



STEERING COMMITTEE

Agenda Report

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File #: 2024-3727

Agenda Date: 7/24/2024

Agenda Item No: 4.

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

SUBJECT:

BENEFITS FOR UNREPRESENTED EXECUTIVE MANAGEMENT EMPLOYEES

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Adopt Resolution No. OC SAN 24-XX entitled: "A Resolution of the Board of Directors of the Orange County Sanitation District Approving Benefit Adjustments for At-Will Executive Management Team Employees Commencing on Fiscal Year 2024-2025".

BACKGROUND

There are seven EMT at-will employees who provide leadership, strategic direction, and department oversight for the Orange County Sanitation District (OC San). These at-will employees are in the following job classifications:

- Assistant General Manager
- Director of Communications
- Director of Engineering
- Director of Environmental Services
- Director of Finance
- Director of Human Resources
- Director of Operations & Maintenance

The General Manager is recommending benefit changes effective the first pay period in July 2024, for a total annual cost increase in the amount of \$54,000, as follows:

Benefit Type	Current Benefit	Proposed Change	Current Cost (Annual)	Cost Increase (Annual)
457(b) Deferred Compensation - Matching Employer Contribution	OC San matching contribution for an amount not to exceed \$300 per month for EMT employees assigned to the classic open (B) or PEPRA (U) retirement plans	Increase to an amount not to exceed \$500 per month, change eligibility to apply to all EMT employees	\$7,200	\$28,800
Technology Allowance	N/A	\$100 per month for eligible technology-related items and services	\$0	\$8,400
Auto Allowance	\$500 per month	Increase to \$600 per month	\$36,000	\$8,400
Wellness Stipend	N/A	\$100 per month for eligible physical and mental wellness expenses	\$0	\$8,400
		Total	\$43,200	\$54,000

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 executive leadership level.

PROPOSED SOLUTION

Adopt Resolution No. OC SAN 24-XX authorizing benefit changes for at-will EMT employees effective as of Fiscal Year 2024-2025 to strengthen their total compensation package and assist the organization with attracting and retaining employees in these critical positions.

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, at-will EMT employees, may impact attraction and retention of key personnel.

PRIOR COMMITTEE/BOARD ACTIONS

September 2022 - adopted Resolution No. OC SAN 22-27, entitled, "A Resolution of the Board of Directors of the Orange County Sanitation District Approving Salary and Benefit Adjustments for Unrepresented Executive Management Team Employees for Fiscal Years 2022/2023, 2023/2024, and 2024/2025".

September 2019 - adopted Resolution No. OCSD 19-13 entitled, "A Resolution of the Board of Directors of the Orange County Sanitation District approving salary increases, salary range adjustments, and a minor increase to 457(b) matching contributions for At-Will Executive Management Team employees for Fiscal Year 2019/2020, Fiscal Year 2020/2021, and Fiscal Year 2021/2022", authorizing the General Manager to implement increases consisting of a 3% salary range adjustment annually and corresponding salary increases and up to a 5% merit increase annually based on job performance as determined by the General Manager, not to exceed Step 5 of the corresponding salary range, commencing in the first pay period of July 2019 fo Fiscal Year 2019/2020.

ADDITIONAL INFORMATION

N/A

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with the authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Budget FY 2024-25 and FY 2025-26, Section 5, Page 5, Operating Budget) and the budget is sufficient for the recommended action.

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 24-XX