and payroll reporting that had not been completed timely, accurately or in some cases, not at all. Although the District has part time assistance, it is still not enough to allow the Accounting Technician to complete past due work and maintain a regular payment cycle and complete all tasks required within the job classification and both the General Manager and Director of Administration are completing critical day to day tasks relating to HR/Payroll and Utility billing.

The District has augmented day to day functionality by using part time staffing to assist full time employees. This practice has its drawbacks, primarily the amount of time and effort needed to train a part time employee to perform the work functions. In the past, part time employees were not invested in the outcomes of project goals, daily duties and the District as a whole, and have left for full time jobs with benefits, once again leaving the District with gaps in knowledge base. After cycling through several full time staff and part time staff, the knowledge base becomes smaller each time, thus creating a larger gap and bigger backlog. In order to prevent the constant cycling of part time staff, the District must create two additional Accounting Technician positions to hire full time, permanent staffing.

While the District generally submits position requests during the budget development cycle, staff are concerned that without the proper staffing levels, the District will fall more behind and will not be prepared for the increased workload over the next couple of years with new housing developments already underway.

The total cost of two new fully benefitted Accounting Technician positions is projected at approximately \$160,000. Staff presented these additional positions to the Personnel Committee on October 14, 2021.

SUMMARY

Staff have met with the Union steward regarding changes that impact represented employees and have submitted the changes to the District's attorneys for review. At this time, the Union has no concerns with updating the work schedule based on feedback provided by the employees and other changes found within the Personnel manual. Upon approval from the Board, staff will meet and confer with the Union on the implementation of the changes within the Personnel Manual and position classifications. Staff recommend Board approve all Personnel requests within this package to ensure the District is competitive in the job market and has the staffing resources needed to sustain service levels for the residential growth over the next couple of years.

October 20, 2021

PERSONNEL

Rancho Murieta CSD

- District formed in 1982
- Provides the following services:
 - Water supply, collection and treatment
 - Wastewater collection, treatment and reuse
 - Storm drainage collection, disposal and flood control
 - Solid Waste collection
 - Security

RMCS D Then and Now

FY 2000-01

- Rancho Murieta CSD service:
 - 1,900 homes
 - 4,500 residents
- Total Authorized Positions
 - Administration = 6
 - Water/Wastewater = 11
 - Security = 15.5
 - Each employee serves 138 residents

FY 2021-22

- Rancho Murieta CSD service:
 - 2,800 homes
 - Approximately 6,000 residents
 - 400 new homes over the next two years
- Total Authorized Positions
 - Administration = 7
 - Water/Wastewater = 14.5
 - Security = 17
 - Each employee serves 156 residents

District Problem

The District does not have the staff and resources to complete the operational activities needed as a Special District.

The District projects 400 new homes within the next couple of years. The current staffing levels do not support the existing workload and will not be sustainable with the workload associated with growing development.

The District must create a sustainable growth plan to accommodate existing service levels and account for growth and new development over the next couple of years.

District Challenges

- Recruitment:
 - Remote location
 - Inability to retain quality employees and hire qualified staff
 - Lack of competitive salaries and benefits packages
- Personnel:
 - Significant increases in workload due to vacancies
 - Part Time/Temporary staffing compounds backlog
 - Work/life balance concerns
 - Lack of quality customer service
 - Outdated policies/procedures, lack of training

District Challenges

(cont.)

- Critical processes managed by external vendors and project managers, retired annuitants and temporary employees
- Inefficient System Tools and Resources:
 - Staff unable to complete tasks in a timely manner
 - Unable to complete critical tasks, creating backlogs
 - Lack of consistency in work product
 - Inaccurate reporting in financial systems and payroll
- Future increase in residential and commercial accounts
 - Increase in workload for overburdened staff

Areas of Opportunity

- Create a competitive salary and benefits package for all staff
- Increase Unrepresented Salary Schedules to meet market rate
- Create new positions to mitigate current backlogs, high volume workload
- Reclassification of Gate and Patrol Officer to create a “series”
- Allow alternative work schedule for better work/life balance
- Update manuals, policies and procedures

Personnel 2021

Recommendations

Personnel and Pay for Performance

- Update outdated language and add language to reflect state and federal laws
- Align language with existing MOU
- Allow alternative work schedule
- Increase vacation accruals for all employees to be competitive within market comparisons
- Create new stipends for Exempt/Unrepresented employees:
 - 2.5% Deferred Compensation Match
 - Commuter Allowance
 - Technology and Equipment Allowance (would replace the existing reimbursement with a flat monthly amount)
- Total Cost to District is approximately \$8,400 annually

Security Position Reclassification

- Create a “series” classification for both Security Gate Officer and Security Patrol Officer
- Security Gate and Patrol Officer I – entry level trainee, minimum education and experience requirements
- Security Gate and Patrol Officer II – complex level duties and fully trained, more experience requirements
- Projected cost to the District – approximately \$15,000 annually
 - Salary increases are dependent upon annual evaluation and are not automatic

Unrepresented Salary Schedule

- 2021 Compensation Study identified several unrepresented positions below market; lowest position was 14% below market
- Bring Director of Operations salary equal to Director of Administration
- Increase unrepresented salary schedule to align with Compensation Study results, retroactive to May 1, 2021
- Total cost to District if implemented in current year – approximately \$62,688, however the District currently budgeted \$30,000 to account for salary increases. This reduces the cost to approximately \$32,688 in this current fiscal year.

Increase Position Authority

- One Accounting Technician position to complete utility billing, A/P and A/R, and HR/Payroll tasks
- District currently spends \$32,400 annually on vendor project managers
- District currently employs two temporary part time employees at approximately \$58,600 annually
- Significant backlogs, including workload not being completed
- Recommendations:
 - Add two new Accounting Technician positions to split duties
 - Cost to District is approximately \$160,000 and will require an appropriation from Board

Implementation Options

- Option 1 – Implement all changes immediately
 - Total cost to District = \$216,088
- Option 2 – Implement Reclassification, Unrep Salary and One AT position immediately, Second AT position the following Fiscal Year
 - Cost to District Year One = \$136,088
 - Cost to District Year Two = \$80,000
- Option 3 – Phased in Approach over Three Years
 - Cost to District Year One = \$94,296
 - Cost to District Year Two = \$100,896
 - Cost to District Year Three = \$20,896

Thank you!