



City of Arts & Innovation

City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: FEBRUARY 2, 2016

FROM: HUMAN RESOURCES DEPARTMENT WARDS: ALL

SUBJECT: REVISIONS TO: 1) RESOLUTION EXTENDING WORKERS' COMPENSATION COVERAGE TO VOLUNTEER BOARD MEMBERS AND COMMISSIONERS; AND 2) THE MASTER FRINGE BENEFITS AND SALARY PLAN

ISSUE:

The item for City Council consideration is approval of revisions to: 1) a Workers Compensation resolution authorizing coverage for boards and commissions; and 2) the master Fringe Benefits and Salary Plan to adjust titles and/or salaries to certain classifications, and incorporate a merit range into a regular range for the Executive positions.

RECOMMENDATION:

That the City Council approve the attached Resolutions amending Workers Compensation coverage to volunteer Board and Commission members, and the Master Fringe Benefits and Salary Plan, as follows:

1. Revisions to Workers Compensation coverage: A modification is proposed to include volunteer members of boards and commissions to be covered under the City's Workers' Compensation program.
2. Master Fringe Benefits and Salary Plan adjustments:
 - a. Salary adjustments are recommended to various classifications in the Workers' Compensation series, Human Resources Analyst and the Human Resources Director classifications;
 - b. Salary adjustments are proposed to the minimum wage classifications to reflect the new minimum wage law effective January 1, 2016;
 - c. Title changes are recommended to the Public Parking Services Supervisor and Utilities Web Designer job classifications;
 - d. Language change is proposed to incorporate the merit range for the Executive positions into the regular pay range; and
 - e. Minor language corrections are recommended related to the return of non-classified positions to the classified service.

BACKGROUND:

1. Revisions to Workers Compensation Coverage for Volunteers

Currently, the City has an adopted resolution that authorizes all authorized and registered volunteers to be deemed City employees for the sole purpose of providing workers' compensation coverage while performing such volunteer service. The City has several boards and commissions made up of volunteers.

It is proposed that board members and commissioners be covered under the City's workers' compensation plan while performing the service for the benefit of the City. This is a norm in other agencies. The attached resolution proposes to extend such benefits to volunteers who have (a) submitted an application to serve as a Board or Commissioner member; (b) been appointed by the City Council and/or Mayor; (c) passed a City administered live scan background screening or a police background check; and (d) have been sworn in by the City Clerk as a Board Member or Commissioner.

2. Master Fringe Benefits and Salary Plan Adjustments

a. Salary adjustments to various Workers' Compensation classifications, Human Resources Analyst and Human Resources Director

The Human Resources Department has conducted salary surveys for the following classification series and recommends the following adjustments:

- Workers' Compensation Classification Series – A survey was conducted revealing that the City's classifications are behind the labor market by margins ranging from 2% to 13%. Incumbents in these classifications require ongoing training and certification by the State of California, as State workers compensation laws continue to evolve with strict penalties for non-compliance. Hence, staff is required to maintain their knowledge level effectively mitigating the City's exposure to liability. According to the City's Salary Plan Administration Policy, adjustments to existing salary ranges are proposed to bring the classifications closer to the average of the market. Furthermore, the proposed adjustments establish internal pay equity with the Human Resources Analyst series.
- Human Resources Analyst – An internal parity review was conducted between the Human Resources Analyst series and the Administrative/Management Analyst series. The City has traditionally deemed these series as comparable in terms of their complexity and breadth of experience/knowledge required to perform each function. The nature of the work for each series is the only distinguishing characteristic between each level—administrative versus budget/finance versus human resources. The salaries are aligned for all three series at each of the levels (analyst, senior, and principal/manager) with the exception of the Human Resources Analyst, which lags slightly behind its counterparts.

This adjustment aligns all levels within the three classification series appropriately.

- Human Resources Director – A salary survey conducted for all Executive Level positions has revealed that the City's pay for the Human Resources Director position is lower than the average of the benchmark organizations, even after including the merit range of 15%. The City's other executive level positions are all above the survey average. The agencies that are most comparable to the City, based upon population, number of employees, and the breadth of services including public utilities, all have considerably higher pay ranges for the Human Resources Director position.

