



Legislation Text

File #: 2020-0719, **Version:** 1

To: Board of Supervisors of the County of Sonoma, Board of Directors of the Sonoma County Water Agency, Board of Commissioners of the Community Development Commission, and Board of Directors of the Sonoma County Agricultural Preservation and Open Space District

Department or Agency Name(s): Human Resources Department

Staff Name and Phone Number: Spencer Keywood 707-565-3568

Vote Requirement: Majority

Supervisorial District(s): Countywide

Title:

Miscellaneous Classification, Compensation, and Allocation Changes

Recommended Action:

Adopt Resolutions reflecting the recommendations of completed classification studies and other position allocation changes: Adopt a Concurrent Resolution amending the Memorandum of Understanding between the County and Service Employees International Union, Local 1021, Salary Table Scales, to adjust the salaries of Supervising Environmental Health Specialist, Supervising Health Information Specialist, and Supervising Public Health Nurse, effective August 11, 2020

- A) Adopt a Concurrent Resolution amending the Memorandum of Understanding between the County and Service Employees International Union, Local 1021, Salary Table Scales, to adjust the salaries of Supervising Environmental Health Specialist, Supervising Health Information Specialist, and Supervising Public Health Nurse, effective August 11, 2020.
- B) Adopt a Concurrent Resolution amending the Memorandum of Understanding between the International Union of Operating Engineers, Stationary Engineers - Local 39, Salary Table Scales to adjust the salary of Electrician/Instrumentation Technician, effective August 11, 2020.
- C) Adopt a Concurrent Resolution amending the Salary Resolution 95-0926, Salary Table Scales, to adjust the salaries of Building Division Manager, Engineering Division Manager, Human Services Division Director, Health Care Compliance/Privacy and Security Officer, Director of the Independent Office of Law Enforcement Review and Outreach, Executive Director, Economic Development Board, Water Agency Assistant General Manager, Water Agency Chief Engineer/Director of Groundwater Management, Water Agency Deputy Chief Engineer, Water Agency General Manager, and Water Agency Operations and Maintenance Manager, and to abolish the classifications of County Public Information Officer, Director of Fire and Emergency Services, and Public Information Specialist, effective August 11, 2020.
- D) Adopt a Resolution amending the Department Allocation Table of the County Administrator's Office, effective August 11, 2020.
- E) Adopt a Resolution authorizing adjustments to the Board Adopted Budget for Fiscal Year 2010-2012 for the Sonoma County Water Agency General Fund, effective August 11, 2020.
- F) Approve use of General Fund Contingencies of \$5,544 to fund increased costs in Independent Office of Law Enforcement Review and Outreach due to increased salaries and benefits, effective August 11, 2020.

Executive Summary:

The County's Human Resources Department is responsible for managing the County-wide classification and compensation structure. Components of this responsibility include ensuring employees are appropriately classified, administering the County's Compensation Plan, and assisting departments with organizational changes when they involve classification reviews. Regularly, the department conducts classification and compensation analyses, and develops reports and presents recommendations to incumbents, unions, departments, and in many situations the Civil Service Commission. Ensuring employees are appropriately classified and having a sound classification plan results in the County's ability to attract and retain a highly qualified, engaged workforce charged with providing the most efficient services possible for our community.

In a resolution before your Board today Human Resources requests approval to implement a number of salary adjustments that stem from the County's most recent round of contract negotiations and the final recommendations of a classification study in the County Administrator's Office.

Discussion:

Service Employees International Union, Local 1021 (SEIU):

Human Resources is seeking approval for salary adjustments to the classifications of Supervising Environmental Specialist, Supervising Health Information Specialist, and Supervising Public Health Nurse. These adjustments are being sought to address salary compression that occurred as a result of equity adjustments received by journey and senior level classifications represented by Engineers and Scientists of California, Local 20 (ESC), within the respective series.

