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DATE: August 5, 2024

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

FROM: Linda Le, Director of Human Resources  
Aman Kaur, Senior Human Resources Analyst

SUBJECT: Resolution Amending the Classification and Compensation Plan and Authorizing and Eliminating Position Allocations Associated with the Reorganization of the Department of Public Works and Utilities by 1) Establishing the Classifications and Pay Ranges of Director of Public Works and Director of Water Resources and Utilities; 2) Authorizing the Position Allocations of One Director of Public Works and One Director of Water Resources and Utilities; and 3) Eliminating the Classification and Position Allocation of Director of Public Works and Utilities

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### **RECOMMENDATION**

It is recommended that the City Council adopt the attached Resolution Amending the Classification and Compensation Plan and Authorizing and Eliminating Position Allocations Associated with the Reorganization of the Department of Public Works and Utilities by:

1. Establishing the Classifications and Pay Ranges of Director of Public Works and Director of Water Resources and Utilities;
2. Authorizing the Position Allocations of One Director of Public Works and One Director of Water Resources and Utilities; and
3. Eliminating the Classification and Position Allocation of Director of Public Works and Utilities.

### **BACKGROUND**

As a result of budget reduction strategies in 2011, the City's public works and water and utilities operations were consolidated under one department managed by a single department head, Director of Public Works and Utilities (PW&U Director). This position is responsible for overseeing the activities and operations of the Public Works and Utilities Department, including engineering, water systems and conservation, utilities administration, wastewater treatment and recycling, streets, fleet, storm drain, Right-of-Way landscape maintenance and

operations, capital improvement program planning and implementation, traffic, floodplain administration, local transit, marina, and airport operations. The PW&U Director provides oversight over a department of approximately 128 allocated positions and reports directly to the City Manager.

The PW&U Director position was recently vacated in March 2024, creating a void in an essential department for City operations. Prior to commencing recruitment to fill the vacancy, the City has been working to evaluate the existing department organizational structure to ensure it is apt to meet the existing and future goals of the department and City. Public works in general is the combination of physical assets, management practices of policies, and human capital management necessary to provide and sustain infrastructure and essential services in support of the quality of life of the community. Due to the complexity of the functions within the Public Works and Utilities Department as well as the scope of programs and divisions, staff recommends creating two distinct departments to increase effectiveness and efficiency; subsequently, establishing a Department of Public Works (DPW) and a Department of Water Resources and Utilities under the direction of two separate department directors.

## **DISCUSSION**

The existing department organizational structure and related work areas encompass the majority of our City divisions and programs, City Council priorities, and community expectations. Dividing the existing structure into two departments under the leadership of two distinct directors allows the City to align fiscal and people resources to complete essential projects citywide. This distinctive new organizational structure will also support the City in recruiting executives in roles who have expertise in the areas they will lead resulting in greater strategic alignment. DPW is focused on a recently approved \$57 million dollar capital improvement plan, including repair and maintenance of our roads, while Water Resources and Utilities is dedicated to the protection and support of utilities and water in the city and the \$82 million dollar utility fund.

The Director of Public Works will direct manage, oversee, and integrate the activities and operations of the Public Works Department, including engineering, development engineering, streets operations, fleet, streetlights, Right-of-Way landscape maintenance and operations, capital improvement program planning and implementation, traffic engineering and planning, floodplain administration, local transit, marina, and airport operations [Exhibit A]. While the Director of Water Resources and Utilities will focus on directing, managing, overseeing, and integrating the activities and operations of the Water Resources and Utilities Department, including programs related to municipal water supply, storage, distribution, groundwater, water conservation, metering, and customer service programs; wastewater collection, treatment, industrial pretreatment, water recycling; utilities administration and engineering; storm drain maintenance and operations; and the regulatory stormwater program [Exhibit B].

On July 15, 2024, the Council revised the pay ranges of Unit 8 positions, including an adjustment of the PW&U Director’s salary. A market analysis<sup>1</sup> of our comparable agencies with a similar organizational structure as recommended here (i.e., two distinct departments), shows that both directors are typically paid the same. Therefore, the recommendation is to internally align the salaries of the two department heads and set them to match the recently updated pay range of the PW&U Director:

Current Classification Title	PAY CYCLE	Monthly Salary Ranges	
		Minimum	Maximum
Director of Public Works	MONTHLY	15,603.09	20,247.28
Director of Water Resources and Utilities	MONTHLY	15,603.09	20,247.28

**NOTE: Salaries are approximate and may vary slightly due to rounding**

**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 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 recommended action results in an additional position allocation of a department director and the total financial impact, including salary and benefits, ranges from approximately \$172k-\$311k annually, with \$56k-\$126k allocated to the General Fund and \$116k-\$185k to Non-General Funds. The current FY 2024-25 adopted budget can absorb these costs through salary savings on other vacant positions and potential use of appropriated operating budget.

**ATTACHMENTS**

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<sup>1</sup> 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 provide an idea of how similarly situated positions compare to those in Petaluma.

1. Resolution

- Exhibit A - Director of Public Works Class Specification
- Exhibit B - Director of Water Resources and Utilities Class Specification