

City of Calistoga

Staff Report

TO: Honorable Mayor and City Council

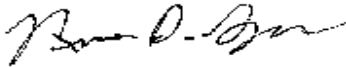
FROM: Gloria Leon, Administrative Services Director

VIA: Richard Spitler, City Manager

DATE: September 16, 2014

SUBJECT: Consideration of a Resolution to enter into a Professional Services Agreement with Koff & Associates to conduct a Classification and Compensation Study in an amount not to exceed \$35,000

APPROVAL FOR FORWARDING:



Richard D. Spitler, City Manager

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2 **ISSUE:** Consideration of a Resolution to enter into a Professional Services Agreement

3 with Koff & Associates to conduct a Classification and Compensation Study in an amount

4 not to exceed \$35,000.

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6 **RECOMMENDATION:** Adopt Resolution.

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8 **BACKGROUND/DISCUSSION:**

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10 Over the past five years the City has eliminated positions, departments have been

11 consolidated and restructured and employees are picking up more of the benefits

12 provided by the City because of economic conditions. As a result of these changes, the

13 scope and level of work performed by City staff has changed. In addition, most of the

14 labor contracts expire in December 2013. Requests for salary increases are likely,

15 however, there is no basis to determine if any individual position is appropriately

16 compensated.

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18 With the exception of the Fire Department, the City has not conducted a comprehensive

19 classification and compensation study since 1999. A study in 1999 was done by DMG-

20 Maximus to review miscellaneous employees and two non-sworn positions in the police

21 department. Koff and Associates in 2002 was hired to a limited scope study of

22 outstanding issues from the 1999 study. Koff & Associates addressed 6 positions within
23 the organization for further review. Changes to the pay structure were implemented in
24 both studies as was recommended by the consultants.

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26 In July 2013 the CPFA (firefighters) and the City agreed to conduct a classification and
27 compensation study prior to June 30, 2014. In April 2014 Ronny J. Coleman from
28 Fireforceone presented a final draft on policies, practices and compensation regarding
29 the Calistoga Fire Department. The report by Fireforceone indicated the current
30 compensation for a full-time firefighter in the City of Calistoga was higher than the
31 average when compared to other cities. The Fire Chief was paid below market rates.
32 However, it was challenging to compare Calistoga's organizational structure to other
33 cities as it is quite different. It is recommended that Koff & Associates study include the
34 firefighter position (and fire chief) within the scope of their study for another review of
35 their compensation status.

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37 The CPEA (miscellaneous), the unrepresented mid-managers and department heads
38 also have current contracts requiring the City to conduct a classification and
39 compensation study on or around June 30, 2014. The City agreed to request proposals
40 from professional management consultants; all classifications in the bargaining units
41 would be studied; positions would be evaluated to determine internal equity; develop a
42 salary survey methodology, including determining the appropriate labor market, survey
43 agencies and benchmark positions; and the City shall make the final determination on the
44 results of the study and share results with the bargaining unit designees when final draft
45 recommendation is reached.

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47 Presently, there is no contract with the Calistoga Police Officers Association and so there
48 is no mandate that a classification and compensation study be conducted. However, it is
49 advisable to do so, as it will be cost effective to do it along with the other positions and it
50 may assist in labor negotiations.

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52 On July 15, 2014 a Request for Proposal (RFP) to conduct a classification and
53 compensation study was prepared and distributed to a number of consultants. As cited in
54 the RFP the objective of the study is to update the City's Classification and
55 Compensation Plan, recognizing the changes in business, organizational and
56 employment conditions. The new plan will include revised job descriptions, job
57 classifications and salary and benefit schedules commensurate with labor markets. A
58 thorough evaluation of the horizontal and vertical structure of the existing system is
59 required; seeking parity both internal and external.

