



**ITEM ID:** 2024-165-0

**TRANSMITTAL DATE:** March 1, 2024

**MEETING DATE:** March 8, 2024

**TO:** Executive Committee

**FROM:** Roxanne Randolph, Interim Chief People Officer

**SUBJECT:** Proposed Amendments to the Agency's Classification and Salary Plan and Market Adjustments to Employee Compensation

**Issue**

Board approval is needed of proposed amendments to the Agency's Classification and Salary Plan and market adjustments to employee compensation, in accordance with HR Policy No. 2.1.

**Recommendation**

It is recommended that the Executive Committee recommend that the Board:

1. Amend the Agency's Classification and Salary Plan and adopt it by resolution; and
2. Approve proposed market adjustments to employee compensation.

**Strategic Commitment**

This report aligns with the Strategic Business Plan commitment of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees. Staff's recommendations contribute to this goal by ensuring that the Authority provides competitive salaries to recruit and retain a qualified and diverse workforce.

## **Background**

HR Policy No. 2.1, Wage and Salary Administration – Salary Program Administration, states that salary studies shall be obtained at least once every five (5) years by an independent outside classification and compensation consultant. In 2017, an agency-wide classification and compensation study was conducted by The Segal Group, a Human Resources (HR) consulting firm. In 2022, the Agency once again selected The Segal Group to conduct an agency-wide study, in conjunction with the Human Resources Department. The findings were presented at the January 12, 2024 Executive Committee meeting and January 26, 2024 Board meeting.

The primary goal of the project was to review Metrolink's Classification and Salary Plan and make recommendations to ensure internal equity and external market competitiveness. The work was designed to ensure that employees are compensated consistent with their job responsibilities, and that our pay structure is competitive with the market.

## **Discussion**

Segal, which completed its study in late 2023, recommended changes to the Classification and Salary Plan to reflect best practices and ensure that it is consistent, easy to understand and aligns with current market conditions. The changes include moving from 22 grades (Grades A – V) to 18 grades (Grades 1 – 17, with Grade 11 split into two separate ranges) and ensuring a consistent 55% spread between the minimum and maximum of each salary range. Additionally, changes to classification titles and grades were recommended as a result of the study. The proposed amendments to the Classification and Salary Plan are described in detail in the salary resolution (Attachment A).

Also recommended were market adjustments to the compensation of fifteen (15) employees, generally between five and ten percent, for an estimated total cost of approximately \$140,000.

HR Policy No. 2.1 states the following:

- The Board of Directors shall review the proposed Classification and [Salary] Plan and shall amend and adopt it by resolution.
- Market adjustments to employee compensation are subject to approval by the Board of Directors.

Therefore, staff is recommending the approval of the salary resolution (Attachment A) to amend the Classification and Salary Plan (Attachment B). Additionally, staff is recommending the approval of the market salary adjustments for the 15 employees as shown in Attachment C.

## **Budget Impact**

The amount of the salary increases for the 15 employees is included in the Adopted Operating Budget for FY2023-24.

## **Next Steps**

To comply with Government Code 20630, 20636 and 20636.1 and pursuant to these requirements, the Agency will transmit the approved and adopted Classification and Salary Plan to CalPERS. Additionally, the Plan will be posted on the Agency's Careers Page.

Job title and salary changes will be implemented, effective the beginning of the next pay period following Board approval, and employees will be notified of their changes.

Prepared by: Roxanne Randolph, Interim Chief People Officer

Approved by: Roxanne Randolph

**Attachment(s)**

[Attachment A - FY24 Salary Resolution - Effective 3-29-24](#)

[Attachment B - Proposed FY24 Classification and Salary Plan - Rev. 03.29.24](#)

[Attachment C - Proposed Market Adjustments](#)

[Presentation - Classification and Salary Plan and Market Adjustments](#)