

STAFF REPORT*CITY OF OCEANSIDE*

DATE: June 21, 2023

TO: Honorable Mayor and City Councilmembers

FROM: Human Resources Department

SUBJECT: **PROFESSIONAL SERVICES AGREEMENT WITH GALLAGHER BENEFIT SERVICES INC. TO PERFORM A COMPREHENSIVE SALARY AND COMPENSATION STUDY FOR THE WATER UTILITIES DEPARTMENT**

SYNOPSIS

Staff recommends that the City Council approve a Professional Services Agreement with Gallagher Benefit Services, Inc. in an amount not to exceed \$89,355 for the base contract, plus a 15% contingency, to perform a comprehensive salary and compensation study for the Water Utilities Department; and authorize the City Manager to execute the agreement.

BACKGROUND

At the direction of City Council, the Oceanside Water Utilities Department recently underwent a comprehensive Operational and Organizational Assessment, performed by Raftelis Corporation. The top recommendation was for the City to conduct a focused compensation study of neighboring utility agencies, including both municipalities and special districts within the San Diego County region. In Fiscal Year 2022-23, through June 2, 2023, the Department lost 27 of its 160 full time employees, or 17 percent. This study will aid the City in evaluating the salary and total employee compensation levels for classifications within the Water Utilities Department compared to regional levels, with a goal of increasing employee retention. For the purposes of this study, total employee compensation, or fully-burdened rate, will include pay beyond base salary, allowances, employer contributions to health insurance, deferred compensation accounts, retiree health savings accounts and all others as defined by the City.

The Oceanside Water Utilities Department strives to remain a competitive employer among other local water utility agencies. Over the last few years, attraction and retention of qualified staff has been a burden to the Department. In addition to the financial burden associated with the hiring process, training, outfitting, and the acquisition of necessary certifications, there is also an operational burden to the Department due to being understaffed during the vacancies, loss of institutional knowledge, and loss of productivity from the staff that is assigned to train new employees. This study will support a primary goal in the City Council adopted Water Utilities 2020 Strategic Plan which is to develop and retain engaged employees and attract top-level talent.

On March 9, 2023, the City released a Request for Proposals (RFP) for qualified consultants to perform a comprehensive salary and compensation study for the Water Utilities Department. The RFP was advertised on Bidnetdirect.com, the City's online bidding portal, and two proposals were received by the due date of April 6, 2023.

ANALYSIS

A panel of staff from the Human Resources and Water Utilities Departments reviewed the proposals to ensure compliance with the RFP requirements, and the ability of the proposing firms to complete the study. The proposing firms were also interviewed in order to provide an opportunity to clarify any information that was not addressed during the RFP process. Gallagher Benefit Services Inc. ranked highest based on experience and value.

Gallagher Benefit Services Inc. would conduct a comprehensive salary and compensation review and comparison with other similar public agencies and special districts with the San Diego County region to determine if adjustments to salaries and total compensations are appropriate, and if so, what the recommended adjustments are. The information discovered as a result of this study is intended to be included in the Department's Fiscal Year 2024-25 budget request.

FISCAL IMPACT

The total not to exceed contract amount of the Professional Services Agreement with Gallagher Benefit Services Inc. is \$89,355 and will be charged to Water Utilities funds as indicated below in Table 1. Because Solid Waste has fewer full-time positions than the Water or Sewer Utilities, a reduced share of the cost is allocated to this funding source. Sufficient funds exist for this project. To allow for unforeseen conditions or changes in scope during the term of the agreement, staff recommends that Council also approve a 15% contingency to be split among the funds below, for a maximum not to exceed amount of \$102,759.

Table 1

Description	Account Number	FY 2022-23 Available Balance	FY 2022-23 Amount Requested	Contingency (Controlled by City)
Solid Waste & Recycling Admin	700010731.5305	\$472,828	\$8,935	\$1,340
Sewer Admin	800010721.5305	\$135,406	\$40,210	\$6,032
Water Admin	750010711.5305	\$155,534	\$40,210	\$6,032
Totals:			\$89,355	\$13,404

Water Sales and Water Meter fees in the Water Operating (711) account, Sewer Flow and Service Charges in the Sewer Operating (721) account, and Solid Waste Service fees in the Solid Waste Operating Account (731) are the funding sources for this Project.

INSURANCE REQUIREMENTS

The City's standard insurance requirements will be met.

CITY ATTORNEY'S ANALYSIS

The procurement of goods and services must comply with Section 28 of the Oceanside City Code, as well as City Policies and Procedures. The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

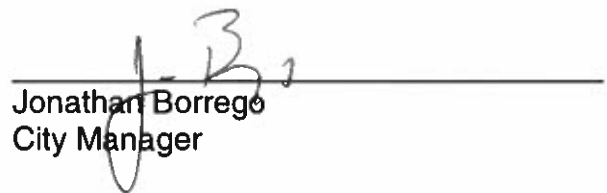
Staff recommends that the City Council approve a Professional Services Agreement with Gallagher Benefit Services, Inc. in an amount not to exceed \$89,355 for the base contract, plus a 15% contingency, to perform a comprehensive salary and compensation study for the Water Utilities Department; and authorize the City Manager to execute the agreement.

PREPARED BY:



Rob O'Brien
Deputy City Manager

SUBMITTED BY:



Jonathan Borrego
City Manager

REVIEWED BY:

Michael Gossman, Assistant City Manager

Jill Moya, Financial Services Director



ATTACHMENTS:

A: Professional Services Agreement

CITY OF OCEANSIDE

PROFESSIONAL SERVICES AGREEMENT

PROJECT: Water Utilities Salary and Compensation Study

THIS AGREEMENT, dated _____, 2023 for identification purposes, is made and entered into by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and Gallagher Benefit Services, Inc., hereinafter designated as "CONSULTANT."

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **SCOPE OF WORK.** This project entails a comprehensive salary and compensation study for the Water Utilities Department. The City seeks to conduct a focused compensation study of neighboring utility agencies, including both municipalities and special districts. The goal of the study is to aid the City in determining the appropriate salary and total compensation levels for classifications within the Water Utilities Department. The scope of work and cost proposal are more articulately described in the formal proposal submitted by the CONSULTANT (attached hereto as Exhibit A).
2. **INDEPENDENT CONTRACTOR.** CONSULTANT'S relationship to the CITY shall be that of an independent contractor. CONSULTANT shall have no authority, express or implied, to act on behalf of the CITY as an agent, or to bind the CITY to any obligation whatsoever, unless specifically authorized in writing by the CITY. CONSULTANT shall be solely responsible for the performance of its employees, agents, and subcontractors under this Agreement, including the training of each employee regarding the rights and responsibilities of an employer and employee for any potential discrimination or harassment claim under state or federal law. CONSULTANT shall report to the CITY any and all employees, agents, and consultants performing work in connection with this project, and all shall be subject to the approval of the CITY.
3. **WORKERS' COMPENSATION.** Pursuant to Labor Code section 1861, the CONSULTANT hereby certifies that the CONSULTANT is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and the CONSULTANT will comply with such provisions, and provide certification of such compliance as a part of this Agreement.

Water Utilities Salary and Compensation Study

4. LIABILITY INSURANCE.

4.1. CONSULTANT shall, throughout the duration of this Agreement maintain comprehensive general liability and property damage insurance, or commercial general liability insurance, covering all operations of CONSULTANT, its agents and employees, performed in connection with this Agreement including but not limited to premises and automobile.

4.2 CONSULTANT shall maintain liability insurance in the following minimum limits:

Comprehensive General Liability Insurance
(bodily injury and property damage)

Combined Single Limit Per Occurrence	\$ 2,000,000
General Aggregate	\$ 4,000,000*
<u>Automobile Liability Insurance</u>	\$ 2,000,000

*General aggregate per year, or part thereof, with respect to losses or other acts or omissions of CONSULTANT under this Agreement.

4.3 If coverage is provided through a Commercial General Liability Insurance policy, a minimum of 50% of each of the aggregate limits shall remain available at all times. If over 50% of any aggregate limit has been paid or reserved, the CITY may require additional coverage to be purchased by the CONSULTANT to restore the required limits.

4.4 All insurance companies affording coverage to the CONSULTANT for the purposes of this Section shall add the City of Oceanside as "additional insured" under the Commercial General Liability policy for all work performed under this agreement. Insurance coverage provided to the City as additional insured shall be primary insurance and other insurance maintained by the City of Oceanside, its officers, agents, and employees shall be excess only and not contributing with insurance provided pursuant to this Section.

4.5 All insurance companies affording coverage to the CONSULTANT pursuant to this agreement shall be insurance organizations admitted by the Insurance Commissioner of the State of California to transact business of insurance in the state or be rated as A-VI or higher by A.M. Best.

4.6 CONSULTANT shall provide thirty (30) days written notice to the CITY should any policy required by this Agreement be cancelled before the expiration date. Any cancelled or non-renewed policy will be replaced with no coverage gap and a

Water Utilities Salary and Compensation Study

current Certificate of Insurance will be provided to the CITY.

- 4.7 CONSULTANT shall provide evidence of compliance with the insurance requirements listed above by providing, at minimum, a Certificate of Insurance and applicable endorsements, in a form satisfactory to the City Attorney, concurrently with the submittal of this Agreement.
- 4.8 CONSULTANT shall provide a substitute Certificate of Insurance no later than thirty (30) days prior to the policy expiration date. Failure by the CONSULTANT to provide such a substitution and extend the policy expiration date shall be considered a default by CONSULTANT and may subject the CONSULTANT to a suspension or termination of work under the Agreement.
- 4.9 Maintenance of insurance by the CONSULTANT as specified in this Agreement shall in no way be interpreted as relieving the CONSULTANT of any responsibility whatsoever and the CONSULTANT may carry, at its own expense, such additional insurance as it deems necessary.
- 5. **PROFESSIONAL ERRORS AND OMISSIONS INSURANCE.** Throughout the duration of this Agreement and two (2) years thereafter, the CONSULTANT shall maintain professional errors and omissions insurance for work performed in connection with this Agreement in the minimum amount of Two Million Dollars (\$2,000,000.00).

CONSULTANT shall provide evidence of compliance with these insurance requirements by providing a Certificate of Insurance.

- 6. **CONSULTANT'S INDEMNIFICATION OF CITY.** To the greatest extent allowed by law, CONSULTANT shall indemnify and hold harmless the CITY and its officers, agents and employees against all claims for damages to persons or property arising out of CONSULTANT's work, including the negligent acts, errors or omissions or wrongful acts or conduct of the CONSULTANT, or its employees, agents, subcontractors, or others in connection with the execution of the work covered by this Agreement, except for those claims arising from the willful misconduct, sole negligence or active negligence of the CITY, its officers, agents, or employees. CONSULTANT'S indemnification shall include any and all costs, expenses, attorneys' fees, expert fees and liability assessed against or incurred by the CITY, its officers, agents, or employees in defending against such claims or lawsuits, whether the same proceed to judgment or not. Further, CONSULTANT at its own expense shall, upon written request by the CITY, defend any such suit or action brought against the CITY, its officers, agents, or employees resulting or arising from the conduct, tortious acts or omissions of the CONSULTANT.

Water Utilities Salary and Compensation Study

CONSULTANT'S indemnification of CITY shall not be limited by any prior or subsequent declaration by the CONSULTANT.

