

City of Coachella

TOTAL COMPENSATION STUDY PROPOSAL

January 8, 2024

Gallagher, formerly known as Koff & Associates

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January 8, 2024

Ms. Yoland Lopez
Human Resources Management Analyst
53990 Enterprise Way
Coachella, CA 92236

Dear Ms. Lopez:

Thank you for the opportunity to respond to your Request for Proposals for a Total Compensation Study for the City of Coachella ("City"). We are most interested in assisting the City with this important study and feel that we are uniquely qualified to provide value to your organization based on our experience working with other cities, counties, special districts, joint-powers associations, other public agencies, and the City itself on a number of occasions.

Gallagher, formerly known as Koff & Associates, ("Gallagher/K&A") is an experienced Human Resources and Recruitment Services firm providing human resources services to cities, counties, special districts, courts, educational institutions, and other public agencies for over 40 years. Our team has achieved a reputation for working successfully with management, employees, employee representation, and governing bodies. We believe in a high level of dialogue and input from study stakeholders and our proposal speaks to that level of effort. Our team's extra effort has resulted in close to *100% implementation* of all our classification and compensation studies.

Gallagher/K&A ensures that each of our projects is given the appropriate resources and attention, resulting in a high level of quality control, excellent communication between clients and our office, commitment to meeting timelines and budgets, and a consistently high-caliber work product.

As a Managing Director of Gallagher/K&A, I would assume the role of Project Director and be responsible for the successful completion of project. I can be reached at our Berkeley address and the phone number listed on the cover page. My email is georg_krammer@ajg.com.

This proposal will remain valid for at least 90 days from the date of submittal. Please call if you have any questions or wish additional information. We look forward to the opportunity to provide professional services to the City of Coachella.

Sincerely,

Georg S. Krammer
Managing Director, Compensation and Rewards Consulting



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Firm Qualifications

Gallagher, formerly known as Koff & Associates, (“Gallagher/K&A”) is a full-spectrum, public-sector human resources and recruitment services firm; Gallagher/K&A has been assisting cities, counties, special districts, joint powers associations, courts, educational institutions, and other public agencies with their human resources needs for over 40 years and we have offices all throughout California, the Western Region, as well as across the nation.

We are familiar with the various public sector organizational structures, agency missions, operational and budgetary requirements, and staffing expectations. We have extensive experience working in both union and non-union environments, working with City Councils, County Commissions, Boards of Directors, Boards of Supervisors, Boards of Trustees, Boards of Education, Merit Boards, and Joint Power Authorities.

The firm’s areas of focus are classification and compensation studies (approximately 70% of our workload); executive search and staff recruitments; and organizational development/assessment studies.

Without exception, all our classification and compensation studies have successfully met all our intended commitments; communications were successful with employees, supervisors, management, and union representatives; and we were able to assist each agency in successfully implementing our recommendations. All studies were brought to completion within stipulated time limits and proposed budgets.

Our long list of clients (please see <https://koffassociates.com/our-clients/>) is indicative of our firm’s reputation as being a quality organization that can be relied on for producing comprehensive, sound, and cost-effective recommendations and solutions. Gallagher/K&A has a reputation for being “hands on” with the ability and expertise to implement its ideas and recommendations through completion in both union and non-union environments.

Gallagher/K&A relies on our stellar reputation and the recommendations and referrals of past clients to attract new clients. Our work speaks for itself and our primary goal is to provide professional and technical consulting assistance with integrity, honesty and a commitment to excellence. We are very proud of the fact that in working with hundreds of public agency clients and completing hundreds of classification and/or compensation and other types of studies, we have only had a handful of formal appeals in our entire history.

Especially when it comes to compensation, we know we are dealing with people’s livelihoods and we take that very seriously. We are human resources professionals by trade and at heart and always keep the human aspect at the forefront of our problem solving methodologies. Our guiding principle of assisting public agencies for the greater good of their people and the communities they serve has been the backbone of our culture of integrity and ethics. Our values of being public-spirited, resourceful, curious, and courageous help us succeed in being very client- centric, fully invested in our work and finding the best solutions for our clients, and in applying a synergistic approach to all of our projects.

About the Larger Gallagher

Value Proposition: The ability to deliver comprehensively structured human capital solutions to clients is Gallagher’s signature in the marketplace. At Gallagher, we want to know what makes your organization unique. We listen intently to learn about your culture and priorities and delve deeply into all the details that matter when balancing human capital needs with financial sustainability. This single-minded focus on excellence — characterized by innovation and creativity — is the driving force behind every Gallagher engagement.

Company History: Arthur J. Gallagher & Co. opened its doors for business in 1927 and is still “growing strong” because of a practiced ability to help clients think ahead. Founded by its namesake who was previously the leading producer for Chicago’s largest insurance brokerage, Gallagher is now one of the world’s largest human capital, insurance brokerage and risk management services firms. Headquartered in Rolling Meadows, IL, we have operations in 33 countries, and extend our client-service capabilities to more than 90 countries through a global network of correspondent brokers and consultants.

Since 1961, we’ve been helping clients overcome business barriers and create new opportunities to cost-effectively attract, retain and productively engage the best performers in their field. Gallagher started trading on the NYSE under the symbol AJG in 1984.

Company Culture and Philosophy: The ideals, principles and values embodied by the founder whose name still appears on our door are part of our corporate DNA.

Gallagher’s approach to business, cultivated through three generations of family leadership, has always centered on creating relationship value as true partners to our clients.

Gallagher’s interactions with you will be straightforward and candid. By earning the trust of our clients, we’ve sustained a reputation for ethics and a commitment to transparency that continue to contribute to our growth. In fact, Gallagher was the first insurance broker named to the Ethisphere® Institute’s annual list of the World’s Most Ethical Companies in 2012 — and has earned this recognition for twelve consecutive years, through 2023. This is a tremendous achievement: annually, less than 150 companies based in 24 countries and



FAMILY RUN
Founded in 1927

GLOBAL REACH. LOCAL PRESENCE
Shared values
Passion of excellence
Promises delivered

39,000+
Employees worldwide

850+
Offices in
68 countries

150+
Countries
served

2023 WORLD'S MOST ETHICAL COMPANIES™
ETHISPHERE

\$6.9B
Total Adjusted
Brokerage & Risk
Management Revenues
(2021)



representing 57 industry categories received this honor. Gallagher is the only insurance broker to have ever been recognized (World's Most Ethical Release).

The high standards of conduct we've set for our external professional relationships are the same rules we follow internally. The Gallagher Way, a one-page document that outlines our 25 shared values, was written in 1984 but is just as culturally relevant today. It speaks to the value of relationships and several tenets set guidelines for ethical behavior. Gallagher combines innovative solutions, thoughtful advice, and honest business practices to minimize risk and help fuel your success.

Human Resource and Compensation Consulting Practice: Gallagher's Human Resources & Compensation Consulting practice, of which the former K&A team is now a part, empowers clients to attract talent, manage staff, develop leaders, and reward success—leveraging the power of Gallagher and wisdom of experience to produce an engaged and productive workforce. Tapping into expertise that spans the spectrum of human resources at every level, we can assemble flexible compensation and consulting solutions that improve efficiency and fiscal sustainability.

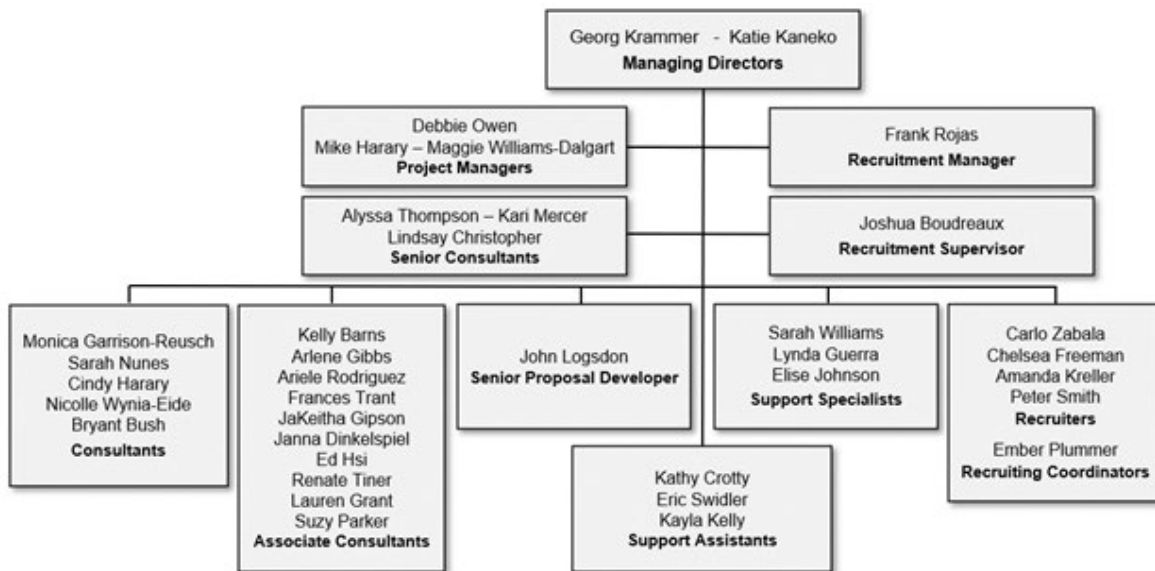
Our practice is a combination of some of the most respected names in human resources and compensation consulting. Bringing together experts from compensation, performance, search, survey, and leadership fields, Gallagher empowers clients with tools for the entire lifecycle of employment management.

With an experienced team of 185 consultants located in 13 offices across the United States and Canada, our services include:

- Compensation
- Employee Engagement
- Executive Compensation
- Organizational Development
- HR Management
- Search and Interim Placement
- Custom Salary and Benefit Surveys
- Governance Consulting

Team Member Qualifications

Our team consists of 37 employees as shown below in our organizational chart.



No subcontractors will be assigned to this study.

All members of our team have worked on multiple comprehensive compensation studies and are well acquainted with the wide array of public sector organizational structures, compensation structures, classification plans, as well as the challenges and issues that arise when conducting studies such as this one for the City.

KEY PERSONNEL

Our project team will be led by Co-Project Directors Georg Krammer (Managing Director) and Mike Harary (Project Manager). They will coordinate all of Gallagher/K&A's efforts, attend all meetings with the City, and be responsible for all work products and deliverables.

CONSULTANTS

Monica Garrison-Reusch (Consultant), Janna Dinkelspiel (Associate Consultant), Kelly Barns (Associate Consultant), Cindy Harary (Consultant) and Renate Tiner (Associate Consultant) will conduct classification analysis and interviews with employees and management, compensation data collection and analysis, internal job analysis, and develop recommendations and implementation strategies.

WORKLOAD

We currently have a team of 25 HR consultants and five administrative support staff – resources that we are able to pool based on each project's needs, to execute projects and to meet clients' needs and expectations. Each time we are selected as the successful bidder on a project, we strategize to determine project timelines, deliverable deadlines, and the resources that are required to produce the deliverables as promised. We are poised to accommodate the City's classification and compensation study and plan to devote the necessary resources for the successful execution of the project.

Biographies of the specific staff who will be assigned to this study can be found in the Appendix.

References

AGENCY & PROJECT	CONTACT
<p>City of Coachella</p> <p>Several Classification and Compensation Studies in 2008, 2014, 2016, and 2017.</p>	<p>Ms. Sandy Krause HR Manager (760) 398-3502, ext. 132 1515 Sixth Street Coachella, CA 92236 Skrause@coachella.org</p>
<p>Coachella Valley Water District</p> <p>Classification and Compensation Study, 2023.</p>	<p>Mr. Bill Walters Human Resources Administrator (760)398-2661 ext. 2372 51501 Tyler St. Coachella, CA 92236 bwalters@cvwd.gov</p>
<p>City of Bellflower</p> <p>Compensation Study, completed 2007, 2013, 2017, 2019 and 2021. Citywide Classification and Total Compensation study, completed 2015.</p>	<p>Mr. Travis Sais Assistant to City Manager (562)804-1424 x 2278 16600 Civic Center Dr. Bellflower, CA 90706 tsais@bellflower.org</p>
<p>City of Chino</p> <p>City-wide Classification and Compensation Studies, expected completion by April 2024.</p>	<p>Ms. Debbie Pacheco Deputy Director of Human Resources (909)334-3370 13220 Central Avenue Chino, CA 91710 DPacheco@cityofchino.org</p>
<p>City of Corona</p> <p>Citywide Classification and Total Compensation Study, completed 2022.</p>	<p>Ms. Angela Rivera Chief Talent Officer (951) 279-3501 400 S. Vicentia Ave., Corona, CA 92882 angela.rivera@coronaca.gov</p>
<p>City of El Monte</p> <p>Citywide Classification, Compensation and Organizational Study, completed 2020</p>	<p>Ms. Kristen Enomoto Sr. Management Analyst, HR/RM Department (626) 580-2044 11333 Valley Boulevard El Monte, CA 91731 kenomoto@elmonteca.gov</p>
<p>City of El Segundo</p> <p>Ongoing classification and compensation studies since 2020.</p>	<p>Rebecca Redyk Human Resources Director 350 Main Street El Segundo, CA 90245 310-524-2335 rredyk@elsegundo.org</p>
<p>City of Hemet</p>	<p>Ms. Norma Rangel Human Resources Analyst (951) 229-2287</p>

