DATE: September 9, 2019

TO: Honorable Mayor and Members of the City Council

FROM: Aman Kaur, Human Resources Analyst
Charles Castillo, Director of Human Resources
Peggy Flynn, City Manager

SUBJECT: Resolution Authorizing the Position Allocations of One Director of Economic Development and Open Government and One Deputy Director of Operations and Eliminating the Position Allocations of One Economic Development/Redevelopment Manager and One Operations Manager

RECOMMENDATION

It is recommended that the City Council adopt the attached Resolution Authorizing the Position Allocations of One Director of Economic Development and Open Government and One Deputy Director of Operations and Eliminating the Position Allocations of One Economic Development/Redevelopment Manager and One Operations Manager.

BACKGROUND

The City Council adopted a related item from the August 5, 2019 agenda, which established new classifications and pay ranges for Director of Economic Development and Open Government and Deputy Director of Operations. The item did not include allocation changes for these new classifications pending further discussions between the City and the Petaluma Professional and Mid-Mangement Association (PPMMA) with regard to potential impacts subject to bargaining under the MMBA. City representatives and PPMMA have continued discussions and all proposed allocation changes have either been accepted by, or received no bargainable objections from, PPMMA representatives. As a reminder, the City Manager’s Office and key management team members have been examining ways to shift the overall organizational structure to better deploy staff talents and strengths and provide enhanced service to the community, and to ensure organizational sustainability through addressing vacancy succession, retention of key staff, right-sizing span of control and workload for key management positions, and creating succession resilience through establishing additional staff advancement opportunities.

Director of Economic Development and Open Government
Director of Economic Development and Open Government is a newly established director level classification. The classification is unrepresented and assigned to Unit 8, which consists of
department heads and the two Assistant City Attorneys. This role will oversee technology operations and infrastructure, data and information, service design, community engagement, and economic development activities, functions, programs, and projects. While this may appear to be an unusual combination of services, the economic development and community engagement responsibilities share a similar nexus and are common areas of expertise under the umbrella of economic development and open government. The inclusion of the information technology function provides a more streamlined organizational solution, recognizing that an Information Technology Manager bears the technical responsibility of day-to-day management of the IT department and its service delivery. Based on existing structure and the broad span of control, the Council adopted a salary range which mirrored Director of Human Resources and Director of Finance, both comparable positions. The adopted salary range is roughly 16% above the current Economic Development/Redevelopment Manager at a top salary range of $13,530 per month.

Deputy Director of Operations
A proposed organizational shift within the Public Works Department will upgrade a management position allocation to a Deputy Director level allocation. The current department structure has a Director, an Assistant Director, a Deputy Director of Environmental Services, and Manager levels with some managers reporting to the Assistant Director and some reporting to the Director. While the overall organizational structure is still being developed, the Council adopted an appropriate salary placement for Deputy Director of Operations with a salary range that is 5% above the current Operations Manager classification, a top step salary of $11,657 per month. Deputy Director of Operations is assigned to PPMMA, Unit 9.

As a reminder and for comparison, the pay ranges for the existing position allocations and proposed position allocations:

<table>
<thead>
<tr>
<th>Existing Allocation</th>
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<tr>
<td>Economic Development/Redevelopment Manager</td>
<td>$9,569.73 - $11,628.93</td>
<td>Director of Economic Development and Open Government</td>
<td>$10,425.62 - $13,529.60*</td>
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<td>Operations Manager</td>
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* This salary range does not reflect the proposed 3% salary increase for Unit 8 members, which is a related item on the Council’s agenda for September 9, 2019.

**DISCUSSION**

The City is currently undergoing a classification and compensation study. While that study has been proceeding, the City Manager’s Office and management team members have identified structural changes that need to be implemented prior to the completion of the study to maintain organizational sustainability and effectiveness of operations.

In preparation for the proposed action, a complete review of the affected position allocations was completed based on the City’s current and ongoing needs as well as City Council goals for FY19 – FY21. The results of the review and the proposed changes contained herein align with the duties and responsibilities of existing workloads and organizational needs. Additionally, as a reminder, the proposed changes have been discussed with Ralph Anderson and Associates, the
City’s consultant for the classification and compensation study, who indicate that they do not conflict with their preliminary findings.

The proposed changes to the City’s Classification and Compensation Plan are pursuant to the City Manager’s authority and responsibilities as the City’s Personnel Officer in accordance with Petaluma Municipal Code 3.04.020, which authorizes the City Manager in paragraph (D) to:

“prepare or cause to be prepared a position classification plan, including class specifications and revisions of the plan;”

and which authorizes the City Manager in paragraph (E) to:

“prepare or cause to be prepared a plan of compensation and revisions thereof, covering all classifications in the competitive service.”

In accordance with Section 5, Management Rights, of the MOU between PPMMA Unit 9 and the City,

It is the right of the City to make decisions of a managerial or administrative character including: decisions on the type, extent, and standards of services performed; decisions on the methods, means, and personnel by which the City operations and services are to be conducted; and those necessary to exercise control over the City government operations in the most efficient and economical manner practicable and in the best interests of the City residents. All managerial functions and rights which the City has not expressly modified or restricted by specific provision of this MOU shall remain with the City.