CONSULTANT's liability to the CITY and any other party for any losses, injury or damages to persons or properties or work performed arising out of in connection with this Agreement and for any other claim, whether the claim arises in contract, tort, statute or otherwise, shall be limited to \$2 million. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, CONSULTANT SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, LOST PROFITS, OR PUNITIVE DAMAGES SUSTAINED OR INCURRED IN CONNECTION WITH THIS AGREEMENT, WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE.

7. **COMPENSATION.** CONSULTANT'S compensation for all work performed in accordance with this Agreement, shall not exceed the total contract price of \$89,355.

No work shall be performed by CONSULTANT in excess of the total contract price without prior written approval of the CITY. CONSULTANT shall obtain approval by the CITY prior to performing any work that results in incidental expenses to CITY.

8. **TIMING REQUIREMENTS.** Time is of the essence in the performance of work under this Agreement and the timing requirements shall be strictly adhered to unless otherwise modified in writing. Unless mutually agreed upon by the CITY and CONSULTANT, all work shall be completed in every detail to the satisfaction of the CITY by December 2023.
9. **ENTIRE AGREEMENT.** This Agreement comprises the entire integrated understanding between CITY and CONSULTANT concerning the work to be performed for this project and supersedes all prior negotiations, representations, or agreements.
10. **INTERPRETATION OF THE AGREEMENT.** The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. The Agreement does not limit any other rights or remedies available to CITY.

The CONSULTANT shall be responsible for complying with all local, state, and federal laws whether or not said laws are expressly stated or referred to herein.

Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions, which are

Water Utilities Salary and Compensation Study

otherwise lawful, shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

11. **AGREEMENT MODIFICATION.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.
12. **TERMINATION OF AGREEMENT.** Either party may terminate this Agreement by providing thirty (30) days' written notice to the other party. If any portion of the work is terminated or abandoned by the CITY, then the CITY shall pay CONSULTANT for any work completed up to and including the date of termination or abandonment of this Agreement. The CITY shall be required to compensate CONSULTANT only for work performed in accordance with the Agreement up to and including the date of termination.
13. **SIGNATURES.** The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY.

IN WITNESS WHEREOF, the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Professional Services Agreement to be executed by setting hereunto their signatures on the dates set forth below.

GALLAGHER BENEFIT SERVICES, INC.

By: 
George S. Krammer
Managing Director

By: _____
Name/Title

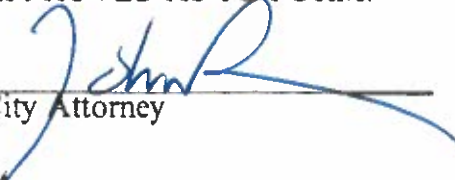
36-4291971

Employer ID No.

CITY OF OCEANSIDE

By: _____
Jonathan Borrego
City Manager

APPROVED AS TO FORM:


City Attorney



ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Francisco)

On June 9, 2023, before me, Savio S D'Souza, Notary Public
(insert name and title of the officer)

personally appeared Georg S Kramer
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)



GALLAGHER BENEFIT SERVICES, INC.

SECRETARY'S CERTIFICATE

I, Jonathan Reed, do hereby certify that:

1. I am a duly elected Assistant Secretary of Gallagher Benefit Services, Inc., a Delaware corporation (the "Company") with its principal place of business at 2850 Golf Road, Rolling Meadows, Illinois;
2. In such capacity I have access to and am familiar with the corporate records of the Company; and
 - a. Catherine B. Kaneko is a Managing Director, employee and executive of the Company, is hereby empowered to execute, in the name of the Company, insurance, risk management consulting and benefits proposals and contracts with Company's clients in response to Requests for Proposals.
 - b. Georg S. Krammer is a Managing Director, employee and executive of the Company, is hereby empowered to execute, in the name of the Company, insurance, risk management consulting and benefits proposals and contracts with Company's clients in response to Requests for Proposals.

IN WITNESS WHEREOF, the undersigned has set her hand and affixed the seal of this corporation this 10th day of September, 2021.



[SEAL]


Jonathan Reed
Assistant Secretary



Koff & Associates
A Gallagher Company

April 6, 2023

Salary and Compensation Study Proposal

City of Oceanside

KOFF & ASSOCIATES, A GALLAGHER COMPANY

GEORG S. KRAMMER

Managing Director, Compensation and Rewards Consulting

2835 Seventh Street
Berkeley, CA 94710
www.KoffAssociates.com

georg_krammer@ajg.com
Tel: 510.658.5633
Fax: 510.652.5633

April 6, 2023

Mr. Robert O'Brien
Deputy City Manager
300 N. Coast Hwy
Oceanside, CA 92054

Dear Mr. O'Brien:

Thank you for the opportunity to respond to your Request for Proposals for a **Total Compensation Study** for the **City of Oceanside** ("City") for the Water Utilities Department. We are most interested in assisting the City with this important study and feel that we are uniquely qualified to provide value to your organization based on our experience working with other cities, counties, special districts, joint-powers associations.

Koff & Associates, now a Gallagher company, is an experienced Human Resources and Recruitment Services firm providing human resources services to cities, counties, special districts, courts, educational institutions, and other public agencies for 39 years. The firm has achieved a reputation for working successfully with management, employees, and governing bodies. We believe in a high level of dialogue and input from study stakeholders and our proposal speaks to that level of effort. Our firm's extra effort has resulted in close to *100% implementation* of all our classification and compensation studies.

Koff & Associates ensures that each of our projects is given the appropriate resources and attention, resulting in a high level of quality control, excellent communication between clients and our office, commitment to meeting timelines and budgets, and a consistently high-caliber work product.

As a Managing Director of Koff & Associates, I would assume the role of Project Director and be responsible for the successful completion of project. I can be reached at our Berkeley address and the phone number listed on the cover page. My email is georg_krammer@ajg.com.

This proposal will remain valid for at least 90 days from the date of submittal. Please call if you have any questions or wish additional information. We look forward to the opportunity to provide professional services to the **City of Oceanside**.

Sincerely,



Georg S. Krammer
Managing Director, Compensation and Rewards Consulting



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FIRM QUALIFICATIONS

Koff & Associates ("K&A") is a full-spectrum, public-sector human resources and recruitment services firm that was founded in 1984 by Gail Koff; K&A has been assisting cities, counties, special districts, other public agencies, and non-profit organizations with their human resources needs for 39 years.

On April 30, 2021, we merged with Arthur J. Gallagher and are now officially a Gallagher Division. Our headquarters are in Berkeley, CA, and we have satellite offices in Southern California, the Central Valley, the Sacramento Region, and the Western Region.

We are familiar with the various public sector organizational structures, agency missions, operational and budgetary requirements, and staffing expectations. We have extensive experience working in both union and non-union environments (including service as the management representative in meet & confer and negotiation meetings), working with City Councils, County Commissions, Boards of Directors, Boards of Supervisors, Boards of Trustees, Merit Boards, and Joint Power Authorities.

The firm's areas of focus are classification and compensation studies (approximately 70% of our workload); executive search and staff recruitments; organizational development/assessment studies; performance management and incentive compensation programs; development of strategic management tools; policy/procedure development and employee handbooks; training and development; public agency consolidations and separations; Human Resources audits; and serving as off-site Human Resources Director for smaller public agencies that need the expertise of a Human Resources Director but do not need a full-time, on-site professional.

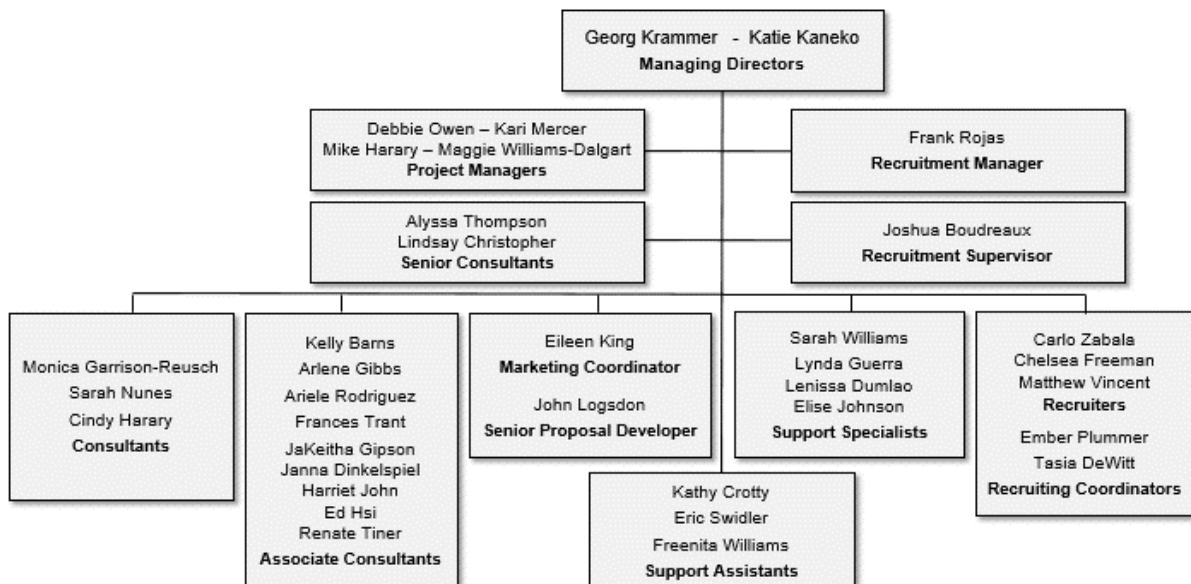
Without exception, all of our compensation studies have successfully met all of our intended commitments; communications were successful with employees, supervisors, management, and union representatives; and we were able to assist each agency in successfully implementing our recommendations. All studies were brought to completion within stipulated time limits and proposed budgets.

Our long list of clients (please see <https://koffassociates.com/our-clients/>) is indicative of our firm's reputation as being a quality organization that can be relied on for producing comprehensive, sound, and cost-effective recommendations and solutions. K&A has a reputation for being "hands on" with the ability and expertise to implement its ideas and recommendations through completion in both union and non-union environments.

K&A relies on our stellar reputation and the recommendations and referrals of past clients to attract new clients. Our work speaks for itself and our primary goal is to provide professional and technical consulting assistance with integrity, honesty and a commitment to excellence. We are very proud of the fact that in working with hundreds of public agency clients and completing hundreds of classification and/or compensation and other types of studies, we have only had a handful of formal appeals in our entire history.



Our team consists of 36 employees as shown below in our organizational chart.



No subcontractors will be assigned to this study.

TEAM MEMBER QUALIFICATIONS

All members of our team have worked on multiple comprehensive total compensation studies and are well acquainted with the wide array of public sector organizational structures, compensation structures, classification plans, as well as the challenges and issues that arise when conducting studies such as this one for the City.

KEY PERSONNEL

Our project team will be led by Co-Project Directors Georg Krammer (Managing Director) and Debbie Owen (Senior Project Manager). They will coordinate all of K&A's efforts, attend all meetings with the City, and be responsible for all work products and deliverables.

CONSULTANTS

Mike Harary (Project Manager), Lindsay Christopher (Senior Consultant), Monica Garrison-Reusch (Consultant), Arlene Gibbs (Associate Consultant), Sarah Nunes (Consultant), Ariele Rodriguez (Associate Consultant), Maggie Williams-Dalgart (Project Manager), Janna Dinkelspiel (Associate Consultant), Kelly Barns (Associate Consultant), Cindy Harary (Consultant) and will conduct, compensation data collection and analysis, internal job analysis, develop recommendations and implementation strategies.

