



District Attendees

Dave Underwood	Board President
Misha Sarkovich	Board Vice President
Michael McRae	Board Member – Personnel Committee Chair
Randy Marx	Board Member
Tom R. Gray	General Manager
Stacy Miller	HR Administrator/Executive Assistance

Other Attendees

Shellie Anderson	Bryce Consulting
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Absent

AGENDA ITEMS

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I. Call to Order

The meeting was called to order at 5:30 p.m.

II. Public Comment

None.

III. Discussion

1. Discussion on the Fair Oaks Water District’s Salary and Compensation Survey

- Chair McRae stated that data points/sources were to be selected for the salary survey.
- General Manager Gray suggested the following order of discussion; 1. the contract, 2. data points and 3. Board parameters.
- General Manager Gray provided the Board with a copy of the Bryce Consulting “Compensation Study Cost Estimate,” stating that with Board approval, staff recommends using this cost estimate to create the contract.
- General Manager Gray was given approval to move forward with the

contract. Ms. Anderson stated she would sign the contract upon receipt and provide FOWD with proof of insurance.

- General Manager Gray confirmed with Ms. Anderson that the current status of the survey is at task #2 reflected on the cost estimate as “Review and Confirm Survey Parameters with the District.”
- Chair McRae asked for clarification on payment schedule. Ms. Anderson stated that Bryce Consulting would bill monthly for hours used on tasks in the previous month.
- Vice President Sarkovich asked how long the survey would take and Ms. Anderson responded that it would take six-weeks until conclusion.
- General Manager Gray stated that the goal was to have the survey completed in enough time so that it could be incorporated in to the budget process.
- General Manager Gray stated that he has given Ms. Anderson the current FOWD Organizational Chart, updated Salary Ranges for 2016, and will provide updated Job Descriptions to her by Wednesday, September 7, 2016.
- V.P. Sarkovich asked how many agencies would be used in the comparison, Ms. Anderson suggested ten.
- V.P. Sarkovich stated he would like all District’s in the San Juan Water District Family to be used (in the study) due to similar cost structures. He stated that Folsom and Roseville are “cities” and would not be a fair comparison.
- General Manager Gray asked Ms. Anderson if she would be able to get Orange Vale Water to participate and she stated that they have not cooperated in the past. She stated that they are a private agency. She stated that she could offer them the results of the completed survey as incentive to participate. V.P. Sarkovich asked if General Manager Gray could call the General Manager of Orange Vale Water and ask for their participation. General Manager Gray stated he would call; however, the answer he has received in the past is that they do not release their data.
- Chair McRae stated that in the last Personnel Committee meeting, Ms. Anderson was asked to provide her recommendation of what comparable agencies to use in the survey. Ms. Anderson distributed a “Labor Market Analysis” prepared for FOWD along with “Labor Market Parameters” and “Recommended Data Elements.”
- Ms. Anderson explained the criteria used in the agency selection. She stated that some cities and larger agencies, although providing multiple types of service, break out their water budget which allows for comparison. She stated they can be equally comparable if criteria such as number of employees, operating expense, water distribution services and geographical area similarly line up with that of Fair Oaks Water District.
- Ms. Anderson stated that even though some agencies may not compare in numbers they are still a viable competitor for talent, something we

may wish to consider. General Manager Gray confirmed that Sacramento County is one of them.

- V.P. Sarkovich and Chair McRae stated that they were OK with Ms. Anderson's suggestions for comparison. Ms. Anderson asked to include one extra agency to use in the event she could not get Orange Vale to participate. V.P. Sarkovich suggested Amador Water Agency; stating cities would not be a fair comparison.
- Board Member Marx stated that if similar job duties are used as the main comparison it shouldn't matter if the agency is small or big. Ms. Anderson confirmed that she would not be using job titles but job descriptions in the study. Board Member Marx stated that he felt it is more important to use those agencies such as Roseville City in the comparison as that is where people go when they leave FOWD.
- Chair McRae confirmed that the agency selection for the study would be those Ms. Anderson suggested on the Labor Market Analysis (those in gray), Orange Vale Water if possible, and the City of Roseville, for a potential total of twelve.
- General Manager Gray stated that he provided Ms. Anderson with a Board approved org chart as use for classification comparison. Ms. Anderson proposed use of the recommended survey classifications which appear on the "Labor Market Parameters." She proposed, where multiple levels existed, such as DSOI, DSOII, etc., that the level II be used as the benchmark with a percentage applied in either direction to compensate for other levels in the classification.
- Ms. Anderson asked for clarification on whether or not to include the General Manager classification. V.P. Sarkovich stated he would like it included. Chair McRae asked if it should be kept separate and V.P. Sarkovich stated it should be listed with all of the other data in the survey.
- Ms. Anderson stated the survey would not provide actual salaries for each position but salary ranges instead. Chair McRae confirmed that the survey would provide each position within the District with a salary range.
- V.P. Sarkovich asked why the maximum base salary would be used. Ms. Anderson explained that it was agreed to use the median of the maximum salaries to determine salary ranges; she stated she would provide both the minimum and maximum for each salary range. She explained that by using the median, the results would be less likely to be skewed by outliers.
- V.P. Sarkovich questioned how salary ranges will determine if staff is underpaid or overpaid. H R Administrator Miller explained that actual salaries could be compared to the suggested ranges and determined if they are within market value. She stated ranges would also allow for analysis of entry level vs. more tenured employees per classification.
- V.P. Sarkovich questioned the structure of the salary ranges; percentage between ranges, levels of classification, steps, etc. He

inquired as to whether other Districts have the same ranges. Ms. Anderson stated that everyone has a different structure; it's up to the individual agency.

- General Manager Gray provided committee with a copy of previous Bryce Consulting Survey (SSWD) showing the total compensation breakdown to assist in understanding the data points. Ms. Anderson explained each data point and how Bryce Consulting calculated the results.
- General Manager Gray suggested to the Board that Ms. Anderson also provide consultation on new salary ranges with respect to percentages between the minimum and maximum. He stated that this could provide the District with a standard. Ms. Anderson stated this could provide the District with consistency as well.
- General Manager Gray recommended to the Board that they look at the Districts' current Employee Compensation policy, and once they get the salary survey results consider how they will amend the policy so that staff can follow it for implementation. Management will wait for direction from the Board.
- Chair McRae stated that Ms. Anderson had suggested having an independent salary survey every 5 years. General Manager Gray suggested putting that in the policy.
- Ms. Anderson questioned the District's certification incentive pay and asked if it should be used as data in the compensation survey. General Manager Gray stated FOWD's incentive is a one-time payment only not a salary increase. V.P. Sarkovich and Chair McRae stated it should not be used as data in the survey. Ms. Anderson stated it would be difficult to compare this type of payment as it is different than most Districts.
- Chair McRae asked if everyone was OK with the data points.
- GM Gray stated the importance of a *total compensation* study. He explained that Bryce consulting provides this service where gathering all of that type of data is very cumbersome for staff.
- Ms. Anderson stated she has everything she needs to get started; agency selection, target the median and what data to collect. General Manager Gray confirmed delivery of job descriptions by next Wednesday.
- Chair McRae thanked everyone for attending, stating everyone was on the same sheet of music and it (salary survey) should go smoothly.

IV. Adjournment

With no further business to come before the Board, Chair McRae adjourned the meeting at 6:30 p.m.

The Board approved the preceding minutes on September 12, 2016

Tom R. Gray
General Manager/Board Secretary

Date