During the most recent round of bargaining, equity adjustments were negotiated for classifications whose salaries were below the market average. These adjustments were based on an analysis of total compensation data of comparable classifications at the County's comparator agencies. Since the negotiations cycle for each labor organization and bargaining unit was staggered, based on the end date of each contract, adjustments applied to classifications later in the cycle have created instances of salary compression for classifications represented by different bargaining units who completed negotiations earlier in the cycle. Salary compression is problematic as it fails to recognize and adequately compensate for the increased level of knowledge, responsibility, and scope required by the higher-level class. This can lead to morale issues, dissatisfaction, recruitment and retention difficulty, and disincentives for advancement.

In order to address the compression, Human Resources recommends adjustments to the salaries of the aforementioned supervisory level classifications to the amounts listed below to achieve 8% differentials between the senior and supervisory levels. Human Resources and SEIU met and conferred over the proposed changes and a side letter agreement was executed on July 30, 2020 (Attachment A).

- Supervising Environmental Health Specialist should be set at \$8,809/Monthly I-Step
- Supervising Health Information Specialist should be set at \$7,752/Monthly I-Step

- Supervising Public Health Nurse should be set at \$10,815/Monthly I-Step

International Union of Operating Engineers, Stationary Engineers - Local 39 (Local 39):

Human Resources was made aware that there were calculation errors in analyses provided by a consulting entity that impacted the equity adjustments originally negotiated with Local 39. Human Resources reviewed the match classes of the Local 39 represented affected classifications from comparator agencies, corrected errors, and determined only the salary of the Electrician/Instrumentation Technician classification required an adjustment. Human Resources recommends the salary of the Electrician/Instrumentation Technician be adjusted from \$9,975/Monthly to \$10,013/Monthly I-Step to correct the error. Human Resources and Local 39 met and conferred over the proposed change and a side letter agreement was executed on August 4, 2020 (Attachment B).

Salary Resolution 95-0926 (SalRes):

Human Resources is seeking approval for the following salary adjustments:

The classifications of Building Division Manager and Engineering Division Manager to address salary compression that occurred as a result of equity adjustments received by journey and senior level classifications represented by Western Council of Engineers (WCE). Human Resources recommends an adjustment to the salaries of the two classifications (which are compensated at the same rate) to \$12,043/Monthly I-Step.

Four administrative management and department head classifications to address necessary adjustments resulting from outstanding survey and market analysis work. Human Resources recommends the following:

- Human Services Division Director should be set at \$12,011/Monthly I-Step
- Health Care Compliance/Privacy and Security Officer should be set at \$10,676/Monthly I-Step
- Director of the Independent Office of Law Enforcement Review and Outreach should be set at \$15,789/Monthly I-Step
- Executive Director, Economic Development Board should be set at \$14,824/Monthly I-Step

Five Water Agency administrative management classifications to address calculation errors in analyses provided by a consulting entity. These equity adjustments serve to correct the same errors that were described in the Local 39 section above. Due to the size and rationale for the adjustments, they will be applied over two years, as outlined in the following table, consistent with other adjustments approved by the Board during prior action. The second adjustment will occur May 21, 2021.

Job Class	Monthly I-Step as of 08/11/20	Monthly I-Step as of 5/21/21
Water Agency Assistant General Manager	\$17,767	\$18,099
Water Agency Chief Engineer/Director of Groundwater Management	\$18,949	\$19,297

Water Agency Deputy Chief Engineer	\$16,772	\$17,081
Water Agency General Manager	\$22,939	\$23,397
Water Agency Operations and Maintenance Manager	\$15,490	\$15,777

Government Code Compliance Requirements and Segal Valuation Analysis

Various provisions of the California Government Code require certain disclosures before the Board can adopt changes in salaries or benefits, with additional disclosures required for changes in pension and other post-employment benefits. Any changes in salaries and benefits must be adopted at a public meeting of the Board (Cal Gov't Code §23026). Notice of the consideration of such increases must be provided prior to the meeting and shall include "an explanation of the financial impact that the proposed benefit change or salary increase will have on the funding status of the county employees' retirement system." (Cal Gov't Code §31515.5).

