

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	10/23/17	Open	Action	10/16/17

Subject: Delegating Authority to the General Manager/CEO to Approve Position Allocations and Authorized Allocation Modifications and Promotional and One Time Salary Increases

ISSUE

Whether or not to approve a Delegation of Authority to the General Manager/CEO to approve various administrative changes related to position control and promotional salary provisions as applied to non-represented employees.

RECOMMENDED ACTION

Adopt Resolution No. 17-10-____, Delegating Authority to the General Manager/CEO to Approve Position Allocations and Authorized Allocation Modifications and Promotional and One Time Salary Increases.

FISCAL IMPACT

There is no fiscal impact resulting from the recommended actions.

DISCUSSION

Summary: This proposed action will result in delegation of authority to the General Manager/CEO allowing him/her to approve position allocation modifications and internal promotional salary provisions that do not exceed a fiscal impact of \$20,000 in the fiscal year in which the action is taken.

Position Allocation and Authorized Position Modification

Each year, SacRT presents to the Board a balanced budget for the upcoming fiscal year. Contained within the budget are the total number of positions, including existing authorized positions, increases/decreases to Division/Department position levels, labor budgets, etc. Any necessary modifications are then included within mid-year revision(s), and again balanced against revenues. Each necessary position is outlined within the budget and/or revised budget and accounted for by Human Resources Position Control and the Office of Budget Management.

However, from time to time it becomes necessary to modify the allocation of a position due to changes in responsibilities or reorganization of duties. These modifications result from a recommendation to reclassify a position to a higher level or create a new position that most appropriately encapsulates the role that is needed. In either instance, the original position is contained within the current budget and any salary increases related to the position allocation are identified by the department prior to the finalization of the recommendation. Delegating authority to the General Manager/CEO to approve position allocations that are a result of a position exchange, will not impact the total position count.

Approved:

Presented:

Final 10/18/17

General Manager/CEO

Director, Human Resources

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Promotional Salary Compression Issues

As we move through our strategic initiatives, it is essential that we create the most effective leadership team possible by ensuring those leaders continuously create value, act as change agents for the organization, and ensure SacRT is prepared for the future. While we strive to make certain our human capital policies reflect regional and industry best practices, due to long-standing policies related to the salary limits imposed on the promotion of internal candidates, we find instances where salary increases associated with the promotion are creating compression issues between the newly promoted Manager and their subordinates.

Current policy states an internal candidate will receive a 5% increase to their base salary upon promotion and a 5% increase at successful completion of their 90 day probationary period, representing a total of a 10% increase to the base of the employee's salary. Due to this policy restriction, there have been several instances of an internal employee being promoted and given a pay increase that results in pay that is lower than a long-tenured colleague who is now the newly promoted employee's subordinate. Additionally, this issue is compounded by another long-standing policy related to the hiring of external candidates. External candidates applying for a position are not restricted to a 5% pay increase and have the ability to negotiate their salary well beyond that available to the internal candidate.

To ensure equitable salary treatment and promotion/retention of our high performing employees, staff intends to work with our compensation consultant to draft new compensation guidelines intended to ensure equitable treatment of internal and external candidates. Staff anticipates the draft policy will be available during FY18.

Staff is seeking a Delegation of Authority to the General Manager/CEO to approve limited salary increases for affected Managers that currently earn less than their subordinates. This change in pay policy will be used to ensure the manager's pay exceeds their subordinates' pay by at least 2%, while ensuring the salary increase is commensurate with regional and industry salary structures and best practice and is in alignment with the value of the position.

Currently, the General Manager/CEO holds delegation authority for position allocations as a result of a reclassification that have less than a \$20,000 fiscal impact to the budget within the year it is executed. These proposed delegations will align with this authorization and will serve to provide consistency with allocation requests. Additionally, these two additional changes are intended to streamline the position control and resolve certain salary issues created by the current internal salary processes associated with promotions while allowing Departments to continue to provide outstanding service.

Staff recommends approval of these actions.

RESOLUTION NO. 17-10-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

October 23, 2017

**DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE
POSITION ALLOCATIONS AND AUTHORIZED ALLOCATION MODIFICATIONS AND
PROMOTIONAL AND ONE TIME SALARY INCREASES**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, effective October 24, 2017, the Board hereby delegates authority to the General Manager/CEO to approve position funding changes and authorized position modifications and promotional and one time salary increases that do not exceed a fiscal impact of \$20,000 per action in the fiscal year in which the action is taken.

ANDREW J. MORIN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary