



Midpeninsula Regional
Open Space District

R-13-97
Meeting 13-32
November 13, 2013

AGENDA ITEM 7

AGENDA ITEM

Approval of Comparator Benchmark Agencies for the 2013 Compensation Survey Update

GENERAL MANAGER'S RECOMMENDATION

Approve the comparator benchmark agencies recommended by Koff & Associates to complete the 2013 Compensation Survey update.

SUMMARY

The current Memorandum of Agreement (MOA) with the District Field Employees Association (FEA) requires the District to complete a compensation survey to update the 2010 Classification and Compensation Study. A Compensation Study Committee of Management and FEA representatives met four times to discuss potential factors for consideration when selecting comparator agencies and benchmark positions. The Committee prepared a memorandum summarizing its recommendations to the General Manager who then forwarded it to the Consultant (Koff & Associates), and directed Koff & Associates to review the comparator agencies from the 2010 study and recommend any changes for the 2013 update. For the 2013 study update, Koff & Associates has recommended a few changes to the comparators for a total of 12 agencies, including counties, cities, and special districts. Following the Board's consideration and approval of the list of comparator agencies, Koff & Associates will conduct the study and staff will return to the Board in early 2014 will draft study results.

DISCUSSION

As part of the July 2012 MOA with the Field Employees Association, the District agreed to conduct an update of the 2010 compensation survey. The District released a Request for Proposals in April 2013 for the Compensation Study update and received three proposals from the following consultants: Bryce Consulting, Hay Group, and Koff & Associates. Staff evaluated the proposals and determined Koff & Associates had the highest quality, most responsive, and competitively priced proposal. FEA representatives also reviewed the proposals and concurred with the District's selection. Upon execution of the contract, the District directed Koff & Associates (Consultant) to review the comparator agencies used in the 2010 study and recommend any changes.

Selection of Comparator Agencies

The Consultant reviewed the comparator agencies used in the 2010 study, researched potential new agencies for inclusion in the 2013 update, and is recommending 12 agencies (Attachment 1) be used to benchmark salary ranges and benefits. In evaluating potential comparator agencies, the Consultant analyzed a number of factors as discussed below.

1. **Scope of Services Provided** – The Consultant focused on identifying organizations that provide similar operations and maintenance, enforcement, resource management, planning, and volunteer/interpretive (docent and other) services and activities similar to those provided by the District.
2. **Geographic Location/Labor Market** – In today’s labor market, San Francisco Bay Area agencies compete for the same pool of qualified employees. The labor market generally reflects the region’s cost-of-living, housing costs, growth rate, and other demographic characteristics. As noted above, ideal comparator agencies provide the same or similar services as the District. However, one of the challenges of this study has been to identify a sufficient number of comparators within the geographic area that provide similar open space services. Consequently, the Consultant had to expand the search to other agencies within the state of California in order to obtain an adequate number of comparators for the study. For those agencies outside of the immediate San Francisco Bay Area, a geographic adjuster from the Economic Research Institute is applied to compensate for the lower cost of living in those areas.
3. **Organizational Type and Structure** – Agencies of similar size providing similar services are generally recommended as comparators. However, due to the limited number of agencies meeting those criteria in the Bay Area, cities and specific departments in larger organizations may be recommended. For example, several county parks departments are recommended as comparators for the District. With the more technical types of position classifications, such as open space or resource management, the size of the organization is less critical since the classifications perform similar work.
4. **Similarity of Population, Staff, and Operational Budgets** – These elements provide indicators of the resources required by and available to each agency for the provision of services.
5. **Benchmark Positions** – Each benchmarked District position must have a similar position in at least four of the comparator agencies to ensure an adequate sample size. Several of the District’s positions proved challenging in this respect, in particular, the Docent Program Manager, Equipment Operator/Mechanic, and Resource Management positions. The need for benchmarks for these positions influenced the selection of a few of the comparator agencies.

Proposed Changes to Comparator Agencies

Proposed changes to comparator agencies from the 2010 study include the following:

- Removal of the City of Mountain View, Mountains Recreation and Conservation Authority, State of California, City of Boulder, and County of Boulder from the list of comparator agencies.

- Addition of Marin Municipal Water District, Livermore Area Recreation and Park District, County of Santa Cruz – Parks, Open Space and Cultural Services Department, and County of Sacramento – Department of Regional Parks.

More detail on the methodology used to select the comparator agencies and the proposed changes from the 2010 Study is provided in Attachment 1.

Coordination with Staff

Per the MOA, the District convened a Compensation Study Committee (Committee) and met with the FEA four times to discuss appropriate labor market, survey agencies, and benchmark positions for the 2013 Compensation Survey update. The Committee is comprised of Administrative Services Manager Kate Drayson and Human Resources Supervisor Candice Basnight for the District, and FEA President and Ranger Brad Pennington and FEA Member-at-Large and Equipment Mechanic/Operator Grant Kern for the FEA. The Committee prepared a memorandum summarizing its recommendations regarding potential factors for consideration when selecting comparator agencies and benchmark positions and submitted it to the General Manager. The District provided this memorandum to Koff & Associates and directed the Consultant to review the comparator agencies from the 2010 study and recommend any changes for the 2013 update.