Several compensation studies since 2019; most recent completed 2021. Currently, a classification study is underway in 2023.	445 E Florida Avenue Hemet, CA 92543 NRangel@cityofhemet.org
City of Indian Wells Total Compensation Study, completed 2021. Citywide Classification and Compensation Study, Completed 2004.	Mr. Kevin McCarthy Finance Director 44-950 Eldorado Drive Indian Wells, CA 92210 (760) 346-2489 kmccarthy@indianwells.com Mr. Peter Castro Deputy City Manager (760) 346-2489 pcastro@indianwells.com
City of Laguna Beach Total Compensation Study (Police Management & Fire), completed 2021. Total Compensation Study (Police), completed 2019.	Mr. Gavin Curran Director of Administrative Services (949) 497-0315 505 Forest Ave, Laguna Beach, CA 92651 gcurran@lagunabeachcity.net
City of Laguna Niguel Total compensation completed 2021.	Justin Martin Deputy City Manager (949) 362-4300 30111 Crown Valley Parkway Laguna Niguel, CA 92677 jjmartin@cityoflagunaniguel.org and Dorna Farhadi , Senior Management Analyst DFarhadi@cityoflagunaniguel.org
City of Long Beach Management Compensation Study, 2022.	Joe Ambrosini Director of Human Resources 411 W. Ocean Blvd, 10th Floor Long Beach, CA 90802 Office: 562-570-6140 Joe.ambrosini@longbeach.gov
City of Menifee Citywide Classification and Total Compensation Study, ongoing 2024. Citywide Classification and Total Compensation Study, completed 2017. Citywide Classification and Total Compensation Study, completed 2011.	Mr. Bruce Foltz Finance Director, City of El Monte (626) 580-2075 11333 Valley Blvd, El Monte, CA 91731 bfoltz@elmonteca.gov <i>Please note: During the Studies, Mr. Foltz was our contact at City of Menifee. Mr. Foltz is now Finance Director at the City of El Monte.</i>
City of Newport Beach Various classification and compensation studies since 2019.	Ms. Jyll C Ramirez Senior HR Analyst (949) 644-3306 100 Civic Center Drive Newport Beach, CA 92660 jramirez@newportbeachca.gov

<p>City of Port Hueneme</p> <p>Total Compensation Study for City Manager, completed 2019.</p>	<p>Mr. Rod Butler City Manager, City of Jurupa Valley (951) 332-6464 8930 Lomonite Ave Jurupa Valley, CA 92509 rbutler@jurupavalley.org</p> <p><i>Please note: During the study, Mr. Butler was the City Manager at the City of Port Hueneme. He is now the City Manager at the City of Jurupa Valley.</i></p>
<p>City of Ridgecrest</p> <p>Total compensation study, 2020.</p>	<p>Ms. Cheri Freese Finance Director (760)499-5021 100 W. California Ave. Ridgecrest, CA 93555 cfreese@ridgecrest-ca.gov</p>
<p>Eastern Municipal Water District</p> <p>Classification and Total Compensation Study, completed 2019.</p>	<p>Ms. Laura Zamora Associate Vice President (909) 748-8273 1200 East Colton Ave. Redlands, CA 92373 laura_zamora@redlands.edu</p> <p>Please note: Ms. Zamora is no longer with Eastern Municipal Water District and now works for University of Redlands. We provide her information at the University where you can contact her for a reference of our work for Eastern Municipal Water District.</p>
<p>Rancho California Water District</p> <p>Compensation study, completed 2022. Compensation Study, completed 2019.</p>	<p>Ms. Eileen Dienzo Director of Human Resources (951) 296-6929 42135 Winchester Road Temecula, CA 92590 dienzoe@ranchowater.com</p>
<p>City of Shafter</p> <p>Total compensation study for select classifications (9) conducted in 2021.</p>	<p>Ms. Carol Chavolla 336 Pacific Ave Shafter, CA 93263 Phone: (661) 746-5041 Fax: (661) 746-2645 echavolla@shafter.com</p>

Executive Summary, Approach, Methodology

The City desires human resources assistance to conduct a Utility Operations Compensation Study for classifications in its Sanitary and Miscellaneous and Confidential Mid-Management bargaining units.

The Utilities Department is managed by the Utilities Manager who oversees the Coachella Water Authority and Coachella Sanitary District. The Department is organized into three key functions: Administration, a Water Division (Water), and Sanitation Division (Sanitation). The Department's staffing level is 18.0 full-time equivalents (FTEs), including 3.0 Administration FTEs, 7.5 Water FTEs, and 7.5 Sanitary FTEs. The Water Division consists of one Water Superintendent who acts as a Supervisor and provides direction to a team of six water operators and reports to the Utilities Manager. The Sanitation Division consists of one Sanitary Superintendent who acts as a Supervisor and provides direction to a team of six wastewater operators and reports to the Utilities Manager.

The City employs approximately 79 fulltime employees and contracts for police and fire. The City has two (2) labor unions, Sanitary and Miscellaneous and Confidential Mid-management (represented by Teamsters Local 1932).

