



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

15160 Jackson Road, Rancho Murieta, CA 95683

Office - 916-354-3700 * Fax - 916-354-2082

PERSONNEL COMMITTEE

(Directors Morrison Graf and Gerald Pasek)

Regular Meeting

July 3, 2018 at 10:30 a.m.

All persons present at District meetings will place their cellular devices in silent and/or vibrate mode (no ringing of any kind). During meetings, these devices will be used only for emergency purposes and, if used, the party called/calling will exit the meeting room for conversation. Other electronic and internet enabled devices are to be used in the "silent" mode. Under no circumstances will recording devices or problems associated with them be permitted to interrupt or delay District meetings.

AGENDA

- 1. Call to Order**
- 2. Comments from the Public**
- 3. Review 2017 Non-Represented Salary Range Adjustment**
- 4. Review Pay for Performance for Non-Represented**
- 5. Directors & Staff Comments/Suggestions [no action]**
- 6. Adjournment**

In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item and is distributed less than 72 hours prior to a regular meeting will be made available for public inspection in the District offices during normal business hours. If, however, the document is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting.

Note: This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. The date of this posting is June 29, 2018. Posting locations are: 1) District Office; 2) Rancho Murieta Post Office; 3) Rancho Murieta Association; 4) Murieta Village Association.

MEMORANDUM

Date: June 29, 2018
To: Personnel Committee
From: Mark Martin, General Manager
Subject: Adopt 2017 Non-Represented Staff Salary Range Adjustment

RECOMMENDED ACTION

Adopt the 2017 Non-represented Salary Ranges. The new non-represented salary ranges will be retroactive effective April 1, 2017 to align with the April annual review date approved in the Pay for Performance Manual update.

BACKGROUND

In September 2017, Koff and Associates completed a salary survey using the following comparator agencies: Amador Water Agency, Calaveras County Water District, City of Davis, City of Folsom, City of Galt, City of Modesto, City of Roseville, City of Woodland, City of Yuba City, Groveland Community Services District, Mammoth Community Water District, South Tahoe Public Utility District and Tuolumne Utilities District. For Security, the County of Sacramento, Elk Grove School District, Lake of the Pines Association, Lake Wildwood Association, Sacramento City Unified School District and Sacramento Municipal Utility District were used.

This study traditionally would have been accomplished in time to implement as part of the District's April 2017 unrepresented staff performance reviews but was delayed due to District leadership change. In light of this, the proposed range adjustments are recommended to be made retroactive to April 2017. The fiscal impact of this retroactivity is relatively minor as this action adjusts ranges only and does not automatically grant increases with the exception of unrepresented staff that are at the bottom of their range who would have their base salary adjusted to the new base salary level.

The General Manager reviewed each recommendation to determine the adequacy of the comparators and have found them to be generally reliable. In the recommendations provided, we have mostly followed the recommendations of the study. However, for four positions, Security Sergeant, Accounting Supervisor, Chief Plant Operator, and General Manager, we are recommending range increases to maintain the competitiveness of these positions while at the same time respecting fiscal constraints. The range increases are largely comparable to those recommended for other professional staff positions. Without the recommended range adjustments, these positions would reflect no change to salary range in over 4 years, something we believe imprudent given the current economy and employment market. It is also important to note the recommended range adjustments for all unrepresented staff is in recognition that no consumer price index (CPI) increases have been granted unrepresented staff since the last salary survey in 2014.

An adjustment to the salary range does not result in an automatic adjustment to any employee's rate of pay; unless the employee's current rate of pay falls below the minimum of their new salary range. The Pay for Performance manual allows for that employee's rate of pay to be increased to the minimum of the range if the employees is rated at least "meets standards" on their last performance evaluation. The proposed 2017 Non-represented Salary Ranges are attached.

Two (2) positions will be eligible for an increase to the minimum level of their adjusted salary range provided they were rated at least “meets standard” on their performance evaluation. These positions are Security Chief and Security Sergeant.

Please see attached table reflecting current salary ranges and proposed salary ranges.