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61 Seven proposals were received, with bids ranging from \$24,400 to \$61,500 and are
62 identified as follows:

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64

65	1. The Mercer Group	\$24,750
66	2. Bryce Consulting	\$28,200
67	3. CPS HR Consulting	\$30,000
68	4. Koff & Associates	\$33,508
69	5. Condrey & Associates	\$35,000
70	6. Nyhart Eppler	\$41,750
71	7. Milliman	\$61,500

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73 Differences in bids are primarily due to two things: 1) the use of existing industry
74 databases and 2) the number of onsite visits and direct involvement with employees
75 throughout the study.

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77 After a thorough analysis of the proposals by the review panel, three of the firms were
78 invited for a one-one-one meeting. From this effort it was determined that Koff &
79 Associates best fit the City's needs. The work plan is comprehensive in that it addresses
80 the scope of services as identified in the RFP. It will take approximately 3 months to
81 complete the study. Furthermore, Koff & Associates demonstrated it has the requisite
82 experience and expertise to perform the study. References include many California
83 cities, including, City of Lafayette, City of Sausalito, City of Novato, City of Palo Alto, City
84 of Compton, City of Anaheim and City of Dinuba.

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86 **Consistency with City Council Goals and Objectives:** The recommended action
87 supports the FY 2014/15 City Council Goal No. 2 under Priority Projects to evaluate and
88 adjust staffing levels if appropriate to provide optimum service.

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90 **FISCAL IMPACT:** The City budget for FY 14-15 allocated \$40,000 for a comprehensive
91 Classification and Compensation Study from account 01-4172-4402. Koff & Associates'
92 proposal has a budget of \$33,508, with added work at \$108/ hour. Staff is
93 recommending that the agreement have a budget not to exceed \$35,000 to cover
94 potential added costs.

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96 **ATTACHMENTS**

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98 1. Draft Resolution
99 2. Draft Professional Services Agreement with Koff & Associates
100 3. Classification and Compensation Study Proposal with Koff & Associates

RESOLUTION NO. 2014-XXX

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA,
COUNTY OF NAPA, STATE OF CALIFORNIA AUTHORIZING THE
EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH KOFF &
ASSOCIATES TO CONDUCT A CLASSIFICATION AND COMPENSATION
STUDY IN AN AMOUNT NOT TO EXCEED \$35,000**

Authorizing Agreement No. _____

1 **WHEREAS**, economic conditions have altered the employment market
2 and as agencies change compensation packages and consolidate classifications
3 it becomes challenging to equate positions for comparison; and
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5 **WHEREAS**, over the past five years the City has eliminated positions,
6 departments have been consolidated and restructured and employees are
7 picking up more of the benefits provided by the City because of economic
8 conditions; and
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10 **WHEREAS**, the City has not conducted a full classification and
11 compensation study since 1999; and
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13 **WHEREAS**, three bargaining units, Calistoga Professional Firefighters'
14 Association, Calistoga Public Employees' Association, Unrepresented Mid-
15 Management and Department Heads, have contracts requiring the City to
16 conduct a classification and compensation study prior to expiration on December
17 31, 2014; and
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19 **WHEREAS**, a Request for Proposal (RFP) to conduct a classification and
20 compensation study was prepared and distributed to a number of consultants for
21 the purpose of updating the City's Classification and Compensation Plan
22 recognizing the changes in business, organizational and employment conditions;
23 and
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25 **WHEREAS**, the review panel determined the proposal submitted by Koff
26 & Associates best fit the City's needs and Koff & Associates demonstrated it has
27 the requisite experience and expertise to perform the study.
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29 **NOW THEREFORE BE IT RESOLVED THAT**, the City Council of the City
30 of Calistoga hereby authorizes the City Manager to enter into a professional
31 services agreement with Koff & Associates in the amount not to exceed \$35,000
32 to conduct a public sector classification and compensation study in accordance
33 with the Professional Services Agreement as set forth in Exhibit A to this
34 resolution, with allowance for non-substantive changes as deemed appropriate
35 by the City Manager.
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PASSED, APPROVED AND ADOPTED by the City Council of the City of Calistoga at a regular meeting held this **16th day of September, 2014**, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

CHRIS CANNING, Mayor

ATTEST:

KATHY FLAMSON, Deputy City Clerk