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DATE: July 15, 2024

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Brian Cochran, Assistant City Manager  
Linda Le, Director of Human Resources  
Aman Kaur, Senior Human Resources Analyst

SUBJECT: Resolution Amending the Classification and Compensation Plan by Revising the Pay Ranges of Unit 8 Positions

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### **RECOMMENDATION**

It is recommended that the City Council adopt the attached Resolution Amending the Classification and Compensation Plan by Revising the Pay Ranges of Unit 8 Positions.

### **BACKGROUND**

Unit 8 consists of executive and management level positions, including department heads and Assistant City Attorneys. The individuals in this unit serve in at-will positions at the pleasure of the City Manager and are compensated pursuant to the Compensation Plan for the unit, which is approved by the City Council. Employees in Unit 8 are not represented by a recognized employee organization. The existing Unit 8 Compensation Plan is effective July 1, 2023 through June 30, 2026.

In order to position the City as an “employer of choice” in a tight labor market, the City is endeavoring in employment branding strategies, including the creation of well-defined organizational values and innovation with creative ways to effectively recruit. Moreover, recent challenges with recruiting and retaining executive level personnel have demonstrated the immeasurable impact of instability on subordinate staff and the City organization as a whole warranting prompt review. To help address these challenges, the City employed the services of Bryce Consulting, Inc., classification and compensation consultant (Consultant), to conduct a total compensation survey (Survey) for the City. A total compensation survey serves to evaluate the compensation structure through market analysis. Market analysis is a common exercise in which the City of Petaluma is analyzed in relation to recognized comparable agencies, typically local agencies within roughly 50 miles, with a comparable size, operation, and staffing needs to give an idea of how similarly situated positions compare to those in Petaluma.

## **DISCUSSION**

In the current market, recruiting and retaining qualified and experienced staff continues to be an ongoing challenge. In many cases, the City of Petaluma is competing directly with comparable agencies for top talent and evaluating the salary, organizational structure, etc. are tools the City must consider when faced with recruitment and retention challenges. Due to these challenges and the City's intent to recruit and retain top talent, staff utilized the results of the Survey as well as a review of internal relationships to recommend the below revisions to the pay ranges for Unit 8 positions. Furthermore, market-based equity adjustments are independent of any cost-of-living adjustment (COLA) and will be implemented in an additive (non-compounded) fashion. Both the COLA<sup>1</sup> and market equity adjustments are reflected in the below salary table and will be effective the first full pay period following July 1, 2024:

<b>EFFECTIVE THE FIRST FULL PAY PERIOD FOLLOWING JULY 1, 2024</b>							
UNIT 8 - MANAGEMENT							
Current Classification Title	COLA <sup>1</sup>	Equity Adj.	Total	PAY CYCLE	Monthly Salary Ranges		
					Minimum		Maximum
ASSIST CITY MANAGER	3.0%	5.1%	8.1%	MONTHLY	16,226.68		21,055.52
ASSIST CITY ATTORNEY	3.0%	7.9%	10.9%	MONTHLY	15,171.61		18,442.23
ASSISTANT TO CITY MANAGER	3.0%	0.0%	3.0%	MONTHLY	10,251.09		12,458.77
DIRECTOR OF COMMUNITY DEVELOPMENT	3.0%	9.6%	12.6%	MONTHLY	15,603.09		20,247.28
DIR OF ECONOMIC DEV & OPEN GOVERNMENT	3.0%	0.0%	3.0%	MONTHLY	13,194.04		17,124.77
DIRECTOR OF PARKS AND RECREATION	3.0%	7.3%	10.3%	MONTHLY	14,129.15		18,338.47
DIRECTOR OF HUMAN RESOURCES	3.0%	2.0%	5.0%	MONTHLY	13,213.64		17,146.88
DIRECTOR OF FINANCE	3.0%	0.0%	3.0%	MONTHLY	14,363.80		18,638.02
DEPUTY CITY MANAGER / DIRECTOR OF FINANCE	3.0%	2.7%	5.7%	MONTHLY	15,108.06		19,604.86
DIR OF PUBLIC WORKS & UTILITIES	3.0%	9.6%	12.6%	MONTHLY	15,603.09		20,247.28
FIRE CHIEF	3.0%	11.7%	14.7%	MONTHLY	18,712.31		22,454.77
POLICE CHIEF	3.0%	3.3%	6.3%	MONTHLY	17,167.57		22,743.79
NOTE: Salaries are approximate and may vary slightly due to rounding							
<sup>1</sup> Pursuant to Resolution# 2023- 168 N.C.S., the City Manager is authorized in their discretion to provide up to a 3.0% COLA.							

The recommended pay ranges include bringing compensation up to market median consistent with the City Council's goal to recruit, hire, retain, and advance a workforce that is diverse, representative, skilled, talented, and prepared to meet the demands of a full-service City. The recommended pay ranges consider internal comparison and standard industry practices to address compaction and compression<sup>2</sup>. Moreover, implementing these pay range revisions reinforces the City's desire to remain competitive, attract top talent, and supports retention, which in turn will provide stability in leadership and bolster institutional knowledge.

## **PUBLIC OUTREACH**

This agenda item was noticed in compliance with the California Brown Act.

## **COUNCIL GOAL ALIGNMENT**

The ratification of this action aligns with the City Council Goal of "A City That Works For Everyone." This objective includes recruiting, hiring, retaining, and advancing a workforce that

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<sup>1</sup> The existing Unit 8 Compensation Plan provides the City Manager authorization in their discretion to provide up to an additional three percent (3.0%) base wage increase for all Unit 8 positions.

<sup>2</sup> Compaction and compression occurs when there is little or no margin in pay between positions regardless of differences in their respective knowledge, skills, experience, or abilities.

is diverse, representative, skilled, talented, and prepared to meet the demands of a full-service City.

### **ENVIRONMENTAL REVIEW**

The proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15378(b)(4), in that, approving this action does not meet CEQA's definition of a "project," because the action does not have the potential for resulting either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, and because this is a personnel-related action that constitutes organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

### **FINANCIAL IMPACTS**

The estimated cost of the revised pay ranges for Unit 8 is \$266,480 in the first year, \$226,125 allocated to the General Fund and \$40,355 to Non-General Funds.

### **ATTACHMENTS**

1. Resolution