**Proposed Unrepresented Staff Salary Schedule
 Rancho Murieta Community Services District
 Retroactive to April 2017**

Position	Range	Current Salary Range			Range	Proposed Monthly Salary Range			~ Range Increase
		Minimum	Control Point	Maximum		Minimum	Control Point	Maximum	
District Secretary	NR15	\$4,494	\$5,392	\$5,932	NR17	\$4,718	\$5,662	\$6,228	5.0%
Security Sergeant	NR16	\$4,603	\$5,524	\$6,076	NR18	\$4,834	\$5,800	\$6,380	5.0%
Accounting Supervisor	NR22	\$5,329	\$6,395	\$7,034	NR24	\$5,595	\$6,714	\$7,386	5.0%
Utility Supervisor	NR23	\$5,462	\$6,555	\$7,210	NR25	\$5,735	\$6,882	\$7,571	5.0%
Chief Plant Operator	NR27	\$6,022	\$7,226	\$7,949	NR29	\$6,323	\$7,588	\$8,347	5.0%
Controller	NR28	\$6,169	\$7,403	\$8,143	NR30	\$6,477	\$7,773	\$8,550	5.0%
Security Chief	NR29	\$6,323	\$7,588	\$8,347	NR31	\$6,639	\$7,967	\$8,764	5.0%
Director of Field Ops.	NR40	\$8,267	\$9,920	\$10,912	NR43	\$8,897	\$10,667	\$11,744	7.5%
General Manager	NR54	\$11,667	\$14,000	\$15,401	NR56	\$12,258	\$14,709	\$16,180	5.0%

MEMORANDUM

Date: June 29, 2018
To: Personnel Committee
From: Mark Martin, General Manager
Subject: Proposal to Prepare a Recommendation to Move to a Traditional Salary Range and Compensation Model for Unrepresented Staff

RECOMMENDED ACTION

Review merits of moving to a more traditional unrepresented staff salary range and compensation model. Receive direction to pursue an alternative to the existing unrepresented staff compensation program, including the existing Pay for Performance Program, and return to the Personnel Committee with a further developed proposal to take to the full Board.

BACKGROUND

I have now had time to review, absorb and conduct further research on the District's Pay for Performance (PFP) program. The PFP manual alone is 25 pages and something with which every unrepresented manager/supervisor/employee in the District must familiarize themselves. In brief, the program is very confusing, and I am not sure it actually accomplishes the intent to improve morale. I consulted with Koff who formulated the program asking her what percentage of her salary survey clients utilize such a system. She estimated five percent (5%). This is of her clients who specifically request she produce programs like this. Such a response leads me to believe the actual total population of public agencies who follow this approach is likely closer to one percent (1%) or less. Further, it is my understanding that during adoption of the current pay for performance program in 2011, Koff made clear that most agencies with pay for performance programs were moving to more traditional fixed salary ranged based systems.

The bottom line is this program is an anomaly in public agencies. In my entire public agency career, I have not come across another agency who follows a similar practice.

The Board's #1 priority Goal is to improve the Organization Structure of the District. This proposal is a key component to respond to this goal. Proper employee review and compensation is a big part of evaluating, compensating and retaining staff.

My recommendation is below:

1) PROPOSAL

- a. Move unrepresented staff salary ranges to more traditional set salary ranges with defined steps just as is the existing case with represented staff.
 - i. Staff would progress through steps annually upon completion of a satisfactory performance evaluations.
- b. Adjust unrepresented staff salary ranges to CPI as is the existing case with represented staff
 - i. Staff at top of range would only benefit from annual CPI adjustments that would adjust salary ranges in years outside of the salary surveys. In public agencies, represented and unrepresented staff typically receive the same adjustment. If CPI

adjustments work correctly, then future salary range adjustments should be minimal as incremental adjustments would be accomplished by the CPI adjustments. Even though topped-out employees would only receive CPI adjustments, they at least have certainty about compensation – this holds more value than you might imagine than having to fight for annual bonuses and be put in what is often an adversarial position with their supervisor and management. The carrot is dangled, but the top of range is often very difficult to accomplish. The fact this is not the case at the other agencies we compete with for staff, means staff are incentivized to move on to these other agencies because they have certainty with good performance they will reach the top of the pay range.

- ii. Represented and unrepresented staff would receive similar pay range adjustments. This will avoid conflicts between represented and supervisory unrepresented pay ranges because both pay ranges would generally adjust to CPI.
- c. Implement a new performance evaluation system for unrepresented staff
 - i. Transition to a performance evaluation similar to the University of the Pacific. In my prior role, I found the City of Stockton performance evaluation to be out of date and of questionable benefit. Unfortunately, HR required we continue with the antiquated evaluation questions, but conceded that we could create a supplemental review that touched on more modern expectations of employee contribution to an organization. We successfully implemented the supplemental evaluation for the Community Development Department to ensure staff understood expectations of a modern workforce. Included with this memo is a blank copy of the University's evaluation form and I recommend its implementation as the standard for the District unrepresented staff.
 - d. Adjust ranges periodically through contracted salary surveys (about every 3 years or so).
 - i. Periodic salary surveys would be conducted to check the market position of the District's salaries from a competitive perspective. An outside party can accomplish this much more quickly and objectively than District staff. This is a standard practice of most other local public agencies.

2) BENEFITS TO A MORE TRADITIONAL SALARY RANGE SYSTEM

- a. Staff would have more certainty of their compensation from year to year assuming acceptable performance reviews. This leads to more loyalty and certainty and avoids anxiety tied to not knowing what their annual compensation will be.
- b. It allows management to properly manage staff to performance expectations.
- c. The current system's objective was "Fair & Consistent Method for Pay Decisions." I argue this has not been the case.
- d. In my opinion, fixed ranges actually reduce the possibility of favoritism in establishing pay. Salaries are what they are, no argument with full transparency.
- e. A set salary step range would avoid the annual confrontation and hit to morale that occurs when the PFP is applied. Based on the existing system, often good and organizationally necessary unrepresented employees receive an increase below that granted to represented staff. This does not make sense.

- f. A set salary step range is truly transparent when comparing the District's compensation to other comparable public agencies. Right now, I would be hard pressed to say the ranges as established today and compared to other public agencies by the Koff salary survey is a fair comparison since employees at the other agencies are able to advance to top of scale with good performance without question. It takes considerably more effort to do the same at RMCS. If the existing program is intended to retain good staff, I contend it does not serve to accomplish this goal.
- g. Avoids compaction between represented staff ranges and that of their unrepresented supervisor. CPI increases are granted equally to represented and unrepresented staff.
- h. Brings more transparency and stability to budgeting. Management can more accurately forecast salary impacts to budget when preparing fiscal year budgets because they have a very good idea of where each employee will sit as far as salary step and ability to advance to a new step or if the employee is topped out.
- i. Moving to fixed ranges would align increases to coincide with Budget preparation. Right now, there are three (3) variables in play at different times, salary surveys, CPI increases, and merit increases. My understanding is that CPI increases have not occurred under the current system since inception although such increases were anticipated according to the PFP document and communications related to implementation of the program. Going to the new system would eliminate merit increases except for step increases. That said, an incentive program fully separate and apart from fixed salary ranges to recognize rare exceptional accomplishment could be considered, however, this is also very rare in public agencies as such programs rely on the subjective view of the individual granting the award.
- j. Aligning all staff to a similar system of increase, as is the case with a super-majority of public agencies, simplifies administration. The District does not have the luxury of administrative resources to maintain a highly complex and confusing administrative practice. Right now, beyond the General Manager, our Accounting Supervisor is the only supervisor or staff who fully understands the current system and it took me way too much time to understand the system. Senior management staff relies on the Accounting Supervisor to apply the program to their reviews, and I don't blame them. I was perplexed and in fact concerned the District had spent a great deal of time and resources developing a compensation system that was highly unique and complex and one that absorbs far too much management resources to administer. The question arose in my mind as to why a District that is challenged to perform its core function would burden itself with such a system? As a general matter of practice, I believe the District should endeavor to simplify standard administration to allow capacity to accommodate increased demands on its core responsibilities. Transitioning to a traditional compensation system would alleviate the steep learning curve for staff subject to and those supervisors having to apply the system on an annual basis.
- k. Under the new approach, performance reviews would be a comprehensive factoring of performance evaluation core competencies with that of goals and new directives given staff during a given fiscal year. The current heavy weighting of set goals (50%) on increases is very unreasonable given that new goals and District priorities occur on a regular basis mid-year and derail an employee's focus on goals set in the prior review. As set now, the good employee is penalized financially for immediately focusing on new ad hoc priorities