In addition, when considering changes in retirement benefits or other postemployment benefits, the Board "shall secure the services of an actuary to provide a statement of the actuarial impact upon future annual costs, including normal cost and any additional accrued liability, before authorizing changes in public retirement plan benefits or other postemployment benefits." (Cal Gov't Code §7507). When there are changes in retirement benefits or other postemployment benefits, the statement of actuarial impacts shall be provided by an enrolled actuary and shall be made public at a meeting at least two weeks before the adoption of the increase in benefits. (Cal Gov't Code §31516). This staff report recommends the Board adopt changes to SEIU, Local 39, and Salary Resolution 95-0926, which include salary and benefits contribution changes only, and no changes to pension benefit plan design or other post-employment benefits (retiree medical).

Based on the analysis conducted by Segal Consulting (Segal), the actuaries for the Sonoma County Employees Retirement Association (SCERA), the net impact of the proposed salary changes for SEIU and Salary Resolution results in an increase in the County's annual retirement contributions. The actuarial assumptions included in the December 31, 2018 actuarial valuation are not sufficient to cover the costs of all changes to salary and equity adjustments in the current fiscal year. The actuarial assumptions included in the December 31, 2019 actuarial valuation and to be used and over the next two fiscal years are sufficient to cover the costs of the proposed changes, and serve to partially offset the increases in FY 2020/21. The analysis compares proposed labor changes to the following Sonoma County Employees' Retirement Association (SCERA) adopted salary assumptions:

- 3.25% used in the December 31, 2018 and December 31, 2019 valuations, and to be used for the FY 2022-23 contribution rates

While the actuarial assumption variations include both increases and decreases to the actuarial assumptions, the overall result is an increase of \$107,200 for these current proposed salary changes over the three fiscal year period, when compared with Segal’s prior analyses. It should be noted that in Fiscal Years 2021/22 and 2022/23, Segal assumes a savings when compared to the assumption of 3.25% salary growth. The numbers presented in this table represent the amount by which that savings was reduced due to these latest proposed salary changes. The total difference between Segal’s analysis provided for previously adopted adjustments and the new analysis accounting for the additional proposed salary changes is summarized in the following table. The detailed assessment of total plan increases and decreases in each year is detailed in the attached letters.

Cumulative results of Salary Resolution and SEIU:

	Annual Employer Normal Cost	Annual UAAL Amortized Cost	Total Employer Annual Contribution
FY 2020/21	\$17,000	\$30,000	\$47,000
FY 2021/22	\$2,000	\$10,000	\$12,000
FY 2022/23	\$4,100	\$44,100	\$48,200
Net increase in cost over 3 years	\$23,100	\$84,100	\$107,200

The County did not ask Segal to revise its assessment of the Local 39 assumptions. The cost of salary adjustments the County provided Segal in the original evaluation were rounded up to the nearest \$5,000 which more than accounts for the increases being proposed here for that unit.

County Administrator’s Office (CAO):

With the approval of the recommended budget in June 2020, the Board of Supervisors approved transferring the allocations of eight professional level department communications positions (six from County departments and two from within the County Administrator’s Office) to the County Administrator’s Office new centralized communications division effective July 1, 2020.

After the allocation transfer occurred, Human Resources conducted a classification study to ensure the five currently encumbered positions were appropriately classified based on an analysis of their level, area of responsibility, and duties performed within the new organizational structure. Human Resources’ concluded that the encumbered positions should be reclassified to the County Communications Specialist classification, that the incumbents should be retained in accordance with Civil Service Rule 3.3B, and that the County Public Information Officer and Public Information Specialist classifications should be abolished as they are no longer needed with the new centralized model. This recommendation was approved by the Civil Service Commission at their August 6, 2020, meeting.

Additionally, the County Administrator’s Office is seeking approval to convert the one remaining, vacant Department Program Manager allocation to a County Communications Specialist allocation and to Y-Rate the salaries of the two incumbents in the Administrative Analyst III and County Public Information Officer positions for which the results of the classification study place them in a job class with a lower salary scale than their current rate of pay.

The Human Resources Department is also seeking approval to abolish the classification of Director of Fire and Emergency Services as it is no longer needed due to the establishment of the Department of Emergency Management.

Prior Board Actions:

May 7, 2019, Board adopted SEIU MOU, Resolution #19-0191

June 14, 2019, Amendments to Salary Resolutions, Resolution #19-0271

July 30, 2019, Board adopted Local 39 MOU, Resolution #19-0312

Throughout the year, Human Resources submits several Miscellaneous Classification, Compensation, and Allocation Change Board Items that require Board approval in order to be fully adopted and implemented.

FISCAL SUMMARY

Expenditures	FY 20-21 Adopted	FY 21-22 Projected	FY 22-23 Projected
Budgeted Expenses	CAO: \$19,968 DHS: \$78,732 HSD: \$11,526 PRMD: \$4,733 TPW: \$11,182	CAO: \$22,256 DHS: \$81,094 HSD: \$12,821 PRMD: \$5,345 TPW: \$11,741 WTR: \$40,370	CAO: \$22,924 DHS: \$83,527 HSD: \$13,206 PRMD: \$5,304 TPW: \$12,328 WTR: \$41,581
Additional Appropriation Requested	EDB: \$11,520 IOLERO: \$5,544 WTR: \$39,194	EDB: \$12,844 IOLERO: \$6,188	EDB: \$13,637 IOLERO: \$6,370
Total Expenditures	\$182,399	\$192,659	\$198,877
Funding Sources			
General Fund/WA GF	CAO: \$19,968 DHS: \$56 WTR: \$39,194	CAO: \$22,256 DHS: \$57 WTR: \$40,370	CAO: \$22,924 DHS: \$59 WTR: \$41,581
State/Federal	DHS: \$37,516 HSD: \$11,526 TPW: \$11,182	DHS: \$38,642 HSD: \$12,821 TPW: \$11,741	DHS: \$39,802 HSD: \$13,206 TPW: \$12,328
Fees/Other	DHS: \$41,160 EDB: \$11,520 PRMD: \$4,733	DHS: \$42,395 EDB: \$12,844 PRMD: \$5,345	DHS: \$43,666 EDB: \$13,637 PRMD: \$5,304
Use of Fund Balance			
Contingencies	IOLERO: \$5,544	IOLERO: \$6,188	IOLERO: \$6,370
Total Sources	\$182,399	\$192,659	\$198,877

Narrative Explanation of Fiscal Impacts:

County Administrator's Office: The cost associated with reallocating four Department Program Managers, one Administrative Analyst III, and one County Public Information Officer to the County Communications Specialist job classification is approximately \$19,968 for FY 20-21, \$22,256 for FY 21-22, and \$22,924 for FY 22-23. These costs will be built into the department's budget during consolidated budget adjustments and financed within existing appropriations.

Department of Health Services: Salary adjustment impacts estimated at approximately \$78,732. The department will be able to absorb these salary increases within the current FY 20-21 recommended budget and is not seeking additional appropriations. Increases will be included in the FY 21-22 Budget and future budgets. Administration and Behavioral Health have already achieved staffing savings to offset the \$4,467 & \$3,812.50 respectively. Public Health will freeze the hiring of a Health Program Manager for 9 pay periods to achieve \$68,316 in savings to cover the Supervising Public Health Nurses, Supervising Health Information Specialist, and Supervising Environmental Health Specialist adjustments. Additionally, Environmental Health Fee stabilization has already realized \$2,137 in savings to cover the Supervising Environmental Health Specialist in the Fee Stabilization program. Revenue for FY 21/21 and FY 21/22 are estimates only based upon current funding. Future costs are estimated to increase by 3% yearly.

Economic Development Board: The cost of the adjustment is approximately \$11,520 for FY 20-21, \$12,844 for FY 20-22, and \$13,637 for FY 22-23. These costs will be built into the department's budget during consolidated budget adjustments and offset with an increased Transient Occupancy Tax financed contribution from the Community Investment Fund.

Human Services: For FY 20-21, the payroll cost for the four incumbents in the Human Services Division Director job classification were budgeted at \$1,008,435. The adjustment would increase payroll cost in for the remainder of FY 20-21 by \$11,526. Full-year payroll cost plus a 3% COLA increase is assumed for the subsequent fiscal years 21-22 and 22-23, respectively. Funding to pay for the increase will come from Salary Savings.

Independent Office of Law Enforcement Review and Outreach: The cost of the adjustment is approximately \$5,544 for FY 20-21, \$6,188 for FY 21-22, and \$6,370 for FY 22-23. These costs will be built into the department's budget during consolidated budget adjustments and offset with an increased General Fund contribution financed with FY 2020-21 use of General Fund Contingencies.

Permit Sonoma: The cost of the adjustments for FY 2020-21 is \$4,733 and will be funded by fees with no net change to the General Fund.

Sonoma County Water Agency (Sonoma Water): Salary and benefits are budgeted in the General Fund which is funded through property tax revenue and grants. The General Fund is reimbursed by Sonoma Water enterprise funds through the overhead rate using project costing. Sonoma Water's cost accounting system allocates labor costs to Sonoma Water projects specific to its enterprise funds.

The equity increases in the designated Sonoma Water job classes represent an increase in salary and benefits of \$39,194 in FY 20-21, \$40,370 in FY 21-22, and \$41,581 in FY 22-23 assuming a 3% COLA in each of the first

two FY's and a 2% COLA in FY 22-23.

Transportation & Public Works: The FY 20-21 adopted Road Maintenance budget included costs for the Engineering Division Manager position, estimated at \$223,798 including salary and benefits. The proposed adjustment would result in an increase of approximately \$11,182. There are sufficient appropriations in the budget to absorb these costs, and no increases are being requested at this time. The Roads Administration budget is sourced through Highway Users Tax (HUTA) revenues. Future position costs will be included in the department recommended budget requests

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)
County Communications Specialist	\$7,157.08 - \$8,699.81	6.0	
Administrative Analyst III	\$8,085.85 - \$9,826.86		(-1.0)
County Public Information Officer	\$8,120.64 - \$9,868.60		(-1.0)
Department Program Manager	\$6,786.62 - \$8,249.34		(-1.0)

Narrative Explanation of Staffing Impacts (If Required):

County Administrator's Office: There is no net change to the number of FTEs. The five incumbents in the Administrative Analyst III, County Public Information Officer, and Department Program Manager positions will be retained in the County Communications Specialist classification, in accordance with Civil Service Rule 3.3B. One Department Program Manager position is currently vacant.

Department of Health Services: There are no staffing impacts associated with the salary adjustments.

Economic Development Board: There are no staffing impacts associated with the salary adjustments.

Human Services: There are no staffing impacts associated with the salary adjustments.

Independent Office of Law Enforcement Review and Outreach: There are no staffing impacts associated with the salary adjustments.

Permit Sonoma: There are no staffing impacts associated with the salary adjustments.

Sonoma County Water Agency: There are no staffing impacts associated with the salary adjustments.

Transportation & Public Works: There are no staffing impacts associated with the salary adjustments.

Attachments:

1. Resolution 1: Concurrent Resolution amending the Memorandum of Understanding between the

County and SEIU, Local 1021, Salary Table Scales

2. Resolution 1: Attachment A - Salary Table Scales
3. Resolution 2: Concurrent Resolution amending the Memorandum of Understanding between the County and Local 39, Salary Table Scales
4. Resolution 2: Attachment A - Salary Table Scales
5. Resolution 3: Concurrent Resolution amending the Salary Resolution 95-0926, Salary Table Scales.
6. Resolution 3: Attachment A - Salary Tables
7. Resolution 4: Resolution amending the Department Allocation Table of the County Administrator's Office
8. Resolution 5: Resolution adjusting the Board Adopted Budget for the SCWA for Fiscal Year 2020-2021
9. Attachment A - Side Letter Agreement with SEIU
10. Attachment B - Side Letter Agreement with Local 39
11. Attachment C - GC 31515.5 Disclosure Letters from Segal Consulting dated August 3, 2020

Related Items "On File" with the Clerk of the Board:

1. Classification Study Report by Human Resources for positions in the centralized communications division of the County Administrator's Office