



Agenda Item No. (3)

To: Rules, Policy and Industrial Relations Committee/Committee of the Whole Meeting of May 23, 2024

From: Kellee J. Hopper, Deputy General Manager, Administration and Development  
Denis J. Mulligan, General Manager

Subject: **DISCUSSION AND POSSIBLE ACTION REGARDING A COMPENSATION POLICY FOR NON-REPRESENTED EMPLOYEES**

**Recommendation**

The Rules, Policy and Industrial Relations Committee recommends that the Board of Directors consider approving the following compensation policy for all Non-Represented District classifications.

“The Golden Gate Bridge, Highway and Transportation District (District) is committed to providing a fair, flexible and competitive compensation program that will attract and retain employees at all levels. The compensation program’s policies and procedures will be consistent with the District’s Equal Employment Opportunity-Affirmative Action Program.

The District strives to provide total compensation for each position that is about the average of the total compensation for the same position at other Bay Area agencies. Using salary survey findings, if a position’s total compensation is more than five percent below market from the average of all of the comparator agencies, then as part of the District’s next budget adoption process that position’s salary will be considered for reassignment to the closest District pay band that brings the total compensation to about the median from comparator agencies. This may be done by reassigning the position to a higher pay band that most closely aligns to the target salary or may require individual adjustment of the salary band to remedy the situation.

If any adjustment creates a compression issue with an adjoining position or a professional development plan, those positions will be identified for discussion and consideration for adjustments. The recommended comprehensive package of all positions proposed to be adjusted will be submitted as part of the budget process for Board approval.”

This matter may be presented to the Board of Directors at its May 24, 2024, meeting for appropriate action.

### Summary

Recently the Golden Gate Bridge, Highway and Transportation District (District) completed a comprehensive salary study of represented and non-represented positions, and the survey results were presented to the Rules, Policy and Industrial Relations Committee (Rules Committee) who provided staff with direction for additional activities associated with the findings.

At last month's Rules Committee meeting an item was brought forward, and subsequently approved by the Board, to address positions most significantly below market competitiveness. The Committee also directed staff to return with a draft comprehensive salary policy for committee consideration that would systematically keep positions from getting well below market competitiveness levels. Such a policy would use the data from the salary survey to identify non-represented positions that are below market for consideration for an adjustment to about the median total compensation level in the market. It was understood that this policy would not impact the majority of District employees who are represented and would continue to discuss compensation concerns in the collective bargaining process. This policy would also not apply to District officers.

As noted in the most recent study, the vast majority of District positions are competitive or highly competitive with market targets. However, five (5) positions were in excess of 15 percent below market rate, so the Board approved an adjustment to those classifications in the April 2024 meeting. There are about 30 additional positions that are at least five percent below market when the study was completed last year. While they may not be significantly below market competitiveness, they are still out of market and below the median which could discourage attractive candidates to apply and current employees to remain with the District.

Salary surveys are completed every three years, typically in advance of negotiations with represented classifications at the beginning of the year. This allows the District and represented units to be able to have the most current salary and compensation data available during the negotiation cycle. For that reason, it is recommended that salary adjustments be considered for implementation during the budget development for the fiscal year beginning on July 1 of the year that the survey is completed. Any positions identified with their total compensation as being more than five percent below the average of all the comparator agencies would be included for consideration for an adjustment as part of the budget development process.

Furthermore, while salary reviews will occur during the above-mentioned salary survey cycle, there may be rare occasions where an off-cycle salary request is warranted. An *off-cycle salary request* is any request for a pay increase that occurs outside the scheduled salary survey cycle.

Any off-cycle salary request must be presented to the Human Resources Department for review and for final determination if the request is justified, compatible with the market, and consistent with the District's salary administration guidelines. If the Human Resources Department has determined that the request is justified to be considered as an off-cycle request, this recommendation will be presented to the Rules Committee and then the Board for review and approval. Otherwise, any other off-cycle request shall be further reviewed and/or addressed during the scheduled salary survey cycle.

Additionally, some salary adjustments may create a compression situation with a classification near it or the professional development plan of which it is a part. For that reason, staff will evaluate the specific circumstances to determine if the secondary position warrants a slight adjustment to alleviate the compression issue. Staff would include those positions in the budget package as part of the survey findings process for Board approval.

In addition, the policy would delegate to the Human Resources Department the discretion to include in the budget package recommendations for compensation adjustments for positions that either do not have sufficient matches to be included in the survey or did not garner three matches. When sufficient matches are not available, the Human Resources Department would support its recommendations by benchmarking these positions to similar positions in the District and using the change/or lack thereof to those positions as a guide. Without this, authority some of the District's unique positions would fall outside the reach of this compensation policy.

### **Fiscal Impact**

It is difficult to accurately calculate the fiscal impact of this policy until the position-by-position analysis has been completed. However, it is estimated that it will be in the hundreds of thousands the first time it is implemented as the District catches up the compensation levels of some of its positions then dropping to lower levels after subsequent salary surveys and proposed changes in future District budgets. An exhibit in the budget will detail the exact amount of any proposed change in compensation costs. Any increase under this policy would occur after Board action and would carry forward to future years as part of the District's base compensation costs.

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