



STEERING COMMITTEE

Agenda Report

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File #: 2023-3165

Agenda Date: 8/23/2023

Agenda Item No: 14.

FROM: Robert Thompson, General Manager
Originator: Laura Maravilla, Director of Human Resources

SUBJECT:

BENEFITS FOR UNREPRESENTED MANAGER GROUP EMPLOYEES

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Adopt Resolution No. OC SAN 23-16 entitled: "A Resolution of the Board of Directors of the Orange County Sanitation District Approving Benefits Adjustments for Unrepresented Manager Group Employees".

BACKGROUND

There are fifteen (15) employees in nine (9) manager classifications at the Orange County Sanitation District (OC San) who oversee staff within a particular Division and align performance with the goals of the agency.

The General Manager is recommending benefits changes for all Manager Group employees effective the first pay period in July 2023 to increase OC San's matching 457(b) contribution to an amount not to exceed \$500 a month; and a wellness stipend in the amount of \$100 a month.

Currently, the Manager Group's market position is at the 67th percentile for salary and the 66th percentile for total compensation based on June 2023 data. This is below the Board target of the 75th percentile, and the proposed benefit changes will move the group closer to the target.

The total cost of the recommendations for the Manager Group is approximately \$67,763 annually.

RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- Offer competitive compensation and benefits
- Cultivate a highly qualified, well-trained, and diverse workforce
- Maintain positive employer-employee relations

PROBLEM

OC San competes with other agencies to attract and retain talent. The current labor market provides many opportunities for highly qualified candidates, and OC San must adapt and remain competitive to ensure it is an employer of choice. Providing competitive pay and benefits compared to the labor market is key to supporting the ability to attract and retain top talent, especially at the highly impactful leadership level.

PROPOSED SOLUTION

Adopt Resolution No. OC SAN 23-16. This would provide the Managers Group benefit enhancements effective as of Fiscal Year 2023/2024 to strengthen their total compensation package and assist the organization with attracting and retaining highly qualified Manager Group employees.

TIMING CONCERNS

Salary and benefit changes generally take effect with the fiscal year in alignment with the budget.

RAMIFICATIONS OF NOT TAKING ACTION

Not taking timely action on benefit adjustments for unrepresented Manager Group employees may impact employee morale and loss of personnel.

PRIOR COMMITTEE/BOARD ACTIONS

September 2022 - Approved Resolution No. OC SAN 22-28 authorizing salary and benefit adjustments for unrepresented Manager Group employees for Fiscal Years 2022/2023, 2023/2024, and 2024/2025.

September 2019 - Approved Resolution No. OCSD 19-14 authorizing salary increases, salary range adjustments, and a minor increase to 457(b) matching contributions for unrepresented employees in the Managers Group for Fiscal Years 2019/2020, 2020/2021, and 2021/2022.

ADDITIONAL INFORMATION

N/A

CEQA

N/A

FINANCIAL CONSIDERATIONS

The costs of the proposed benefit changes are approximately \$67,763 annually for Managers. The funds for the additional benefits are included in OC San's operational budget.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Resolution No. OC SAN 23-16