



## **CITY COUNCIL AGENDA REPORT**

**MEETING DATE:** 6/3/2025

**DEPARTMENT:** City Manager

---

### **SUBJECT:**

CLASSIFICATION PLAN AND SALARY SCHEDULE FOR FISCAL YEAR 2025-2026 and AMENDMENT OF THE PERSONNEL RULES AND REGULATIONS

### **RECOMMENDED ACTION(S):**

1. Adopt a Resolution entitled: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE FOREST, CALIFORNIA, ADOPTING A REVISED CLASSIFICATION PLAN AND COMPENSATION SCHEDULE
  2. Adopt a Resolution entitled: RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE FOREST, CALIFORNIA ADOPTING AN AMENDMENT OF THE PERSONNEL RULES AND REGULATIONS
- 

### **EXECUTIVE SUMMARY:**

Every two years in line with the budget process, the City reviews its personnel policies, regulations, and classifications. The purpose of these reviews is: (1) to ensure that policies and regulations meet the operational needs of the City; and, that the City's classification and compensation schedule reflects the workforce demands of the City.

The Lake Forest Classification Plan and Compensation Schedule ("Classification Plan") identifies salary ranges for City job classifications and lists the number of budgeted full-time positions. Revisions to the Classification Plan are designed to meet the current needs of the City while also providing flexibility to address evolving work demands in the future.

The proposed Classification Plan for Fiscal Year 2025-26 includes:

- Eighty-five (85) salary grade adjustments
- Eight (8) new classifications
- Four (4) reclassifications
- Three (3) positions authorized at a higher level

If adopted, the City's Classification Plan will include 93 full-time classifications, with a total of 73 authorized full-time positions for Fiscal Year 2025-26 (Attachment 1). This represents a net increase of \$59,900 to salaries for Fiscal

Year 2025-26 as a result of the proposed changes to the Classification Plan. In addition, staff recommend changes to the part-time salary schedule with an estimated cost of \$55,000.

The Personnel Rules and Regulations (“Personnel Rules”) serve as a guiding policy for the administration of staff and govern employee conduct in performing the City’s business. Following a comprehensive review, staff have proposed amendments to six (6) chapters and Exhibit A - Benefits Matrix (Attachments 3 and 4). These include updates to job titles to align with the proposed Classification Plan, and revisions to vacation and management leave accruals. There is no fiscal impact associated with the proposed revisions to the Personnel Rules and Regulations.

If approved, the updated Personnel Rules and Regulations would become effective on June 20, 2025.

---

## **BACKGROUND:**

Every two years, the City utilizes an independent consultant selected via a competitive procurement process to conduct a Classification and Compensation study. Ralph Andersen & Associates’ (“RAA”) reviewed the labor market to recommend updates to pay ranges for all positions. RAA’s recommendations also considered the internal salary relationships between the City’s various classifications. Market data was collected by RAA in the Fall of 2024 from thirteen comparable Orange County municipalities. Proper salary alignment with the market ensures the City offers a compensation plan that is externally competitive and fiscally responsible, while also supporting the City in its efforts to recruit, retain, and motivate high-performing employees.

The Personnel Rules and Regulations (“Personnel Rules”) serve as a guiding policy for the administration of staff and govern employee conduct in performing the City’s business. The Personnel Rules were last updated and approved by the City Council on December 4, 2024.

---

## **DISCUSSION:**

### **Classification Plan and Compensation Schedule**

Based upon the recommendations of RAA along with current labor market conditions, staff is recommending adoption of the proposed Classification Plan. The Classification Plan includes 93 full- time classifications (i.e., job titles) and authorizes 73 full-time positions for Fiscal Year 2025-26. The proposed Classification Plan would enact the following changes.

### 1. Implements Salary Grade Adjustments to Eighty-Five (85) Classifications

RAA's salary recommendations are based upon market data, as well as internal salary relationships. Market data was collected by RAA in the winter of 2024 from thirteen comparable Orange County municipalities. Proper salary alignment with the market ensures the City offers a compensation plan that is externally competitive and fiscally responsible, while also supporting the City in its efforts to recruit, retain, and motivate quality employees.

The salary range changes *do not* result in automatic, immediate salary increases for the employees in those classifications. They are simply an adjustment of the salary range for the position. Lake Forest does not provide universal or uniform cost-of-living salary increases. Rather, salary increases for full-time employees are based upon individual performance under the City's "Pay-for-Performance" program. The only exception is when an employee's current salary falls below the minimum of the newly adjusted salary range.

### 2. Adds Eight New Classifications

The City of Lake Forest continuously evaluates its staffing levels in conjunction with its current business functions and future workloads. As a result, Staff recommends the addition of eight new classifications (i.e., job titles). They include:

- Assistant Director of Public Works/Asst City Engineer
- Capital Improvement Plan ("CIP") Manager
- Code Enforcement Manager
- Deputy Director of Maintenance and Facilities
- Senior Community Outreach Specialist
- Senior Facilities Maintenance Specialist
- Senior Information Technology Analyst
- Senior Street Maintenance Administrator

Of the eight (8) new classifications, four are included in the proposed 2025–2027 Operating Budget. All four budgeted positions are promotions of existing roles as discussed in number 4 below.

