



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
PERSONNEL/HUMAN RESOURCES STANDING COMMITTEE
MEETING MINUTES
MAY 2, 2017 - 2:00PM
METRO ADMIN OFFICES
110 VERNON STREET
SANTA CRUZ, CA 95060**

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COMMITTEE ROSTER

Director Jimmy Dutra, Chair	City of Watsonville
Director Norm Hagen	County of Santa Cruz
Director John Leopold	County of Santa Cruz
Director Bruce McPherson, Vice Chair	County of Santa Cruz
Director Mike Rotkin, Past Immediate Chair	County of Santa Cruz
Alex Clifford	METRO CEO/General Manager
Julie Sherman	METRO General Counsel

MEETING TIME: 2:00PM

NOTE: THE COMMITTEE CHAIR MAY TAKE ITEMS OUT OF ORDER

- 1 Committee Chair Dutra called the meeting to order at 2:05PM**
- 2 ROLL CALL:** The following Directors were **present**, representing quorum:

Director Jimmy Dutra, Chair	City of Watsonville
Director Norm Hagen	County of Santa Cruz
Director John Leopold	County of Santa Cruz
Director Bruce McPherson, Vice Chair	County of Santa Cruz
Director Mike Rotkin, Past Immediate Chair	County of Santa Cruz

Director John Leopold was absent.

METRO EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT (IN ALPHABETICAL ORDER) WERE:

Angela Aitken, METRO
Antonio Castillo, SEIU-VMU
Joan Jeffries, SEIU-SEA

3 ADDITIONS/DELETIONS FROM AGENDA/ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

Having none, the meeting continued to the next agenda item.

4 COMMUNICATIONS TO THE PERSONNEL/HUMAN RESOURCES STANDING COMMITTEE

Having none, the meeting continued to the next agenda item.

5 CLASS AND COMPENSATION PRESENTATION

Brian Moritsch, Senior Project Consultant, CPS HR Consulting, was present to provide commentary to the presentation. Jennifer Ramos, Principal HR Consultant, CPS HR Consulting, joined via conference call. They explained CPS' role and its function as the neutral third party conducting the study. The Class and Compensation exercise does not consider performance, but defines the job/job description(s). The Position Description Questionnaire (PDQ) is designed to capture the level of job duties as well as the job duties themselves.

In response to Director Rotkin's question, Mr. Moritsch explained the process, including pre-populating the PDQ (Position Description Questionnaire). The goal is to get as accurate a job description as possible. Given that this type of study has never been conducted at METRO, CPS is anticipating revising the current classifications.

Director McPherson asked if the employee could add to the job description if the reviewing supervisor doesn't change anything. Mr. Moritsch explained that all input collected during the interview process is considered and compared to get an accurate position description.

Committee Chair Dutra asked how Ms. Aitken became the project manager.

CEO Clifford said this role will transition to the new HR Manager when in place. Meanwhile, as Interim HR Manager, Ms. Aitken has the responsibility,

Director Hagen asked if the interviews are individual or a combination of supervisor and employee.

Ms. Ramos elaborated on CPS' three tier approach, which includes the employee, his/her direct supervisor and the CEO; all have a voice in the process and provide insight into patterns, etc. At the end of the process, once the classification structure is agreed upon and the job description defined, an appeal process is offered before implementation is recommended.

Committee Chair Dutra asked: Would the compensation be revised to match the classifications? What happens if the description fits but duties may be divided between positions? How are positions matched across the industry?

Mr. Moritsch answered yes; the CPS expert is very familiar with the comparison process. Ms. Ramos added the job analysis is completed to match jobs and investigate allocation factors; reporting structures, supervisory levels, decision impacts, consequence of

duties, etc. If a job description is an 80% match, we may consider this. When complete, draft documents will be provided to the board committee in an appropriate setting. CEO Clifford noted that regular briefings will be held at the committee level to ensure engagement.

Chair Committee Dutra asked how the cost of living in Santa Cruz would be adjusted/compared to wages. Mr. Moritsch said this is one factor in the mix of comparative agencies. The closer the comparators are, the easier it is to get to comparable labor market agencies. An initial list of 15-20 comparative agency options will be narrowed down to 10.

Chair Rotkin noted his experience has been when a study of this type is done well, it works great but there have been times when a few positions don't fit well. What do you recommend in this instance? Would you recommend a 'why' rating? Would you pay less? At what point in the process are there rollouts to the public or the unions? For example, when are the employees informed which comparative agencies are selected?

Mr. Moritsch and Ms. Ramos said CPS has experienced both scenarios and works with the desires of the agency. The why rating can have a substantial fiscal impact to bring everyone to the market median. There may be a 2-3 year roll out plan. CPS will provide recommendations; it is METRO's option to follow them or not. The compensation report will contain documentation justifying the agencies chosen. We want it to be a balanced analysis approach.

Public comment:

Olivia Martinez, SEIU Internal Organizer, expressed her disappointment that the Board is moving forward with the management compensation study first. She said the SEIU members need a salary compensation study and current classifications are well below average. She said a total compensation approach needs to be negotiated with labor to make these changes.

Ms. Ramon responded all factors will be compared. She has seen instances wherein a base salary alone displayed a lag of 16%, but when their total benefits were taken into account, they were 1.5% ahead of the market.

Ms. Martinez added there is an established agreement with prior management that determines certain cities and districts used for comparison purposes.

Director Rotkin said past practice is a term of art with specific meaning. There is no past practice in this agency for the comprehensive study METRO is undertaking now. As METRO has never done a complete overall compensation study, the question is left to management.

Ms. Martinez voiced her disagreement and requested a meet and confer.

CEO Clifford responded METRO would cross that bridge down the road. He asked General Counsel Sherman to investigate and provide guidance later. Ms. Sherman agreed to investigate with a labor attorney.

CEO Clifford noted that today's focus is on the management segment. METRO is meeting with the unions in the near future to discuss possible contract extensions.

Committee Chair Dutra asked why the study was beginning with management.

CEO Clifford offered to provide him with the history of this topic under separate cover. At a prior committee meeting, he provided a history of SEIU wage increases over the

years. He also reminded the assembly that SEIU has provisions to conduct wage and class comp studies every six months. Management has never had this opportunity. Years ago, a prior GM had requested a class and compensation study; but, it had been delayed many times.

Committee Chair Dutra asked if those jobs would be reclassified as well.

CEO Clifford said it is possible when we look at the SEIU positions. He wants to 'fix' it for everyone.

Joan Jeffries, SEA President, asked how you would approach the compensation study if you encounter a position that isn't benchmark-able, or non-standard, and you can't find comparable positions to survey.

Ms. Ramos said if they cannot find a match to logically argue a 70-80% match, they would say there is not sufficient data, so would examine internal equity to inform the study's findings for that position.

6 REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

General Counsel Sherman announced the closed session as referenced below. She did not anticipate an announcement after the closed session.

7 THE MEETING WAS ADJOURNED TO CLOSED SESSION AT 2:57PM

8 CLOSED SESSION

Public employee performance evaluation pursuant to Government Code Section 54957(b); Conference with Labor Negotiator Pursuant to Government Code Section 54957.6:

Agency designated representative: Board Chair

Title/Unrepresented Employee – CEO/General Manager Alex Clifford

Respectfully submitted,

Gina Pye

Executive Assistant

Pursuant to Section 54954.2(a)(1) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day. The agenda packet and materials related to an item on this Agenda submitted after distribution of the agenda packet are available for public inspection in the Santa Cruz METRO Administrative Office (110 Vernon Street, Santa Cruz) during normal business hours. Such documents are also available on the Santa Cruz METRO website at www.scmtd.com subject to staff's ability to post the document before the meeting.