



Legislation Details (With Text)

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On agenda: 3/15/2021 **Final action:** 3/15/2021
Title: Approve and authorize execution of an Agreement with Public Sector Personnel Consultants, Inc. (PSPC) to conduct a Citywide Classification and Compensation Study
Attachments: 1. Att#1 PSPC Class & Comp Study Contract, 2. Att#2 City of Montebello Staff Report & Contract, 3. 3/12/21 Sup Com - Bruno Email

Date	Ver.	Action By	Action	Result
3/15/2021	2	City Council/Public Financing Authority	approved	Pass

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Oliver Chi, City Manager

PREPARED BY: John Clark, Interim Administrative Services Director

Subject:

Approve and authorize execution of an Agreement with Public Sector Personnel Consultants, Inc. (PSPC) to conduct a Citywide Classification and Compensation Study

Statement of Issue:

The City last conducted a large-scale Classification and Compensation Study in 2006. Periodic reviews of the City's classification plan help ensure internal structural alignment, simplify existing classification structures, address recruitment and retention needs, and conduct a comparison within the City's employment market. Staff is seeking City Council approval for an agreement with Public Sector Personnel Consultants to conduct a comprehensive Classification and Compensation Study. Further, coordinating such a study is a requisite per our current Memoranda of Understanding with the Huntington Beach Municipal Teamsters, Huntington Beach Police Officers' Association, and Huntington Beach Management Employees' Organization.

Financial Impact:

The proposed agreement with PSPC is for an amount not to exceed \$175,000. Funds for the Classification and Compensation Study are included in the Fiscal Year 2020/21 budget (Non-Departmental Fund 10040101.69365).

Recommended Action:

Approve and authorize the Mayor and City Clerk to execute "Professional Services Contract Between the City of Huntington Beach and Public Sector Personnel Consultants, Inc. for a City-Wide Classification and Compensation Study" in the amount of \$175,000.

Alternative Action(s):

Reject the agreement and direct staff accordingly. While City staff could perform the analytical functions of the study, the scope of the project is such that the work could not be completed in a timely fashion, nor without neglecting other essential duties.

Analysis:

One of the foundational requirements for maintaining a fair and effective merit-based employment system is an accurate and comprehensive classification and compensation ("Class & Comp") plan. A Class & Comp plan organizes all of the job descriptions in the City into logical job families (just what it sounds like, e.g., the "finance job family") and the job series contained within each family (e.g., "accounting technician I", "accounting technician II", etc.). The goal is to have a logical Class & Comp plan that shows how all of the employees in the City are organized and the promotional ladders between jobs. Conducting a comprehensive Class & Comp study from time to time ensures a useful and accurate Class & Comp plan.

The key element in a Class & Comp study is comparing all of our jobs to those of other agencies in our employment market. While there are exceptions, Huntington Beach generally competes with other Orange County cities for new employees, whether entry-level or promotional. For the proposed Class & Comp study, it is recommended that Huntington Beach use the following cities as "comparator" agencies: Anaheim, Santa Ana, Irvine, Garden Grove, Orange, Fullerton, Costa Mesa and Newport Beach. These cities are full-service or nearly full service (Garden Grove and Irvine contract for Fire) and have populations over 100,000, except Newport Beach (86,000), which is included because they face similar issues as a beach city.

The consultants performing the Class & Comp study will compare our job descriptions and total compensation (salary and benefits) to those in the eight comparator cities. Because it has been more than 15 years since Huntington Beach completed a large-scale Class & Comp study, there has been considerable "drift," where our Class & Comp plan has become outdated and poorly related to our market. This does not necessarily mean that our compensation varies significantly from our market. In our case, much of the drift has taken the form of creating unique single-position job descriptions that do not exist elsewhere in our market. For example, Huntington Beach has some 350 unique job descriptions for a workforce of about 850 full-time employees. This unwieldy situation makes it difficult for employees to promote to higher-level jobs, obscures logical relationships between similar jobs, and creates inequities where equivalent work is being treated differently and potentially paid differently.

Concern about the state of our Class & Comp plan is shared by the collective bargaining units representing our employees. The Memoranda of Understanding with Huntington Beach Municipal Teamsters, Huntington Beach Police Officers' Association, and Huntington Beach Management Employees' Organization all require the City to conduct a Class & Comp study; the other employee organizations are also supportive of the effort.

Administrative Services worked with the Finance Department to identify multiple firms that had recently been awarded contracts to conduct citywide Class & Comp studies through the PlanetBids portal. From this selection, City management interviewed multiple consultants experienced in this field. The result of that process is a recommendation to engage Public Sector Personnel Consultants

(www.compensationconsulting.com <<http://www.compensationconsulting.com>>) to conduct the study. PSPC has worked all over the Western United States. Here in Orange County, they have conducted studies for the cities of Santa Ana, San Clemente, and San Juan Capistrano. The City procured the recommended three-year contract with Public Sector Personnel Consultants utilizing a contractual agreement awarded by the City of Montebello through their competitive bid process (see attachment 2). This process is authorized through the City's municipal code section 3.02.190 (C) 2.

The Class & Comp study will have three phases:

Phase I will be a compensation survey of our local market, using the eight comparator cities referenced above. This phase will be mostly analytical work by PSPC, using publicly-available data.

Phase II will entail PSPC developing a representative classification plan based on the eight comparator cities in our market. This will show job families and job series put into a logical order, essentially a "model" Class & Comp plan.

Phase III will be PSPC working in close conjunction with bargaining units, City departments, and Human Resources staff to take that representative classification plan and make it into a usable and practical classification plan tailored to Huntington Beach's specific needs. This last phase will include migrating some classifications that do not exist in our market to more representative classifications.

Creating an updated Class & Comp plan for our City is not intended to be a budget-cutting/increasing measure, or as a substitute for the collective bargaining process. The goal is to create a Huntington Beach classification plan that is representative of our job market *as it currently exists, using publicly-available data that anyone can reference themselves*.

If the City Council approves the recommended contract, PSPC will be on site soon thereafter for meetings that all employees will be invited to attend, so that PSPC can outline the process, answer questions, and provide information and examples from their consulting work. Many employees will be asked to fill out "position description questionnaires" (PDQs), so that the consultants will have adequate representative samples. Additionally, all employees will have the option to submit PDQs and other supporting information to assist the consultants in their analysis of our workforce.

Although it is subject to change based on unforeseen factors, PSPC believes the entire project will be completed in approximately 6-7 months.

Environmental Status:

Not applicable.

Strategic Plan Goal:

Non Applicable - Administrative Item

Attachment(s):

1. Agreement with Public Sector Personnel Consultants
2. City of Montebello Staff Report and Contract