### 3. Reclassifies Four Positions

Staff recommend the following reclassifications based upon RAA's market analysis and the City's organizational needs. The four reclassifications are described in Table 1 below:

*Table 1 : Proposed Reclassifications*

<b>New Classification</b>	<b>Previous Classification</b>
CIP Manager	Principal Civil Engineer
Information Technology Analyst	Geographical Information System ("GIS") Analyst
Management Assistant (Community Development)	Management Aide (Community Development)
Senior Street Maintenance Administrator	Street Maintenance Administrator

Over the past two years, the City has successfully completed 31 Capital Improvement Projects (CIPs), with 13 finalized in 2023 and 18 in 2024. These projects have significantly enhanced various aspects of the City's infrastructure and public services. As the complexity of the projects have grown, the Principal Civil Engineer role has evolved into a Capital Improvement Program Manager. This reclassification reflects the expanded responsibilities including maintaining the CIP tracking system; preparing regular CIP program updates and reports; and assisting in the preparation of the CIP budget.

As information technology ("IT") continues to play an increasingly vital role in the City's operations, supporting a broad range of services and strategic initiatives, the scope and complexity of IT related responsibilities have significantly expanded. With the recent vacancy of the Geographical Information System ("GIS") Analyst, staff conducted an analysis to evaluate how the position aligns with current operational needs. Previously, the City benefited from an employee whose primary focus was on GIS. However, the needs of the City have changed.

Staff propose reclassifying the GIS Analyst to an Information Technology Analyst. The Information Technology Analyst would oversee contract management, provide analytical support, and assist the IT Manager. To accommodate the shift in focus, the GIS duties will be outsourced to a consultant, allowing the reclassified Information Technology Analyst to focus on the broader IT responsibilities.

In response to an increase in responsibilities, the Management Aide position in the Community Development Department is recommended for reclassification to Management Assistant. This reclassification reflects the increased additional duties the position has recently acquired. This position will oversee the Tyler Enterprise Permitting and Licensing ("EPL") software system including maintenance, support and contract management, and the administration of massage licensing.

The reclassification to Senior Street Maintenance Administrator is recommended due to the increase in duties performed by the current Street Maintenance Administrator. The proposed role will manage complex maintenance service and public construction contracts, oversee the City's GIS-based street asset inventory, and administer the procurement process for street maintenance projects.

The fiscal impact of the reclassifications is \$33,600 during Fiscal Year 2025-26.

#### *4. Authorizes Three Positions at the Higher Level*

Staff recommend authorizing three positions at higher level positions to allow the City Manager the opportunity to promote employees. Table 2 below summarizes the proposed promotions.

*Table 2 : Proposed Promotions*

<b>Proposed Promotion</b>
Engineering Services Manager/Asst. City Engineer to Assistant Director of Public Works/Asst. City Engineer
Public Works Maintenance Manager to Deputy Director of Maintenance and Facilities
Landscape Administrator to Senior Landscape Administrator

The promotion from Engineering Services Manager/Assistant City Engineer to Assistant Director of Public Works/Assistant City Engineer is recommended to allow for a realignment of supervision and shift of management responsibilities in the Public Works Department. In addition to overseeing Engineering and Capital Improvement Projects, the position would oversee the Environmental Compliance Division, which includes stormwater and hazardous materials programs. Additionally, the Assistant Director of Public Works/Assistant City Engineer would assist the Director of Public Works/City Engineer by managing long-term initiatives.

The promotion of the Public Works Maintenance Manager to Deputy Director of Maintenance and Facilities is based on the expanded scope of responsibilities within the Public Works Department. In addition to overseeing street and park maintenance operations, the position is proposed to oversee facilities management.

The Landscape Administrator promotion to Senior Landscape Administrator is a

result in the higher-level duties the employee has acquired in the Public Works Department. The proposed Senior Landscape Inspector will inspect the work of contractors engaged in the maintenance, construction, and care of City-owned parks, median strips, and landscaped areas. The position will also assume more complex maintenance oversight duties.

The fiscal impact of these promotions is \$26,300 for Fiscal Year 2025-26.

#### 5. Adds One Position to Flexibly Staffed Series

As a relatively small agency, there is limited potential for internal advancement within the City for many entry-level employees. As a result, many entry-level employees seek job opportunities with other local governments that provide more robust promotional opportunities. The City can mitigate this issue by adding “series” steps to certain positions (i.e.: Management Assistant to Management Analyst). This enables an entry-level employee to progress within their job classification via a series of promotional steps.

In a flexibly staffed series, the distinction between the entry and the journey level may be based upon experience and expertise rather than on the types of duties assigned. After gaining the experience and knowledge to perform the full range of journey-level tasks, the employee could progress to the journey level based upon the judgment of supervisory staff and the City Manager.

Therefore, staff recommend that the City implement one additional flexible staffing series:

- Code Enforcement Officer/Senior Code Enforcement Officer

If adopted, the flexible staffing series would enable a Code Enforcement Officer to be promoted to Senior Code Enforcement Officer, if the employee obtains the required experience and skillset needed to be promoted.

There is no fiscal impact associated with this proposed change.

#### 6. Amends the Part-Time Salary Schedule

The City’s Part-Time Salary Schedule consists of multiple pay grades, each containing Steps A through G, with each step set 5% apart. Part-time employees move through the steps based on satisfactory job performance and length of service.

Currently, the lowest pay grade in the City’s Classification and Part-Time Salary Schedule begins at \$16.50 per hour, which aligns with the State-mandated minimum wage. However, due to ongoing inflation and increased competition

from other agencies and private employers, the City has faced challenges in attracting and retaining part-time employees at this wage level. Staff recommend increasing the starting hourly rate for this pay grade by \$1.50, raising it to \$18.00 per hour.

This increase, however, creates salary compaction with the grades above it. Salary compaction occurs when there is only a small difference in pay between employees, regardless of skills or experience. Salary compaction removes the incentive for employees to stay at the City and perform at high standards. Therefore, staff recommend the remaining salary grades within the Part-Time Salary Schedule be increased (Attachment 1). Moreover, the current job market is extremely competitive, especially for part-time staff. Increasing the salary schedule for part-time employees will assist the City in successfully attracting and retaining part-time staff. If approved, the fiscal impact of the updated part-time salary range plan is estimated to be \$55,000.

If approved, the updated Classification Plan and Compensation Schedule will become effective on June 20, 2025, to align with the first pay period of Fiscal Year 2025-2026.

## **Personnel Rules and Regulations**

As with other policies, the Personnel Rules need to be updated periodically to address changes in the law, best practices, and the City's operations. Following a thorough review, staff are proposing amendments to six (6) of the chapters and Exhibit A (Benefits Matrix) in the Personnel Rules. Most of the changes in the chapters reflect changes to state law, updated practices, employee benefits and recommendations from the City Attorney's Office. Exhibit A includes updates to job titles in alignment with the proposed Classification Plan for Fiscal Year 2025–26, as well as revisions to Vacation and Management Leave.

Proposed changes to the Personnel Rules reflecting changes in state law, updated practices, employee benefits and recommendations from the City Attorney's Office are summarized in (Attachment 3). Staff attached an underline/strike-out version of the Personnel Rules highlighting these changes (Attachment 4).

Through the 2024 Classification and Compensation study, Ralph Andersen & Associates ("RAA") conducted a thorough review of leave benefits. This included a comprehensive labor market review of leave benefits, including both vacation and management leave. Currently, the Personnel Rules and Regulations (Exhibit A: Benefits Matrix) provide between 16 and 40 hours of Management Leave annually, based on classification. According to data from RAA, 11 of the 13 agencies surveyed offer on average 50% more Management Leave hours than Lake Forest.

Based on the findings from RAA and further staff analysis, staff recommend amending employee leave benefits. The first proposed change would increase the annual Management Leave by 16 hours, resulting in a total of 32 to 56 hours per calendar year for employees, depending on classification. Second, the proposed Personnel Rules would adjust the vacation accrual rate to better align with comparable cities and support long-term retention efforts. Tables 3-5 show the changes to Management Leave and Vacation accruals.

*Table 3: Current and Proposed Management Leave*

Category	Current Management Leave	Proposed Management Leave
A	40	56
B	24	40
C	16	32
D	None	None

*Table 4: Current Vacation Accrual*

Years in Service	Annual Hours
0-4	80
5-9	120
10	128
11	136
12	144
13	152
14 or greater	160

*Table 5: Proposed Vacation Accrual*

Years in Service	Annual Hours
0-2	80
3-7	120
8 or greater	160

If approved, the updated Personnel Rules and Regulations would become effective on June 20, 2025, to align with the first pay period of Fiscal Year 2025-



2026. Staff will continue monitoring legal developments in this area of public employee personnel management and present future amendments to the Personnel Rules as needed.

## **Conclusion**

In conclusion, staff recommend the City Council adopt the following resolutions: 1) a Resolution revising the City's Classification Plan and Compensation Schedule (Attachment 2); and 2) a Resolution amending the Personnel Rules and Regulations (Attachment 5).

---

## **FISCAL IMPACT:**

The implementation of all the recommended changes related to the Classification Plan results in a total fiscal impact estimated to be \$114,900 for Fiscal Year 2025-26. The proposed 2025-2027 Operating Budget includes sufficient funding to cover the cost of the recommended action. There is no fiscal impact to the adoption of the Personnel Rules and Regulations.

---

## **ATTACHMENTS:**

1. Revised Classification Plan and Compensation Schedule FY 2025-26
2. Resolution Adopting a Revised Classification and Compensation Schedule
3. Proposed Changes to Personnel Rules and Regulations – Summarized
4. Proposed Changes to the Personnel Rules and Regulations – Redline Version
5. Resolution Amending Personnel Rules and Regulations

Initiated By: Shelly Cisneros, Human Resources Manager  
Submitted By: Keith Neves, Assistant City Manager  
Approved By: Debra Rose, City Manager