STAFF REPORT – CITY COUNCIL MEETING

TO: Honorable Mayor and City Council Members

FROM: Keira A. Vink, Human Resources and Administrative Services Director

PREPARER: Keira A. Vink, Human Resources and Administrative Services Director

DATE: November 4, 2026

TITLE: **Approve City Department Restructure and Creation of a New Public Works Department; and Approve Associated Actions Including Adoption of Resolution Nos. 267-15, -29, and -31 Amending Applicable Class and Pay and Supplemental Compensation and Benefits.**

RECOMMENDATION:

It is recommended that the Council:

1) Approve City Department Restructure and the Creation of the new Public Works Department including applicable classification, title, positions, and compensation changes as a result of the restructure;
2) Adopt Resolution No. 267-15, A Resolution of the City Council of the City of Arcata Amending the Class and Pay Resolution for Management, Mid Management, and Confidential Employees;
3) Adopt Resolution No 267-29, A Resolution of the City Council of the City of Arcata Amending the Supplemental Compensation and Benefits for Management and Confidential Employees;
4) Adopt Resolution No. 267-31, A Resolution of the City Council of the City of Arcata Amending the Class and Pay Resolution, International Union of Operating Engineers, Local No. 3; and
5) Authorize City Manager to execute all applicable documents.

BACKGROUND:

Over the past several decades, the City's organizational structure has been modified several times to improve operational efficiency and address budgetary needs, with the most recent reorganization occurring in 2014. While the current structure generally functions well, the previous reorganization placed a significant number of additional duties and responsibilities under the Environmental Services Department. The department has done an excellent job managing these responsibilities and maintaining its operations; however, it may not be sustainable.

As the City plans for the long-term succession planning, it is important to evaluate workload distribution across departments, establish a more balanced organizational structure, and ensure long-term operational sustainability. The proposed configuration is intended to better distribute responsibilities, improve operational efficiency, and provide greater flexibility for succession planning and recruitment, making it easier to fill positions and maintain continuity when vacancies occur.

DISCUSSION:

Over the last two years, the City Manager and Department Directors have had a focus on succession planning and how the City can be better prepared for the future. The City's management team identified that it will be important to create a structure that includes an easier pathway for employees to promote from within or to be able to hire for new positions as staff retire or resign. One of the areas of concern was that the Environmental Services Department had a significantly broader area of focus and responsibility for wider range of projects than other departments. The current organization structure works, because departments work to support each other and the workload is shared between departments, however there is concern that as existing department directors retire or move on from the city having too broad of area of responsibility would make it difficult to rehire for director level positions. One of the other areas where there was consensus was that better customer service could be provided for permit review if the Building Division was assigned to the Community Development Department. This would eliminate inefficiencies during the review process and allow for land use and building responsibility to be under one department director.

There is consensus between the department heads that a restructure of the City's divisions to group areas of related work within one department and balance the responsibilities between departments more evenly will improve its ability to attract and retain employees for key management positions, and improve customer service by having technical areas housed within one department. Although there will be some positions that will be reclassified because of these changes, the city will not be adding any additional positions at this time. Therefore, the additional costs of this restructure will be relatively low compared with the benefits that will be recognized by balancing the workload between departments, efficiencies created by combining similar types of work and the city's ability to better attract employees for key management positions in the future.

The reorganization which will be effective December 6, 2026, consists of the following changes:

- Creation of a Public Works Department which will absorb the Engineering and Building Department.
- Transfer Building Division from the Engineering and Building Department to the Community Development Department as the work that is completed often overlaps with the duties and mission of this Department.
- Reduce the scope of responsibility and size of the Environmental Services Department by transferring the Streets, Utilities, and Fleet Management Division including all corresponding positions to the new Public Works Department.
- Reclassify the City Engineer classification and the incumbent to the Director of Public Works. Director of Public Works classification is designated as senior management.

In addition to the reorganization of City Departments to create the new Public Works Department, Human Resources at the request of Department Directors and the City Manager has completed multiple classification and compensation studies.

The following recommendations are based upon those studies:

- Upon the creation of the Director of Public Works classification, a salary study was completed to place the director at the appropriate salary grade. The survey revealed that current director salaries are below comparable positions in like agencies. It is recommended that Department Directors who are on salary band M232 be moved to salary band M248. This represents an

eight (8) percent increase and moves the salary to a competitive salary grade. The classifications on salary band M232 are Director of Environmental Services, Director of Community Development, Director of Public Works, Finance Director, and Human Resources and Administrative Services Director. The Police Chief is currently already placed at a higher salary band in recognition of its level of authority and responsibilities, so no further adjustments are necessary for the Police Chief salary. All incumbents in these classifications will be moved to the new salary grade in the corresponding salary step they are currently on.

- The following mechanic classifications were studied as these classifications have been historically hard to recruit, Mechanic, Lead Mechanic, Water/Wastewater Mechanic I/II, Lead Water/Wastewater Mechanic. The survey revealed current salaries are below comparable positions in like agencies. Based upon the compensation studies, it is recommended that the following adjustments be made:
    - Mechanic be moved from salary grade G172 to salary grade G179 resulting in a three and a half (3.5%) percent base pay increase.
    - Water/Wastewater Mechanic I be moved from salary grade G160 to G165 resulting in a two and a half (2.5%) percent base pay increase.
    - Water/Wastewater Mechanic II be moved from salary grade G170 to G179 resulting in a four and a half (4.5%) percent base pay increase.
    - Lead Mechanic and Lead Water/Wastewater Mechanic be moved from salary grade G191 to salary grade G199 resulting in a four percent (4%) base pay increase.

  All incumbents in these classifications will be moved to the new salary grade in the corresponding salary step they are currently on.

- A compensation study was completed on the City Clerk classification. The survey revealed the current salary is below comparable positions in like agencies. Based upon the compensation studies, it is recommended the following adjustments be made: the City Clerk classification and the incumbent be moved from salary grade M142 to salary grade M185. The incumbent in this classification will be moved to the new salary grade in the corresponding salary step they are currently on.

- Due to additional duties received during the restructure, a class and compensation study was completed on the Water/Wastewater Compliance and Operations Manager classification. Based upon the studies, it is recommended that the following adjustments be made: the classification of Water/Wastewater Compliance and Operations Manager and the incumbent be upgraded to the Deputy Director of Environmental Services Water/Wastewater Treatment classification and moved from salary grade M152 to salary grade M198. The incumbent in this classification will be moved to the new salary grade in the corresponding salary step they are currently on.

- Creation of a Deputy Director of Environmental Services Water/Wastewater Treatment position designated as mid-management and salary grade M198.

- Deletion of the Water/Wastewater Compliance and Operations Manager position.

POLICY IMPLICATIONS:

While the City of Arcata Personnel Rules & Regulations (PR&R) grant authority to the City Manager to adopt changes to the City's Classification Plan (i.e. job descriptions), Chapter IV, Section 2, of the PR&R requires amendments or revisions to the Compensation Plan be adopted by resolution of City Council.

This action is consistent with the City's Personnel Rules and Regulations as it relates to establishment and maintenance of the City's Classification and Compensation Plans.

BUDGET/FISCAL IMPACT:

The total annual projected cost of the restructuring and all applicable classification changes is $174,400. For the remaining portion of the Fiscal Year 2026-27, the additional cost is projected at $114,000 and will be incorporated into the mid-year budget adjustments presented to the City Council in late February or early March of 2027.

RECOMMENDED COUNCIL ACTION:

1) Receive a staff report and review questions with staff.
2) Open public comment.
3) Close public comment.
4) Motion to:
    a) Approve the City Department Reorganization and the Creation of the Public Works Department including applicable classification, title, positions, and pay changes as a result of the restructure.
    b) Adopt Resolution No. 267-15, A Resolution of the City Council of the City of Arcata Amending the Class and Pay Resolution for Management, Mid Management, and Confidential Employees;
    c) Adopt Resolution No 267-29, A Resolution of the City Council of the City of Arcata Amending the Supplemental Compensation and Benefits for Management and Confidential Employees;
    d) Adopt Resolution No. 267-31, A Resolution of the City Council of the City of Arcata Amending the Class and Pay Resolution, International Union of Operating Engineers, Local No. 3, to Include Salary Changes; and
    e) Authorize City Manager to execute all applicable documents.

ATTACHMENTS:

A. Resolution No. 267-15, Amending the Class and Pay for Management, Mid Management, and Confidential Employees
B. Resolution No. 267-29, Amending the Supplemental Pay and Benefits for Management and Confidential Employees
C. Resolution No. 267-31, Amending the Class and Pay for International Union of Operating Engineers Local 3