The Classifications to be studied include:

Classification Title	Division
Assistant Engineer	Water Authority
Environmental/Special Programs Manager	Water Authority
Senior Water Service Worker III	Water Authority
Senior Water Service Worker IV	Water Authority
Water Service Worker I	Water Authority
Water Service Worker II	Water Authority
Water Superintendent	Water Authority
Chief Treatment/Collections System Oper	Sanitary District
Sanitary Superintendent	Sanitary District
Treatment/Collection Operator Trainee	Sanitary District
Treatment/Collection System Operator	Sanitary District
Treatment/Collection System Operator I	Sanitary District
Treatment/Collection System Operator II	Sanitary District
Treatment/Collection System Operator III	Sanitary District
Heavy Equipment Operator	Water Authority & Sanitary District

Recommended Positions	Division
Chief Treatment/Distribution Operator	Water Authority
Water Treatment/Distribution Operator I	Water Authority

Water Treatment/Distribution Operator II	Water Authority
Water Treatment/Collection Operator I	Water Authority
Water Treatment/Collection Operator II	Water Authority
Water Treatment/Collection Operator III	Water Authority
SCADA/Instrumentation Technician	Water Authority & Sanitary District

The goal of the study will be to review the City’s compensation structure for the studied classifications and to conduct a compensation market survey (salaries plus benefits) using a set of appropriate comparator agencies. The identification of comparator agencies, benchmark classifications, and benefits to be collected is an iterative process that includes all stakeholders. We have found this open discussion philosophy to be critical to our success for organizational buy-in. Once the external data development is completed, we will make specific recommendations for internal equity for non-benchmarked classifications and classifications without a large enough market sampling.

The compensation study will contain specific recommendations regarding the integration of all study classifications into the City’s compensation structure, with the goal of developing a clearly designed, internally equitable format that is flexible for career opportunity and future growth. Our study will make recommendations regarding a salary structure that takes the City’s compensation preferences into consideration as well as the appropriate placement of each classification on the City’s salary schedule.

The study includes a significant number of meetings with the Study Project Team, Human Resources, employees, union representation, and the City Council, as desired. We have expertise in labor/management relations and understand the importance of active participation by all stakeholders to ensure a successful outcome. The meetings and “stakeholder touch-points” that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information, and create a collaborative and interactive approach resulting in greater buy-in for study recommendations. This interactive approach has resulted in almost 100% implementation success of Gallagher/K&A’s studies.

The majority of our clients are unionized and our larger city, county, and special district clients typically have multiple unions. Due to the multitude of stakeholder groups who are affected by any compensation study Gallagher/K&A conducts, our team understands the importance of accurate and validated data that withstands any scrutiny, effective and ongoing communication throughout each effort, and collaboration with the various stakeholder groups to ensure organizational buy-in to our findings and recommendations. We have developed a unique methodology of stakeholder “touchpoints” and collaboration that has made us highly successful and effective and has earned our team respect, agreement, and understanding from all stakeholders. In addition, we adjust and customize our methodology based on each individual client’s unique needs and circumstances.

We also recognize that both the City and union representatives have obligations to employees and members to ensure that any study is conducted in a fair and equitable manner. Our project work plans are designed for transparency and we strongly encourage dialog with all stakeholders on study deliverables so they in turn can express their concerns; we all have a shared goal of ensuring the process followed is fair and equitable.

This intense and comprehensive stakeholder engagement and our transparent study processes are also a mechanism of quality control. The fact that our information, data, and recommendations have to be able to withstand utmost scrutiny by diverse stakeholders requires an in-depth multi-step quality control process for deliverables. This involves Gallagher/K&A team member validation of compensation data, Gallagher/K&A Project Manager review of all compensation analyses, recommendations and deliverables, and finally Gallagher/K&A Principal (Project Director) review of deliverables before submittal to the client.

STUDY OBJECTIVES

Compensation Objectives:

- To make recommendations regarding a list of appropriate, logical and defensible comparator agencies, benchmark classifications, and benefits to be collected prior to beginning the compensation portion of the study;
- To collect accurate salary and benefit data from the approved group of comparator agencies and to ensure that the information is analyzed in a manner that is clear and comprehensible to the Study Project Team, Human Resources, management, employees, union representation, and the Council;
- To carefully analyze the scope and level of duties and responsibilities, requirements for successful work performance, and other factors for survey classes, according to generally accepted compensation practices;
- To review the City's compensation structure and practices and develop compensation recommendations, including appropriate internal salary relationships, that will assist the City in recruiting, motivating, and retaining competent staff;
- To develop solutions that address pay equity issues and create a market adjustment implementation strategy supporting the City's goals, objectives, and budget considerations;
- To evaluate benefit offerings in the labor market and make recommendations for better alignment and/or different benefit offerings as indicated by the analysis;
- To create a comprehensive final report summarizing the compensation study approach and methodology, analytical tools, findings, and recommended compensation structure; and;
- To ensure sufficient documentation and training throughout the study, on methods used to determine appropriate salary ranges, methods for logical progression within the salary scale for each classification, and other practices, so that our recommendations can be implemented and maintained in a competent and fair manner.

Overall Objectives:

- To review and understand all current documentation, rules, regulations, policies, budgets, procedures, class descriptions, organizational charts, memoranda of understanding, personnel policies, wage and salary schedules, and related information so that our recommendations can be operationally incorporated with a minimum of disruption;
- To conduct project start-up meetings with study stakeholders to discuss any specific concerns with respect to the development of compensation recommendations; finalize study plans and timetables; conduct orientation sessions with management, union leadership, and staff in order to educate and explain the scope of the study and describe what are and are not reasonable study expectations and goals;
- To work collaboratively and effectively with the City and its stakeholders while at the same time maintaining control and objectivity in the conduct of the study; and

- To provide effective ongoing communications throughout the duration of the project and continued support after implementation.

METHODOLOGY / WORKPLAN / DELIVERABLES

This section of the proposal identifies the actual work plan. We believe that our detailed explanation of methodology and work tasks clearly distinguishes our approach and comprehensiveness.

TOTAL COMPENSATION STUDY:

Milestone A: Project Kickoff Meetings, Initial Documentation Review, and Determination of Survey Elements

This phase includes identifying the City's Study Project Team (Human Resources, management, employee representation, etc.), contract administrator, and reporting relationships. Our team of Project Managers and Consultants will conduct a briefing session with the Study Project Team to explain process and methodology; create the specific work plan and work schedule; identify subsequent tasks to be accomplished; reaffirm the primary objectives and specific end products; determine deadline dates for satisfactory completion of the overall assignment; determine who will be responsible for coordinating/scheduling communications with employees, management, union representation, and the Council; and develop a timetable for conducting the same.

Included in this task will be the gathering of written documentation, current class descriptions, organizational charts, salary schedules, budgets, employment contracts, personnel policies, previous compensation studies, and any other relevant documentation to gain a general understanding of City operations.

City terminology and methods of current compensation procedures will be reviewed and agreed to. We will discuss methodology, agree to formats for compensation results, identify/confirm appropriate comparator agencies, benchmark classifications, and benefits to be surveyed. We will respond to any questions that may arise from the various stakeholders.

