

SBCERS

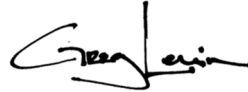
Santa Barbara County Employees' Retirement System

DATE: May 22, 2024

Agenda Item # 3.1

TO: SBCERS BOARD OF RETIREMENT

FROM: Gregory Levin, CPA



RE: **Manager Classification and Compensation Study**

Recommended Action:

Receive a presentation from the Gregory Levin, SBCERS CEO and representatives from the Santa Barbara County Human Resources Department about the results of a market study of management compensation for SBCERS and, the County Human Resources department's draft recommendations to the County Board of Supervisors for new classifications and salary ranges for SBCERS management employees.

Analysis:

The County of Santa Barbara has been conducting a three-year project to revise its management classification and compensation structure which has been largely unchanged since 2008. A new structure for County Managers was approved by the Board of Supervisors at its meeting on April 23, 2024. A link to the staff report and video of that presentation can be found [here](#).

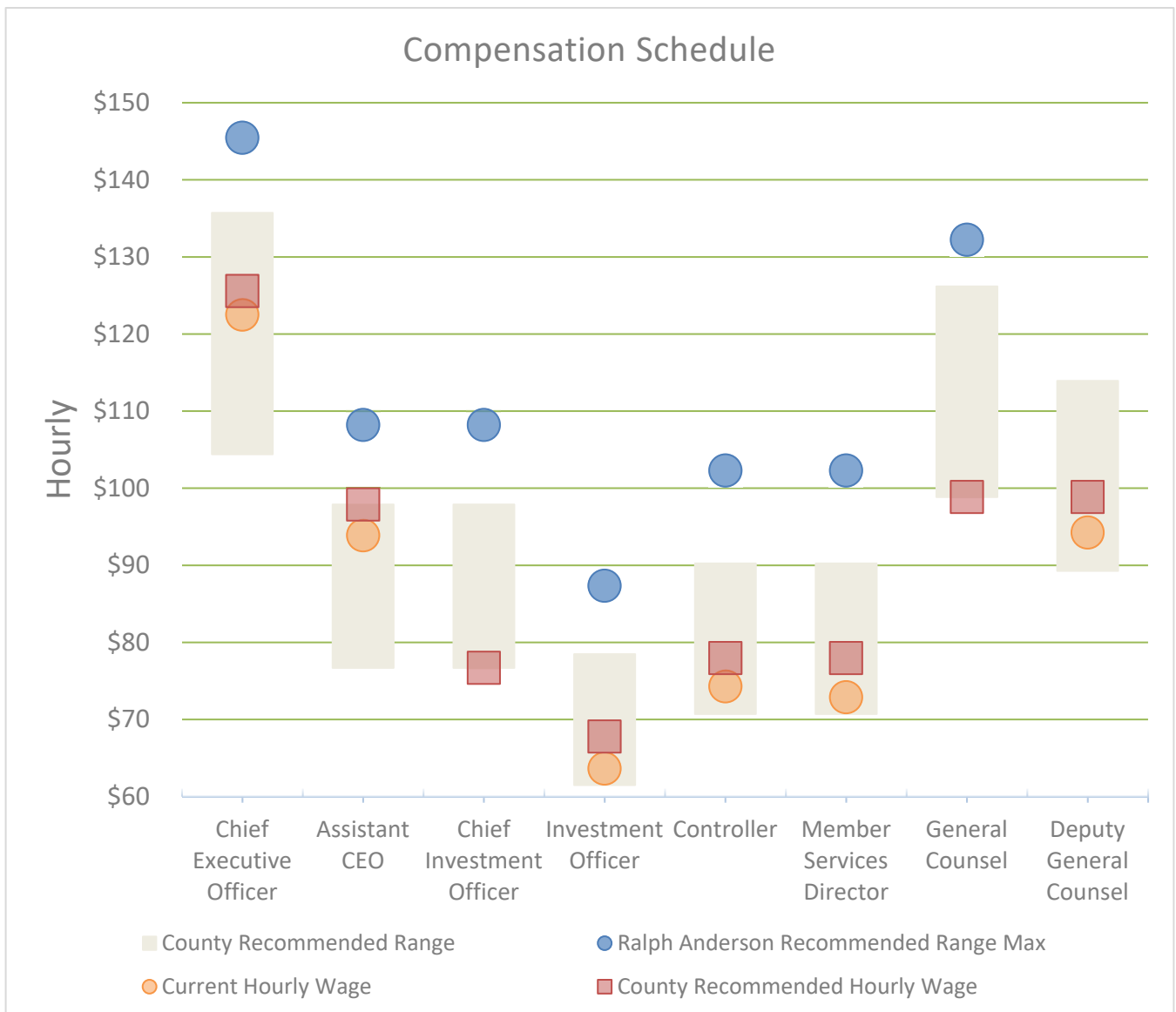
The new structure takes a more directed and finite approach to classification and compensation at the County of Santa Barbara. It divides formerly "broad banded" positions (department directors, enterprise leaders and program managers) into separate cohorts based on the management functions and duties performed by each employee. The reclassification project covered all county departments but excluded SBCERS managers pending presentation to the Board of Retirement for their input into the process.