WORKLOAD

We currently have a team of 25 HR consultants and five administrative support staff – resources that we are able to pool based on each project's needs, to execute projects and to meet clients' needs and expectations. Each time we are selected as the successful bidder on a project, we strategize to determine project timelines, deliverable deadlines, and the resources that are required to produce the deliverables.



as promised. We are poised to accommodate the City's compensation study and plan to devote the necessary resources for the successful execution of the project.

Following are biographies of the specific staff who will be assigned to this study:

Georg S. Krammer, M.B.A., S.P.H.R.

Managing Director, Compensation and Rewards Consulting

Georg brings over 22 years of management-level human resources experience to Koff & Associates with an emphasis in classification and compensation design; market salary studies; organizational development; executive recruitment; performance management; and employee relations, in the public sector and in large corporations as well as small, minority-owned businesses.

After obtaining a Master of Arts in English and Russian and teaching credentials at the University of Vienna, Austria, Georg came to the United States to further his education and experience and attained his Master of Business Administration from the University of San Francisco. After starting his HR career in Wells Fargo's college recruiting department, he moved on to HR management positions in the banking and high-tech consulting industries. He had five years in the private sector where he served as an HR Manager, and Administrative Officer, and then HR Director before entering the public sector. With his wide-ranging and deep experience as a well-rounded senior HR generalist, his education in business and teaching, his depth and breadth of experience with public sector HR needs, programs, and functions, Georg's contribution to K&A's variety of projects greatly complements the Koff & Associates Human Resources and Recruitment Services team.

He has spearheaded several hundred classification, compensation, organizational, strategic planning, etc., studies for hundreds of cities, towns, counties, and special districts throughout the State of California and has contributed to more than quadrupling the size of Koff & Associates as a result of the success of his projects and the subsequent expansion of the business through referrals from satisfied clients. Georg joined K&A in 2003 and was the firm's Chief Executive Officer since 2005. Since the acquisition by Arthur J. Gallagher, he is now Managing Director, Compensation and Rewards Consulting.

In the last few years, Georg has been the Project Director/Key Personnel for classification and/or compensation studies, organizational assessments, and other HR projects, at the following agencies:

- **Cities/Towns:** Alameda, American Canyon, Anaheim, Arroyo Grande, Bellflower, Campbell, Citrus Heights, Coachella, Concord, Cotati, Gilroy, La Cañada Flintridge, Lomita, Los Altos, Los Altos Hills, Menifee, Menlo Park, Morro Bay, Murrieta, National City, Newport Beach, Oakland, Oxnard, Palm Desert, Perris, Pleasant Hill, Port Hueneme, Redlands, Redwood City, Sacramento, San Diego, San Jose, San Marino, Santa Ana, Santa Barbara, Santa Clara, Saratoga, Sausalito, Seal Beach, Spokane (Washington), Vallejo, West Sacramento, Westminster, Yucca Valley, Yreka
- **Counties:** Bernalillo (New Mexico), Fresno, Monterey, Orange, Placer, San Joaquin, Sonoma, and Trinity.
- **Courts:** Habeas Corpus Resource Center, Superior Court of Kern County, Superior Court of Orange County, Superior Court of Santa Barbara.
- **Education:** College of the Sequoias, Excelsior Charter Schools, First 5 Alameda, Foothill-De Anza Community College District, Riverside Community College District, West Valley Mission Community College District.



- **Special Districts:** Air Quality, Community Services District, Fire and Police Protection, Housing/Economic Development, Open Space, Public Utilities, Transportation, Wastewater and Water.

Georg will be key personnel and serve as the Co-Project Director for this project; he will coordinate all of K&A's efforts, will attend all meetings with the City, and will be responsible for all work products and deliverables.

Debbie Owen, CCP
Project Manager

Debbie has over 25 years of experience providing classification and compensation services to public sector agencies; she has worked with clients across local government including cities, counties, special districts, and transit agencies. Her project roles include serving in the capacity of either project team member or project manager. Prior to beginning her public sector career, Debbie worked as a Compensation and Benefits Specialist in the private sector for five years.

In 1992, Debbie obtained her certification as a Certified Compensation Professional ("CCP") from the American Compensation Association (now *WorldatWork*); to ensure current knowledge of compensation and benefits program trends and best practices, she maintains active membership in the *WorldatWork* organization.

Her specialized, diverse experience includes serving as a project team member on classification projects by facilitating employee orientation sessions, conducting employee job evaluation meetings, researching/evaluating classification concepts, analyzing data for employee allocations, developing/revising classification specifications and preparing classification reports. Her compensation experience includes base salary or total compensation survey development, labor market agency research and recommendations, comparable agency job matching, compensation data analysis, salary recommendations and preparing compensation reports. In addition to serving as a team member, Debbie has often served as a project manager, working with clients to evaluate their classification and compensation needs, directing the work of teams to provide high quality deliverables consistent with best practices, presenting study findings to client stakeholders, and addressing feedback from the client.

Since joining K&A, Debbie has worked on classification and/or compensation studies, organizational assessments, and other HR projects for the following agencies, either as Co-Project Director or as Sr. Project Manager:

- **Cities/Towns:** Campbell, Coachella, Davis, El Monte, Gardena, Glendora (AZ), Hemet, Indian Wells, Laguna Beach, Murrieta, Redwood City, National City, Newman, Palm Desert, San José, Santa Clara, Seattle (WA), Spokane (WA), West Sacramento, Yreka.
- **Counties:** El Dorado, Fresno, Humboldt, Mendocino, Trinity
- **Education:** Riverside Community College District, Victor Valley Community College District
- **Special Districts:**
 - Community Services District: El Dorado Hills Community Services District, Livermore Area Recreation and Parks District
 - Housing/Economic Development: Housing Authority of the County of San Bernardino, Housing Authority of Santa Clara County, Los Angeles County Development Authority (LACDA)



- Transportation: AC Transit, El Dorado County Transit Authority, Port of Oakland, San Francisco Bay Area Water Emergency Transportation Authority
- Wastewater/Water: Beaumont-Cherry Valley Water District, Coachella Valley Water District, Cucamonga Valley Water District, Eastern Municipal Water District, Inland Empire Utilities Agency, Leucadia Wastewater District, Napa Sanitation District, Sonoma County Water Agency, State Water Contractors, Sweetwater Authority, Trabuco Canyon Water District, Truckee Sanitary District, Western Municipal Water District
- **Other:** California State Auditor's Office, Contra Costa County Employee Retirement Association, Orange County Mosquito and Vector Control District, Tri-City Mental Health Authority

Debbie will serve as the Co-Project Director for this study; together with Georg, she will coordinate all of K&A's efforts, will attend all meetings with the City, facilitate and participate in the compensation philosophy workshop process with City stakeholders, and will be responsible for all work products and deliverables. She will provide consultant support for this project, including collecting and compiling data on compensation and benefits practices in surveyed cities.

Mike Harary, B.B.A., M.B.A.
Project Manager

Mike Harary possesses over 34 years of municipal HR management experience including serving as a Human Resources Director for two municipalities in Southern California. He has been involved in all aspects of Human Resources for the cities of La Mirada, Orange, Westminster, and Downey, including serving as Chief Labor Negotiator, managing recruitment and selection processes for all types of municipal government positions, handling employee benefits functions, responding to labor and employee relations issues, coordinating classification and compensation studies, complying with labor laws, conducting personnel investigations, and managing a variety of general human resources functions.

Mike has a bachelor's degree in Business Administration emphasizing in Human Resources Management from California State University, Long Beach, and a Master of Business Administration, also from Cal State Long Beach. Mike played a key role in the development and implementation of CalPACS, a regional, internet-based, comprehensive salary and benefits survey website for local agencies, now utilized by over fifty (50) Southern California member agencies.

Some of the K&A classification and compensation projects Mike has worked on include but are not limited to:

- **Cities:** Bellflower, Corona, Davis, Duarte, East Palo Alto, El Monte, Fullerton, Gardena, Glendora, Newport Beach, Orange, Rohnert Park, San Marino, Spokane (WA), Westminster
- **Special Districts:** Altadena Library District, Banning Library District, Big Bear Lake Department of Water & Power, Buena Park Library District, Camrosa Water District, Chino Basin Water Conservation District, Cucamonga Valley Water District, Garfield County Public Library District (Colorado), Greater Los Angeles County Vector Control District, Housing Authority of the City of Santa Barbara, Housing Authority of the County of Santa Barbara, Jurupa Community Services District, Los Angeles County Employees Retirement Agency (LACERA), Orange County Water District, Tri-City Mental Health Authority, and Victor Valley College



Mike will provide managerial project support throughout this effort, including classification analysis, interviews with employees and management, compensation data collection and analysis, internal job analysis, development of recommendations, and implementation strategies.

Lindsay Christopher
Senior Consultant

Lindsay's professional qualifications include ten years of experience working in the public sector, mostly with Alameda County. In her role as Human Resources Analyst, she was responsible for classification and compensation projects, as well as recruitment and selection, in a Civil Service, merit-based, environment. Mostly recently, she continued to focus on classification and compensation projects at East Bay Regional Park District.

Since joining K&A, Lindsay has worked on studies for the following:

- **Cities:** Gardena, Hemet, Milpitas, Tracy, Corona, Seattle (Library), Napa
- **Counties:** Humboldt
- **Special Districts:** Contra Costa County Employees' Retirement Association, Greater LA County Vector Control District, Orange County Sanitation District, Purissima Hills Water District, Marin Municipal Water District, Housing Authority of the City of Santa Barbara, Tri-City Mental Health Authority, Victor Valley College, Buena Park Library District, East Bay Regional Park District, Tualatin Hills Park and Recreation District, Valley Water, San Luis and Delta Mendota Water Authority

A Bay Area native, Lindsay earned her B.A. degree in Sociology with a concentration in Criminology from San Jose State University.

Lindsay will provide Senior H.R. Associate support throughout this effort, including classification analysis, interviews with employees and management, compensation data collection and analysis, internal job analysis, development of recommendations, and implementation strategies.

Monica Garrison-Reusch, B.A., M.B.A.
Consultant

Monica has over 15 years of human resource program experience, all of which have been spent serving as either a team consultant or project manager on projects working with public sector agencies. Monica's primary professional focus over the last several years has been on classification and compensation practices.

Prior to joining K&A, Monica performed classification and compensation consulting services as either a team member or project manager on varied projects including large scale studies done for the Counties of Madera, Sacramento, Bernalillo (in New Mexico), and the California State Department of Personnel Administration. Monica also developed and served as a Co-Trainer for a two-day course on Classification and Compensation.

Monica's depth of experience allows her to provide a broad range of human resources services to public agencies. She specializes in compensation projects focusing on both base salary and total compensation analysis studies. Monica has also worked on project teams conducting classification studies and organizational analysis, including performing the full range of classification analysis and conducting in-depth survey and analysis of organizational structures and past organizational practices.

Since joining K&A, Monica has worked on studies for the following clients:



- **Cities:** Cotati, Crescent City, Pleasant Hill, Sacramento, Vallejo
- **Counties:** El Dorado, Mendocino, Monterey, Trinity
- **State:** California State Auditor's Office
- **Special Districts:** AC Transit, Cosumnes Community Services District, East Bay Municipal Utility District, Eastern Municipal Water District, El Dorado County Transit Authority, First 5 Contra Costa County, First 5 Santa Clara County, Hayward Area Recreation and Park District, Livermore Amador Valley Transit Authority, Mendocino Coast Rec and Park District, Mojave Water Agency, North Tahoe Public Utility District, Orange County Transportation Authority, State Water Contractors, Trabuco Canyon Water District

She earned an MBA with an emphasis in Marketing at Golden Gate University and a Bachelor of Science in Business Administration from the University of Southern California.