List of Comparator Agencies, Benchmark Classifications, and Benefits to be Collected

During the initial meeting with the Study Project Team, we will discuss and agree to the compensation study factors. We will confirm appropriate, logical and defensible comparator agencies that will be included in the external market survey, which will be the foundation for ensuring that the City's compensation plan is competitively aligned with the external labor market. We will also confirm those classifications that will be surveyed in the market (i.e., benchmark classifications), with the intention of internally aligning the remaining classifications with those that were surveyed. Finally, we will determine the list of benefits that the City wants to include in the total compensation data gathering process.

1. Determination of Comparator Agencies

The determination of comparator agencies is a critical step in the study process. Per the RFP, the City has a current list of 17 comparator agencies that we will survey. The list includes:

- City of Palm Springs
- City of Redlands
- City of San Bernardino
- Coachella Valley Water District

- Desert Water Agency
- Eastern Municipal Water District
- Elsinore Valley Municipal Water District
- Hi-Desert Water District
- Imperial Irrigation District
- Indio Water Authority
- Inland Empire Utilities Agency
- Irvine Ranch Water District
- Long Beach Water Authority
- Mission Springs Water District
- Rancho California Water District
- Valley Sanitary District
- Western Municipal Water District

Should the City be interested in additional consultant recommendations regarding comparator agencies, we typically use the following factors to identify appropriate comparators and would receive approval before proceeding with the compensation study.

Our recommended methodology is that we involve management, Human Resources, employee representation, and the Council, in the decision-making process of selecting which comparable agencies are included, **PRIOR** to beginning the study. Our experience has shown that this is the most successful approach. The factors that we typically review when selecting and recommending appropriate comparator agencies include:

- **Organizational type and structure** – While various organizations may provide overlapping services and employ some staff having similar duties and responsibilities, the role of each organization is unique, particularly in regard to its relationship to the citizens it serves and level of service expectation. During this iterative process, the City's current/ previous list of comparators, if any, and the advantages/disadvantages of including them and/or others would be discussed.
- **Similarity of population served, City demographics, City staff, and operational budgets** – These elements provide guidelines in relation to resources required (staff and funding) and available for the provision of services.
- **Scope of services provided** – While having an organization that provides all of the services at the same level of citizen expectation is ideal for comparators, as long as the *majority* of services are provided in a similar manner, sufficient data should be available for analysis. When reviewing this factor, the City's unique services would be evaluated in order to ensure that the majority of comparators provide the same services. This ensures that each comparator yields a sufficient number of matches for the City's jobs.
- **Labor market** – The reality of today's labor market 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. In addition, working-from-home opportunities and hybrid work schedules have further changed the landscape of supply and demand of talent. Therefore, the geographic labor market area (where the City is competing for talent) is taken into consideration.
- **Cost of living and cost of labor** – The price of housing and other cost-of-living related issues are some of the biggest factors in determining labor markets and the

appropriateness of comparator agencies. When the identified survey market includes comparators that are located outside of the City's geographic area, we analyze cost of labor to ascertain whether there are significant differences and, if so, we are able to apply geographic cost-of-labor adjustments factors to the market data to ensure and apples-to-apples comparison.

We typically recommend using 10-12 comparator agencies for all survey benchmarks in order to achieve statistical significance but are flexible and can easily use a different approach based on the City's preferences.

2. Determination of Benchmark Classifications

In the same collaborative manner as described in Step 1 above, we will work with the City's stakeholders to select those classifications that will be surveyed.

"Benchmark classes" are ordinarily chosen to reflect a broad spectrum of class levels. In addition, those that are selected normally include classes that are most likely to be found in other similar agencies, and therefore provide a sufficient valid data sample for analysis. Internal relationships will be determined between the benchmarked and non-benchmarked classifications and internal equity alignments will be made for salary recommendation purposes.

Due to this study's size and the number of classifications, we will most likely survey majority of them. The exception may be those classifications that have multiple levels, such as I/II/III/Senior etc., for which we would typically only survey the journey-level and internally align the other levels of the class series.

3. Determination of Salary and Benefits Data to Be Collected

In addition to base salaries, benefit data elements for a total compensation study normally include at least the following (which are generally available to all staff in a specific job classification):

- **Monthly Salary** – The top of the published salary range. All figures are presented on a monthly or annual basis. We normalize the salary data to reflect number of hours in the work week and/or roll-up of retirement or other benefits in base salaries.
- **Employee Retirement** – This includes two figures: the amount of the employee's State or other public or private retirement contribution that is contributed by the agency and the amount of the agency's Social Security contribution.
- **Insurance** – This typically includes Health, Dental, Vision, and other insurance coverage.
- **Leave** – Other than sick leave, which is usage-based, leave is the amount of days off for which the agency is obligated. We will discuss with the City whether leave days/hours should be converted to direct salary cost in dollars or represented in days/hours.
 - **Vacation:** The number of vacation days after five years of employment.
 - **Holidays:** The number of holidays (including floating).
 - **Administrative/Personal Leave:** Administrative leave is normally the number of days available to management staff in lieu of overtime. Personal leave may be available to other groups of employees to augment vacation or other paid time off.
- **Deferred Compensation** – We report any employer contribution made on the employee's behalf, whether an employee-matching contribution is required or not.

- **Other** – This category includes any other benefits that are available to all employees within a classification and not already specifically detailed.

Milestone B. Market Survey Delivery

Gallagher/K&A does not collect market compensation data by merely sending out a written questionnaire. Our experienced compensation analysts conduct all of the data collection and analysis to ensure validity of the data and quality control. We collect classification descriptions, organization charts, salary schedules, personnel policies, budgets, MOUs, and other information via website, by telephone, or email directly from each comparator agency. We then compare job description to job description and not just job titles, therefore ensuring true “matches” of at least 70%, which is the threshold we use to determine whether to include a comparator classification or not. As mentioned above in the classification methodology above, our job analysis method is the whole position analysis approach, which we apply here as well.

We also schedule appointments with knowledgeable individuals at each comparator to answer specific questions. We find that information collected using these methods has a very high validity rate and allows us to substantiate the data for employees, management, and governing bodies.

Data will be entered into spreadsheet format designed for ease of interpretation and use. Information will be calculated based upon average and median figures allowing the City to make informed compensation decisions. Other elements of the compensation survey report are agencies surveyed; comparable class titles; salary range maximum/control point; number of observations; and percent of the City’s salary range above/below the market values.