The Human Resources Department is an internal service department, similar to the Finance Department. It is responsible for a variety of services to the organization, as follows:

- Labor Relations – Union negotiations and meet-and-confer.
- Employee Relations – Team building in partnership with the employee organizations to resolve claims and grievances both formally and informally, while addressing the intricacies and impact of grievances, disability rights, and discrimination and harassment complaints of employees at all levels in the organization.
- Labor and Employee Consultation – Advising all departments on matters of employee misconduct and discipline.
- Workers' Compensation - Oversight of the City's self-insured and self-administered function that handles all of the injured workers claims in the City.
- Benefits and Wellness - In partnership with a benefits consultant, generating benefit savings and efficiencies by engaging in plan design changes and negotiations with the benefit providers. This is accomplished by identifying savings related to prescription drugs, deductibles vs. premiums, and medical plans for retirees. Staff ensures legal compliance with new benefit laws, i.e. Cadillac tax and benefits for temporary employees.
- Recruitment and Selection - Handling over 600 recruitments per year, with an average of over 23,000 applicants annually.
- Training - Leading the development of the current and future workforce, through the Learning Management System (LMS) and identifying low cost training methods by utilizing internal talent
- Performance Evaluations – Development, monitoring and maintenance of the employee performance evaluation system.
- Safety – Oversight and monitoring of the workplace to ensure that the City is complying with the state and federal safety requirements. This includes serving as the City liaison on audits by the County, State and federal safety agencies.

The most comparable cities to Riverside, based on the population, number of employees, and breadth of services, are Pasadena, Glendale and Anaheim. The table below compares pay ranges for the Human Resources Directors in these cities to Riverside. Riverside's range includes the 15% merit pay.

Agency	City Utilities	Number of Employees	Minimum	Maximum
Anaheim	Water and Power	3,006	\$12,088	\$18,133
Pasadena	Water and Power	1,958	\$13,366	\$17,083
Glendale	Water and Power	2,300	\$11,821	\$15,950
Riverside	Water and Power	2,398	\$10,484	\$15,068

The City's management recommends adjusting salary range for the Human Resources Director to reflect **an average of the above three entities**, as follows: \$12,425-\$17,055.

b. Salary adjustments to the minimum wage classifications to reflect the new minimum wage law effective January 1, 2016

Effective January 1, 2016, the State of California increased minimum wage from \$9.00 to \$10.00 per hour. In accordance with the law, the salaries of affected incumbents have been processed (approximately 190 incumbents in 15 classifications). This item makes the appropriate adjustments to the City's Salary Schedule.

c. Title changes to the Public Parking Services Supervisor and Utilities Web Designer job classifications

- Public Parking Services Supervisor – This position manages and oversees parking services throughout the City and coordinates all assigned activities of the division. The proposed title change to Public Parking Services Manager appropriately reflects the scope of the position's responsibilities.
- Utilities Web Designer – This position currently is assigned to the Public Utilities Department. After an internal review, the Innovation and Technology (IT) Department has a need to fill a web designer position in order to better serve its internal client departments. The proposed change allows IT and other City departments to utilize this position should a need arise in their respective operations.

d. Incorporating the merit range for the Executive positions into the regular pay range

The City has long been utilizing a "merit pay" band of 15%. Merit pay, on top of the City Council-approved salary range, has traditionally been used to attract or

retain top talent. Seven of the twelve executive employees are currently paid in the merit range. However, existence of the merit pay is not well known to the applying candidates, and its application has been inconsistent. Moreover, when salary surveys are conducted, the merit pay is not included for Riverside, which skews the results.

Therefore, management recommends that the City's 15% merit pay be incorporated into the existing pay ranges for the Executive positions. This will enhance transparency and help attract qualified candidates. A salary survey has been conducted for the Executive level positions, and after incorporating the merit pay, these positions are generally competitively compensated.

Incorporation of merit pay into other classifications, below the Executive Level, is not currently recommended.

e. *Minor language corrections related to the return of non-classified positions to the classified service.*

In October 2015, Council approved and adopted a resolution changing most management positions from non-classified to classified status. As part of the implementation, the following minor amendments are being made:

- The Salary Plan that authorizes the merit range be applied to Non-Classified and Classified employees in non-represented units, not including the Executive group. The merit range remains available for the unrepresented classifications that are in Non-Classified or Classified service, except for the Executive group as set forth in section 2.d above, which incorporates the merit range into the base pay range for the Executive positions.
- Employees in the Confidential bargaining unit have been moved to Benefit Level I. Their life insurance coverage and eligibility for long term disability is effective 1/1/2016.

FISCAL IMPACT:

There are minimal fiscal impacts associated with this report as the increases largely encompass an adjustment to the salary ranges and not necessarily the incumbents in the positions (i.e. Executive, classifications with minimum wage increases). The cost is approximately \$64,005 for the increases to the minimum wage and Workers' Compensation series and will be absorbed within existing Council approved operating budgets.

Prepared by: Brenda Diederichs, Human Resources Director

Certified as to availability

of funds: Brent A. Mason, Finance Director/Treasurer

Approved by: Marianna Marysheva-Martinez, Assistant City Manager

Approved as to form: Gary Geuss, City Attorney

Attachments:

1. Resolution amending Workers' Compensation Coverage for Volunteers
2. Resolution amending the Fringe Benefits and Salary Plan
 - a. Exhibit A – Redlined Fringe Benefits and Salary Plan
 - b. Exhibit B – Changes to the Classification Plan