Monica will provide Senior H.R. Associate support for this project, including interviews with employees and management, compensation data collection and analysis, internal job analysis, development of recommendations, and implementation strategies.

Arlene Marks Gibbs, BS, MPA, SPHR, IPMA-CP
Associate Consultant

Arlene Gibbs possesses over thirty years of Human Resources management experience including spending over twenty years in the public sector working for both large and small education, municipal and special district organizations in California.

Her public sector experience includes serving as the Chief Human Resources Officer for San Diego State University which is the largest California State University campus with over 6,700 faculty and staff. While at San Diego State, Arlene led the HR Directors Committee for the 23 campus system of HR service delivery. Her experience also includes senior and executive HR management roles with several small and large public agencies including the City of San Jose, the City of Tustin as well as air and water/wastewater special districts.

Arlene's experience includes all facets of Human Resources, Employee & Labor Relations. She is an experienced labor contract negotiator having negotiated many public sector labor agreements while serving as the Chief Spokesperson/Labor Negotiator. In addition, her experience includes managing recruitment and selection processes for all types of public sector positions, handling employee benefits functions, responding to labor and employee relations issues, coordinating classification and compensation studies, complying with labor laws, conducting personnel investigations, and managing a wide variety of general human resources functions.

Arlene holds a Masters' Degree in Public Administration from California State University Northridge and a Bachelor of Science Degree in Business Administration with an emphasis in Labor Relations from California State University Long Beach. She also is certified as an IPMA-CP and as a Senior Professional in Human Resources (SPHR).

Arlene has also led and participated in local, regional as well as statewide efforts in small and large agencies with the League of California Cities, IPMA as well as serving as a resource for City, County, State and Local Boards, Councils, Committees and Commissions.

Some of the K&A classification and compensation projects Arlene has worked on include but are not limited to:



- **Cities/Counties/Towns:** County of Butte, City of Bellflower, City of Concord, City of Cupertino, Humboldt County, City of Los Altos, Town of Los Altos Hills, and the City of Pinole.
- **Special Districts:** Dublin San Ramon Services District, Garfield County Public Library District (CO), Coachella Valley Water District, Foothill De Anza Community College District, and the Los Angeles County Development Authority.

Sarah Nunes, M.A.
Consultant

Sarah's professional qualifications include over 19 years of public sector experience with the Human Resources Department of the City of San José. Starting at the analyst level and eventually rising to Division Manager, she gained experience in recruitment and selection, classification and compensation, and general human resources administration.

Since joining Koff & Associates in 2017, Sarah has worked on Classification and Compensation studies for the following agencies:

- **Cities/Towns:** Antioch, Calistoga, Campbell, Concord, Laguna Beach, Los Gatos, Milpitas, Monte Sereno, Newport Beach, Palo Alto, Perris, Piedmont, Rio Dell, San Diego, San Mateo, Santa Cruz, Saratoga
- **Special Districts:** Central Fire Protection District of Santa Cruz, Housing Authority of the County of Alameda, Local Agency Formation Commissions of Santa Clara and Sonoma County, Metropolitan Transportation Commission, Napa Sanitation District, Ojai Valley Sanitary District, Orange County Fire Authority, San Francisco Bay Area Water Emergency Transportation Authority ("WETA"), Santa Clara Valley Open Space Authority, Santa Clara Valley Water District, West Valley Sanitation District

Sarah earned her B.A. degree in Anthropology from Beloit College, in Wisconsin, and was awarded her M.A. in Anthropology from California State University, in Chico.

Sarah will provide H.R. Associate support for this project, including interviews with employees and management, compensation data collection and analysis, internal job analysis, development of recommendations, and implementation strategies.

Ariele Rodriguez, M.A.
Associate Consultant

Ariele has eighteen years of public and private-sector human resources and management work experience including seven years as a project consultant performing base and total compensation studies for CPS HR Consulting. Her work experience includes compensation, classification, employee relations, labor relations, performance management, management training, adult education/college instruction, and conducting workplace investigations.

Since joining K&A in August of 2020, Ariele has worked on the following classification and/or compensation projects:

- **Cities/Towns:** Santa Rosa

Prior to joining K&A, Ariele worked on base or total compensation projects for the following agencies:



- **Cities/Towns:** Anaheim, Bell, Carson, Commerce, El Segundo, Half Moon Bay, Henderson, Hercules, Lancaster, Livingston, Millbrae, Murphy (TX), Oakland, Ontario, Palmdale, Perris, Redding, Richland Hills (TX), Rio Dell, Riverside, Sacramento, San Jose, San Luis (AZ), Santa Ana, Santa Clarita, Stockton, Tehachapi, Thousand Oaks,
- **Counties:** Del Norte, Fresno, Imperial, Lake, Madera, Marion, Monterey, Montgomery, North, Placer, Sonoma, Ventura
- **Special Districts:** Alameda County Superior Court, California Department of Corrections and Rehabilitation, California Department of Public Health, CAL FIRE, CalVans, Central California Alliance for Health, Department of Transportation, Department of Water Resources, East Bay Regional Park District, Elk Grove Water District, Hayward USD, Hidden Valley Lake CSD, High Speed Rail, Kern Superior Court, Kings County Firefighters Assoc, LA County Sanitation, LACERA, Lakeside USD, League of CA Cities, Las Virgenes MWD, Merced USD, Montgomery College, Merit System Protection Board (MD), North County Transit District, Orange County Transportation Agency, CA Public Employment Relations Board, Rio Linda Elverta CWD, Sacramento Superior Court, Sacramento Area Flood Control Agency, San Diego Association of Governments, Santa Ana Water Resources, Sacramento Municipal Utilities District, Stanislaus Superior Court, CA State Bar, Ventura Regional Sanitation District, Western Area Power Administration

Prior to joining K&A, Ariele performed full cycle recruiting for a large state-funded social services agency for six years. In this time, she screened, interviewed, hired, and performed onboarding duties for over 200 employees at all levels from clerical to executive. Additionally, she performed employee relations and labor relations work, conducted internal investigations, created and presented management training, wrote and delivered adverse employment actions, and served as liaison to the local SEIU chapter.

Ariele earned her B.A. degree in Interpersonal and Small Group Communication Studies and M.A. degree in Organizational and Instructional Communication Studies from California State University, Sacramento. She holds the HR professional certification SHRM-CP and is certified in Basic Mediation Skills.

Ariele will provide H.R. Associate support for this project, including interviews with employees and management, compensation data collection and analysis, internal job analysis, development of recommendations, and implementation strategies.

Maggie Williams-Dalgart
Project Manager

Maggie brings over twenty (20) years of public sector human resources experience, most recently managing the City of Anaheim classification and compensation program. Maggie has conducted several hundred studies in the areas of classification, compensation, and staffing, and brings a wealth of knowledge drawn from current public sector employment practices. In addition to classification and compensation expertise, Maggie's experience includes collective bargaining, labor contract administration and labor costing, policy development and implementation, discipline and performance management, and recruitment and selection.

Prior to joining Koff & Associates, Maggie served as President of CalPACS, a regional internet-based salary and benefits survey website for local agencies in Southern California.



Maggie holds a Bachelor's degree in History of Public Policy from the University of California, Santa Barbara, a Master's degree in Public Administration from the University of Colorado, Colorado Springs, and possesses certification as a Senior Professional in Human Resources (SPHR)."

Kelly Barns
Associate Consultant

Kelly Barns has over 17 years of experience in a variety of leadership and technical public-sector human resources and risk management roles, from analyst to, Risk Manager to, Assistant Director and Director of Human Resources in municipal government. While a well-rounded practitioner and generalist with experience in talent acquisition, labor relations, classification and compensation, policy and contract development, performance management, employee engagement, Leaves and ADA administration and management, training and development, workplace investigations, health and safety, workers' compensation, employee benefits, liability administration and management, and general Human Resources and Risk Management administration. Kelly joined Koff & Associates in March 2022.

Kelly has a degree in Business Administration and Management, is a Human Resources Certified Professional through International Public Management Association of Human Resources (IPMA-CP) and has a Senior Professional Human Resources Certificate (SPHR).

Kelly will provide Human Resources Associate support throughout each project role, primarily consist of project and technical support in, classification analysis, interviews with employees and management, compensation data collection and analysis, internal job analysis, and development of recommendations. Kelly has a passion for engaging, collaborating with, and supporting clients, strengthening employee relations and community partnerships.

Janna Dinkelspiel
Associate Consultant

Janna Dinkelspiel came to Koff & Associates in August 2022 with over 15 years' experience in private and public sector human resources. Most recently Janna was a Senior Employee Relations Analyst in a municipality where she gained well rounded experience in recruitment and retention, employee relations, labor relations, policy development, performance management, training and development and classification and compensation. Janna was the City's subject matter expert for classification and compensation while conducting and implementing three large-scale compensation studies for the City, as well as assisting the executive team with creation of a compensation policy.

Janna has a degree in Business Administration from the University of Washington and holds a Senior Professional Human Resources Certificate from HRCI.

Cindy Harary, B.A.
Consultant

Cindy's professional qualifications include over 32 years of experience in the Human Resources field, primarily in classification and compensation. She spent the first 11 years in the public sector working for the City of Whittier, California, where she started out in their Public Works Department before moving to the Human Resources Department. She gained experience in classification and compensation, recruitment and selection, employee training and development, labor relations, and general human resources administration.



For the next 16 years, Cindy worked as a Human Resources Consultant for a consulting firm where she specialized in conducting classification and compensation studies for multiple public sector agencies including cities, counties, and special districts as well as several private sector clients. Some of the Orange County Cities she worked on in partnership with other consultants at that firm were: Cities of Brea, Laguna Beach, Lake Forest, La Palma, Los Alamitos, Placentia, San Clemente, Stanton and Tustin. In Los Angeles County, her work includes: Cities of Corona, Downey, El Monte, Manhattan Beach, and Upland. Finally, in San Bernardino County she has worked on the City of Rancho Cucamonga.

Since joining Koff & Associates in 2015, Cindy has worked on Classification and/or Compensation studies for:

- **Cities/Towns:** Anaheim, Big Bear Lake, Campbell, Carmel, Corona, Danville, Davis, Indian Wells, Laguna Niguel, Los Altos, Manteca, Menifee, Murrieta, National City, San Diego, Santa Ana, Santa Barbara, Seal Beach, Tracy, Yucca Valley
- **Counties:** Orange
- **Education:** Compton College
- **Special Districts:** Alameda Housing Authority, Altadena Library District, Bay Area Water Supply and Conservation Agency, Cosumnes Community Services District, Eastern Municipal Water District, Encina Wastewater Authority, Housing Authority of Alameda County, Housing Authority County of San Bernardino, Housing Authority for the County of Santa Barbara, Humboldt Waste Management Authority, Inland Empire Utilities Agency, Monte Vista Water District, North Coast County Water District, Orange County Fire Authority, Orange County Mosquito & Vector Control District, Oro Loma Sanitary District, Port of Hueneme, Rincon del Diablo Municipal Water District, Riverside County Transportation Commission, Santa Clarita Valley Water Agency, South Coast Air Quality Management District, Sweetwater Authority, Trabuco Canyon Water District, Vallecitos Water District, Water Replenishment District of Southern California, Western Municipal Water District

Cindy earned her B.A. degree in Broadcast Journalism at California State University, Long Beach.

Cindy will provide H.R. Associate support throughout this effort, including classification analysis, interviews with employees and management, compensation data collection and analysis, internal job analysis, development of recommendations, and implementation strategies.



REFERENCES

Agency & Project	Contact
City of Corona (Population: 168,819) Citywide Classification and Total Compensation Study, in process of completion 2022.	Ms. Angela Rivera Chief Talent Officer (951) 279-3501 400 S. Vicentia Ave., Corona, CA 92882 angela.rivera@coronaca.gov
City of El Monte (population: 116,109) Citywide Classification, Compensation and Organizational Study, completed 2020	Ms. Kristen Enomoto Sr. Management Analyst, HR/RM Department (626) 580-2044 11333 Valley Boulevard El Monte, CA 91731 kenomoto@elmonteca.gov
City of El Segundo Ongoing classification and compensation studies since 2020.	Rebecca Redyk Human Resources Director 350 Main Street El Segundo, CA 90245 310-524-2335 rredyk@elsegundo.org
City of Hemet (Population: 78,657) Several compensation studies since 2019; most recent completed 2021. Currently, a classification study is underway in 2023.	Ms. Norma Rangel Human Resources Analyst (951) 229-2287 445 E Florida Avenue Hemet, CA 92543 NRangel@cityofhemet.org
City of Laguna Beach (Population 22,991) Total Compensation Study (Police Management & Fire), completed 2021. Total Compensation Study (Police), completed 2019.	Mr. Gavin Curran Director of Administrative Services (949) 497-0315 505 Forest Ave, Laguna Beach, CA 92651 gcurran@lagunabeachcity.net
City of Laguna Niguel Project: Total compensation completed 2021	Justin Martin Deputy City Manager (949) 362-4300 30111 Crown Valley Parkway Laguna Niguel, CA 92677 jjmartin@cityoflagunaniguel.org Dorna Farhadi - Sr Management Analyst DFarhadi@cityoflagunaniguel.org
City of Lomita (population: 20,514) Classification and Compensation Study, completed 2022. HR Audit, completed 2016.	Gary Y. Sugano Assistant City Manager (310) 325-7110, x121 24300 Narbonne Avenue Lomita, CA 90717 g.sugano@lomitacity.com



City of Long Beach Management Compensation Study, 2022.	Joe Ambrosini Director of Human Resources 411 W. Ocean Blvd, 10th Floor Long Beach, CA 90802 Office: 562-570-6140 Joe.ambrosini@longbeach.gov
City of Menifee (population: 77,519) Classification and Compensation Study, ongoing 2023. Compensation Study, completed 2017. Citywide Classification and Total Compensation Study, completed 2011.	Mr. Bruce Foltz Finance Director, City of El Monte (626) 580-2075 11333 Valley Blvd, El Monte, CA 91731 bfoltz@elmonteca.gov <i>Please note: During the Studies, Mr. Foltz was our contact at City of Menifee. Mr. Foltz is now Finance Director at the City of El Monte.</i>
City of Murrieta (population: 111,674) Citywide Classification and Total Compensation Study, completed 2019.	Ms. Stacey Stevenson Deputy City Manager (951) 461-6004 1 Town Square Murrieta, CA 92562 sstevenson@murrietaca.gov <i>Please note: Ms. Stevenson was K&A's reference when she was at City of National City. She is now the Deputy City Manager at the City of Murrieta.</i>
City of Newport Beach Various classification and compensation studies since 2019.	Ms. Jyll C Ramirez Senior HR Analyst (949) 644-3306 100 Civic Center Drive Newport Beach, CA 92660 jramirez@newportbeachca.gov
City of San Diego (population: 1.407 million) Citywide Total Compensation Study (172 benchmarks, 24 comparators), completed 2018, 2019, and 2020 Police Officers Association Compensation Study, completed 2017. Represented employees, 10 classifications, 18 comparators. Citywide Total Compensation Study, completed 2015.	Ms. Abby Jarl-Veltz Assistant Director, Human Resources (619) 236-6314 1200 Third Ave., Suite 1316 San Diego, CA 92101 ajarl@sandiego.gov
City of Santa Monica (Population: 91,577) Ongoing Classification and Compensation Studies for Public Works Department's Water Resources Division since 2020. Organizational Assessment for Water Resources Division completed in 2020.	Ms. Sunny Wang, P.E. Water Resources Manager (310) 458-8230 2500 Michigan Ave, Building 1 Santa Monica, CA 90404 sunny.wang@smgov.net
City of Upland Classification and Compensation Study, 2023	Ms. Theresa (Terry) Doyle Deputy Director of Human Resources (909)931-4376 460 N. Euclid Avenue Upland, CA 91786 tdoyle@uplandca.gov



Encina Wastewater Authority Compensation Study, completed 2018.	Ms. Debbie Allen Human Resources Manager (760) 268-8802 6200 Avenida Encinas Carlsbad, CA 92011 dallen@encinajpa.com
Eastern Municipal Water District Classification and Total Compensation Study, completed 2019.	Ms. Laura Zamora Director of Human Resources (951) 928-3777, Ext. 4224 2270 Trumble Road Perris, CA 92572 zamorala@emwd.org
Rancho California Water District Compensation study, currently in process of being completed (2022). Compensation Study, Completed 2019.	Ms. Eileen Dienzo Director of Human Resources (951) 296-6929 42135 Winchester Road Temecula, CA 92590 dienzoe@ranchowater.com
Coachella Valley Water District Classification and Compensation Study, 2023.	Mr. Bill Walters Human Resources Administrator (760)398-2661 ext. 2372 51501 Tyler St. Coachella, CA 92236 bwalters@cvwd.gov
Orange County Sanitation District Ongoing Classification and Compensation work since 2008. District-wide Total Compensation Study, completed 2016.	Ms. Laura Maravilla Human Resources Supervisor (714) 593-7007 10844 Ellis Avenue Fountain Valley, CA 92707 lmavilla@ocsd.com



EXECUTIVE SUMMARY, APPROACH, METHODOLOGY

The City desires human resources assistance to conduct a comprehensive salary and compensation study for the Water Utilities Department. The City seeks to conduct a focused compensation study of neighboring utility agencies, including both municipalities and special districts. This study was recommended to aid the City in determining the appropriate salary and total employee compensation levels for classifications within the Water Utilities Department. Per the RFP, total employee compensation or fully-burdened rate should include pay beyond base salary, allowances, employer contributions to health insurance, deferred compensation accounts, retiree health savings accounts and all others as defined by the City.

Additionally, the compensation study should include analysis and recommendations for positions outside of the Water Utilities Department that may be impacted by compaction due to modifications in the Water Utilities Department salaries. These positions include but are not limited to City Engineer, Deputy City Manager, Assistant City Manager, and City Manager and/or recommend changes to the City organization structure to avoid compaction.

The City currently employs approximately 173 employees in its Water Utilities department in addition to six current project management consultants acting in the place of city-employed Full Time Equivalent project managers. There are approximately 69 classifications in the Water Utilities Department. Several of the listed classifications are unique to the Water Utilities Department, while others are also found in other Departments within the City. Included in this are 19 supervisory positions.

The goal of the study will be to review the City's compensation structure for the studied classifications and to conduct a compensation market survey using a set of appropriate comparator agencies. The identification of comparator agencies, benchmark classifications, and benefits to be collected (if total compensation is desired) is an iterative process that includes all stakeholders. We have found this open discussion philosophy to be critical to our success for organizational buy-in. Once the external data development is completed, we will make specific recommendations for internal equity for non-benchmarked classifications and classifications without a large enough market sampling.

The compensation study will contain specific recommendations regarding the integration of all study classifications into the City's compensation structure, with the goal of developing a clearly designed, internally equitable format that is flexible for career opportunity and future growth. Our study will make recommendations regarding a salary structure that takes the City's compensation preferences into consideration as well as the appropriate placement of each classification on the City's salary schedule.

The study includes a significant number of meetings with the Study Project Team, Human Resources, employees, and the City Council, as desired. We have expertise in labor/management relations and understand the importance of active participation by all stakeholders to ensure a successful outcome. The meetings and "stakeholder touch-points" that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information, and create a collaborative and interactive approach resulting in greater buy-in for study recommendations. This interactive approach has resulted in almost 100% implementation success of K&A's studies.

This intense and comprehensive stakeholder engagement and our transparent study processes are also a mechanism of quality control. The fact that our information, data, and recommendations have to be able to withstand utmost scrutiny by diverse stakeholders require an in-depth multi-step quality control process for deliverables. This involves K&A team member validation of classification analyses and



compensation data, K&A Project Manager review of all classification and compensation analyses, recommendations and deliverables, and finally K&A Principal (Project Director) review of deliverables before submittal to the client.

Study Objectives

Compensation Objectives:

- To make recommendations regarding a list of appropriate, logical and defensible comparator agencies, benchmark classifications, and benefits to be collected prior to beginning the compensation portion of the study;
- To collect accurate salary and benefit data from the approved group of comparator agencies and to ensure that the information is analyzed in a manner that is clear and comprehensible to the Study Project Team, Human Resources, management, employees, and the City Council;
- To carefully analyze the scope and level of duties and responsibilities, requirements for successful work performance, and other factors for survey classes, according to generally accepted compensation practices;
- To review the City's compensation structure and practices and develop compensation recommendations that will assist the City in recruiting, motivating, and retaining competent staff;
- To develop solutions that address pay equity issues, analyze the financial impact of addressing pay equity issues, and create a market adjustment implementation strategy supporting the City's goals, objectives, and budget considerations;
- To evaluate benefit offerings in the labor market and make recommendations for better alignment and/or different benefit offerings as indicated by the analysis and best practices;
- To create a comprehensive final report summarizing the compensation study approach and methodology, analytical tools, findings, and recommended compensation structure;
- To recommend appropriate internal salary relationships and allocate classes to salary ranges in a comprehensive salary range plan; and
- To ensure sufficient documentation and training throughout the study, on methods used to determine appropriate salary ranges, methods for logical progression of movement within the salary scale for each classification, and other practices, so that our recommendations can be implemented and maintained in a competent and fair manner.

Overall Objectives:

- To review and understand all current documentation, rules, regulations, policies, budgets, procedures, class descriptions, organizational charts, memoranda of understanding, personnel policies, wage and salary schedules, and related information so that our recommendations can be operationally incorporated with a minimum of disruption;
- To conduct start-up Study Project Team meetings with management, study project staff, and other stakeholders to discuss any specific concerns with respect to the development of compensation recommendations; finalize study plans and timetables; conduct orientation sessions with management, and staff in order to educate and explain the scope of the study and describe what are and are not reasonable study expectations and goals;



- To work collaboratively and effectively with the City and its stakeholders while at the same time maintaining control and objectivity in the conduct of the study;
- To develop a compensation structure that meets all legal requirements, that is totally non-discriminatory, and that easily accommodates organizational change, growth, and operational needs;
- To document all steps in the process and provide documentation and training for Human Resources and other staff, as appropriate, in compensation analysis methodologies so that the City can integrate, maintain, administer, and defend any recommended changes after the initial implementation; and
- To provide effective ongoing communications throughout the duration of the project and continued support after implementation.

Methodology / Work Plan / Deliverables

Given these parameters, our approach is as follows:

TOTAL COMPENSATION STUDY

Deliverable A: Meetings with Study Project Team and Management Staff and Initial Documentation Review

During the initial meeting with the Study Project Team, we will discuss the compensation study factors that need to be agreed upon. This task includes identifying the City's Study Project Team (Human Resources, management, employee representation, etc.), contract administrator, and reporting relationships. Our team will conduct an orientation and briefing session with the Study Project Team to explain process and methodology; create the specific work plan and work schedule; identify subsequent tasks to be accomplished; reaffirm the primary objectives and specific end products; determine deadline dates for satisfactory completion of the overall assignment; determine who will be responsible for coordinating/scheduling communications with employees, managers, and other stakeholders; and develop a timetable for conducting the same.

Included in this task will be the gathering of written documentation, identifying current incumbents, and assembling current class descriptions, organizational charts, salary schedules, budgets, employment contracts, personnel policies, previous compensation studies, and any other relevant documentation to gain a general understanding of City operations.

City terminology and methods of current compensation procedures will be reviewed and agreed to. We will discuss methodology, agree to formats for compensation results, identify/confirm appropriate comparator agencies, benchmark classifications and benefits to be surveyed for compensation survey purposes. We will respond to any questions that may arise from the various stakeholders.

Deliverable B. List of Comparator Agencies, Benchmark Classifications, and Benefits to be Collected

During the initial meeting with the Study Project Team, we will discuss and agree to the compensation study factors. We will identify/confirm appropriate, logical and defensible comparator agencies that will be included in the external market survey, which will be the foundation for ensuring that the City's salaries for the studied classifications are competitively aligned with the external labor market. We will also identify/confirm those classifications that will be surveyed in the market (i.e., benchmark classifications), with the intention of internally aligning the remaining classifications with those that were surveyed.



Finally, we will determine the list of benefits that the City wants to include in the total compensation data gathering process.

1. Determination of Comparator Agencies

The determination of comparator agencies is a critical step in the study process. Per the RFP, the City has identified a list of 38 comparator agencies that represent its industry and labor market. These include:

<u>Water Only Agency</u>	<u>Wastewater Only Agency</u>	<u>Dual Service Agency</u>
San Dieguito District	Chula Vista, City	Escondido, City
Santa Fe Irrigation District	El Cajon, City	Olivenhain District
Vista Irrigation District	Imperial Beach, City	Carlsbad, City
Sweetwater Authority	Vista, City	Fallbrook, City
Lakdeside, City	Buena Sanitation District	Poway, City
Helix Water District	La Mesa, City	Rainbow Water District
Rincon del Diablo District	National City, City	Vallecitos District
CA American Water Co.	Lemon Grove, City	Del Mar, City
Rancho California Water Dist.	Leucadia Waterwater District	Ramona, City
	Solana Beach, City	San Diego, City
	Coronado, City	Valley Center, City
	Encinitas Sanitary Division	Otay Water District
	Cardiff Sanitary Division	Padre Dam District
	Rancho Santa Fe, City	
	SD County Sanitation District	
	Encina Wastewater Authority	

It is our understanding that the City is interested in selecting a subset of these agencies as the survey agencies for the study. For that purpose, we typically use the following factors to identify appropriate comparators and would receive approval before proceeding with the total compensation study.

Our recommended methodology is that we involve management, Human Resources, employee representation, and the Council, in the decision-making process of selecting which comparable agencies are included, **PRIOR** to beginning the study. Our experience has shown that this is the most successful approach. The factors that we typically review when selecting and recommending appropriate comparator agencies include:

- **Organizational type and structure** – While various organizations may provide overlapping services and employ some staff having similar duties and responsibilities, the role of each organization is somewhat unique, particularly in regard to its relationship to the citizens it serves and level of service expectation. During this iterative process, the City’s current/previous list of comparators, if any, and the advantages/disadvantages of including them or others would be discussed.
- **Similarity of population served, City demographics, City staff, and operational budgets** – These elements provide guidelines in relation to resources required (staff and funding) and available for the provision of services.
- **Scope of services provided** – While having an organization that provides all of the services at the same level of citizen expectation is ideal for comparators, as long as the *majority* of services are provided in a similar manner, sufficient data should be available for analysis.



- When reviewing this factor, the City's unique services would be evaluated in order to ensure that the majority of comparators provide the same services. This ensures that each comparator yields a sufficient number of matches for the City's jobs.
- **Labor market** – The reality of today's labor market is that many agencies are in competition for the same pool of qualified employees, because large portions of the workforce don't live in the communities they serve, are accustomed to lengthy commutes, and are more likely to consider changing jobs in a larger geographic area than in the past. Therefore, the geographic labor market area (where the City may be recruiting from or losing employees to) is taken into consideration when selecting potential comparator organizations. As part of this analysis, we will determine whether the City has identified agencies that it competes with for qualified talent; those agencies are taken into consideration for purposes of our analysis. It is important to understand and consider the City's competitive landscape and include agencies in the study to whom the City loses talent.
 - **Cost-of-living** – The price of housing and other cost-of-living related issues are some of the biggest factors in determining labor markets. We review overall cost-of-living of various geographic areas, median house prices, and median household incomes to determine the appropriateness of various potential comparator agencies.

We typically recommend using 10-12 comparator agencies for all survey benchmarks in order to achieve statistical significance but are flexible and can easily use a different approach based on the City's preferences. Due to the Water Utilities Department's unique operations, the City raised a concern that it may be challenging to identify a sufficient number of agencies that provide both water and wastewater services – therefore, we may recommend exploring surveying up to 15 agencies to ensure sufficient representation of all services.

2. Determination of Benchmark Classifications

In the same collaborative manner as described in Step 1 above, we will work with the City's stakeholders to select those classifications that will be surveyed.

"Benchmark classes" are ordinarily chosen to reflect a broad spectrum of class levels. In addition, those that are selected normally include classes that are most likely to be found in other similar agencies, and therefore provide a sufficient valid data sample for analysis. Internal relationships will be determined between the benchmarked and non-benchmarked classifications and internal equity alignments will be made for salary recommendation purposes.

Due to the fact that the labor market typically yields reliable data, we recommend using approximately 60-65% of all classifications as benchmarks but we are happy to use a different model.

3. Determination of Salary and Benefits Data to Be Collected

In addition to base salaries, benefit data elements for a total compensation study normally include at least the following (which are generally available to all staff in a specific job classification):

- **Monthly Salary** – The top of the normal, published salary range. All figures are presented on a monthly or annual basis. We normalize the salary data to reflect number of hours in the work week and/or roll-up of retirement or other benefits in base salaries.



- **Employee Retirement** – This includes two figures: the amount of the employee’s State or other public or private retirement contribution that is contributed by the agency and the amount of the agency’s Social Security contribution.
- **Retiree Healthcare** – Given that healthcare costs are rising and retiree healthcare and liabilities increasing for many public agencies, we collect this information to capture the costs.
- **Insurance** – This typically includes Health, Dental, Vision, and other insurance coverage.
- **Leave** – Other than sick leave, which is usage-based, leave is the amount of days off for which the organization is obligated. We will discuss with the City whether leave days/hours should be converted to direct salary cost in dollars or represented in days/hours.
 - ❖ **Vacation:** The number of vacation days available to all employees after five years of employment.
 - ❖ **Holidays:** The number of holidays (including floating) available to the employee on an annual basis.
 - ❖ **Administrative/Personal Leave:** Administrative leave is normally the number of days available to management staff to compensate for the lack of payment for overtime. Personal leave may be available to other groups of employees to augment vacation or other time off.
- **Deferred Compensation** – We report any employer contribution made on the employee’s behalf, whether dollar amount or percentage of salary, that does not require an employee-matching contribution. We can also report employer contributions that do require an employee match and would do so as a separate report.
- **Other** – This category includes any other benefits that are available to all employees within a classification and not already specifically detailed.

Deliverable C. Interviews with all Water Utilities Supervisors and Division Managers and Updating of Classification Descriptions (as needed)

Before data collection begins, and per RFP requirement, we will interview all supervisors and managers, i.e., approximately 20 individuals, to ascertain whether any classifications or class descriptions need to be updated. The Water Utilities Department has several classifications that cross department lines (i.e., Public Works) which may lend themselves to being more specialized for Water Utilities (or vice versa). Per the RFP’s Q&A process, the City assumes that, at a minimum, those broader classifications may need to be reviewed and potentially updated.

In reviewing the Department’s position allocation report by job classification, it appears that approximately 15 classifications may cross over to other departments. Our scope of work includes two cost options:

- Option #1: We may update up to 15 classification descriptions based on supervisory and management feedback only. This does **not** include having current incumbents complete questionnaires or interviewing them.
- Option #2: We may update up to 15 classification descriptions based on supervisory and management feedback **plus** having current incumbents complete questionnaires and interviewing them.

Deliverable D. Data from Comparators and Preliminary Analysis of Data



K&A does not collect market compensation data by merely sending out a written questionnaire. We find that such questionnaires are often delegated to the individual in the department with the least experience in the organization and given a low priority. Our experienced compensation analysts conduct all of the data collection and analysis to ensure validity of the data and quality control. This approach also ensures that we compare job description to job description and not just job titles, therefore ensuring true “matches” of at least 70%, which is the percentage we use to determine whether to include a comparator classification or not.

Objective factors in the whole position job analysis methodology include:

1. Decision making/judgment
2. Difficulty and complexity of work
3. Supervisory responsibilities
4. Non-supervisory responsibilities
5. Minimum qualifications
6. Working conditions/risk factors
7. Contacts

We typically collect classification descriptions, organization charts, salary schedules, personnel policies, budgets, master plans, operational information, MOUs, and other information via website, by telephone, or by an onsite interview. With the prior knowledge from the data gathered directly from each comparator agency and our experience in the public sector human resources field, our compensation analysts make preliminary “matches” and then schedule appointments by telephone, or sometimes in person, with knowledgeable individuals to answer specific questions. We find that information collected using these methods has a very high validity rate and allows us to substantiate the data for employees, management, and governing bodies.

Data will be entered into spreadsheet format designed for ease of interpretation and use. The information will be presented in a format that will identify the comparator positions used for each classification comparison. Information will be calculated based upon both average and median figures allowing the City to make informed compensation decisions. Other elements of the compensation survey report are agencies surveyed; comparable class titles; salary range maximum/control point; number of observations; and percent of the City’s salary range is above/below the market values.

In addition, we will include any type of statistical representation and analysis that the City desires such as 60th, 70th, or any other percentiles per the City’s compensation philosophy.

Benefits data will be displayed in an easy-to-read format. You will receive three sets of spreadsheets per classification, one with base pay, one with the benefits detail, and one with total compensation statistical data. In addition, we are often asked to collect “other” benefits (as listed in the benefits section above), which we typically report on a separate spreadsheet.

Deliverable E. Draft Compensation Findings/Additional Analysis/Study Project Team Meetings

As part of our transparent approach and communication strategy to ensure organizational buy-in to the study, we share the market survey with the organization. We first distribute our draft findings to the Study Project Team. After their preliminary review, K&A will meet with the Study Project Team and other stakeholders (including Human Resources, management, employees) to clarify data, to receive requests for reanalysis of certain comparators, and to answer questions and address concerns. This provides an opportunity for the Study Project Team and other stakeholders to review and question any of our



recommended benchmark comparator matches. If questions arise, we conduct follow-up analysis to reconfirm our original analysis and/or make corrections as appropriate.

Deliverable F. Analysis of Internal Relationships and Alignment

To determine internal equity for all studied positions, considerable attention will be given to this phase of the project. It is necessary to develop an internal position hierarchy based on the organizational value of each classification. Again, we utilize the whole position analysis methodology as described earlier.

By reviewing those factors, we will make recommendations regarding vertical salary differentials between classes in a class series, for example, as well as across departments (i.e., positions outside of the Water Utilities Department). This analysis will be integrated with the results of the compensation survey and the City's existing compensation plan.

The ultimate goal of this critical step in the process is to address any potential internal equity issues and concerns with the current compensation system, including compaction issues between certain classifications. We will create a sound and logical compensation structure for the various levels within each class series, so that career ladders are not only reflected in the classification system but also in the compensation system, with pay differentials between levels that allow employees to progress on a clear path of career growth and development. Career ladders will be looked at vertically, as well as horizontally, to reflect the City's classification structure.

Deliverable G. Compensation Structure

Depending on data developed as a result of the internal analysis, we will review and make recommendations regarding internal alignment and the salary structure (set of salary ranges, salary differentials, steps within ranges, and/or alternative compensation plans) within which the classes are allocated, based upon the City's preferred compensation model. In addition, we will develop externally competitive benefit comparisons for all classifications. We will also assist the City in developing a compensation philosophy and practices relative to the surveyed public jurisdictions, if desired.

We will conduct a competitive pay analysis using the market data gathered to assist in the determination of external pay equity and the recommendation of a new base compensation structure, if desired. We will conduct a comparative analysis to illustrate the relationships between current pay practices and the newly determined market conditions and develop solutions to address pay equity issues, analyze the financial impact of addressing pay equity issues, and create a market adjustment implementation strategy supporting City goals, objectives, and budget considerations.

Draft recommendations will be discussed with the Study Project Team and management for discussions and decisions on overall pay philosophy and the practicality of acceptance and prior to developing an Interim Report.

Deliverable H. Final Report and Guidelines for Implementation

A draft Interim Report of the Compensation Study) will be completed and submitted to the Study Project Team for review and comment. The report will provide detailed compensation findings, documentation, and recommendations. The report will include:

- An executive summary of the compensation study results;
- A set of all market data spreadsheets;
- A proposed Salary Range Placement document;



- A procedure to address employees whose base pay exceeds the maximum of their newly assigned pay range;
- Implementation issues and cost projections surrounding our recommendations; and
- A guide for rules, policies and procedures for the City in implementing, managing and maintaining the compensation system, as appropriate.

Once all of the City's questions/concerns are addressed and discussed, a Final Compensation Report will be created and submitted in the City's preferred format. The Final Report will incorporate any appropriate revisions identified and submitted during the review of the draft report.

Deliverable I. Formal Appeals Process

Should the City have an formal appeals process regarding the allocation of positions to salary ranges, this proposal does not cover time regarding a formal appeal process. Should our on-site participation be desired, our stated composite hourly rate will be honored. As mentioned above, however, our internal process usually addresses any of these issues.

Deliverable J. Final Presentation

Our proposal includes multiple meetings and weekly oral and written status/progress updates to the Study Project Team. Regarding the involvement of the City Council, etc., we recommend at least one initial meeting to confirm/identify the comparator agencies to be included in the study, one interim study session (to discuss the initial findings of the compensation study), and one final presentation of our Final Report. Of course, we are flexible regarding having more or less interaction with the Council, based on the City's preferences.

❖ Expectations of City Support:

In order to conduct this study in the most timely and cost-effective manner, we ask for support in the following areas:

- Timely provision of written documentation, such as current class specifications, union contracts, organizational charts, budget documents, requests for audits, past studies, etc.;
- Assistance in the notification and scheduling of orientation and other meetings and the provision of adequate interview space and resources;
- Meeting agreed-upon timelines.

In terms of time commitment for City staff, we understand that the City hires an outside consultant to conduct and coordinate the entire effort. Therefore, it is our goal to reduce the time commitment of City staff as much as possible and to only request assistance in the coordination of some of the steps in the process, such as scheduling employee orientation meetings, duplicating PDQs, scheduling employee interviews/desk audits, disseminating information, and in general, being a channel of communication between our firm and employees.

❖ Communication with the City:

Our typical communication model includes at least weekly or biweekly written status updates to keep the City informed on where we are during each phase of the project.



In addition, the study includes a significant number of meetings with the Study Project Team, human resources, management, employees, and the City Council, as desired. The meetings and “stakeholder touch-points” that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information, and foster a collaborative and interactive approach that will result in greater buy-in for study recommendations. This interactive approach, although time-consuming, has resulted in almost 100% implementation success of K&A’s studies.

❖ **Post-Implementation Consultation and Support:**

We are committed to providing the City with the highest-quality product and service. Providing ongoing consultation and support after study implementation is a service that is included in our professional fees and a continued relationship-building aspect of our client relationship that we highly value.

We often find that clients will call or email with follow-up questions and to discuss certain aspects of the study, ask why decisions and recommendations were made, and other important components of the study. We consider post-implementation support as part of our customer service.

Should the City request any additional onsite meetings and/or training after implementation of the study and/or other specific, identifiable work efforts, such as position reclassification studies, creating new class descriptions, or conducting annual surveys, we would honor our composite hourly rate for actual hours spent at the City. However, from experience, we expect that most follow-up support will be conducted via telephone and email and this is absolutely included in our “Not To Exceed Fee” for this project.

❖ **Stakeholder Engagement:**

The meetings and communications with stakeholders that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information, and encourage a collaborative and interactive approach that will result in greater buy-in for study recommendations. This interactive approach, although time-consuming, has resulted in almost 100% implementation success of K&A’s studies.

We believe in an interactive and collaborative process with the whole organization and in a high level of stakeholder contact and interaction to ensure organizational buy-in of the study throughout the entire process. Following are the major milestones at which we touch base with Human Resources, employees, managers, and other stakeholders, as appropriate:

- Initial study kick-off and employee/management orientation meetings;
- Stakeholder input regarding a list of appropriate comparator agencies, benchmark classifications, and benefits to be collected;
- City stakeholder review of compensation study data and contact with them to address any challenges to the market comparables we identified for each classification;
- Stakeholder input on internal salary relationship analysis and recommendations; and
- Stakeholder input regarding final compensation plans and structure recommendations.

These steps will ensure that the study results in a product that is accepted and trusted by all levels within the organization. Beyond sound mechanics, our approach includes sufficient communication steps to ensure that the study methodology is understood and the results are regarded as expert, impartial, and fair.



TIME REQUIREMENTS

Our professional experience is that total compensation studies of this scope and for this size organization take approximately five (5) months to complete, allowing for adequate compensation data collection and analysis, review steps by the City, the development of final reports, any appeals, and presentations.

Due to the unprecedented demand on our services, we are currently experiencing an unusually high volume of projects. Therefore, and if the City is able to be flexible, we propose commencing the project in August 2023 and anticipate completion by December 2023, assuming a contract is executed within 2 months of the submittal date of our proposal.

The following is a suggested timeline (which can be modified based on the City's needs):

Deliverables	Total Compensation Survey	Completion by:
A.	Meetings with Study Project Team and Management Staff and Initial Documentation Review	Week 1
B.	List of Comparator Agencies, Benchmark Classifications, and Benefits to be Collected	Week 3
C.	Interviews with all Water Utilities Supervisors and Division Managers and Updating of Classification Descriptions (as needed)	Week 11
D.	Data from Comparators and Preliminary Analysis of Data	Week 15
E.	Draft Compensation Findings/Additional Analysis/Study Project Team Meetings	Week 18
F.	Analysis of Internal Relationships and Alignment	Week 19
G.	Compensation Structure and Implementation Plan	Week 19
H.	Final Report and Guidelines for Implementation	Week 20
I.	Formal Appeals Process *	As Needed
J.	Final Presentation	As Scheduled



COST PROPOSAL

We have often found our process requires a very high level of time commitment, which sometimes results in a higher proposal cost. We believe that our methodology and implementation success rate is attributable to the significantly greater level of contact we have with employees, employee representation, management, and the governing body. The time we commit to working with the employees (orientations and briefings, meetings with employees via personal interviews, sharing of compensation survey data, employee review and feedback processes, etc.) results in significantly greater buy-in throughout the process and no formal appeals at the end of the study.

In fact, our firm has only had a handful of formal appeals to any of our studies in our 39 years in business. It has been our experience that the money and time invested in stakeholder communication throughout the study are money and time saved during implementation. Numerous times our firm has been hired after an agency has gone through an unsuccessful study whose results were rejected or appealed and whose implementation was very controversial. The result was a divided organization with hostility and animosity between employees/employee representation and management. Whenever our firm was hired after such an unfortunate experience, study stakeholders were amazed at our open and all-inclusive process, our efforts to elicit equal stakeholder input, and our development of recommendations that were accepted as fair and reasonable and understood by management, employees, and the governing body. Our success rate is also attributable to the fact that we have 39 years of experience working with employees of all types of backgrounds, educational levels, and work experiences, and we are accustomed to successfully communicating with and educating them throughout the process. It is imperative that all employees eventually buy into the study results and recommendations, whether they have been through a process like this before or whether this is the first time for them.

Our clients always provide feedback that our process was professional, comprehensive, understandable, timely, and inclusive. Employees, although not necessarily always happy with our recommendations, have always indicated that we listened to their issues and concerns, were available for discussion, and able to provide documentation and data to support our recommendations. Although time consuming, we also drive the process to ensure that timelines are met and schedules are maintained.

Over the last few years, K&A and all our clients have become accustomed to conducting our organizational, classification, and compensation studies virtually. From that experience, we have learned that studies can be conducted successfully by using virtual technologies and performing the work remotely. We have also learned that this represents a significant cost savings for our clients, both in terms of consultant travel time and travel expenses, as well as less disruption and reduced non-productivity for the client's workforce. We have several technological solutions that can easily facilitate the entire process (see proposal narrative above). Conducting meetings and orientations virtually means that the client's employees do not have to spend time traveling from one location to another and will not be pulled away from their workstations for lengthy periods of time. They can simply click on a link or call in from a phone to participate. This approach also represents significantly less logistical planning on part of the client in order to reserve meeting rooms and making space available for large employee groups, as well as multiple consultants coming onsite to conduct interviews within a condensed period of time. Conducting orientations and interviews virtually provides us with much more flexibility in scheduling and accommodating multiple different shifts and schedules among a large workforce.



In addition, K&A strives to be as “green” an organization as possible and we are certainly concerned about our carbon footprint. We find that multiple trips to client sites that can sometimes involve multiple consultants flying on planes and/or driving cars, is not as environmentally conscious as we would like to be. Considering the effectiveness of virtual meetings, especially when meetings are only one hour or one-and-a-half hours at a time, onsite travel does appear to create a larger footprint than necessary. This can especially be true for final presentations to leadership teams and governing bodies that are often less than 60, or even 30, minutes long.

For purposes of this cost proposal, we are assuming that all meetings and presentations will be conducted virtually/remotely and no onsite travel to City offices will occur. Should the City desire onsite meetings, we will be happy to provide our per diem cost for onsite meetings based on travel time and market rate travel cost at the time.

The cost proposal below includes two options depending on scope of work to provide the City with a cost comparison based on the number of classifications, number of employees, and number of comparator agencies surveyed for the compensation study. Of course, the City may select any combination thereof and we are open to negotiating another option if it better serves the City. We hope to be able to negotiate a scope of work and cost option that best serves the City’s needs.

See our cost table on the following page.