In addition, we will include any type of statistical representation and analysis that the City desires such as 60th, 70th, or any other percentiles per the City’s compensation philosophy.

Benefits data will be displayed in an easy-to-read format. You will receive three sets of spreadsheets per classification, one with base pay, one with the benefits detail, and one with total compensation statistical data. In addition, we are often asked to collect “additional” benefits, which we typically report on a separate spreadsheet.

Milestone C. Draft Compensation Findings/Stakeholder Review and Feedback

As part of our transparent approach and communication strategy to ensure organizational buy-in to the study, we share the market survey with the organization. We first distribute our draft findings to the Study Project Team. After their preliminary review, we will meet with the Study Project Team and other stakeholders (including Human Resources, management, employees, and/or employee representation) to clarify data, to receive requests for reanalysis of certain comparators, and to answer questions and address concerns. This provides an opportunity for our team to engage with study stakeholders in a collaborative manner. If questions arise, we conduct follow-up analysis to reconfirm our original analysis and/or make corrections, as appropriate.

Milestone D. Development of Recommendations, Final Reports, and Presentations

Analysis of Internal Relationships and Alignment

To determine internal equity for all studied positions, considerable attention is given to this phase of the project. It is necessary to develop an internal position hierarchy based on the

organizational value of each classification. Again, we utilize the whole position analysis methodology as described earlier.

By reviewing those factors, we will make recommendations regarding vertical salary differentials between classes in a class series, for example, as well as across departments. This analysis will be integrated with the results of the compensation survey and the City's existing compensation plan.

The ultimate goal of this critical step in the process is to address any potential internal equity issues and concerns with the current compensation system, including compaction issues between certain classifications. We will create a sound and logical compensation structure for the various levels within each class series, so that career ladders are not only reflected in the classification system but also in the compensation system, with pay differentials between levels that allow employees to progress on a clear path of career growth and development. Career ladders will be looked at vertically as well as horizontally.

Compensation Structure Development

We will review and make recommendations regarding the City's salary structure (set of salary ranges, salary differentials, steps within ranges, and/or alternative compensation plans) within which the classes are allocated, based upon the City's preferred compensation model. We will also assist the City in developing a compensation philosophy and practices relative to the surveyed public jurisdictions, if desired. This analysis will result in external pay equity, solutions to address any pay equity issues, and an implementation strategy supporting City goals, objectives, and budget considerations.

In addition, we will develop externally competitive benefit comparisons and recommendations for adjustments to the City's benefits package.

Draft recommendations will be discussed with the Study Project Team and management for discussions and decisions on overall pay philosophy and the practicality of acceptance and prior to developing an Interim Report.

Final Report

Volume II (Draft Interim Report of the Compensation Study) will be completed and submitted to the Study Project Team for review and comment. The report will include:

- An executive summary of the compensation study results;
- A set of all market data spreadsheets;
- A proposed compensation structure;
- A proposed salary range placement document;
- A procedure to address employees whose current base pay either falls below the minimum of or exceeds the maximum of their newly assigned pay range;
- Implementation options surrounding our recommendations; and
- A guide for implementing, managing and maintaining the compensation system.

Once all of the City's questions/concerns are addressed and discussed, a Final Classification and Compensation Report will be created and submitted in the City's preferred format. The Final Report will incorporate any appropriate revisions identified and submitted during the review process.

Final Presentation

Our proposal includes multiple meetings and weekly oral and written status/progress updates to the Study Project Team. Regarding the involvement of the City Council, we recommend at least one initial meeting to confirm the comparator agencies to be included in the study, one interim study session (to discuss the initial findings of the compensation study), and one final presentation of our Final Report. Of course, we are flexible regarding having more or less interaction with the Council, based on the City's preferences.

EXPECTATIONS OF CITY SUPPORT:

In order to conduct this study in the most timely and cost-effective manner, we ask for support in the following areas:

- Timely provision of written documentation, such as current class specifications, union contracts, organizational charts, budget documents, salary schedules, past studies, etc.;
- Assistance in the notification and scheduling of initial kickoff and other meetings and the provision of adequate interview tools and resources;
- Meeting agreed-upon timelines.

In terms of time commitment for City staff, we understand that the City hires an outside consultant to conduct and coordinate the entire effort. Therefore, it is our goal to reduce the time commitment of City staff as much as possible and to only request assistance in the coordination of some of the steps in the process, such as scheduling meetings, disseminating information, and in general, being a channel of communication between our firm and employees.

COMMUNICATION WITH THE CITY:

Our typical communication model includes at least weekly or biweekly written status updates, or virtual meetings, to keep the City informed on where we are during each phase of the project.

In addition, the study includes a significant number of meetings with the Study Project Team, human resources, management, employees, employee representation, and the Council, as desired. The meetings and "stakeholder touch-points" that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information, and foster a collaborative and interactive approach that will result in greater buy-in for study recommendations. This interactive approach, although time-consuming, has resulted in almost 100% implementation success of Gallagher/K&A's studies.

POST-STUDY CONSULTATION AND SUPPORT:

We are committed to providing the City with the highest-quality product and service. Providing ongoing consultation and support after study completion is a service that is included in our professional fees and a continued relationship-building aspect of our client relationship that we highly value.

We often find that clients will call or email with follow-up questions and to discuss certain aspects of the study, ask why decisions and recommendations were made, and other important components of the study. We consider post-implementation support as part of our customer service.

Should the City request any additional meetings and/or training after completion of the study and/or other specific, identifiable work efforts, such as single-position compensation reviews

or conducting annual surveys, we would honor our composite hourly rate for actual hours worked. However, from experience, we expect that most follow-up support will be conducted via telephone and email and this is absolutely included in our project fee for this project.

STAKEHOLDER ENGAGEMENT:

We believe in an interactive and collaborative process with the whole organization and in a high level of stakeholder contact and interaction to ensure organizational buy-in to the study throughout the entire process. Following are the major milestones at which we touch base with Human Resources, employees, managers, employee representation, and other stakeholders, as appropriate:

- Initial study kick-off meetings with stakeholders;
- Stakeholder input regarding a list of appropriate comparator agencies, benchmark classifications, and benefits to be collected;
- City stakeholder review of compensation study data and contact with them to address any challenges to the market comparables we identified;
- Stakeholder input on internal salary relationship analysis and recommendations; and
- Stakeholder input regarding final compensation plans and structure recommendations.

These steps will ensure that the study results in a product that is accepted and trusted by all levels within the organization. Beyond sound mechanics, our approach includes sufficient communication steps to ensure that the study methodology is understood and the results are regarded as expert, impartial, and fair.