established by the Board and the General Manager. Management should have the flexibility to consider all factors including core competency, set goals, ad hoc assignments, and other factors in the overall evaluation of an employee's performance.

- I. The original thought behind the original program may have been to incentivize employees, however, I would argue the benefit is lost to the cost of staff morale and the administrative cost of implementing the complex system.

Recognizing there are many District priorities on our plate at this time, and there is further work needed to bring a full proposal forward, this memo is to start the discussion and to request the Personnel Committee's consensus that further work to propose a transition to a traditional compensation system is warranted.



**DEPARTMENT OF HUMAN RESOURCES
EMPLOYEE PERFORMANCE REVIEW**

LAST NAME: ID #	FIRST NAME:
Type of Appraisal: <input type="checkbox"/> Annual <input type="checkbox"/> Other (Please Explain):	
Position:	Hire Date:
<input type="checkbox"/> Exempt <input type="checkbox"/> Non-Exempt	Hired in Present Position:
Department:	Date of Last Review:
Supervisor: ID#	Date of This Review:

Performance Review Guidelines

This University of the Pacific’s performance review form is the standard form for summarizing and documenting, in writing, a record of employee performance and accomplishments. It is important that this documented performance record be accurate and comprehensive. Performance reviews are critical for the support of personnel decisions to promote, motivate, train and develop our employees.

A performance review is a combination of management by objectives and various key performance factors as determined by Human Resources. It is a review process based on measurable goals and behavioral competencies that serve as standards of performance. This process is designed to review performance and motivate employees by actively involving them in the process.

A formal performance review ensures that a thorough evaluation of all aspects of employee performance takes place based on previously discussed performance expectations; and that the evaluation is documented and effectively communicated to the employee.

All employees should know:

- What responsibilities and results they are accountable for;
- How their job effects their department’s and their division’s overall performance;
- How their work performance will be measured and evaluated.

Core Competencies

Rate the employee's capability or knowledge in the following areas in terms of their current role requirements. As appropriate, please provide in writing examples to support your assessment.

