DATE: October 17, 2017

TO: Board of Supervisors

SUBMITTED BY: Paul Nerland, Director of Human Resources

SUBJECT: Salary Resolution Amendment

RECOMMENDED ACTION(S):

Approve amendment to Salary Resolution adjusting the Senior Management Compensation Plan band placements for the identified Business Manager classifications, effective October 23, 2017, as reflected on Appendix A.

Approval of the recommended action would authorize the Department of Human Resources to adjust the compensation band placements consistent with recommendations from CPS HR Consulting (CPS HR), based on local labor market data.

ALTERNATIVE ACTION(S):

If your Board were not to approve the recommended action, the existing compensation structure for Business Manager classifications would remain unchanged.

FISCAL IMPACT:

The total estimated cost of the recommended action for the remainder of FY 2017-18 is $54,948; $8,133 in Net County Cost, which will be absorbed within the FY 2017-18 adopted budgets of the affected departments. The total estimated annualized cost of the recommended action is $79,384; $11,748 in Net County Cost and will be included in future budget requests.

DISCUSSION:

In March 2017, the County commissioned CPS HR to conduct a compensation study of County Business Manager positions. The focus of the study was to determine how Business Manager classifications are compensated relative to comparable classifications in the local labor market and provide recommendations for an internal compensation methodology based on distinguishing characteristics of the individual positions. Distinguishing characteristics are defined by CPS HR as:

- Reporting structure;
- Type and size of subordinate staff;
- Complexity of budget, including Special Revenue Funds; and,
- Ancillary responsibilities outside of direct financial duties.

CPS HR has recommended a methodology of organizing Business Manager classifications based on similarly situated roles, structure and relationship to one another illustrated in the Attachment A: Classification Organization Methodology. Based on the results of the study, the Department will classify County Business

Manager classifications into three separate levels (Business Manager - Level 1, Business Manager - Level 2, Division Manager) to be compensated equally to establish fair and equitable compensation across equivalent positions in County departments.

In addition to recommending an organizational structure, CPS HR gathered and analyzed labor market data for local comparable and commutable counties. Counties surveyed in the study consisted of Tulare, Kings, Madera, Stanislaus, Kern and Merced. The salary data gathered is included as Attachment B: Base Salary Survey Results, which illustrates where monthly compensation for County business manager classifications lay in comparison. Data shown represents the actual monthly salary of position incumbents at the time surveyed and the market mean data as compared to the market midpoint. *The salary information for Fresno County staff does not reflect the 3% increase your Board approved, effective July 3, 2017*. Positions are calculated "above or below" the market midpoint mean (i.e., the Agricultural Business Manager is reflected as 22.65% above market midpoint mean). On average, Fresno County Business Manager salaries are above the midpoint mean by 12.5%.

Based upon CPS HR's findings and recommendations, the Department will implement structural categorizations and accompanying compensation of each Business Manager classification illustrated in Attachment C: Proposed Classification Organization and Compensation Structure. The table illustrates the current Senior Management Compensation Plan (SMCP) band placement of Business Manager classifications, and actual annual salaries of incumbents, as well as recommended SMCP band placement.

With your Board's approval, the Salary Resolution will be amended to adjust the Band from E to D for the identified County Business Manager classifications consistent with recommendations from CPS HR Consulting.

ATTACHMENTS INCLUDED AND/OR ON FILE:

Appendix A
Attachment A: Classification Organization Methodology
Attachment B: Base Salary Survey Results
Attachment C: Proposed Classification Organization and Compensation Structure

CAO ANALYST:

Sonia De La Rosa