The proposed position allocation changes are consistent with the management rights reserved by the City in accordance with Section 5 of the Unit 9 MOU. Nonetheless, under the Meyers Milias Brown Act, Government Code Section 3500 and following, which governs employer/employee relations of local government agencies in California, impacts from exercise of management prerogatives such as position allocation changes, as is currently proposed, may be subject to bargaining between the City and affected, recognized bargaining units.

Accordingly, the City and PPMMA representatives have held a number of meetings and exchanged information concerning the proposed changes. All the changes proposed with this action have either been accepted by, or received no bargainable objections from, PPMMA representatives. These two positions are moving forward while a third, the Deputy Director of Parks and Recreation, is being withheld pending the completion of the Meet and Confer process under the MMBA.

PUBLIC OUTREACH

There was no specific public outreach performed in relation to this item aside from the normal meeting agenda process. As indicated above, the City and PPMMA representatives have discussed the proposed actions both in meetings and through email correspondence.
**FINANCIAL IMPACTS**

The financial impacts of the proposed changes have been incorporated into the Fiscal Year 19-20 budget. Depending on the determined pay step for each position, the proposed changes will range between approximately $19,465 to $36,662, with an impact ranging from $12,700 - $28,432 allocated to the General Fund and between $6,765 - $8,230 to Non-General Funds. These costs do not reflect the proposed 3% salary increase for Unit 8 members, which is a related item on the Council’s agenda for September 9, 2019. Director of Economic Development and Open Government is assigned to Unit 8 and Deputy Director of Operations to Unit 9.

**ATTACHMENTS**

1. Resolution
RESOLUTION AUTHORIZING THE POSITION ALLOCATIONS OF ONE DIRECTOR OF ECONOMIC DEVELOPMENT AND OPEN GOVERNMENT AND ONE DEPUTY DIRECTOR OF OPERATIONS AND ELIMINATING THE POSITION ALLOCATIONS OF ONE ECONOMIC DEVELOPMENT/REDEVELOPMENT MANAGER AND ONE OPERATIONS MANAGER

WHEREAS, Petaluma Municipal Code Section 3.04.020, in paragraph (D) authorizes the City Manager as the City’s Personnel Officer to:

prepare or cause to be prepared a position classification plan, including class specifications and revisions of the plan;

and authorizes the City Manager in paragraph (E) to:

prepare or cause to be prepared a plan of compensation and revisions thereof, covering all classifications in the competitive service; and

WHEREAS, the City wishes to keep its Classification and Compensation Plan current, and in accordance with Petaluma Municipal Code Section 3.04.020, amendments or revisions to the Classification and Compensation Plan are effective upon approval by the City Council; and,

WHEREAS, the results of the proposed change aligns with the duties and responsibilities of existing workloads, City needs, and City Council Goals; and the proposed changes have been discussed with Ralph Anderson and Associates, who is preparing a comprehensive classification and compensation study for the City, and who indicate that the proposed changes do not conflict with their preliminary findings; and,

WHEREAS, while the classification and compensation study has been proceeding, as part of organizational enhancement efforts to shift the overall organizational structure to better deploy staff talents and strengths and provide enhanced service to the community, and to ensure organizational sustainability through addressing vacancy succession, retention of key staff, right-sizing span of control and workload for key management positions, and creating succession resilience through establishing additional staff advancement opportunities, the City Manager’s Office and selected management team members have identified structural changes that need to be implemented even before completion of the classification and compensation study to maintain organizational sustainability and effectiveness of operations; and

WHEREAS, in preparation for the proposed action, a complete review of the affected position allocations was completed based on the City’s current and ongoing needs as well as City Council goals for FY19 – FY21; and
WHEREAS, the results of the staff review, and the proposed changes contained herein align with the duties and responsibilities of the existing workloads and organizational needs; and

WHEREAS, City and PPMMA representatives have held a number of meetings and exchanged information concerning the proposed changes, and all of the changes proposed with this action have either been accepted by, or received no bargainable objections from, PPMMA representatives; and

WHEREAS, the pay ranges for the existing position allocations and proposed position allocations are as listed below; and

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WHEREAS, the City Manager, acting as the Personnel Officer, has determined the position allocations of one Director of Economic Development and Open Government and one Deputy Director of Operations and elimination of position allocations of one Economic Development/Redevelopment Manager and one Operations Manager properly align with the description of the duties and responsibilities of the existing workload;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Petaluma hereby:

1. Takes these actions pursuant to Petaluma Municipal Code 3.04.020 and the City of Petaluma Personnel Rules and Regulations (Rule IV-Classification and Rule V – Compensation) and other applicable authorities.

2. Authorizes the position allocations of One Director of Economic Development and Open Government and One Deputy Director of Operations.

3. Eliminates the position allocations of One Economic Development/Redevelopment Manager and One Operations Manager.