<p>Job Knowledge/Skills: Demonstrates understanding of the job and applies that knowledge in an effective and timely manner. Per the employee's job description, demonstrates the ability to satisfactorily meet the criterion of all essential job functions, knowledge and skills.</p> <p>Comments:</p>	<input type="checkbox"/> Exceptional performance <input type="checkbox"/> Meets all and exceeds some requirements <input type="checkbox"/> Meets requirements <input type="checkbox"/> Meets some but not all requirements <input type="checkbox"/> Does not meet requirements
<p>Organizational & Administrative Effectiveness: Demonstrates the ability to plan, organize, implement tasks and administer programs. Sets priorities and allocates resources appropriately. Develops and implements action plans to achieve established goals and objectives. Ties goals and objectives to the University's strategic plan.</p> <p>Comments:</p>	<input type="checkbox"/> Exceptional performance <input type="checkbox"/> Meets all and exceeds some requirements <input type="checkbox"/> Meets requirements <input type="checkbox"/> Meets some but not all requirements <input type="checkbox"/> Does not meet requirements
<p>Initiative: Takes ownership of work; doing what is needed without being asked. Follows through. Ability for self-direction, anticipates needs and identifying problems. Makes suggestions for more effective work methods and offers ideas for improvements.</p> <p>Comments:</p>	<input type="checkbox"/> Exceptional performance <input type="checkbox"/> Meets all and exceeds some requirements <input type="checkbox"/> Meets requirements <input type="checkbox"/> Meets some but not all requirements <input type="checkbox"/> Does not meet requirements
<p>Accountability: Accepts personal responsibility for the quality and timeliness of work. Follows through on commitments. Can be relied upon to achieve excellent results with little need for oversight.</p> <p>Comments:</p>	<input type="checkbox"/> Exceptional performance <input type="checkbox"/> Meets all and exceeds some requirements <input type="checkbox"/> Meets requirements <input type="checkbox"/> Meets some but not all requirements <input type="checkbox"/> Does not meet requirements
<p>Productivity: Uses appropriate productivity tools and methods to efficiently accomplish all tasks. Prioritizes workload effectively, completes work thoroughly, accurately and in a timely manner.</p> <p>Comments:</p>	<input type="checkbox"/> Exceptional performance <input type="checkbox"/> Meets all and exceeds some requirements <input type="checkbox"/> Meets requirements <input type="checkbox"/> Meets some but not all requirements <input type="checkbox"/> Does not meet requirements
<p>Coachability: Receptive to feedback; willing to learn; embraces continuous improvement.</p> <p>Comments:</p>	<input type="checkbox"/> Exceptional performance <input type="checkbox"/> Meets all and exceeds some requirements <input type="checkbox"/> Meets requirements <input type="checkbox"/> Meets some but not all requirements <input type="checkbox"/> Does not meet requirements
<p>Collegiality: Helpful, respectful, approachable, and team oriented; builds strong working relationships and a positive work environment.</p> <p>Comments:</p>	<input type="checkbox"/> Exceptional performance <input type="checkbox"/> Meets all and exceeds some requirements <input type="checkbox"/> Meets requirements <input type="checkbox"/> Meets some but not all requirements <input type="checkbox"/> Does not meet requirements

<p>Communication: Demonstrates the ability to express ideas, both verbally and in writing. Balances listening and talking; speaks and writes clearly and accurately; keeps others informed; adjusts language and terminology to meet the needs of the audience.</p> <p>Comments:</p>	<input type="checkbox"/> Exceptional performance <input type="checkbox"/> Meets all and exceeds some requirements <input type="checkbox"/> Meets requirements <input type="checkbox"/> Meets some but not all requirements <input type="checkbox"/> Does not meet requirements
<p>Judgment: Demonstrates the ability to gather information, organize, synthesize, and reach logical conclusions. Weighs alternatives and makes good decisions based on the facts of a situation.</p> <p>Comments:</p>	<input type="checkbox"/> Exceptional performance <input type="checkbox"/> Meets all and exceeds some requirements <input type="checkbox"/> Meets requirements <input type="checkbox"/> Meets some but not all requirements <input type="checkbox"/> Does not meet requirements
<p>Leadership: Demonstrates the ability to positively motivate and influence others to affect positive change and achieve goals. Uses effective interpersonal styles to build trust and accomplish results.</p> <p>Comments:</p>	<input type="checkbox"/> Exceptional performance <input type="checkbox"/> Meets all and exceeds some requirements <input type="checkbox"/> Meets requirements <input type="checkbox"/> Meets some but not all requirements <input type="checkbox"/> Does not meet requirements
<p>Customer Focus: Establishes and maintains a positive customer focused and student-centered work environment. Strives for high customer satisfaction, going out of the way to be helpful, courteous, and pleasant.</p> <p>Comments:</p>	<input type="checkbox"/> Exceptional performance <input type="checkbox"/> Meets all and exceeds some requirements <input type="checkbox"/> Meets requirements <input type="checkbox"/> Meets some but not all requirements <input type="checkbox"/> Does not meet requirements
<p>Respect in the Workplace: Consistently demonstrates respect and empathy for all people. Actively seeks to understand and include a wide spectrum of perspective and thought.</p> <p>Comments:</p>	<input type="checkbox"/> Exceptional performance <input type="checkbox"/> Meets all and exceeds some requirements <input type="checkbox"/> Meets requirements <input type="checkbox"/> Meets some but not all requirements <input type="checkbox"/> Does not meet requirements
<p>Innovation & Creativity: Seeks opportunities to explore new ideas or using something in a new way; puts new ideas into practice which creates change that has value and has a positive effect on student learning, service, or organizational performance.</p> <p>Comments:</p>	<input type="checkbox"/> Exceptional performance <input type="checkbox"/> Meets all and exceeds some requirements <input type="checkbox"/> Meets requirements <input type="checkbox"/> Meets some but not all requirements <input type="checkbox"/> Does not meet requirements

Goals and Objectives

Please state the employee goals from last year's performance review and evaluate the employee's progress. Include the SMART goals and objectives and the metrics measurement for each, indicate if the goal has been completed Yes/No, and describe the results and outcomes from each completed goal.

Previous Year:		
Goals/Objectives	Completed	Results & Evaluation
1.	<input type="checkbox"/> Yes <input type="checkbox"/> No	
2.	<input type="checkbox"/> Yes <input type="checkbox"/> No	
3.	<input type="checkbox"/> Yes <input type="checkbox"/> No	
4.	<input type="checkbox"/> Yes <input type="checkbox"/> No	
5.	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Upcoming Year:			
Goals/Objectives	Measurement	Target Dates	Expected Results
1.			
2.			
3.			
4.			
5.			

Growth & Development Plan

Please state the development goals from last year's performance review and evaluate the employee's progress. Include the learning and development SMART goal and the strategy or method used for development. Also indicate if the goals have been achieved Yes/No, and include the results or outcomes of the development endeavor(s). To include additional goals please attach a separate sheet with the required information.

Previous Year:

Development Goal:	
Method and Results:	Completed <input type="checkbox"/> Yes <input type="checkbox"/> No
Development Goal:	
Method and Results:	Completed <input type="checkbox"/> Yes <input type="checkbox"/> No

Upcoming Year:

Development Goal:	
Method and Target Date:	Resources Required:
Expected Results:	
Development Goal:	
Method and Target Date:	Resources Required:
Expected Results:	

Overall Performance Review Rating

Demonstrates Exceptional Performance in All Areas

- Is recognized as a leader and achieves performance results that far exceed those expected
- Demonstrates superior judgment and an ability to solve complex problems
- Is frequently consulted by peers and outside contacts
- Is a self-starter who requires almost no direction or supervision
- Almost always anticipates changes and takes initiative to adapt to them, often creating enhanced processes

Meets All & Exceeds Some Requirements of the Position

- Performance results consistently exceed those expected
- Makes recommendations for improvements to processes
- Demonstrates above average judgment and an ability to solve relatively complex problems
- Completes assignments and/or duties with very little direction or supervision
- Frequently anticipates changes and readily adapts to them, sometimes creating enhanced processes

Meets All Requirements of the Position

- Achieves results that consistently meet the requirements of the position and occasionally may exceed them
- Demonstrates ability to solve problems, makes few errors and seldom repeats errors
- Demonstrates a sound working knowledge of position accountabilities
- Completes work on schedule and requires an acceptable level of direction or supervision
- Anticipates changes and readily adapts to the change.

Meets Some, but Not All Requirements of the Position

- Achieves results that meet some, but not all, of the minimum requirements of the position
- Usually relies on others to solve problems and occasionally repeats errors
- Has basic working knowledge of position accountabilities
- Generally requires more direction or supervision
- Does not generally anticipate changes and/or adapts slowly when they occur

The supervisor and employee are to consult with Human Resources to develop an action plan to improve performance in the areas specified in this appraisal.

Does Not Meet the Requirements of the Position

- Does not achieve results that meet the minimum requirements of the position
- Makes errors consistently and often repeats the same mistakes
- Demonstrates an inability to perform key job functions despite repeated explanation and counseling
- Requires excessive direction or supervision
- Resists changes and does not readily adapt to them

The supervisor and employee are to consult with Human Resources to determine the appropriate course of action to address the employee's performance.

Comments

This space is provided for both supervisors and employees to provide additional comments regarding this performance review.

Supervisor:

Employee:

Employee's Signature: _____ Date:

Immediate Supervisor's Signature: _____ Date:

Administrator's Signature: _____ Date:

Human Resources Administrator: _____ Date: