



## Legislation Text

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### MEMORANDUM

**TO:** Board of Supervisors

**FROM:** Carol J. Huchingson, County Administrative Officer

**DATE:** February 6, 2018

**SUBJECT:** Consideration of Classification, Compensation, Recruitment and Retention Committee (CCRR) Plans for 2018, and Direction regarding RFP for Classification and Compensation Study, and development of Compensation Philosophy statement.

#### EXECUTIVE SUMMARY:

As you are aware, a 2010 Board Policy (Chapter 11, Section 5, 11-2 and 11-3) authorizes the CAO to establish a Classification and Compensation Committee to assist in determining appropriate classification and associated salaries for new and existing County positions and making corresponding recommendations to your Board. In 2016, due to a spiraling employee vacancy rate, I expanded the committee's priorities to include Recruitment and Retention.

Typically, the CAO has issued a memo each November, inviting requests for the consideration of the Committee which, if approved, would become effective the following July 1. In recent years, such requests have been mostly linked to the need to increase salaries. Prior to this past cycle, when limited adjustments were warranted, our employee associations approved them through the meet and confer process. However, in 2017, they declined to do so.

As your Board is aware, employee recruitment efforts have become largely ineffective. Early this decade, 90% of recruitments led to a successful hire. That rate has dropped to around 50%, and your Board is aware we are carrying a continuous staff vacancy rate of about 25%. Intense competition from neighboring counties and other public agencies, compaction in our salary ranges and some aspects of our twelve-step salary schedule have led to significant challenges retaining quality staff and filling key positions.

We last conducted a comprehensive Classification and Compensation study in 2003. Two years after the study was completed, it was determined that our positions would be paid 85% of the median for comparable positions in comparable counties. So much has changed in the years since.

In light of these facts, the CCRR committee is recommending your Board direct staff to issue a Request for Proposals (RFP) for a consultant to conduct a comprehensive Classification and Compensation Study. It is understood that recommendations resulting from the study are not a guarantee of salary increases. The study is needed, after a 15 year hiatus, to review classifications and salary relationships, and gather important data on compensation in comparable jurisdictions, as we prepare to address impending issues including minimum wage and the need for periodic cost of living adjustments.

In addition, many other jurisdictions have adopted compensation philosophies recognizing the significant contribution of employees in carrying out public service priorities, and demonstrating commitment to the development and retention of the workforce as a whole. The Committee recommends that your Board consider adopting such a policy and has prepared an early draft for your conceptual review:

“Employees are our most important resource in providing for high quality public service. We will strive to attract and retain the best employees and invest in their personal and professional growth.”

The Committee is not recommending your Board approve such a policy today, but rather that you direct staff (through the Committee) to finalize a Compensation Philosophy Statement for your future consideration and approval.

**FISCAL IMPACT:** ☒ None ☐ Budgeted ☐ Non-Budgeted

Estimated Cost:

Amount Budgeted:

Additional Requested:

Annual Cost (if planned for future years):

**FISCAL IMPACT (Narrative):** None

**STAFFING IMPACT (if applicable):** None

**RECOMMENDED ACTION:**

Direct staff to develop and release a Request for Proposals (RFP) for a consultant to conduct a comprehensive Classification and Compensation Study.

Direct staff to finalize a Compensation Philosophy Statement for the future consideration and approval of your Board.