Deliverables	Total Compensation Study	Option 1: Hours	Option 2: Hours
A.	Meetings with Study Project Team and Management Staff and Initial Documentation Review	12	12
B.	List of Comparator Agencies, Benchmark Classifications, and Benefits to be Collected	20	20
C.	Interviews with all Water Utilities Supervisors and Division Managers and Updating of Classification Descriptions (as needed) <i>Option 1: this assumes that up to 15 classification descriptions will be updated based on supervisory and management interviews only (up to 20 interviews)</i> <i>Option 2: this assumes that up to 15 classification descriptions will be updated based on supervisory and management interviews (up to 20 interviews), as well as up to 30 employees completing PDQs and being interviewed</i>	65	105
D.	Data from Comparators and Preliminary Analysis of Data <i>Option 1: up to 42 benchmarks; 12 comparators; and total compensation (salaries plus benefits)</i> <i>Option 2: up to 46 benchmarks; 15 comparators; and total compensation (salaries plus benefits)</i>	170	230
E.	Draft Compensation Findings/Additional Analysis/Study Project Team Meetings	30	40
F.	Analysis of Internal Relationships and Alignment	12	12
G.	Compensation Structure and Implementation Plan	12	12
H.	Final Report and Guidelines for Implementation	16	20
I.	Formal Appeals Process *	0	0
I.	Final Presentation	10	12
	<i>Anticipated hours for additional unscheduled meetings and phone calls</i>	16	20
	Total Professional Hours – Compensation	363	483
	Combined professional and clerical composite rate: \$185/Hour	\$67,155	\$89,355
	Expenses are included in the composite hourly rate:	N/A	N/A
	<i>Expenses include but are not limited to duplicating documents, binding reports, phone, supplies, postage, etc.</i>		
	TOTAL PROJECT COST NOT TO EXCEED:	\$67,155	\$89,355
	<i>*Additional consulting will be honored at composite rate (\$185/hr)</i>		

Our cost proposal does not include time to support the City during any labor negotiations that may follow this study. If we are needed for this work, our composite hourly rate will apply and we will charge on a time-and-materials basis.



CONTRACTUAL CONSIDERATIONS

We will be pleased to sign the City's professional services agreement for a Compensation Study. We respectfully request that the City will allow for a period of negotiation of certain terms in the professional services contract related to liability, indemnity, insurance, and other terms. We have found that we have always come to an agreement with all of our clients in the past and appreciate the City's flexibility in reviewing certain terms in a collaborative fashion between our legal counsels.

The following are terms we would like to review with the City if we are fortunate to be selected for this project:

- Gallagher is pleased to submit this proposal to the City. While this proposal is not meant to constitute a formal offer, acceptance, or contract, notwithstanding anything to the contrary contained in the proposal, Gallagher is submitting this proposal with the understanding the parties would negotiate and sign a contract containing terms and conditions that are mutually acceptable to both parties
- Section 5, 2nd bullet point, sub-bullet point number 3 (PDF page 7) - This section needs modified so that no prior approval of personnel is required from the City. Gallagher will provide notice of substitutions after they occur. Gallagher can agree to a reasonable time period to provide such notice and will use good faith efforts to ensure that the City is satisfied with any replacement personnel assigned.
- 1st para on PDF page 10 - Gallagher may retain copies of its work product that contain Confidential Information for archival purposes or to defend its work product, and in accordance with legal disaster recovery and records retention requirements, store such copies and derivative works in an archival format (e.g. tape backups), provided that the information will remain Confidential as long as it is retained.
- PROFESSIONAL SERVICES AGREEMENT, section 6 (PDF page 16) - Indemnification should be limited to grossly negligent acts and omissions, breaches of the contract, intentional misconduct, or violations of law.
- PROFESSIONAL SERVICES AGREEMENT, section 6 (PDF page 16) - A limitation of liability of fees paid needs to be added to the indemnification provision.

It is our practice to provide the coverage below in lieu of the City contract insurance language. We therefore propose to replace the insurance language in the RFP's sample agreement with coverage language provided by Gallagher as follows (we attach our Memorandum of Insurance for your review as well):

- PROFESSIONAL SERVICES AGREEMENT, sections 3, 4 and 5 (PDF pages 14-16) - Gallagher offers the following insurance representations based on AJG Risk Management policies. These are not changed on a client by client basis:

Gallagher shall at all times during the term of this Agreement and for a period of two (2) years thereafter, obtain and maintain in force the following minimum insurance coverages and limits at its own expense:

- Commercial General Liability (CGL) insurance on an ISO form number CG 00 01 (or equivalent) covering claims for bodily injury, death, personal injury, or property damage occurring or arising out of the performance of this Agreement, including coverage for premises, products, and completed operations, on an occurrence basis, with limits no less than \$2,000,000 per occurrence;
- Workers Compensation insurance with statutory limits, as required by the state in which the work takes place, and Employer's Liability insurance with limits no less than \$1,000,000 per accident for



bodily injury or disease. Insurer will be licensed to do business in the state in which the work takes place;

- Automobile Liability insurance on an ISO form number CA 00 01 covering all hired and non-owned automobiles with limit of \$1,000,000 per accident for bodily injury and property damage;
- Umbrella Liability insurance providing excess coverage over all limits and coverages with a limits no less than \$10,000,000 per occurrence or in the aggregate;
- Errors & Omissions Liability insurance, including extended reporting conditions of two (2) years with limits of no less than \$5,000,000 per claim, or \$10,000,000 in the aggregate;
- Cyber Liability, Technology Errors & Omissions, and Network Security & Privacy Liability insurance, including extended reporting conditions of two (2) years with limits no less than \$2,000,000 per claim and in the aggregate, inclusive of defense cost; and
- Crime insurance covering third-party crime and employee dishonesty with limits of no less than \$1,000,000 per claim and in the aggregate.
- All commercial insurance policies shall be written with insurers that have a minimum AM Best rating of no less than A-VI, and licensed to do business in the state of operation. Any cancelled or non-renewed policy will be replaced with no coverage gap, and a Certificate of Insurance evidencing the coverages set forth in this section shall be provided to Client upon request.

ARTHUR J. GALLAGHER & CO. MEMORANDUM OF INSURANCE

This Memorandum of Insurance ("Memorandum") is produced as a matter of information only to authorized viewers for their internal use only and confers no rights upon any viewer of the Memorandum. This Memorandum does not amend, extend or alter the coverage described below. Copyright 2005, Arthur J. Gallagher Risk Management Services, Inc. ("Gallagher"). Gallagher grants permission to you to view, copy, print and distribute the information found on the Memorandum website ("Site") provided that the above copyright notice appears on all copies, that use is internal to you or for personal noncommercial informational purposes only, and that no modification is made to any materials. Any modification, use, reproduction or distribution of this Memorandum, the Site or its contents must be first approved by Gallagher in writing. You will not suffer or permit any unauthorized use of any Gallagher trademark, service mark or logo. This Memorandum, the Site and its contents, including but not limited to text, graphics, images, software, copyrights, trademarks, service marks, logos, and brand names ("Content"), are protected under both United States and foreign laws, and Gallagher or its affiliated entities retain all right, title and interest in and to the Content, all copies thereof, and all copyrights and other proprietary rights therein. The information contained herein is as the date referred to above. Gallagher shall be under no obligation to update such information.

DATE: 10/4/2022

INSURED:

Arthur J. Gallagher & Co. and its subsidiaries
2850 West Golf Road
Rolling Meadows, IL 60008

Insurance Companies

A: ARCH INSURANCE COMPANY
B: THE CONTINENTAL INSURANCE COMPANY
C: XL INSURANCE AMERICA, INC
D: FEDERAL INSURANCE COMPANY
E: LEXINGTON INS. COMPANY
F: XL SPECIALTY INS. COMPANY
G. ILLNOIS NATIONAL INSURANCE COMPANY
H. INDIAN HARBOR INSURANCE COMPANY

The policies of insurance listed below have been issued to the "INSURED" named above for the policy period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this Memorandum may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims.

CO. LTR.	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE	POLICY EXPIRATION	LIMITS (In USD unless otherwise indicated)	
A	Commercial General Liability Occurrence Per location Aggregate	41GPP4938415	10/01/22	10/01/23	General Aggregate	4,000,000
					Products - Comp/Op Agg	4,000,000
					Personal and ADV Injury	2,000,000
					Each Occurrence	2,000,000
					Damage to Rented Premises (Each occurrence)	1,000,000
A	Automobile Liability Any Auto	41CAB4939015 41CAB4938315	10/01/22	10/01/23	Combined Single Limit	5,000,000
					Bodily Injury (per person)	
					Bodily Injury (per accident)	
B	Excess/Umbrella Liability Retention: \$10,000	7034611269	10/01/22	10/01/23	Each Occurrence	25,000,000
					Aggregate	25,000,000
A	Workers Compensation and Employers Liability	41WCI4938115	10/01/22	10/01/23	Workers Comp Limits	Statutory
					EL Each Accident	1,000,000
					EL Disease - Each Employee	1,000,000
					EL Disease - Policy Limit	1,000,000
C	Property	US00112916PR22A	10/01/22	10/01/23	Blanket Bldg. & PP	10,000,000
D	Crime/Fidelity Bond (Employee Dishonesty)	J06039418	09/01/22	09/29/23	Single Loss Limit	15,000,000
E	Errors & Omissions (Primary Policy)	015466449	10/01/22	10/01/23	Per Claim and Aggregate	12,000,000
F	Errors & Omissions (Excess Policy)	ELU163265-22	10/01/22	10/1/23	Per Claim and Aggregate	10,000,000
G	Errors & Omissions (Excess Policy)	FI0121922	10/01/22	10/01/23	Per Claim and Aggregate	15,000,000
H	Cyber Liability	MTP903416504	05/01/22	05/01/23	Limit of Liability	10,000,000

Description of Operations / Other Information: See ADDITIONAL INFORMATION on the following page.

This Memorandum of Insurance serves solely to list insurance policies, limits and dates of coverage. Any modifications hereto are not authorized by Gallagher or the Insurance Companies.

ARTHUR J. GALLAGHER & CO. MEMORANDUM OF INSURANCE

ADDITIONAL INFORMATION

As respects GENERAL LIABILITY POLICY

ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES *

Endorsement Form # CG 20 11 04 13 modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

1. Designation of Premises (Part Leased to You): ANY PREMISES OR PART THEREOF LEASED TO YOU.
2. Name of Person or Organization (Additional Insured): ANY AND ALL PERSONS OR ORGANIZATIONS CONTRACTUALLY REQUIRING ADDITIONAL INSURED STATUS AS THE MANAGER OR LESSOR OF PREMISES TO YOU.
3. Additional Premium: INCLUDED

(If no entry appears above, the information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

We waive any right of recovery we may have against the person or organization where required by written contract because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only where required by written contract.

As respects PROPERTY

This policy insures against "All Risks" of physical loss or damage, except as excluded, to covered property while on Described Premises, provided such physical loss or damage occurs during the term of this policy. Coverage is subject to policy deductibles, terms, conditions and exclusions. Loss Payable clause included for whom Insured has agreed to per written contract.

IMPORTANT NOTICE

***All other Additional Insureds requests requires Legal approval and issuance of a Certificate of Insurance.**

***For special requests, such as a *WET SIGNATURE*, please contact the appropriate team: P&C – Doreen Morris or Therese Scamardo; E&O – Helen Ponce de Leon or Mari Maceri; Cyber – Jeremy Gillespie or Ariel Magrini.**

This Memorandum of Insurance serves solely to list insurance policies, limits and dates of coverage. Any modifications hereto are not authorized by Gallagher or the Insurance Companies.



Signature Page

Koff & Associates intends to adhere to all of the provisions described above.

This proposal is valid for 90 days.

Respectfully submitted,

By: KOFF & ASSOCIATES
State of California

Georg S. Krammer

April 6, 2023

Managing Director, Compensation and Rewards Consulting



Koff & Associates
A Gallagher Company