The new classification structure at the County places most managers into steps A – F, like how current classified employees are organized. Further, the County Human Resources department recommendations place each SBCERS manager into a single incumbent classification, which properly reflects the unique nature of their positions at SBCERS. The step structure provides a mechanism to gradually increase manager salaries over time and addresses a long-standing deficiency of the old system, in that it did not provide for any type of merit increases for unclassified managers. Under the new system, a manager receiving a satisfactory performance evaluation will receive a step increase each year until such time as they reach Step F of the classification. Unlike manager's, the SBCERS CEO would not be

subject to a step system and instead would remain in a single incumbent “broad band” subject to the discretion of the Board of Retirement.

As part of preparing for this process, SBCERS provided funds to the County Human Resources Department to engage a professional compensation consultant, Ralph Anderson and Associates. The purpose of the funding was for County Human Resources to conduct a market study (Draft Report in Attachment A) that focused specifically on retirement system functions, because they are unique to the County and subject to different market considerations from County General managers. The study was performed using comparable counties chosen by the County Human Resources department.

The chart on the below illustrates the results of that study (blue dots) and shows how the recommendations made by the County Human Resources department relate to the results of the Market study.



The County Human Resources departments recommendations are made in consideration of the County’s overall compensation and classification program and not solely based on the market study results. The County Human Resources Department is prepared to recommend classifications and salary ranges to the Board of Supervisors in June 2024 as displayed in the following table. If adopted, the new classifications and salaries will be effective for SBCERS managers on the pay period beginning June 24, 2024. The boxes highlighted in blue show what step in the classification structure each incumbent SBCERS manager will be placed into. In addition to the increases shown below, Manager salaries will also be increased by the amount of the COLA negotiated by SEIU 620, the County’s General Employee Union upon completion of those negotiations. The amount of the agreed upon COLA is not yet known.

SBCERS Manager Hourly Pay by Classification

	Step A	Step B	Step C	Step D	Step E	Step F	Current Salary	Salary on	Increase over Current Salary
								July 1, 2024	
Assistant CEO - Operations	\$ 76.70	\$ 80.53	\$ 84.56	\$ 88.79	\$ 93.23	\$ 97.89	\$ 93.89	\$ 97.89	4.3%
Assistant CEO - Investments	\$ 76.70	\$ 80.53	\$ 84.56	\$ 88.79	\$ 93.23	\$ 97.89	Vacant	Vacant	N/A
Investment Officer	\$ 61.49	\$ 64.57	\$ 67.79	\$ 71.18	\$ 74.74	\$ 78.48	\$ 63.64	\$ 67.79	6.5%
Controller	\$ 70.71	\$ 74.25	\$ 77.96	\$ 81.86	\$ 85.95	\$ 90.25	\$ 74.31	\$ 77.96	4.9%
Member Services Director	\$ 70.71	\$ 74.25	\$ 77.96	\$ 81.86	\$ 85.95	\$ 90.25	\$ 72.88	\$ 77.96	7.0%
General Counsel	\$ 98.86	\$ 103.80	\$ 108.99	\$ 114.44	\$ 120.16	\$ 126.17	Vacant	Vacant	N/A
Deputy General Counsel	\$ 89.27	\$ 93.73	\$ 98.42	\$ 103.34	\$ 108.50	\$ 113.93	\$ 94.26	\$ 98.42	4.4%
Member Services Team Lead	\$ 53.07	\$ 55.72	\$ 58.51	\$ 61.43	\$ 64.50	\$ 67.73	\$ 65.59	\$ 67.73	4.4%
Communications Manager/Board Clerk	\$ 50.11	\$ 52.61	\$ 55.24	\$ 58.00	\$ 60.90	\$ 63.95	\$ 52.94	\$ 55.24	3.3%

The CEO’s salary is not subject to step increases and is set by the Board of Retirement. Barring further action by the Board of Retirement, the CEOs salary will be as shown in the chart below.

Hourly Pay for Chief Executive Officer

	Range Minimum	Range Maximum	Current Salary	Salary on	Increase over Current Salary
				July 1, 2024	
Chief Executive Officer	\$ 104.40	\$ 135.72	\$ 122.51	\$ 125.57	2.50%

County HR plans to present these recommendations to the Board of Supervisors in June 2024 for formal adoption as part of a larger update to the classification and compensation system. SBCERS leadership has invited County HR to make a presentation to the Retirement Board in advance of that action so that the Board is aware of the County’s pending action with respect to classification and compensation plan. At the June meeting of the Board of Retirement, the Board will consider the CEO’s salary for fiscal year ending June 30, 2025 at which time it can make adjustments within the range presented above. At that time, the CEO will also make recommendations the Board of Retirement concerning further steps, if any, the Board can take to address the compensation plan for SBCERS employees, including the CEO.