**Title:** Compensation adjustments for recruitment, retention, internal equity, salary administration and market equity

**Recommended Actions:**

1. Adopt Concurrent Resolution revising Appendix A – Salary Table of Salary Resolution 95-0926 effective July 5, 2016
2. Adopt Concurrent Resolution revising the Salary Resolution 95-0926 as defined in Attachment B

**Executive Summary:**

The County strives to provide competitive compensation that attracts and retains high quality employees while maintaining sound fiscal direction. The County evaluates total compensation data and established internal differentials between positions within the classification structure and reviews recruitment and retention data to determine if adjustments to compensation are needed to maintain market competitiveness. Based on this review, the following changes are recommended and are consistent with established practice and the County’s compensation guidelines.

**Recruitment and Retention**

With Sonoma County experiencing significantly low unemployment, the competition for attracting and retaining skilled workers has increased significantly for certain Administrative Management classifications and for bilingual candidates.
**Bi-Lingual Pay:** The County provides bi-lingual pay to certified bi-lingual staff working in specific, bilingual designated positions. Recruitment of staff that meet the established job qualifications and who also meet the County’s bilingual certification requirements has been difficult. On-going vacancies result in hiring delays and diminished service to the community. To increase the County’s market competitiveness for this specialized, in demand pool of employee talent, the County proposes to increase the bi-lingual pay premium, paid on all hours worked, from $1.00 per hour to $1.15 per hour.

**Right of Way Manager:** 3.9% salary increase to address a recruitment and retention difficulty. This is a highly specialized position, and has historically been challenging to recruit for. Recent recruitment efforts have proven to be significantly challenging and unsuccessful.

**Forensic Psychiatrist:** There is an inherent challenge for the County to recruit this highly specialized position, particularly in comparison to private practice rates. A 2.01% salary increase should improve the County’s market competitiveness to attract new staff and to retain existing incumbents.

**Internal Equity, Salary Administration, and Market Adjustments:**
The County strives to maintain appropriate base salary differentials between classes that are similar in character, classification series, and/or supervisory and subordinate classes. Additionally, the County considers other total compensation elements in reviewing internal equity adjustments.

**Unrepresented (Unit 00)**

- To address internal inequity between classifications in the Confidential Unit, increase staff development allowance to $1,000.00 for employees in Unrepresented (Unit 00)

**Department Heads and Administrative Management**

To recognize the inequity of management’s total compensation reductions from 2013 in comparison to represented employees, and adjust benefits to re-establish more appropriate equity in total compensation, increase deferred compensation for Department Heads and Administrative Management from a 1% County contribution to a 3% County Contribution.

**Recommended Salary Increases:**

- **Retirement Accounting Manager:** 5.23% increase to address and maintain internal equity with other classifications with similar responsibilities within the County.

- **Investment and Debt Officer:** 5.23% increase to address and maintain internal equity with other classifications with similar responsibilities within the County.

- **Assistant District Attorney – Recurring:** 3.29% increase to address salary compaction and set an appropriate differential between staff attorney and manager classifications in the District Attorney’s Office.
District Attorney: 1.56% increase to address salary compaction and maintain an appropriate differential between the District Attorney and Assistant District Attorney.

Assistant Retirement Administrator: 9.67% increase to address and maintain internal equity with other classifications with similar responsibilities within the County.

Assistant Executive Director CDC: 2.70% increase to address salary compaction with a direct reporting job classification and set an appropriate differential between the positions in the CDC.

Water Agency General Manager: 8.48% increase to adjust to the position as total compensation survey data showed it is significantly below its comparable position and agencies, which is consistent with the County compensation guidelines.

Government Code Compliance Requirements
Various provisions of the California Government Code require certain disclosures before the Board can adopt changes in salaries or benefits, with additional disclosure 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 in the Salary Resolution, including changes to salary. However, there are no changes to pension or other post-employment benefits. Based on the letters received from Segal Company (Segal), the increases in salary represented by the equity adjustments and other increases described in Segal’s analysis are within the assumptions applied in the December 31, 2015 actuarial valuation and therefore Segal believes that the proposed changes will not materially impact the ongoing cost of the plan and funding status of Sonoma County Employee’s Retirement Association (SCERA). Segal’s analysis is included in Attachment C of the Resolution.

Prior Board Actions:
3/15/16 - Compensation adjustments for recruitment, retention, internal equity, salary administration and market equity
7/22/14 – Resolution 14-0291, Equity Adjustments for Water Agency Principle Engineer, Resolution 14-0292, Equity Adjustment for Deputy County Counsel classifications
7/22/14 - Authorized Incentive Retirement Savings Plan for active, regular Salary Resolution employees.
Strategic Plan Alignment  

Goal 3: Invest in the Future

Actions maintain market competitiveness for classifications for which there has been difficulty recruiting and retaining qualified staff, and set and restore internal compensation relationships for ongoing salary administration, while maintain fiscal prudence and sustainability, consistent with the Board’s compensation philosophy.

Fiscal Summary - FY 15-16

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<td>$ Contingencies</td>
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Total Expenditure $ 0

Total Sources $ 0

Narrative Explanation of Fiscal Impacts (If Required):

Estimated total cost of these adjustments is $1.28 M for FY 16/17, and ongoing. Of this total cost, approximately $600,000 is estimated to be general fund.

FY 2016-17 adjusted salaries and benefits have been included in the recommended FY 2015-2017 budget, and subsequently in the next two-year FY 2017-2019 budget.

<table>
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<th>Staffing Impacts</th>
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<td>Deletions (Number)</td>
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Narrative Explanation of Staffing Impacts (If Required):

Attachments:

Resolution 1 (and Attachments A, B & C) - Salary Resolution

Related Items “On File” with the Clerk of the Board: