



STEERING COMMITTEE

Agenda Report

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File #: 2025-4449

Agenda Date: 8/27/2025

Agenda Item No: 3.

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

SUBJECT:

**COMPENSATION AND BENEFITS FOR UNREPRESENTED EMPLOYEE GROUPS -
CONFIDENTIAL EXEMPT AND NON-EXEMPT**

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Adopt Resolution No. OC SAN 25-10 titled, "A Resolution of the Board of Directors of the Orange County Sanitation District approving salary and benefit adjustments for unrepresented exempt Confidential Group employees for Fiscal Years 2025-2026, 2026-2027, and 2027-2028;"
- B. Adopt Resolution No. OC SAN 25-11 titled, "A Resolution of the Board of Directors of the Orange County Sanitation District approving salary and benefit adjustments for unrepresented non-exempt Confidential Group employees for Fiscal Years 2025-2026, 2026-2027, and 2027-2028."

BACKGROUND

Confidential Group employees assist and act in a confidential capacity to and for persons who formulate, determine, and effectuate management policies with respect to Orange County Sanitation District (OC San) labor relations. They are not represented by a bargaining unit and instead may engage in informal discussions with OC San's General Manager (or designee) regarding wages, hours, and other terms and conditions of employment.

Salaries and benefits for Confidential Group employees historically have aligned with that of exempt employees in the Supervisory and Professional Management Group (SPMG) and non-exempt employees in the Orange County Employees Association (OCEA), respectively, as they are similarly situated based on the nature of the work they perform.

In July 2025, the Board of Directors approved the Memoranda of Understanding (MOUs) for Fiscal Years 2025 through 2028 providing salary and benefits changes for employees who are represented by a bargaining group. Historically, benefits for unrepresented employees are proposed for Board approval the month following approval and adoption of MOUs for represented employees.

The General Manager is recommending salary increases and corresponding salary range adjustments for Confidential Group employees (exempt and non-exempt) for the next three years as follows: 4.5%, 4.5%, and 3%. Additionally, the General Manager is recommending vision plan changes increasing the frame/contact lens allowance to \$195, safety boot allowance changes to \$250 for eligible employees, and other minor changes, summarized below.

Changes proposed for Confidential Group Exempt Employees only:

- Deferred Compensation
Effective the first full pay period in July 2025, employees covered by OCERS Plans B and U and who participate in the deferred compensation plan, are eligible to receive a matching OC San contribution up to \$445 per month.
- One-Time Lump Sum Payment
Employees hired or promoted into the group as of the last day of the first full pay period in July 2025 will receive a \$1,000 one-time payment. The payment shall not apply to employees hired after the first full pay period in July 2025.
- Administrative Leave
Effective the first pay period in July, regular full-time exempt employees shall be granted sixty (60) hours of Administrative Leave.

Changes proposed for Confidential Group Non-Exempt Employees only:

- Deferred Compensation:
Effective the first full pay period in July 2025, employees covered by OCERS Plans B and U and who participate in the deferred compensation plan, are eligible to receive a matching OC San contribution up to \$362 per month.
- Development Pay
Increase Education Pay to \$25 per pay period for an associate's degree, and \$50 per pay period for an undergraduate degree.

Staff proposes salary changes, salary range adjustments, and benefit changes to take effect the first pay period of July 2025, consistent with past Board action.

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
- Provide professional growth & development

PROBLEM

With the adoption of the MOUs between OC San and employees in SPMG and OCEA in July 2025, it is customary to align compensation and benefits for similarly situated unrepresented Confidential Group employees.

PROPOSED SOLUTION

Adopt Resolution No. OC SAN 25-10, titled, "A Resolution of the Board of Directors of the Orange County Sanitation District approving salary and benefit adjustments for unrepresented exempt Confidential Group employees for Fiscal Years 2025-2026, 2026-2027, and 2027-2028."

Adopt Resolution No. OC SAN 25-11, titled, "A Resolution of the Board of Directors of the Orange County Sanitation District approving salary and benefit adjustments for unrepresented non-exempt Confidential Group employees for Fiscal Years 2025-2026, 2026-2027, and 2027-2028."

TIMING CONCERNS

The Board of Directors approved three-year MOUs with SPMG and OCEA at the Board meeting on July 23, 2025. Historically, salary and benefit adjustments for similarly situated unrepresented Confidential Group employees are approved the month following approval and adoption of MOUs for represented employees.

RAMIFICATIONS OF NOT TAKING ACTION

Not taking timely action on salary and benefit adjustments for similarly situated unrepresented employees in the Confidential Group may impact employee morale and retention.

PRIOR COMMITTEE/BOARD ACTIONS

July 2025 - Approved Resolution Nos. OC SAN 25-06 and 25-08, adopting the MOUs with the OCEA and SPMG bargaining units for Fiscal Years 2025/2026, 2026/2027, and 2027/2028.

July 2025 - Staff presented in closed session at the Steering Committee and Board meetings on wages and benefits for unrepresented Confidential Group employees.

ADDITIONAL INFORMATION

There are currently sixteen (16) exempt level Confidential Group employees at OC San in seven (7) classifications, as follows:

- Clerk of the Board
- Assistant Clerk of the Board
- Human Resources Analyst
- Human Resources Supervisor
- Principal Human Resources Analyst
- Secretary to the General Manager
- Senior Human Resources Analyst

There are currently four (4) non-exempt Confidential Group employees at OC San in two (2) classifications, as follows:

Human Resources Technician I
Human Resources Technician II

CEQA

N/A

FINANCIAL CONSIDERATIONS

The total three-year cost of the proposed salary changes, salary range adjustments, and benefit changes for Confidential Group employees is approximately \$986,773.

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted.

ATTACHMENT

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

- Proposed Resolution No. OC SAN 22-10 (Exempt Confidential Group)
- Proposed Resolution No. OC SAN 22-11 (Non-Exempt Confidential Group)
- Current Salary Schedule - Confidential Group