



City of Kingsburg
1401 Draper Street, Kingsburg, CA 93631-1908
(559)897-5821; (559)897-5568

Mayor Vince Palomar
Mayor Pro Tem Brandon Pursell, Jr.
Council Member Laura North
Council Member Staci Smith
Council Member David M. Silva

City Manager Alexander J. Henderson

**CITY OF KINGSBURG
FINANCE COMMITTEE
REGULAR MEETING**

Council Chamber, 1401 Draper Street, Kingsburg, CA 93631 (559) 897-5821 www.cityofkingsburg-ca.gov

AGENDA

Monday, June 26, 2023

5:00 p.m.

1. **Call to order** – Chairman Brandon Pursell, Jr.
2. **Public Comments** - Any person may directly address the Committee at this time on any item not on the agenda, or on any item that is within the subject matter jurisdiction of the Committee. A maximum of five minutes is allowed for each speaker.
3. **Approval of Minutes** –Approve minutes from the May 22, 2023 Finance Committee Meeting as prepared by City Clerk Abigail Palsgaard.
4. **Compensation Study – Comparator Analysis**
Possible Action(s):
 - a. Presentation by Assistant City Manager/Admin. Services Director Christina Windover
 - b. Committee Discussion
 - c. Action as deemed appropriate
5. **Other Business**
6. **Adjourn** - to the next regular meeting of the City of Kingsburg Finance Committee.

Any writings or documents provided to a majority of the Governing Body regarding any item on this agenda will be made available for public inspection at City Hall, in the City Clerk’s office, during normal business hours. In addition, such writings and documents may be posted on the City’s website at www.cityofkingsburg-ca.gov.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the office of the City Clerk (559) 897-6520. Notification 48 hours prior to a meeting will enable the City to make reasonable arrangements to ensure accessibility to that meeting [28 CFR 35 .102.35.104 ADA Title II].

Title VI of the Civil Rights Act of 1964 provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

I hereby certify, under penalty of perjury under the laws of the State of California that the foregoing Agenda was posted at the front entrance of City Hall not less than 72 hours prior to the meeting. Dated this 23rd day of June 2023.

Abigail Palsgaard, City Clerk

Call to order: Chairman Brandon Pursell, Jr. called the meeting to order at 5:04pm.

Members present: Alma Colado, Alexander Henderson, Staci Smith and Chairman Brandon Pursell, Jr.

Member absent: None.

Public Comments: None.

Approval of Minutes: Member Smith motioned, seconded by Member Colado, to approve minutes from the April 24, 2023 Finance Committee Meeting as prepared by City Clerk Abigail Palsgaard. The motion passed with an unanimous voice vote.

FY24 Solid Waste and Street Sweeping Rate Discussion and Recommendation

Public Works Director Daniel Galvez discussed the Prop 218 rate increase approved last year. The 1st increase was in September, and now the increase is scheduled for the start of the fiscal year. Staff is requesting 5.5% increase. Council Member Smith discussed about not paying back the deficit, correct? The Committee discussed inflation. Council Member Smith said your analysis came back about 4.9, would be nice to keep it closer to 5. Member Henderson said we can bring it back with updated numbers. Chairman Pursell, Jr. asked if we are over, does the money stay in the fund? Member Henderson said yes. Chairman Pursell, Jr is comfortable with 5.5, we can raise less next year if there is surplus. Member Henderson said council can raise it 0%-10%. Member Smith said we just hit our residents with higher rates with fixed income, we can raise it or lower it and make it up in future years if needed. Mr. Galvez said high fees can help with fines down the road. Member Smith said a half percent isn't a huge difference. Mr. Galvez reviewed the difference between 5% and 5.5%.

Member Henderson motioned, seconded by Member Smith, to recommend the 5.5% rate increase for solid waste to City Council. The motion passed with an unanimous voice vote

Community Facilities District Updates FY2023-2024 Community Facilities District Annual Levy Discussion

City Manager Alexander Henderson presented that staff is seeking input for tax rates, especially those in tax zone 2 so we can let Tulare county know so it is equitable between neighbors. Looking for direction to take to council. Member Henderson said we don't spend all the money every year- we save some in a fund balance for road repairs. Member Smith asked Tulare will adopt what we set? Member Henderson said yes, it is in our MOU. Member Smith asked about the expenditures. Member Henderson said we are now starting to see the expenses coming in. Chairman Pursell asked what Member Colado's opinion. Member Colado said every year we have some landscaping and lighting go up 4%. Would like it consistent at 4% across the board. If it was 4.9 it would be beneficial for the budget, but would like it consistent. Assistant City Manager Christina Windover asked how the rate is made. Member Henderson said it is a percentage of the cost of an officer and other things. There is not a hard formula on how much time an officer patrols a neighborhood. Ms. Windover would like 4.9% due to not knowing how much costs will go up. Mr. Galvez would like 4.9% to have a healthy fund balance. Member Smith asked why the landscaping and lighting has not gone up at the same rate. Member Henderson said it was a landscaping and lighting in the 1990s and they just didn't write them that way to escalate. Member Smith asked if the money stay in the fund for these tracks? Member Colado said yes. Chairman Pursell, Jr. said 4.9% makes the most sense.

Member Smith motioned, seconded by Member Henderson, to recommend the 5.5% rate increase for the Community Facilities District Tax Zones 1 & 2 to City Council. The motion passed with an unanimous voice vote

City Investments Returns for Quarter 1, 2023

Finance Director Alma Colado presented that recently, the City Council authorized staff to explore investment options outside the traditional Local Agency Investment Fund (LAIF), specifically utilizing California CLASS, an investment program that is a California Joint Powers Authority (JPA) created pursuant to the California Joint Exercise of Powers Act and is governed by a Board of Trustees comprised of special district and city finance professionals. After approval, staff attempted to split investments equitably between the two pools in order to provide a side by side comparison of returns. Included in your packet are statements of each. California CLASS interest earned on investments for Quarter 1 is \$86,595.54 effective date 3/31/23. Local Agency Investment Fund (LAIF) interest earned on investments for Quarter 1 is \$53,683.54 effective date 4/14/23. The Committee discussed the good rate returns for California Class.

Other Business: None.

Adjourn: The meeting was adjourned to the next regular meeting at 5:43pm.

Submitted by:

Abigail Palsgaard, City Clerk



Meeting Date: 06/26/2023
Agenda Item: 4

FINANCE COMMITTEE STAFF REPORT

REPORT TO: Chairman Pursell, Jr. & Finance Committee Members

REPORT FROM: Christina Windover, Assistant City Manager/Admin. Services Director

REVIEWED BY: AJH

AGENDA ITEM: Compensation Study – Comparator Analysis

ACTION REQUESTED: Ordinance Resolution Motion Receive/File

EXECUTIVE SUMMARY

The City began conducting a Compensation Study in March, 2023. Compensation surveys are conducted to collect information about employee compensation, including salary and benefits, and to determine pay levels for specific job classifications and are generally conducted by region and sector for the purposes of comparability.

The City has not conducted an in-depth review of its compensation structure for many years. The City initiated the Request for Proposal (RFP) process to find a consultant to conduct the study of all positions. Through that process, the City selected and contracted Koff & Associates, an experienced consulting firm that has conducted many of these kinds of studies. The City has held orientation meetings with department heads and will be hosting an orientation for employees so they have an opportunity to meet the consultants, learn about the study process, and ask questions.

After receiving feedback from staff, K&A evaluated 20 regional agencies to identify the top 10 agencies as the City's labor market for the purpose of comparison of the City's salary and benefits. Due to the structure of the Kingsburg Fire Department, K&A was unable to identify 4 agency matches that had a full-service fire department and paramedic services. In order to conduct a statistical analysis of the market (i.e., provide the City with market median and market average datapoints), K&A requires at least 4 matches in the labor market.

As a result, K&A offered two potential lists of our "Top Ranked Agencies." One list is the top 10 agencies most similar to the City's overall profile with the exception of fire and paramedic services. K&A would use internal salary relationships to develop salary recommendations for the Fire Department if this list is selected.

The second list swaps out Kerman (the lowest ranked City without paramedic services) for the City of Visalia (the highest ranked City that falls outside of the top 10 that does have paramedic services). One of the disadvantages of this option is the disparate impact that can have on matching at the supervisory and management levels. Whereas matching individual contributor classifications is not typically affected by agency size, the vast differences in span of control for supervisors and managers can impact the matching in disparately sized agencies.

In addition to the two proposed comparator lists, the City should reflect on other factors such as recruitment, retention, and/or overall alignment of operations. This may prompt the City to propose agencies that didn't

rank as well but are consistently recruiting our employees.

RECOMMENDED ACTION BY FINANCE COMMITTEE

1. *Staff is seeking input and direction from the Finance Committee on a recommendation for comparator agencies to the City Council.*

POLICY ALTERNATIVE(S)

1. The Finance Committee could decide not to provide a recommendation to the City Council.

REASON FOR RECOMMENDATION/KEY METRIC

1. Financial Stability

FINANCIAL INFORMATION

FISCAL IMPACT:

- | | |
|------------------------------|--------------------|
| 1. Is There A Fiscal Impact? | <u>Potentially</u> |
| 2. Is it Currently Budgeted? | <u>N/A</u> |
| 3. If Budgeted, Which Line? | <u>N/A</u> |

PRIOR ACTION/REVIEW

The City Council approved conducting a compensation study in the FY 2022-2023 Budget Capital Improvement Plan. Given the study is not yet complete, funding was included in the FY24 budget as well.

BACKGROUND INFORMATION

See Executive Summary.

ATTACHMENTS

1. Koff & Associates Kingsburg Comparator Analysis and Memo.



To: Alexander Henderson, City Manager
Christina Windover, Administrative Services Director
From: Kari Mercer, Project Manager
Subject: Comparator Agency Analysis for the Total Compensation Study
Date: May 12, 2023

Koff & Associates (K&A) evaluated several comparative indicators related to the City of Kingsburg's demographics, financials, and scope of services to develop a list of potential agencies for the compensation study. The methodology and specific criteria used in the analysis follows.

1. **Organizational type and structure:** K&A generally recommends that agencies of a similar size and structure providing similar services to that of the City be used as comparators.

Note: Because technical job classifications perform similar work across agencies, organizational size is not critical. The difference in size of an organization becomes more important when comparing management classes. Factors such as management of a large staff, consequence of error, the political nature of the job and its visibility all increase with organizational size. When it is difficult to find agencies that are similar in size, a good balance of smaller and larger agencies is used instead.

2. **Staff, and operational budgets, and scope of services and population:** Staff and operational budget size determine the amount of resources available for the agencies to provide services, and population size accounts for the ratio of resources to constituents served. Organizations providing the same services are ideal for comparison; therefore, most comparator agencies included provide similar services to the City. Specifically, K&A focused on whether agencies provide the following:

- Fire Operations
- Paramedic Services
- Emergency Medical Transport Services
- Police
- Water Operations
- Recreation

3. **Geographic location and Labor market:** Today's labor market reality is that many agencies are in competition for the same pool of qualified employees because large portions of the workforce don't live in the communities they serve, are accustomed to lengthy commutes, and are more likely to consider changing jobs in a larger geographic area than in the past. Therefore, the geographic labor market area where the City may be recruiting from or losing employees to, is taken into consideration when selecting comparator organizations.

The comparator agency analysis includes specific data for each proposed agency:

1. Geographic Proximity
2. Population Served
3. Full-Time Equivalent (FTE)
4. General Fund Expenditures
5. Cost of Living
6. Services Provided

Each potential comparator is ranked based on the overall similarity to the City, and the Top Ranked List of Comparators represents a summary of the rankings for each of the data factors listed above. The top ranked agencies are those agencies that were identified as being most similar in profile to the City, and they are provided in Table 1 below:

Table 1. Top 10 Ranked Agencies

Agency	Overall Score	Rank
City of Dinuba	33	1
City of Selma	33	1
City of Reedley	38	3
City of Sanger	40	4
City of Coalinga	43	5
City of Chowchilla	48	6
City of Hanford	51	7
City of Corcoran	54	8
City of Kerman	55	9
City of Porterville	59	10

The ultimate objective of this exercise is to identify which ten (10) agencies will be identified as the City's labor market for the purpose of comparison of the City's salary and benefits. Accordingly, in addition to identifying those agencies which are most similar to the City in overall profile, we are seeking to identify a group of agencies that will be fruitful for matching to the City's benchmark classifications. For the most part, the top 10 agencies have similar services to the City when considering the service areas listed in section 2 of this memo with the exception of Fire and Paramedic services. Of the 10 agencies, 3 agencies do not have a full-service Fire Department, and 7 do not have paramedic services. When reviewing for paramedic services, we specifically looked for agencies that have a non-sworn, non-Firefighter paramedic class for the purpose of matching the City's Paramedic benchmark class(es).

In order to conduct a statistical analysis of the market (i.e., provide the City with market median and market average datapoints), K&A requires at least four (4) matches in the labor market. Using this standard, the top 10 ranked agencies will most likely yield insufficient data for statistical analysis of the Paramedic benchmark class(es) for the City, in which case K&A will use internal salary relationships to develop salary recommendations.

An option is to exchange one of the top 10 ranked agencies for an agency with a lower ranking to provide us with a better opportunity to match the City's Paramedic class(es). If the City elected this option, our recommendation would be to exchange the City of Kerman (the lowest ranked City without paramedic services) for the City of Visalia (the highest ranked City that falls outside of the top 10 and that does have paramedic services). Table 2 below outlines the labor market group using this option.

Table 2. Labor Market Group with Emphasis on Including Paramedic Services

Agency	Overall Score	Rank
City of Dinuba	33	1
City of Selma	33	1
City of Reedley	38	3
City of Sanger	40	4
City of Coalinga	43	5
City of Chowchilla	48	6
City of Hanford	51	7
City of Corcoran	54	8
City of Porterville	59	10
City of Visalia	75	14

One of the disadvantages to this option is the disparate size of the City of Visalia when compared to the City of Kingsburg (700+ FTEs compared to 90+ FTEs, respectively) and the impact that can have on matching at the supervisory and management levels. Whereas matching individual contributor classifications is not typically affected by agency size, the vast differences in span of control for supervisors and managers can impact the matching in disparately sized agencies.

This analysis is intended to assist the City in choosing the comparator group, and to provide the City with factors for consideration when making this decision. In addition to the factors discussed in this memo, the City should reflect on other factors such as recruitment, retention, and/or overall alignment of operations. For example, are there agencies that don't rank as well but are consistently recruiting your employees?

Once the comparator agencies are approved, K&A can begin the data collection for the compensation study.

Proposed List of Comparators
Total Compensation Study

Ranking	Comparator Agency	Overall Comparison Score
	City of Kingsburg	6
1	City of Dinuba	33
1	City of Selma	33
3	City of Reedley	38
4	City of Sanger	40
5	City of Coalinga	43
6	City of Chowchilla	48
7	City of Hanford	51
8	City of Corcoran	54
9	City of Kerman	55
10	City of Porterville	59
11	City of Madera	60
12	City of Merced	69
13	City of Tulare	70
14	City of Visalia	75
15	City of Lodi	80
16	City of Fresno	89
17	City of Bakersfield	95
18	City of Stockton	96

Top Ranked Comparator Agencies

Legend: A lower Overall Comparison Score indicates that the comparator agency is more similar to the City of Kingsburg.

Column A: Ranking based upon comparison score.

Column B: Agency Name

Column C: The Overall Criteria Comparison Score is equal to the sum of ranking for each criteria.

The Overall Comparison Score is comprised of the following criteria:

- 1- Geographic Proximity Comparison
- 2- Population Comparison
- 3- Full Time Equivalent Comparison
- 4- Agency Expenditure Comparison
- 5- Cost of Living Comparison
- 6 - Comparable Services

Proposed List of Comparators
Total Compensation Study

Agency	Geographic Proximity	Population	FTE	Agency Expenditures	Cost of Living % above or below Kingsburg	Comparable Services	Overall Comparison Score	Overall Rank
City of Kingsburg	1	1	1	1	1	1	6	1
City of Dinuba	5	8	8	7	4	1	33	2
City of Selma	2	6	9	9	1	6	33	2
City of Reedley	3	7	5	8	9	6	38	4
City of Sanger	6	9	6	6	12	1	40	5
City of Coalinga	16	3	7	3	10	4	43	6
City of Chowchilla	15	4	2	4	6	17	48	7
City of Hanford	7	10	12	11	5	6	51	8
City of Corcoran	11	5	4	2	13	19	54	9
City of Kerman	12	2	3	5	16	17	55	10
City of Porterville	14	11	10	10	8	6	59	11
City of Madera	13	12	11	12	6	6	60	12
City of Merced	17	15	15	13	3	6	69	13
City of Tulare	10	14	13	14	13	6	70	14
City of Visalia	9	16	16	15	15	4	75	15
City of Lodi	20	13	14	16	11	6	80	16
City of Fresno	8	19	19	19	18	6	89	17
City of Bakersfield	18	18	18	18	17	6	95	18
City of Stockton	19	17	17	17	20	6	96	19
County of Fresno	4	20	20	20	18	19	101	20