CITY OF BANNING
STAFF REPORT

TO: **CITY COUNCIL**

FROM: **Arturo Vela, Acting City Manager**

PREPARED BY: **Nicole Jews, Human Resources Manager**
Art Vela, Acting City Manager

MEETING DATE: **September 9, 2025**

SUBJECT:
Consideration of Resolution 2025-121, Amending the Classification & Compensation Plan for the City of Banning Related to the Finance Director and Human Resources Director Positions

---

RECOMMENDATION:

Adopt Resolution 2025-121.

BACKGROUND:

We have two critical vacancies in two executive level positions, Finance Director and Human Resources Director that are highly needed right now given the challenges we are currently facing as a City.

We are well along with the Finance Director recruitment and there is a substantial dearth of qualified applicants that our Executive Recruiter ("Recruiter") has seen since our last check in. The Recruiter has mentioned that our current salary is not competitive with the ever-changing labor market. The Human Resources Director is a new position recently created by Council action and we are in the midst of a recruitment for this position as well.

It is critical that we adopt a more current salary schedule now for these positions to improve our chances of attracting qualified applicants.

We presented new salary recommendations at your August 26th meeting and the Council chose not to approve those at the time.

The two comments we heard were: 1) questions about including Riverside and Colton in the survey and 2) some would like to see the salaries for other City Directors.

Since we used the same comparators that were used in our last City-wide Classification and Compensation study, we are hesitant to deviate from this City-wide practice. This may cause unintended compaction issues between Directors and subordinates.

Nonetheless, it would be appropriate to have a discussion around our City-wide compensation philosophies and methods with your Council, given this was all designed before the current Council had been seated.

However, time is of the essence for these two key positions. As a result, we have modified our recommendation to reflect possible Council concerns. We will facilitate a more comprehensive conversation about our City-wide compensation practices at a later date.

The key decisions that we made to develop this new recommendation include the following:

1. We don't think we should pull Riverside and Colton from our compensation surveys because it leaves too small of a remaining survey pool, only four comparators as an indicator of the labor market.
2. However, rather than allow Riverside and Colton to pull the average salary up, we think the survey median is a more appropriate data point to use rather than the average. This lessens the impact of these two cities on the overall survey.
3. We also added five (5) more cities to the survey. We think this gives a more comprehensive view of the labor market.
4. Finally, we surveyed only for the top step in the respective pay ranges. This is the best apples-to-apples comparison.

We have provided 2 options, Option 1 with the original comparators that we presented on August 26th, but with the survey Median and Average. And then we added an Option 2, which includes additional comparators. We also listed the current top steps for other Banning Directors at the bottom of the attachments.

The Finance Director salary data is in Attachment A. The Human Resources Director data is in Attachment B. We have highlighted in yellow our recommended salary.

Finally, since we use predesignated Pay Ranges or Grades, we assigned the Pay Grade that most closely resembles our recommendation on the top step from the survey.

JUSTIFICATION:

We are using common compensation practices that is similarly practiced throughout the public sector labor market. Our underlying goal is to simply remove our salary as a barrier to getting or keeping qualified employees.

We think the median salary of our survey is justified.

FISCAL IMPACT:

Finance Director

The current Pay Grade is D01 with a pay range of $159,401 to $215,650. Our recommendation is to use the median of the larger survey pool (Option #2) or $240,682 as the target salary. Thus, we recommend Pay Grade D06 with a range of $180,348 to $243,989, which amounts to an increase to the base wage of $20,947 to $28,339.

The next lowest Pay Grade (D05) would be $175,949 to $238,038.

Human Resources Director

The current Pay Grade is D01 with a pay range of $159,401 to $215,650. Our recommendation is to use the median of the larger survey pool (Option #2) or $219,660 as the target salary. Thus, we recommend Pay Grade D02 with a range of $163,387 to $221,043, which amounts to an increase to the base wage of $3,986 to $5,393.

The next lowest Pay Grade (D01) would be $159,401 to $215,650.

ALTERNATIVES:

Do not adopt Resolution 2025-121 and provide alternative direction to staff.

BUDGETED?:

No

CONTRACT/AGREEMENT:

No

ATTACHMENTS:

1. Finance Director Determination.pdf
2. HR Director Determination.pdf
3. Resolution 2025-121.docx