



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 13, 2014

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Professional Services Agreement For Compensation Study For Treatment And Patrol

RECOMMENDATION:

That Council approve a professional services agreement with Koff and Associates, in the amount of \$28,272, and \$2,827 in extra services, for a total authorization of \$31,099 to design and conduct a compensation study for Treatment and Patrol bargaining unit classifications.

DISCUSSION:

Background

As part of negotiations for the 2008-2010 Memorandum of Understanding (MOU) with the Treatment and Patrol (TAP) bargaining units, the City agreed in the fall of 2010 to conduct a compensation survey. In light of the persistently negative economic climate that has existed since the provision was negotiated, the City and the Union mutually agreed several times to postpone the salary survey provided for under the MOU. During the current negotiations, which are ongoing, the City and the Union have agreed to proceed with the survey in calendar year 2014.

The TAP bargaining units are represented by the Service Employees International Union (SEIU), Local 620, and collectively bargain with the City as a single group. The units consist of 89 employees in classifications related to water and wastewater operations, and 31 employees in classifications related to harbor patrol, airport patrol, and park ranger operations.

The agreement calls for the survey to be designed by a professional compensation analyst. The last time that a professional compensation analyst looked at the market position of the TAP classifications was 1990, and much has changed with regard to these classifications since then. For example, the water resources division completely reorganized, and there are strict new mandated water and wastewater employee certification requirements for certain classifications, which may affect both the market

position and the appropriate internal alignment of these classifications. Also, while our Airport Patrol Officers are non-sworn peace officers with both law enforcement and operational duties; most of the municipal airports we traditionally compared ourselves to have switched law enforcement functions over to sworn police officers in a police department, leaving us without a reliable comparable labor market. A professional compensation analyst will be called upon to use specialized expertise and industry best practices to recommend solutions to these issues.

Under the labor agreement, the City will pay costs related to conducting the salary survey and has the sole authority to choose the compensation analyst, determine the methods to be used in the salary survey, and direct the salary survey; however, a 5 member Union Survey Committee will be provided with opportunities to consult with and advise both the City and the compensation analyst throughout the process.

As part of negotiations with the General bargaining unit, the City agreed to ask the compensation analyst to include General Unit positions in the evaluation of the agencies that would constitute an appropriate comparable labor market. That way, the same base labor market can be used for all SEIU-represented classifications, with some exceptions where a specialized market might be appropriate.

Scope of Work

The salary survey will be designed with the goal of determining the base compensation package value that is needed to attract and retain qualified employees for Treatment & Patrol classifications from within the appropriate public sector competitive labor market.

The work will consist of several main tasks:

1. Determining an appropriate comparable labor market; As mentioned above, this analysis will include General Unit classifications as well;
2. Recommending a reasonable means to recognize, or otherwise give consideration to, the relative cost of housing in Santa Barbara; this has been an area of concern for the union;
3. Recommending any additions or changes to the TAP benchmark positions the City has used in the past; benchmark positions are the positions that are fairly standardized in public service and therefore tend to be compared across agencies for compensation purposes; and
4. Recommending changes to existing internal salary relationships between TAP classifications.

Although not part of the labor agreement with the TAP units, staff also sought proposals from the responding compensation professionals for completing the compensation study. This would involve collecting the comparative data and reporting the results. Based on the proposals received, having the successful bidder complete the study was reasonable and desirable, and staff have included this function in the project scope.

Proposals Received

Staff released a Request for Proposals for the subject work. We received four proposals, and selected Koff and Associates (Koff) to complete the study. Koff was chosen based on a variety of factors including, but not limited to, their experience conducting similar work, their familiarity with water and wastewater utility organizations, their reputation and the reputation of their project staff, the responsiveness of their proposal, their overall understanding of the project, and their proposed approach to the subject work and communications with City staff and the Union Survey Committee.

Reference checks were universally positive. The Union Survey Committee reviewed all of the proposals and was supportive of the choice of Koff to design and complete the study.

Use of Study Conclusions

Under the previously negotiated agreement, no specific use of the conclusions of the study is guaranteed. Whether and how to remedy any compensation inequities uncovered by the Koff study will be a topic of negotiation with the TAP units. The City and the Union are currently engaged in the meet and confer process for a new multi-year labor agreement. We have a conceptual agreement to include a reopener in the new MOU to address the results of the study separately once it is complete. That way, the survey process, which is not expected to be completed until the fall of this year, will not further delay agreement on other terms and conditions.

BUDGET/FINANCIAL INFORMATION:

The cost will be \$28,272 for Koff to analyze our labor market and to design and conduct the survey for 34 total TAP classifications. We are also requesting authority for \$2,872 (10%) for extra services, should these prove necessary. Based on the allocation of classifications, affected departments have agreed to split the cost as follows:

Public Works (Water/Wastewater)	27 classifications	\$	22,451.29
Waterfront	3 classifications	\$	2,494.59
Airport	4 classifications	\$	3,326.12

Any use of authorized extra services will be similarly allocated between these departments.

Each department has identified funds in its Fiscal Year 2014 operating budget to cover the cost of the study, so no additional appropriations are necessary. The professional services agreement is available for review in the City Clerk's Office

SUBMITTED BY: Kristine Schmidt, Acting Administrative Services Director

APPROVED BY: City Administrator's Office