Time Requirements

Our professional experience is that compensation studies of this scope and for this size organization take approximately four months to complete, allowing for adequate compensation data collection and analysis, review steps by the City, the development of final reports, any appeals, and presentations.

Due to the unprecedented demand on our services, we are currently experiencing an unusually high volume of projects. Therefore, and if the City is able to be flexible, we propose commencing the project in July 2024 and anticipate completion by October 2024, assuming a contract is executed within 2 months of the submittal date of our proposal.

The following is a suggested timeline (which can be modified based on the City’s needs):

MILESTONES	TOTAL COMPENSATION STUDY	COMPLETION BY
A.	Project Kickoff Meetings, Initial Documentation Review, and Determination of Survey Elements	Weeks 1-2
B.	Market Survey Delivery	Week 3-12
C.	Draft Compensation Findings/Stakeholder Review and Feedback	Week 13-14
D.	Development of Recommendations, Final Reports, and Presentations	Week 15-16

Cost Proposal

We have often found our process requires a very high level of time commitment, which sometimes results in a higher proposal cost. We believe that our methodology and implementation success rate is attributable to the significantly greater level of contact we have with employees, employee representation, management, and the governing body. The time we commit to working with employees (orientations and briefings, meetings with employees via personal interviews, sharing of compensation survey data, etc.) results in significantly greater buy-in throughout the process.

In fact, our firm has only had a handful of formal appeals to any of our studies in over 40 years in business. It has been our experience that the money and time invested in stakeholder communication throughout the study are money and time saved during implementation. Our goal is to conduct each study the right way the first time. Numerous times our firm has been hired after an agency has gone through an unsuccessful study whose results were rejected or appealed and whose implementation was very controversial. Whenever our firm was hired after such an unfortunate experience, study stakeholders were amazed at our open and inclusive process, our efforts to elicit equal stakeholder input, and our development of recommendations that were accepted as fair and reasonable and understood by management, employees, and the governing body. Our clients always provide feedback that our process is professional, comprehensive, understandable, timely, and inclusive.

Due to a shift in our industry to conducting studies virtually and our own efforts to be as green a business as possible (which our public agency clients always appreciate), our cost proposal assumes that all meetings and presentations will be conducted virtually/remotely and no onsite travel to City offices will occur. Should the City desire onsite meetings, we will be happy to provide our per diem cost for onsite meetings based on travel time and market rate travel cost at the time.

MILESTONES	COMPENSATION STUDY	AMOUNT	BILLING STRUCTURE
Ongoing Project Status Meetings throughout the Study		\$1,560	Invoice #1: One third of Project Fee upon Contract Execution - \$12,220
A.	Project Kickoff Meetings, Orientations, and Determination of Survey Elements	\$3,900	Invoice #2 - \$12,220
B.	Market Survey Delivery (this assumes up to 12 benchmarks and up to 17 comparators)	\$22,425	
C.	Draft Compensation Findings/Stakeholder Review and Feedback	\$3,900	N/A
D.	Development of Recommendations, Final Reports, and Presentations	\$4,875	Remaining Project Fee: Invoice #3 - \$12,220
Total Fee for Phase II: Compensation Study		\$36,660	\$36,660
Expenses are <u>included</u> in the project fee		N/A	N/A
<i>Expenses include but are not limited to duplicating documents, binding reports, phone, supplies, postage, etc.</i>			
TOTAL PROJECT COST		\$36,660	\$36,660

Our cost proposal does not include time to support the City during any labor negotiations that may follow this study. If we are needed for this work, our composite hourly rate will apply and we will charge on a time-and-materials basis.

Contractual Considerations

We will be pleased to sign the City's professional services agreement for a Total Compensation Study. We respectfully request that the City will allow for a period of negotiation of certain terms in the professional services contract related to liability, indemnity, insurance, and other terms. We have found that we have always come to an agreement with all our clients in the past and appreciate the City's flexibility in reviewing certain terms in a collaborative fashion between our legal counsels.

The following are terms we would like to review with the City if we are fortunate to be selected for this project:

- Gallagher is pleased to submit this proposal to the City. While this proposal is not meant to constitute a formal offer, acceptance, or contract, notwithstanding anything to the contrary contained in the proposal, Gallagher is submitting this proposal with the understanding the parties would negotiate and sign a contract containing terms and conditions that are mutually acceptable to both parties.
- Gallagher is not a federal contractor or subcontractor. Therefore, Gallagher cannot agree to federal contracting provisions contained within the RFP.
- Section IX (e) (PDF page 8) and Section 3.5.6 (PDF pages 26-27) - Indemnification should be limited to grossly negligent acts and omissions, breaches of the contract, intentional misconduct, or violations of law.
- Section IX (e) (PDF page 8) and Section 3.5.6 (PDF pages 26-27) - A limitation of liability of fees paid needs to be added to the indemnification provision.
- Section 3.2.4 (PDF page 19) - This section needs modified so that no prior approval of personnel is required from the City. Gallagher will provide notice of substitutions after they occur. Gallagher can agree to a reasonable time period to provide such notice and will use good faith efforts to ensure that the City is satisfied with any replacement personnel assigned.
- Section 3.2.10 (PDF page 21-23) - Below are Gallagher's insurance representations based on AJG Risk Management policies. These are not changed on a client by client basis.
- Section 3.4 (PDF page 25) - Unless otherwise required by applicable law, Gallagher cannot agree to permit City to audit for 3 years after the agreement ends.
- Section 3.5.1.2 (PDF page 25) - Gallagher may retain copies of its work product that contain Confidential Information for archival purposes or to defend its work product, and in accordance with legal disaster recovery and records retention requirements, store such copies and derivative works in an archival format (e.g. tape backups), provided that the information will remain Confidential as long as it is retained.
- Section 3.5.3.1 (PDF page 26) - This section should make clear that the City shall own all final deliverables provided to the City by Gallagher as part of the services provided under this Agreement, provided however, Gallagher shall retain sole and exclusive ownership of all right, title, and interest in, and to, its intellectual property and derivatives thereof which no data or Confidential Information of the City was used to create and which was developed entirely using Gallagher's own resources, including any and all pre-existing or independently developed know-how, methods, processes and other materials

prepared by Gallagher. To the extent Gallagher's intellectual property is necessary for the City to use the deliverables provided under this Agreement, Gallagher grants to the City a non-exclusive, royalty-free license to Gallagher's intellectual property solely for the City's use of such deliverables.

