



**CITY OF PACIFIC GROVE**  
300 Forest Avenue, Pacific Grove, California 93950

**AGENDA REPORT**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Thomas Frutchey, City Manager  
**MEETING DATE:** November 18, 2015  
**SUBJECT:** Second reading of an ordinance amending the classification schedule for the Human Resources Manager position  
**CEQA:** Does not constitute a "Project" under California Environmental Quality Act (CEQA) Guidelines Section 15378.

**RECOMMENDATION**

Hold second reading and adopt an ordinance to amend the classification schedule for the Human Resources Manager position.

**DISCUSSION**

Council held second reading and adopted this ordinance at the November 4, 2015, meeting. However, due to a miscommunication, the matter was published after the November 1, 2015 date necessary to adhere to Article 15 of the City's Charter.

No changes have been made to the ordinance following its approval on first reading. This ordinance was published as required by the City Charter, on November 13, 2015.

The City's classification and compensation schedule identifies the job classifications that have been approved by Council (e.g., Maintenance Supervisor) and the hourly rates of pay for each classification at each step authorized by the Personnel Rules. Pursuant to Pacific Grove Municipal Code (PGMC) Section 4.20.280, approval and amendment to the classification schedule must be adopted by the Council. In the past, such amendments have frequently been made by ordinance.

The last three Human Resource (HR) Managers the City has employed have not had dedicated experience in human resources; they have come to the position from other fields. This has led to a long learning curve as well as the need to retain outside expertise. For example, the City retained outside assistance for negotiating labor agreements with all three represented groups this past cycle. That outside expertise comes at a much higher hourly rate.

The City's just-completed recruitment for a new HR Manager was not successful. If we had hired the best-qualified candidate, we would have also had to retain an experienced HR professional on contract, to oversee the candidate's development and performance on several complex issues. This would have been necessary, because with recent changes in workers

compensation law, the affordable care act, and other legislation, Human Resources is becoming an increasingly technical field.

Unsuccessful recruitments for HR Managers have been pretty typical in this current employee attraction climate; Monterey and Carmel also conducted unsuccessful recruitments for their HR managers. Carmel responded by increasing the compensation they are offering to \$47.95 per hour, at bottom step. This is almost 60% higher than the compensation we currently offer at bottom step (\$30.18 per hour). This will assist Carmel in attracting qualified candidates; for us to take the same approach is not recommended, however, given: our different financial condition; our commitment to compensate at 95% of median; the need for this position to undertake the full range of HR activities, including some fairly mundane paper processing; and to not disrupt appropriate internal consistencies.

We have continued to talk with other public sector employers about shared HR services; the improving economy has diminished their interest. We have also discussed contracting out our HR services with several firms; we have not yet located a local firm with the expertise in the broad range of public sector employment practices that we feel is necessary. We will continue both of these efforts.

In addition, before initiating a new recruitment, a slight adjustment in compensation is necessary and appropriate, to reflect the increasing complexity of the job. The proposed 11% increase would bring the HR Manager position in line with: Senior Planner, Housing Program Manager, and Engineering Technician. Rather than conduct a salary survey, which would be expensive and time consuming, we discussed these options with Bobbi Peckham, of Peckham & McKinney. She believes this is amply justified, given what Peckham & McKinney is observing in working with other public sector employers.

The proposed hourly salary schedule for the identified positions is as follows.

<b>Position</b>	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>Step 4</b>	<b>Step 5</b>	<b>Step 6</b>	<b>Step 7</b>	<b>Step 8</b>
Human Resources Manager	33.48	35.15	36.91	38.76	40.70	41.71	42.76	43.82

There is a 5% differential between each step through Step 5, and a 2.5% increase for each of the three longevity steps.

**OPTIONS**

1. Do nothing
2. Approve minor changes to the wording of the ordinance. Minor, non-substantive changes would not require a new first reading.
3. Provide alternative direction.

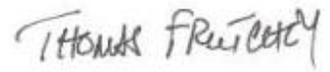
**FISCAL IMPACT**

None, given the reduction in outside expertise that will be needed.

**ATTACHMENTS**

1. Ordinance amending the full-time position classification schedule

RESPECTFULLY SUBMITTED:

A handwritten signature in black ink that reads "THOMAS FRUTCHEY". The signature is written in a cursive, slightly slanted style.

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Thomas Frutchey  
City Manager

**ORDINANCE NO. 15-\_\_\_\_\_**

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE  
AMENDING THE FULL-TIME POSITION CLASSIFICATION SCHEDULE**

**WHEREAS**, the Human Resources Manager position in the City is vacant and a recruitment to fill the position is necessary; and

**WHEREAS**, the field of Human Resources management is becoming increasingly technical; and

**WHEREAS**, in order for the City to be competitive and recruit the most qualified candidates, an amendment to the full-time position salary schedule is recommended; and

**WHEREAS**, staff recommends amendment of the classification salary schedule for the Human Resources Manager position; and

**WHEREAS**, the salary schedule for the identified position is amended accordingly; and

**WHEREAS**, any amendment to the classification plan must be adopted by the City Council pursuant to Pacific Grove Municipal Code (PGMC) Section 4.20.280; and

**WHEREAS**, any future amendments to the classification plan may be adopted by the City Council by resolution; and

**WHEREAS**, in the enactment of this ordinance, the City followed the guidelines adopted by the State of California and published in the California Code of Regulations, Title 14, Section 15000, et seq. Enactment of this ordinance action does not constitute a “project” as defined by California Environmental Quality Act (CEQA) because it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment pursuant Section 15378.

**NOW, THEREFORE**, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE:

SECTION 1. The foregoing recitals are adopted as findings of the City Council as though set forth fully herein.

SECTION 2. That certain position classification plan approved and adopted by the City Council pursuant to PGMC § 4.20.280 is hereby amended to create the Human Resources Manager classification, with the salary schedule as indicated:

<b>Position</b>	<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>Step 4</b>	<b>Step 5</b>	<b>Step 6</b>	<b>Step 7</b>	<b>Step 8</b>
Human Resources Manager	33.48	35.15	36.91	38.76	40.70	41.71	42.76	43.82

SECTION 4. The City Manager is directed to execute all documents and to perform all other necessary City acts to implement this Ordinance.

SECTION 5. In accord with Article 15 of the City Charter, this ordinance shall become effective upon adoption hereof.

**PASSED AND ADOPTED** BY THE COUNCIL OF THE CITY OF PACIFIC GROVE  
this 18th day of November 2015, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

\_\_\_\_\_  
BILL. KAMPE, Mayor

ATTEST:

\_\_\_\_\_  
SANDRA KANDELL, Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
DAVID C. LAREDO, City Attorney