

CONSERVANCY EXECUTIVE DIRECTOR COMPENSATION

Recommended Action: Consideration and possible authorization of adjustments to the California Tahoe Conservancy (Conservancy) Executive Director's compensation.

Location: Not applicable

Fiscal Summary: The annualized cost to the Conservancy support budget of the recommended salary adjustment would mostly come from the California Environmental License Plate Fund.

Overview

Description of Recommended Action

Staff recommends the California Tahoe Conservancy (Conservancy) Board discuss and adopt a compensation adjustment to address compaction issues and comparability with other State and Lake Tahoe Basin (Basin) agency executive pay. The recommended compensation adjustment follows the California Department of Human Resources (CalHR) Personnel Management Liaisons (PML) memorandum (PML 2014-033) (Attachment 1) regarding the appropriate increase for executive positions to address salary compaction issues.

History

Government Code section 66906.6 authorizes the Board to determine the executive director's compensation:

The governing body shall determine the qualification of, and it shall appoint and fix the salary of, the executive officer of the agency, and shall employ such other staff pursuant to the State Civil Service Act as may be necessary to execute the powers and functions provided for under this act or in accordance with any

intergovernmental contracts or agreements the agency may be responsible for administering.

The current Conservancy Executive Director, Patrick Wright, was appointed in 2006 at a salary of \$101,508. In accordance with CalHR guidance, this salary was established by the Board based on factors such as duties, responsibilities, organization relationships, and comparable positions with similar roles. In the decade since his appointment, however, the Conservancy’s Executive Director has not received any major salary adjustments to keep pace with these factors, other than small (i.e., three percent on average) general State employee pay increases and one five percent salary increase in 2013. Table 1 below summarizes the Executive Director’s salary history since his appointment.

Table 1: Conservancy Executive Director Pay History					
Date	Transaction Code	New Monthly Salary	Monthly Increase		Annual Salary
1/3/2006	A30	\$8,459			\$101,508
12/1/2006	GEN	\$8,755	\$296	3.5%	\$105,060
7/01/2007	GEN	\$9,053	\$298	3.4%	\$108,636
7/01/2013	SAL	\$9,512	\$459	5%	\$114,144
7/01/2015	GEN	\$9,750	\$238	2.5%	\$117,000
10/01/2016	GEN	\$10,043	\$293	3%	\$120,516
7/01/2017	GEN	\$10,445	\$402	4%	\$125,340

A30- DPA Exempt Appointment

GEN-General Salary Change

SAL-Other Salary Changes

Salary Compaction Issues

At the time of his appointment, the Executive Director was paid more than all Conservancy employees except the most senior attorney. During the last decade, however, several Conservancy staff and mid-level managers have received significant salary increases. In 2014, for example, staff and managers in various scientific job classifications throughout State government received significant salary increases.

As shown in Table 2 below, the Conservancy’s Executive Director now earns approximately 20 percent less than the Deputy Director, and the top end of his salary range is lower than that of several Conservancy mid-level managers. For example, the Conservancy is now seeking to fill a mid-level supervisory position at a salary range that is significantly higher than the Executive Director’s current salary.

Table 2: Conservancy Compaction-related Salaries			
Employee/Title	Classification	Current Salary	Pay Scale
Patrick Wright Executive Director	Executive Officer	\$125,340	\$112,453 - \$125,340
Michael Steeves Chief Counsel	Chief Counsel I, C.E.A.	\$156,984 (Pending)	\$149,124 - \$174,456
Jane Freeman Deputy Director	Environmental Program Manager II	\$151,488	\$137,340 - \$156,024
Vacant (P. Stewart) Chief of Natural Resources	Environmental Program Manager I (Supervisory)	Pending	\$118,332 - \$147,108
Jason Vasques Recreation, Access, and Forest Ecosystem Planning Supervisor	Senior Environmental Scientist (Supervisor)	\$102,336	\$102,336 - \$127,224
Stuart Roll Watershed and Ecosystem Restoration Program Supervisor	Senior Environmental Scientist (Supervisor)	\$102,336	\$102,336 - \$127,224

These recent State salary increases have created what the State calls a “compaction” issue, which occurs when the salary of a supervisor is less than the employees he or she manages. In 2014, PML 2014-033 provided direction to State agencies affected by compaction of salaries. According to CalHR, departments should request executive salary increases when the executive’s salary “is not 2.5% to 5% greater than the maximum salary of the highest subordinate’s classification.”

PML 2014-033 also notes, however, that it may not be necessary to address compaction issues “when the subordinate classes require special qualifications as a physician, engineer, or attorney,” while the executive “performs a more high level administrative policy role that does not require the same special qualifications.” As described below, therefore, the staff recommendation focuses solely on compaction issues with the Deputy Director’s and other supervisors’ salaries, and does not seek to address the compaction issue related to the salaries of the Conservancy’s attorneys.

Salary Comparability Issues

In addition to compaction issues, the Conservancy has not kept pace with other State and Basin agency executive pay, which puts the Conservancy at a disadvantage for

future hiring and retention, and impacts the standing of the Conservancy in the Basin and regionally. As shown in Table 3 below, the Conservancy’s Executive Director earns about 20 percent less than both the Executive Officer and Assistant Executive Officer at the Lahontan Regional Water Quality Control Board (LRWQCB), and significantly less than regional mid-level managers at the California Department of Transportation (CalTrans), Department of Parks and Recreation (DPR), California Department of Forestry and Fire Protection (CAL FIRE), California Department of Fish and Wildlife (DFW), and other State agencies. Local and regional executive salaries, as shown in Table 4, have also increased significantly in recent years.

Table 3: Lake Tahoe Basin CA Executive/Management Salaries				
Agency	Employee	Title	2017 Salary	Pay Scale
State Executives				
Tahoe Regional Planning Agency	Joanne Marchetta	Executive Director	\$188,605	NA
LRWQCB	Patty Z. Kouyoumdjian	Executive Officer	\$161,028	\$161,028 - \$182,916
LRWQCB	Lauri Kemper (retired)	Assistant Executive Officer/Principal WRC Engineer	\$163,452	\$143,904 - \$163,452
Conservancy	Patrick Wright	Executive Director	\$125,340	\$112,453 - \$125,340
Conservancy	Jane Freeman	Deputy Executive Director	\$151,488	\$137,340 - \$156,024
Other State Mid-Level Managers				
CalTrans	Amarjeet Benipal	District 3 Director	\$169,520	82,956 - 190,620
CAL FIRE	Christopher Anthony	Assistant Chief	\$151,129*	Unavailable
DFW	Tina Bartlett	Regional Manager	\$150,800	\$82,956 - \$190,620
DPR	Marilyn Linkem	State Park Superintendent V	\$147,949*	\$108,204 - \$134,988

*includes bonus pay

Table 4: Local/Regional Agency Executive Salaries			
Agency	Employee	Title	Salary
City of SLT	Nancy Kerry	City Manager	\$195,081 (2017)
El Dorado County	Don Ashton	CAO	\$201,650 (2016)
Placer County	David Boesch (retired)	CEO	\$264,903 (2016)
STPUD	Richard Solbrig	General Manager	\$212,014 (2016)
NTPUD	Duane Whitelaw	General Manager	\$192,100 (2016)
TCPUD	Cindy Gustafson (retired)	General Manager	\$219,989 (2015)

Recent State Executive Salary Increases

Several other State agencies have recently taken steps to address executive compensation and compaction issues. The salaries of the LRWQCB’s Executive and Assistant Executive Officers have increased significantly in recent years to address compaction issues, and in July 2017, the Tahoe Regional Planning Agency Governing Board raised the compensation for its Executive Director from \$149,115 to \$188,605 based on an analysis of comparable executive salaries.

As noted in Table 1, State executive (exempt) employees, including the Conservancy Executive Director, received a 4 percent salary increase in July 2017. State executives are also scheduled to receive another 4 percent increase in July 2018, and a 3.5 percent increase in July 2019. These increases will raise the Executive Director’s salary to \$134,916 by July 2019, a level that is still far below current Conservancy salary levels that have created the Conservancy’s compaction issues.

Staff Recommendation

According to CalHR, State executive salaries should be based on factors such as duties, responsibilities, organization relationships, and comparable positions with similar roles, and should be set at levels necessary to address compaction issues. Consistent with the guidance from CalHR, the Board should consider setting the Executive Director salary at five percent above the Deputy Director’s maximum salary (\$156,024), which is \$163,825. This level would address the Conservancy’s salary compaction issue, and match the salary of the highest level executive position at the LRWQCB. Alternatively, the Board could consider setting the Executive Director salary at a lower level (\$152,200) that takes into account the pending 4 percent and 3.5 percent state executive salary increases in 2018 and 2019. This approach would not address comparability issues with other State executives who are receiving the same annual salary increases, or immediately address the Conservancy’s compaction issues, but would be adequate to address these compaction issues by 2019. Staff also recommends that the Board

establish a process for periodically reviewing the Executive Director's salary based on guidance from CalHR.

Financing

The proposed salary adjustment would mostly come from the California Environmental License Plate Fund in the Conservancy's support budget.

Authority

Consistency with the Conservancy's Enabling Legislation

The recommended compensation adjustment is consistent with the Conservancy's enabling legislation. Specifically, Government Code section 66906.6 authorizes the Board to determine Executive Director compensation.

Consistency with the Conservancy's Strategic Plan

The recommended action is consistent with the Strategic Plan in that it promotes overall agency operational efficiency and administrative capabilities (Strategy IV), including retention and succession planning. It also helps the Conservancy maintain its role as a strategic leader in the Basin (Strategy I) by ensuring the agency attracts and maintains a professional executive director who helps set and oversee implementation of the Conservancy's vision, mission, and strategic goals.

Consistency with External Authorities

The recommended action is consistent Government Code section 19825 regarding salary approval and CalHR PML 2014-033.

Compliance with the California Environmental Quality Act

The Executive Director's pay compensation does not involve any commitment to any specific activity which has the potential to result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, and is therefore not a "project" within the meaning of the California Environmental Quality Act.

List of Attachments

Attachment 1 – CalHR PML Memorandum 2014-033

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