After receiving the Consultant's list of proposed revisions to the comparator agencies and the memorandum explaining the rationale, the District sent the information to the FEA, presented it to unrepresented staff in a meeting in September 2013, and solicited feedback from both groups. FEA representatives participated in a conference call with management and Koff & Associates to discuss the methodology used to make the comparator agency recommendations, as well as an onsite meeting with District management and Katie Kaneko, President of Koff & Associates, on October 25, 2013. Questions and comments received from the FEA and unrepresented staff can be found in Attachments 2 and 3, along with management's responses. The most significant concerns related to:

1. The selection of comparator agencies outside of the immediate San Francisco Bay Area and the associated geographic labor market adjusters;
2. The recommendation to not include the Santa Clara Valley Water District (SCVWD) as a comparator;
3. The suitability of benchmark positions in other agencies and the similarity of their duties and responsibilities to the corresponding District positions; and
4. The use of total compensation data (salaries *and* benefits) rather than just salary data.

COMMITTEE REVIEW

This report will be considered by the Action Plan and Budget (ABC) Committee on Tuesday, November 12. Input from the Committee will be presented during staff's presentation to the Board during the November 13 meeting.

FISCAL IMPACT

There is no fiscal impact as the cost for selection of new comparator benchmark agencies is included in the professional services contract budgeted for Fiscal Year 2013-14. The

compensation and benefits benchmark study must be completed before the fiscal impacts of any proposed market adjustments can be determined.

PUBLIC NOTICE

Public notice was provided as required by the Brown Act. No additional notice is required.

CEQA COMPLIANCE

No compliance is required as this action is not a project under CEQA.

NEXT STEPS

Following Board approval of the comparator agencies, the Consultant will benchmark the District's job classifications to the selected comparators for salary range and benefits information to complete the compensation study update. The draft study will be made available for review and comment by the FEA and unrepresented staff in early January 2014, followed by a Board study session. Upon completion of the Compensation Survey Update, any recommended changes to the District Compensation Plan will be brought to the Board for consideration during the FY2014-15 budget preparation.

Attachments:

1. Memorandum from Koff & Associates
2. Questions and Feedback from the Field Employees Association
3. Questions and Feedback from Unrepresented Staff

Responsible Manager:

Kevin S. Woodhouse, Assistant General Manager

Prepared by:

Kate Drayson, Administrative Services Manager

Contact person:

Candice Basnight, Human Resources Supervisor



To: Candice Basnight
From: Katie Kaneko, Project Manager
Subject: Recommended Comparator Agencies
Date: November 4, 2013

In developing the list of potential comparator agencies, we first started with agencies that Midpeninsula Regional Open Space District (MROSD) used in past total compensation studies. Next, we reviewed the feedback received from FEA (via the University Research and Associates report from the last total compensation study conducted in 2010-11) regarding the comparator agencies. We also removed City of Boulder, County of Boulder, and Mountains Recreation and Conservation Authority from the analysis. Finally, we focused on adding other agencies within California. Once the preliminary list of agencies was developed, we then went through the process of analyzing a number of factors including:

1. **Organizational type and structure** – We generally recommend that agencies of a similar size, providing similar services to that of MROSD be used as comparators. Typically, we start by identifying agencies with a similar size and services and that are competing with MROSD over the labor pool within the geographic vicinity.

When it comes to classes such as administrative, maintenance, operations, and technical classes, the size of an organization is not as critical as these classes perform fairly similar work.

The difference in size of an organization becomes more important when comparing classes at the management level. The scope of work and responsibility for management becomes much larger as an organization grows. Factors such as management of a large staff, consequence of error, the political nature of the job, and its visibility all grow with larger organizations. When it is difficult to find agencies that are similarly sized, it is important to get a good balance of smaller and larger agencies.

2. **Similarity of population, staff, and operational budgets** – These elements provide guidelines in relation to resources required (staff and funding) and available for the provision of services.
3. **Scope of services provided and geographic location** – Organizations providing the same services are ideal for comparators and most comparator agencies included in the analysis provide similar services to MROSD. Specifically, we focused on five (5) service areas: operations and maintenance, ranger (PC832, Peace Officer), resource management, planning, and volunteer/interpretive services. However, it was difficult to find agencies that provide a similar scope of open space services within the immediate geographic region. Thus, it was necessary to look at agencies that were outside of the immediate labor market related to the technical specialties within MROSD. In order to address cost of labor issues for those agencies outside of the local geographic area, we recommend the use of cost of labor adjustments. These % adjustments are included on the “Recommended Comparator Agencies” spreadsheet.
4. **Labor market** – In the reality that is today’s labor market, many agencies are in competition for the same pool of qualified employees. No longer do individuals necessarily live in the communities they serve. As mentioned above, the geographic labor market area where MROSD may be recruiting from or losing employees to was taken into consideration when selecting comparator organizations.



