



ITEM ID: 2024-108-0

TRANSMITTAL DATE: January 5, 2024

MEETING DATE: January 12, 2024

TO: Executive Committee

FROM: Ilyssa DeCasperis, Chief People Officer

SUBJECT: Classification and Compensation Plan Review - Final Report

Issue

Staff is providing an update on the progress to date and key milestones associated with the Classification and Compensation Plan Review.

Recommendation

Receive and file.

Strategic Commitment

This report aligns with the Strategic Business Plan commitment of:

- **Modernizing Business Practices:** Staff's recommendations contribute to this goal by ensuring that the Authority provides competitive classification and salary ranges to current and future employees to recruit, retain and invest in a qualified and diverse workforce.

Background

At the March 25, 2022 Board meeting, the Board authorized the Chief Executive Officer (CEO) to award Contract No. SP573-22 to The Segal Company (Segal) for the Authority's Classification and Compensation Plan Review after a review of four (4) bids for this procurement. Segal initiated its work with Human Resources on July 22, 2022. As of the time of this writing, Segal has not yet provided their final report. The final report with recommendations for the Authority's classification and compensation analysis will be

presented by Segal at the Executive Committee meeting. The last classification and compensation study was authorized by the Board December 11, 2015 and the final report was presented to the Board June 9, 2017.

Discussion

After submitting a draft of the final report to the Agency in July 2023, Segal made changes to the final version of their report and submitted it to Human Resources in August 2023. Segal's initial draft condensed the compensation plan from Metrolink's current "A-V" pay grading system to a "1-15" grading system. Overall, Segal's analysis and recommendations remained the same, however, two pay grades were added to provide more flexibility when negotiating compensation agreements for two classifications that report directly to the Board of Directors. This culminated in a "1-17" pay grading system.

Metrolink's Human Resources Department staff reviewed each recommendation and thoroughly vetted each line to make certain the data was correct and synchronized with our staff population and current salaries. This undertaking required an extensive amount of work by HR staff as it also required synchronizing the data to include the merit increases for FY23 which were issued in December 2023.

During this assessment the project manager for this endeavor left the agency just as the review got underway; additionally, other staffing changes resulted in diminished capacity among HR staff to make timely revisions to the consultant's product. Furthermore, there were extensive engagements between the consultant and Metrolink at the highest levels.

Segal's findings included a comparison of compensation and benefits information from eleven (11) public sector entities, comprised of four (4) local government peers and seven (7) transportation peers. The study also included three (3) published data sources representing private sector employers. Segal evaluated total compensation elements from the peer agencies, including base pay practices, pay supplements, paid leave, health related benefits and retirement plans.

Budget Impact

The initial adjustments for the classifications that were identified as being under market in the Segal study will result in an estimated \$142,002 increase to salaries. Please note that any salary and compensation changes for employees represented by the Amalgamated Transit Union (ATU) Local 1277 will continue to be appropriately discussed and negotiated as part of the collective bargaining process.

Next Steps

Proposed Implementation Plan

Human Resources has reviewed the final report and discussed the findings with each of the Authority's Executive Leadership Team members to ensure that changes implemented as a result of the study are aligned with business needs and fit within the structure and mission of the organization. At this juncture, certain elements (listed below) of the final report will be

implemented as suggested by Segal, while some elements will be further reviewed, evaluated, and modified by HR staff in consultation with the CEO over the next several months.

- Amend the Classification and Salary Plan to reflect the new salary grade plan proposed by Segal.
- Adjust the salaries of employees who were identified as being under market in the Segal study.
- Address internal compression and equity concerns by adjusting salaries of affected employees.
- Begin the process of reclassifying employees, ensuring no negative impact to current employees with respect to pay, level and title.
- Implement and administer salary and classification adjustments consistent with the provisions of the Board adopted HR Policy No. 2.1 -Wage and Salary Administration (Attachment A).

Please note the General Counsel, Director, Audit and CEO classifications are included in the study; however, because these classifications are direct reports to the Board, any adjustments related to these classifications and pay will be handled separately consistent with the employment agreements.

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Approved by: Ilyssa DeCasperis, Chief People Officer

Attachment(s)

[Attachment A - HR-2.1 Wage and Salary Administration - Salary Program Administration](#)