



IMPLEMENTATION PLAN

The City has prepared a plan to guide implementation of the recommendations provided in the Compensation and Staffing Review. The implementation plan includes:

Suggested priority (high, medium, or low)

Difficulty to implement (high, medium, or low)

Responsible departments

Suggested timing

Whether the work can be performed internally or using external resources

A range of potential costs of externally resourced projects, depending on the level of City staff involvement and scope of services



#	RECOMMENDATION	PRIORITY	EFFORT LEVEL	RESPONSIBILITY	TIMELINE: FY 18-19				RESOURCE	ESTIMATED COST	
					Q1	Q2	Q3	Q4			
1	Enhance awareness and understanding of personnel costs by making this information readily accessible to the general public and provide explanations of each component of total compensation.	High	Moderate	HR and Finance					Internal	N/A	Staff will develop new and fine-tune existing online resources that clearly explain the components of employee compensation. This will include the addition of a summary page to the current Pension Overview slide deck, creating additional links to the slide deck from the City's home page and Human Resources Department webpage, and clearer links to an existing open data portal providing a breakdown of salaries by employee, and collective bargaining group memoranda of understanding. In addition, staff will develop a webpage showing a breakdown of employee benefits.
2	Develop and implement a formal compensation philosophy, including, but not limited to, compensation and benefits components, levels, and market competitiveness, to guide labor negotiations and set employee expectations with respect to compensation.		High	HR, City Manager's Office, and City Council					Internal or External	\$5,000 to \$15,000 for external facilitation	Human Resources will gather input from stakeholders and then develop a formal compensation philosophy to present to City Council for adoption. This philosophy will then guide the development of a compensation policy.
3	Evolve the in-house position-level compensation market study methodology to include medians and percentiles in accordance with best practices, accounting for labor relation requirements.	High	Moderate	HR					Internal	N/A	Human Resources is discussing additional compensation methodology training for staff involved in compensation studies so they will be prepared to use medians and percentiles for future studies. Additionally this will be negotiated with bargaining units if needed.
4	Continue to take steps whenever possible to mitigate the financial threat that pension liability places on the City.	High	Moderate	Finance					Internal and External	N/A	Staff will continue its policy of making expedited paydowns of its unfunded liability as well as investigating alternative ways to decrease its liability, such as shorter amortization schedules or establishing a trust fund dedicated to



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											pension costs. Pending Council's direction, management proposes to develop a fiscal responsibility philosophy that will provide parameters for budgeting, program development and labor negotiations.
5	Evaluate options to stabilize per-employee health care costs.	High	High	HR					Internal	N/A	Staff is already conducting analysis of alternative service delivery methods, although a full evaluation of options, and their implementation, will require more than one year due to the length of memorandums of understanding with collective bargaining groups.
6	Consider staggering labor contracts and expanding the duration of all contracts to multiple years reduce the burden of negotiations on the City.	Medium	Moderate	HR					Internal	N/A	Currently there are 9 contracts that will expire in June of 2020. One will expire in June of 2019 and one that is currently being negotiated will likely be a 3 year contract with an expiration in 2021. The City will evaluate whether current three year contracts should be extended another year to more evenly stagger the contracts. This could potentially lessen the burden of negotiations.
7	Regularly assess the City's charter, municipal code, and civil service rules to ensure they are aligned with contemporary personnel practices and meet the evolving business needs of the City.	Medium	Moderate	HR and City Manager's Office					Internal	N/A	The last Charter change related to civil service rules was in 2006. Other changes have been made to the municipal code, with major changes taking place in 2007 and more minor ones subsequently. The City will review the municipal code and Charter this summer for changes, with an anticipation that Charter changes could go to the voters during an appropriate major election and municipal code changes could be proposed during the next round of labor negotiations or as a separate negotiation if applicable.



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8	Develop financial and operational strategies to prepare for possible future recessions, since the City may not be able to absorb a future recession as easily.	High	High	Finance and City Manager's Office					Internal	N/A	Pending Council's direction, management proposes to develop a fiscal responsibility philosophy to be adopted by Council, and extend financial forecasting from 5 to 10 years as part of the next biennial budget process, beginning this summer. The City is in the process of transitioning to a performance management model for its planning and therefore budgeting, with the next biennial budget focusing on reallocation of resources towards their best use, and establishment of baseline measures to capture program effectiveness going forward.
9	Explore strategies for mitigating personnel costs, such as hiring personnel at lower steps and leveraging training programs to equip personnel to take on greater responsibility earlier in their careers.	High	High	HR					Internal	N/A	Higher step placements are already reviewed individually to determine feasibility and with new state laws regarding disclosure of salary this will be more challenging, however, an analysis of step placement will be conducted on each job offer above Step 1. The City will continue to expand and review the Santa Monica Institute, which is the internal training venue for City staff. These are open to all employees and are not limited necessarily by someone's position.
10	Implement an evaluation framework to assess the lifecycle costs of proposed new programs and services, and evaluate outsourcing options where applicable.	High	High	Finance and City Manager's Office					Internal or External	\$15,000 to \$35,000 for framework development facilitation	As noted in response to Recommendation 7, staff will extend its program cost and revenue projections from 5 to 10 years and will transition to a performance management model in order to understand the effectiveness of services and service delivery methods in leading the City towards target outcomes.
11	Continue initiatives already underway to develop a strategic plan, comprehensive	Medium	High	City Manager's Office and Finance					Internal	N/A	Staff will continue to transition to a performance management model based on the Framework for a Sustainable City



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	performance indicators, and leverage the City's data for decision-making.										of Wellbeing. The Framework is structured around 6 outcomes and metrics supporting them. Supporting the outcomes are the City's 5 Strategic Goals and department activities and projects and their correlating metrics. The framework will serve as the guide for the FY 2019-21 Biennial Budget process, as departments find ways to reallocate resources towards projects that will contribute to Framework outcomes.
12	In accordance with best practices, continue to evaluate police staffing levels and use of overtime.	Medium	Moderate	Police and HR					Internal	N/A	Staff will continue to review staffing needs and evaluate whether these needs are best met using existing staff or overtime.
13	In accordance with best practice, conduct a staffing study to evaluate on-duty staffing demand, staffing levels, and use of overtime.	Medium	Moderate	Fire and HR					Internal and External	\$50,000 to \$100,000	Staff will continue to review staffing needs and evaluate whether these needs are best met using existing staff or overtime. Additionally, a Standard of Cover evaluation is being contemplated as part of the FY 2018-20 CIP budget. This evaluation would consider items such as staffing.