The comparator agency analysis includes specific data for each proposed agency: Services Provided, Geographic Proximity; Population Served; Population Served – FTE Ratio (per 1,000); % Above/Below U.S. Cost of Living Average; Total Full-Time Equivalent (FTE); Total Revenues; and Total Revenues – FTE Ratio (per \$1,000). There is one worksheet for each data factor with the agencies sorted from high to low. The ranking shows each comparator agency's rank compared to MROSD. The lower the rank, the more comparable the agency is to MROSD in that particular factor. Please note that Services Provided is shown on the Alpha worksheet (to the right). For this factor, points were allocated differently than the other factors. Specifically, we allocated 10 points for each service area that the potential comparator agency did not offer. We applied this point factor to ensure that Services Provided carried at least an equivalent, if not greater, weight to the other factors included in overall rank.

The ranking is based on the absolute value difference between the agency on each factor and MROSD regardless of whether the agency is higher or lower for that factor. For example, an agency that has 35 more FTE compared to MROSD will rank lower than an agency with 40 less FTE compared to MROSD.

The Recommended Agencies worksheet represents a summary of the ranking for each data factor. The overall rank is equal to the sum of the rank of the data factors. Based on our analysis of the data categories and ranking of each potential comparator agency, we recommend twelve (12) agencies for consideration to be included in the compensation study. These agencies include:

1. County of Santa Clara, Department of Parks and Recreation
2. Marin Municipal Water District
3. City of Palo Alto
4. Marin County Open Space District (County of Marin)
5. East Bay Regional Park District
6. Livermore Area Recreation and Park District
7. County of Santa Cruz, Parks, Open Space, and Cultural Services Department
8. County of San Mateo, Department of Public Works and Parks
9. County of Sacramento, Department of Regional Parks
10. Sonoma County Agricultural Preservation and Open Space District
11. City of Walnut Creek
12. Riverside County Regional Park and Open Space District

For the most part, these agencies are recommended because their overall rank is the lowest. Additionally, with the exception of Marin Municipal Water District, Livermore Area Recreation and Park District, County of Santa Cruz (Parks, Open Space, and Cultural Services Department), and County of Sacramento, Department of Regional Parks, all of the other agencies were used in the total compensation study conducted in 2010-11.

Here is an explanation of why we recommended the new agencies (those not used in the previous study):

- Although Marin Municipal Water District (MMWD) is a water district, they have an extensive watershed management program in which they manage over 21,000 acres of land, including 18,500 in the watershed and 2,750 acres adjacent to reservoirs. As part of watershed management, MMWD has several natural resource management programs, including vegetation management (reduce fire hazards, restore habitat, protect rare plants, and control invasive pests and plants), fisheries, and roads and trails maintenance. Additionally, MMWD has Ranger



classifications that are designated as peace officers and are comparable to the Ranger classification at MROSD. Finally, MMWD is within the greater Bay Area and is more comparable in size to MROSD.

- Livermore Area Recreation and Park District (LARPD) and County of Santa Cruz (Parks, Open Space, and Cultural Services Department) have overall rank values lower than most of the agencies not selected (meaning that in terms of the factors evaluated, they were more similar to MROSD than most of the other agencies). Additionally, these agencies have classifications that are similar to MROSD's OST classification. Finally, these agencies have open space programs and services.
- County of Sacramento, Department of Regional Parks has overall rank value that was lower than most of the agencies not selected. Although they do not have comparable OST classifications, the County has similar resource management positions, as well as interpretive services/docent positions. These are both benchmark classifications that were difficult to find matches for in the last study. Additionally, this is one of the agencies recommended in the FEA submitted University Research and Associates report.

For those agencies that we did not recommend, here is our rationale:

- Although Santa Clara Valley Water District (SCVWD) is within the local geographic area and has natural resource and vegetation management programs, it is most important to focus on adding other agencies with open space programs and services. As a note, we are recommending MMWD, even though it is a water district, because they provide natural resource and vegetation management programs, in addition to having Rangers that are classified as Peace Officers. SCVWD does not have classifications comparable to MROSD's Ranger classification.
- Santa Clara County Open Space Authority is within the local geographic area but is much smaller than MROSD and does not have resource management.
- Napa County Regional Park and Open Space District is much smaller than MROSD and does not have comparable OST, ranger, docent, and/or resource management classifications.
- Monterey Peninsula Regional Park District is much smaller than MROSD and does not have comparable ranger and/or resource management classifications.
- Los Angeles County, OC Parks, and County of San Diego are outside of the local geographic area and do not have comparable OST, ranger, docent, and/or resource management classifications.
- Although City of Mountain View was used in the previous total compensation study, we thought that the agencies added to the current study were more comparable to MROSD in regards to the factors analyzed and that Mountain View does not have comparable OST, resources management, docent, and ranger classifications. (As a note, even though Walnut Creek has a greater overall rank value than Mountain View, we were able to find a comparable classification to MROSD's OST classification).
- Cities of Sunnyvale, San Mateo, and Pleasanton have very small open space programs and do not have comparable ranger, docent/volunteer, and/or resource management classifications.
- East Bay Municipal Utility District: Although this agency is within the local geographic area and has a natural resources management program, they are a much larger agency and do not have comparable ranger and/or volunteer/docent classifications.

There has been concern expressed by representatives from the Field Employees Association (FEA) about utilizing Riverside County and Sacramento County as comparator agencies, primarily due to cost of labor issues. In the previous total compensation study the one FEA classification that had a match within



Riverside reflected a salary on the low end of the spectrum causing them to question the comparability of this region's pay practices. From our perspective, Riverside County was a strong comparator, providing 27 matches to the 32 benchmarks surveyed within the District. It is our practice to utilize a geographic differentiator which adds an additional percentage to compensation to comparators outside of the Bay Area market to account for differences in cost of labor. Overall we found that with the inclusion of the geographic differentiator the County of Riverside provided very consistently competitive salaries, but most importantly they provided solid matches.

However, for the FEA classifications, Riverside did not provide matches to the Rangers nor the Open Space Technicians and the match for the Equipment Mechanic/Operator was the lowest in the ranking. This was a significant concern of the FEA. While we do not recommend comparators based on their compensation philosophy, it should be noted that the inclusion of this comparator had little impact on the FEA classifications. The Equipment Mechanic/Operator had eight matches. In this case Riverside happened to be the lowest, but with our recommendation based on the market median, the very high and very low matches do not have significant impact. If we were to have removed the Riverside match from this benchmark, the market median would have still indicated that the District's pay was above the median.

In order to provide a statistical analysis on a benchmark we must have four matches. The removal of County of Riverside does prove problematic because this comparator did provide matches for benchmarks that were difficult to match in most comparators, such as the Docent Program Manager, the Public Affairs Specialist, and most importantly the Resource Management Specialist. The FEA has expressed dissatisfaction with other agencies used in the last study, specifically, County and City of Boulder and Mountains Recreation and Conservation Authority. It has been agreed that these comparators be removed. These comparators did provide data to these difficult to match benchmarks and with their removal it places additional importance on the remaining comparators to provide sufficient matches. Riverside is a comparator known to provide these matches and it is unknown if the new agencies recommended will provide sufficient matches for these more challenging benchmarks.

It was suggested that Santa Clara County Open Space Authority (SCCOSA) be included instead due to its geographic proximity. The Authority will provide matches to some of the more challenging benchmarks but even with their inclusion we are still concerned about sufficient matches for the Resource Management Specialist and the Public Affairs Specialist.

It is difficult for us to recommend the removal of Riverside County due to the issues described above. We are comfortable including SCCOSA as a thirteenth comparator which will provide one more data point from the bay area region.

Please review our recommendations for comparator agencies to be included in the total compensation study. Please let us know if you have any questions. We highly recommend that these agencies be reviewed and approved by all stakeholders, including the Board of Directors.

ATTACHMENT 2:
QUESTIONS SUBMITTED BY THE FEA REGARDING
PROPOSED COMPARATOR AGENCIES
FOR THE 2013 COMPENSATION SURVEY UPDATE

After reviewing the comparator selection results for MROSD, and six other Bay Area agencies, the FEA board is left feeling that the methodology used to choose the comparator agencies has been atypical when compared to past and current Koff and Associates Labor Market Studies. We would like this current compensation study to be the benchmark study for many years. Through open communication and understanding of each other's position, we hope to create a logical, fair representation of the Bay Area labor market. This can only occur if we are clear and consistent with our position and expectations.

1. The FEA did not request that Sacramento County or Riverside County be included as comparator agencies. Back in 2012 Ken Akins went in front of the MROSD Board with a very rudimentary, incomplete draft report. Soon after, Mr. Akins was in the ICU with necrotizing fasciitis. We never received the final report that we planned on using in negotiations. Brad Pennington and Grant Kern sat in four meetings with Kate Drayson and Candice Basnight who never once asked if we wanted Sacramento to be included in the study. In fact, the committee recommended that the labor market be defined as the greater Bay Area.

Response: Sacramento and Riverside were presented by Koff & Associates as valuable comparator agencies due to similarity in services. In addition these agencies were pointed out as good comparators in the report provided by Ken Akins. Riverside was used as a comparator in the last study and proved to be a solid comparator in that it provided many matches, 27 out of 32 benchmark classifications. Refer to Koff's memo page 3, bullet two.

2. Our position and rationale behind what we believe is a fair process is found in the FEA Labor Market Study completed in January 2013. That Labor Market Study was based on a methodology template provided by Renne, Sloan, Holtzman, Sakai LLP. This study was sent to management and the MROSD Board. Has this study been given to Katie Kaneko?

Response: The FEA Labor Market Analysis was forwarded to Koff & Associates. It was also reviewed and discussed by the joint FEA-Management Committee, and aspects of it were incorporated into the Committee's report that was given to the General Manager and to Koff & Associates.

If there are questions about specific components of the FEA Labor Market Analysis related to selection of comparator agencies as compared/contrasted to Koff's recommendations, please specify and Koff will evaluate. However, it is beyond the scope of this project to have the consultant complete a global evaluation and comparison of one study to another.

3. Why hasn't Koff used recommendations from the 2013 FEA study that was sent to HR in February of 2013?

Response: Several of the FEA recommended agencies are included, specifically, Santa Clara County Parks, San Mateo County Parks, City of Palo Alto, and City of Walnut

Creek. Please refer to Koff's memo for the explanations regarding why specific agencies are or are not recommended as comparator agencies for the District.

4. Who are we negotiating with?

Response: We are not currently in negotiations. Management is conducting a compensation study, with significant collaboration and input from the FEA, per the MOA Section 7.1. If compensation adjustments to any represented positions are recommended to the Board based on the results of the compensation study, management and the FEA will meet and confer at that time over those specific recommendations.

5. Statistics 101, Chapter 1, Choosing Your Sample Population... "In order for a sample to truly reflect the population, you need to have a sample that is representative of the population." What is the population you are sampling? How do you protect the external validity and integrity of the study?

Response: Conducting a compensation study is a complex analysis, including the selection of the comparator agencies, and considers a variety of factors and data points. Koff & Associates is a reputable company and has demonstrated their expertise in this field throughout the region for almost 30 years.

6. We expect a fair process that uses an accepted and objective methodology. Is this consistent with your expectations?

Response: Yes. The proposal from Koff & Associates outlined the methodology they will use. The FEA reviewed the proposal during the joint FEA-Management Committee meetings and it was management's understanding that the FEA representatives concurred with Koff's proposed methodology.

7. What importance do you place on the relationship between the FEA and Management?

Response: While this question is not relevant to the purpose of this phase of the project – comments/questions on comparator agency recommendations – management values a positive working relationship with the FEA and has been working closely with the FEA while conducting this study. Consistent with management's commitment to transparency and open communication, the joint Committee met with the FEA four times, sent the three Study Proposals to the FEA for review, shared all information received to date from Koff regarding methodology and proposed comparator agencies, and scheduled conference calls with Management, the FEA, and Katie Kaneko, President of Koff & Associates.

8. Productive negotiations starts with being educated about the other parties interests. What questions would you like to ask us?

Response: We're not in negotiations at this time, however management asked numerous clarifying questions during meetings with the FEA to understand the FEA's comments and questions on the recommended comparator agencies.

9. What are the "open space services" and "technical specialties" within MROSD? Please provide specific examples not found in other agencies

Response: Open space and technical specialties within MROSD include: trail design and building, resource management, and unique docent/interpretive programs. These skill sets and special knowledge are found in a limited number of agencies in the immediate Bay Area, which drove the need to find agencies in other areas within California.

10. Boilerplate n., adj. slang for provisions in a contract, form or legal pleading which are apparently routine and often reprinted. “*The price of housing and other cost-of-living related issues are some of the biggest factors in determining labor markets*”. This is essentially the boilerplate language from all 6 of the Bay Area, Koff & Associates compensations studies reviewed by the FEA. Going outside of the labor market does not seem to be commonplace. Can you provide local examples of where and why you went outside the Bay Area labor market to find comparator agencies? Please provide contact information for those agencies.

Response: In today’s labor market, San Francisco Bay Area agencies are in competition for the same pool of qualified employees. The labor market is generally reflective of the region’s cost-of-living, housing costs, growth rate, and other demographic characteristics. As noted above, ideal comparator agencies provide the same or similar services as the District, however, one of the challenges of this study has been to identify a sufficient number of comparators within the geographic area that provide similar open space services. Consequently, the Consultant had to expand the search to other agencies within the state of California in order to obtain an adequate number of comparators for the study. For those agencies outside of the immediate San Francisco Bay Area, a geographic adjuster from the Economic Research Institute is applied to compensate for the lower cost of living in those areas. See ERI’s website for more information: <http://www.eri.com/>

11. There was a joint recommendation from the Labor Management Committee that the labor market be defined as the greater Bay Area. In the interest of collaboration, building trust and fairness can we agree on this definition of labor market?

Response: In order to find enough comparator agencies that have similar services and position duties, Koff & Associates had to go outside the Bay Area, however, in those cases a geographic cost-of-living-adjustor is applied. All but two of the agencies are located within the greater Bay Area. Please also refer to the response on the previous question.

12. Is it correct to say that the General Manager and Board have influenced the inclusion of Riverside and Sacramento Counties as comparator agencies?

Response: No, management’s approach to this study is to be objective and fair, and relies on the consultant’s technical expertise to achieve this with professionally accepted research methods, and is engaged in a collaborative process with the FEA to review and comment on key phases of the study.

13. In the current 2013 Koff and Associates recommended comparator agencies for the Santa Clara County Open Space Authority, all of the recommended agencies were from the greater Bay Area Labor Market. Why the difference in treatment between SCCOSA and MROSD?

Response: The SCCOSA Board specifically requested that comparator be within a

limited geographic area. The SCCOSA also does not have several of the specialized open space related classifications that required the comparator list to expand outside of the Bay Area.

14. In 2012, Riverside County eliminated 196 county jobs. Since the 2006-07 budget, the County's discretionary funding, the amount controlled by the Supervisors and which funds basic services, has fallen nearly 215 million dollars. As recent as 2012, the County faced a budget deficit of 80 million. Sacramento County faces a similar economic crisis, laying off over 1,000 county employees since 2009 and dealing with a budget deficit of 181 million. As of September 2013, the unemployment rate for Riverside and Sacramento Counties stood at 10.8% and 8.9%. Regardless of being well outside the Bay Area Labor Market, as defined by BLS, can there be a true comparison of operational budgets, services provided and FTE when Riverside and Sacramento Counties are working to dig out of a financial crisis?

Response: These elements are useful indicators of the resources available to each agency. However, for purposes of a compensation study, the similarity of services provided and similarity of duties and responsibilities of the benchmarked positions in the comparator agencies are more critical. As mentioned in the reply to Question 10 above, a geographic adjustor is applied for comparators outside the District's geographic area.

15. Mike Foster, the Controller for MROSD, refers to the District as being uniquely situated in the Silicon Valley, a location that insulates us from many of the financial woes happening in other parts of the State and country. Would you agree that MROSD is located in a unique economic area?

Response: Even Silicon Valley has not been sheltered from the recent economic downturn. However, the property tax base on average in this region has fared better than many other parts of the state. As noted above, geographic adjustors have been applied to those agencies outside of the Bay Area to reflect the higher cost of living in this area.

16. If the economic data points of cost-of-living, median home price and median household income are some of the biggest factors in determining the appropriateness of comparator agencies, why was greater weight given to Services Provided?

Response: Services provided determine the duties and responsibilities of positions within the organization. In order to find the best benchmark positions, the Consultant focused on identifying organizations that provide similar operations and maintenance, enforcement, resource management, planning, and volunteer/interpretive (docent and other) services and activities similar to those provided by the District.

17. Labor market-“No longer do individuals necessarily live in the communities they serve.” The District is made up of 7 wards that serve 735,000 people (not just Los Altos). Many of the Districts employees do, in fact, reside in the communities they serve. “In the reality that is todays labor market many agencies are in competition for the same pool of qualified employees”. Using that analogy, an agencies labor market would extend as far as its employees are willing to commute. It would make sense, that if an individual could reduce their commute and receive an equal or higher salary they would... That explanation makes sense. How do you justify going outside the established labor market when no District employee resides in Riverside or Sacramento Counties and no employee has left MROSD to

relocate to those counties?

Response: Refer to the response to Question 10.

18. Can you please explain how the SCCWD, City of Pleasanton, City of Mountain View, City of Sunnyvale, and the City of San Mateo have no planners and/or program coordinators. The County of San Mateo has no planners, program coordinators maintenance and operations. All these cities have planners, environmental planners, senior planners, plan check I&II, community services coordinators, recreation services coordinators and community service managers. San Mateo County is a full service county with planners, volunteer and community service coordinators, maintenance and operations. What are we missing in how you determined Services Provided?

Response: These agencies provide city planning, which is different from the services provided by the District, which are open space focused. Many cities do not have benchmark positions for the District's docent/interpretive program, resource management, and open space positions. To find the best matches it is important to include those agencies that provide the most similar services.

19. We are not against using the cost of labor, but the cost of labor lags well behind the cost-of-living. Using the cost of labor to adjust salaries without making a genuine attempt to exclude cities and counties that have a drastically different cost of livings adds bias to the report and unfairly lowers the median wages for employees. Are you willing to correct this bias by placing more weight on housing, median household income and cost-of-living?

Response: As stated in the response to Question 10, the labor market is generally reflective of the region's cost-of-living, housing costs, growth rate, and other demographic characteristics.

20. The City of Mountain View has Senior Planners, a Planning Manager, Environmental Compliance Specialist, Environmental Safety Coordinator and Environmental Sustainability Coordinator. They also have a maintenance and public works that well exceeds the depth of positions found at MROSD. Additionally, they run Deer Hollow Farm in Rancho San Antonio Openspace Preserve and were included in the 2011 list of Koff Comparator Agencies. How is it that for "Services Provided" Mountain View purportedly had no Planning Department and No Maintenance Department adding an additional 20 points to their score? This happened to multiple bay area cities how do you account for the perceived bias? What are the specifics that would cause this to happen?

Please see the response to Question 18.

ATTACHMENT 3:
MROSD UNREPRESENTED STAFF COMPARATOR AGENCY
QUESTIONS AND RESPONSES

1. We have concerns regarding the exclusion of Santa Clara Valley Water District for comparison for positions in Planning and Real Property departments such as real property specialists, biologists, and planners. Despite the fact that SCVWD lacks many of the positions that exist in our Operations Department, there are similarities in other departments that could provide a solid comparison. Another strong reason to include SCVWD is they are a local district who faces similar challenges as our District in attracting and retaining staff in the extremely high cost of living atmosphere of the Bay Area.

Response: Although the SCVWD has some similar positions, the lack of ranger, open space, and docent/volunteer services and classifications is the primary reason why this agency is not a recommended comparator. While SCVWD may have good benchmark positions for some District departments, the fact that there aren't any for others is problematic because it does not capture the internal alignment within the agency classification structure.

2. We don't fully understand the geographic differential applied to those agencies outside the Bay Area, and how that percentage is calculated and applied. This is also why we are concerned that Sacramento and Riverside comparators were included for comparison to our positions. Cost of living in these areas is substantially lower than the Bay Area and if these outside agencies remain in the comparison, some clarity on the multiplier used for the geographic differential would be highly beneficial and recommended to assuage staff concerns. We forward these concerns not only for ourselves, but also for other staff in our department. We have also heard similar concerns from other managers and hope they had an opportunity to provide you input directly.

Response: Koff & Associates uses a geographic differential compiled and analyzed by the Economic Research Institute (ERI) and reflects inputs for 35,726,711 jobs, providing competitive benchmark comparisons for salary increase planning and staffing patterns. See ERI's website for more information: <http://www.eri.com/>

3. Can the current study consider including the full compensation package (retirement and other benefits) and not just the salary portion of each position?

Response: Both salary and benefit data will be collected for each benchmarked position. When preparing its recommendation, Koff considers the full compensation findings-

4. I think it is important to include two public agencies that overlap the District's geographic boundaries:
 - a) SFPUC manages watershed lands in San Mateo County and has Natural Resource staff (biologist, project managers), patrol staff who interact with public trail users, and a real estate department (Right of Way).
 - b) Santa Clara Valley Water District (SCVWD) works in Santa Clara County and has Natural Resource staff and a Real Estate Department.

Response:

a) *SFPUC provides retail drinking water, wastewater services, green hydroelectric and solar power to San Francisco. It is not in the same business that MROSD is in, is significantly larger, and serves to provide matches for benchmark classifications that we already have significant data for. In choosing comparator agencies we are focusing on those agencies that have open space programs and services similar to MROSD. We are already including a similar agency, Marin Municipal Water District (MMWD) because they have natural resource and vegetation management programs. In addition, MMWD also has a Ranger classification that the other agencies do not have and is also comparable in size.*

b) *See response to Question 1.*

5. If Koff is unable to provide all of the job descriptions they used for the various benchmark positions, could they provide the titles of the comparator agency positions they used in their study?

Response: *Yes. Job titles of the benchmark positions were provided in the last compensation study and will be provided in this study update.*

6. When the GIS Technician classification was created during the last class and compensation study the position description was not updated and still reflects duties of the Planner I position. We recommend the GIS Technician position description be updated to reflect the current position responsibilities (question paraphrased).

Response: *Management has updated Koff & Associates on all organizational structure changes and significant changes in position responsibilities and duties, including the GIS Technician, that were not captured in the compensation recommendations that were made following the last compensation study. Koff will use this updated information when identifying benchmark positions in comparator agencies.*

7. I see the Cost of Living listed but no discussion of whether that factors in to the calculations. Was the Cost of Living only used to try and find better comparable agencies but will not be factored in to salary discussion?

Response: *Cost of living is a factor utilized in determining good comparators. When presenting compensation data, Cost of Labor is considered by the addition of the geographic differentiator. Cost of Labor is a better reflection of pay differences between regions, whereas Cost of Living reflects the differences in the price of consumer goods.*

8. I would like to have a chance to review the job descriptions of the positions that Koff considers comparable. I am also interested in reviewing this information for the staff that works for me. Last time, I had to go to the websites for each comparable agency and look up the job descriptions. I assume Koff has all this information and can share it with us to save me the time to look them all up. I also assume that when it is difficult to find a comparable job description, that Koff looked at descriptions considered more complex and less complex to try and find a good match. It would be great to see the ones they rejected because we may see a better match than they do. It seems like finding a good matching description will be very difficult – perhaps it would be helpful to interview people in the actual jobs at other agencies to see how close they really match when it is difficult to find a good match – the

involvement of staff in those interviews could provide significant insight into the validity of the matches.

Response: Incumbent interviews are not within the scope of this compensation study, and would be extremely time consuming and expensive to conduct. Koff does discuss benchmark position duties with knowledgeable individuals in comparator agencies to ensure the benchmark position's duties and responsibilities match those of the corresponding District position.

9. I would like to see how Koff factors in the differences between the comparable job descriptions and ours. I do not recall seeing that in the last study to recognize when a description match is 30% below or 30% above so it comes close enough to compare but we do not see if they understood how much below or above the match was. My sense was the EMO position was typically compared to descriptions that were less than what they actually do but that was not factored into the salary recommendation.

Response: Koff requires that the benchmarked positions' "likeness" be approximately 70% or higher of the District position. When an appropriate match with one class is not found, Koff often uses "brackets" which can be functional or represent a span in scope of responsibility. A functional bracket means that the job of one classification at MROSD is performed by two classifications at a comparator agency. A "bracket" representing a span and scope means that the comparator agency has one class that is "bigger" in scope and responsibility and one position that is "smaller," where MROSD class falls in the middle.

10. As I recall, the Board made a change in policy at the last salary study to set the District salaries at the median rather than somewhere above the median. Is that open for any discussion? It looked like Koff made that assumption in the previous study prior to the recommendation going to the Board and I am guessing that is the assumption going in to this study as well.

Response: In the 2010 compensation study, Koff & Associates provided salary information for the average, the median, and the 60th percentile for each position. The Board directed the District to implement salaries at the median. At this time we have not received different direction from the Board.

11. I look forward to the results of the study and want to spend some time reviewing the details of what basis is used by Koff to make recommendations so I appreciate your willingness to share the information used as much as possible. I know it is complex but details of all the benefit information including post-retirement benefits like access to health care seem important to know. It may be difficult to factor them in a mathematical way but another agencies staff may have chosen or negotiated to have post-retirement benefits in exchange for a lower salary at some point in the past so we should at least note that they have this benefit.

Response: In the appendix of the previous report, Koff provided information on retiree health benefits. Koff will attempt to obtain quantifiable information from the comparator agencies in this study update however, the information is not readily available and the responsiveness of agencies to provide this information varies.

12. Can I derive from the Benchmark position spreadsheet that Real Property Specialist will be benchmarked with these other agencies?

Response: We are reviewing the feedback from employees regarding the proposed comparator agencies and may make adjustments or changes to the list that was distributed to staff in October.

13. Will the internal alignment of positions be maintained even though these positions are being benchmarked?

Response: Yes. Internal alignment will be part of the compensation study, as it was in the 2010 study.

14. Los Angeles County, OC Parks, and County of San Diego are outside of the local geographic area and do not have comparable OST, ranger, docent, and/or resource management classifications. Why is Riverside being used as this is definitely outside our geographic area. Although, Sacramento is also – this is further away.

Response: Ideal comparator agencies provide the same or similar services as the District, however, one of the challenges of this study has been to identify a sufficient number of comparators within the geographic area that provide similar open space services. Consequently, the Consultant had to expand the search to other agencies within the state of California in order to obtain an adequate number of comparators for the study. For those agencies outside of the immediate San Francisco Bay Area, a geographic adjuster from the Economic Research Institute is applied to compensate for the lower cost of living in those areas (see response to Question 2).

15. What is the rationale behind 5% window on either side of the median as a driver for adjustments?

Response: A salary within 5% of the market average or median is considered to be competitive within the labor market for salary survey purposes because of the differences in compensation policy and actual scope of the position and its requirements. When a market or internal equity adjustment is granted to one class in a series, the other classes in the series are also adjusted accordingly to maintain internal equity. The 5% window is an industry best practice guideline; management's decisions concerning adjustment recommendations will consider this guideline in addition to other factors, such as internal equity.

16. In the previous study were employee review/comments accepted on the draft report? Were they factored in or responded to?

Response: Yes - employees were given the opportunity to comment on the draft report and recommendations and Koff provided a written response to each employee who submitted comments.

17. Even though we are not revising job descriptions can Koff pay special attention during comparators research to any particular aspects/emphasis of a classification (such as for EMOs)?

Response: Management has updated Koff & Associates on all organizational structure changes and significant changes in position responsibilities and duties, including the Equipment Operator/Mechanic, that were not captured in the compensation recommendations that were made following the last compensation study. Koff will use this updated information when identifying benchmark positions in comparator agencies discusses benchmark position duties with knowledgeable individuals in comparator agencies to ensure the benchmark position's duties and responsibilities match those of the corresponding District position.