It is our practice to provide the coverage below in lieu of the City contract insurance language. We therefore propose to replace the insurance language in the RFP's sample agreement with coverage language provided by Gallagher as follows (we attach our Memorandum of Insurance for your review as well):

Gallagher shall at all times during the term of this Agreement and for a period of two (2) years thereafter, obtain and maintain in force the following minimum insurance coverages and limits at its own expense:

- Commercial General Liability (CGL) insurance on an ISO form number CG 00 01 (or equivalent) covering claims for bodily injury, death, personal injury, or property damage occurring or arising out of the performance of this Agreement, including coverage for premises, products, and completed operations, on an occurrence basis, with limits no less than \$2,000,000 per occurrence;
- Workers Compensation insurance with statutory limits, as required by the state in which the work takes place, and Employer's Liability insurance with limits no less than \$1,000,000 per accident for bodily injury or disease. Insurer will be licensed to do business in the state in which the work takes place;
- Automobile Liability insurance on an ISO form number CA 00 01 covering all hired and non-owned automobiles with limit of \$1,000,000 per accident for bodily injury and property damage;
- Umbrella Liability insurance providing excess coverage over all limits and coverages with a limits no less than \$10,000,000 per occurrence or in the aggregate;
- Errors & Omissions Liability insurance, including extended reporting conditions of two (2) years with limits of no less than \$5,000,000 per claim, or \$10,000,000 in the aggregate;
- Cyber Liability, Technology Errors & Omissions, and Network Security & Privacy Liability insurance, including extended reporting conditions of two (2) years with limits no less than \$2,000,000 per claim and in the aggregate, inclusive of defense cost; and
- Crime insurance covering third-party crime and employee dishonesty with limits of no less than \$1,000,000 per claim and in the aggregate.
- All commercial insurance policies shall be written with insurers that have a minimum AM Best rating of no less than A-VI, and licensed to do business in the state of operation. Any cancelled or non-renewed policy will be replaced with no coverage gap, and a Certificate of Insurance evidencing the coverages set forth in this section shall be provided to Client upon request.

ARTHUR J. GALLAGHER & CO. MEMORANDUM OF INSURANCE

This Memorandum of Insurance (“Memorandum”) is produced as a matter of information only to authorized viewers for their internal use only and confers no rights upon any viewer of the Memorandum. This Memorandum does not amend, extend or alter the coverage described below. Copyright 2005, Arthur J. Gallagher Risk Management Services, Inc. (“Gallagher”). Gallagher grants permission to you to view, copy, print and distribute the information found on the Memorandum website (“Site”) provided that the above copyright notice appears on all copies, that use is internal to you or for personal noncommercial informational purposes only, and that no modification is made to any materials. Any modification, use, reproduction or distribution of this Memorandum, the Site or its contents must be first approved by Gallagher in writing. You will not suffer or permit any unauthorized use of any Gallagher trademark, service mark or logo. This Memorandum, the Site and its contents, including but not limited to text, graphics, images, software, copyrights, trademarks, service marks, logos, and brand names (“Content”), are protected under both United States and foreign laws, and Gallagher or its affiliated entities retain all right, title and interest in and to the Content, all copies thereof, and all copyrights and other proprietary rights therein. The information contained herein is as the date referred to above. Gallagher shall be under no obligation to update such information.

DATE: 9/29/2023

INSURED:

Arthur J. Gallagher & Co. and its subsidiaries
2850 West Golf Road
Rolling Meadows, IL 60008

Insurance Companies

A: ARCH INSURANCE COMPANY
B: THE CONTINENTAL INSURANCE COMPANY
C: XL INSURANCE AMERICA, INC
D: FEDERAL INSURANCE COMPANY
E: LEXINGTON INSURANCE COMPANY
F: XL SPECIALTY INS. COMPANY
G. ILLNOIS NATIONAL INSURANCE COMPANY
H. INDIAN HARBOR INSURANCE COMPANY

The policies of insurance listed below have been issued to the “INSURED” named above for the policy period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this Memorandum may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims.

CO. LTR.	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE	POLICY EXPIRATION	LIMITS (In USD unless otherwise indicated)	
A	Commercial General Liability Occurrence Per location Aggregate	41GPP4938416	10/01/23	10/01/24	General Aggregate	4,000,000
					Products - Comp/Op Agg	4,000,000
					Personal and ADV Injury	2,000,000
					Each Occurrence	2,000,000
					Damage to Rented Premises (Each occurrence)	1,000,000
A	Automobile Liability Any Auto	41CAB4939016-MA 41CAB4938316-A/O	10/01/23	10/01/24	Combined Single Limit	5,000,000
					Bodily Injury (per person)	
					Bodily Injury (per accident)	
B	Excess/Umbrella Liability Retention: \$10,000	7034611269	10/01/23	10/01/24	Each Occurrence	25,000,000
					Aggregate	25,000,000
A	Workers Compensation and Employers Liability	41WCI4938116-A/O 44WCI0501916-FL	10/01/23	10/01/24	Workers Comp Limits	Statutory
					EL Each Accident	1,000,000
					EL Disease - Each Employee	1,000,000
					EL Disease – Policy Limit	1,000,000
C	Property	US00112916PR22A	10/01/23	10/01/24	Blanket Bldg. & PP	10,000,000
D	Crime/Fidelity Bond (Employee Dishonesty)	J06039418	09/01/23	09/29/24	Single Loss Limit	15,000,000
E	Errors & Omissions (Primary Policy)	014629885	10/01/23	10/01/24	Per Claim and Aggregate	12,000,000
F	Errors & Omissions (Excess Policy)	ELU192671-23	10/01/23	10/01/24	Per Claim and Aggregate	10,000,000
G	Errors & Omissions (Excess Policy)	FI0121923	10/01/23	10/01/24	Per Claim and Aggregate	15,000,000
H	Cyber Liability	MTP903416504	05/01/23	05/01/24	Limit of Liability	10,000,000

Description of Operations / Other Information: See ADDITIONAL INFORMATION on the following page.

This Memorandum of Insurance serves solely to list insurance policies, limits and dates of coverage. Any modifications hereto are not authorized by Gallagher or the Insurance Companies.

**ARTHUR J. GALLAGHER & CO.
MEMORANDUM OF INSURANCE**

ADDITIONAL INFORMATION

GENERAL LIABILITY POLICY

ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES *
Endorsement Form # CG 20 11 04 13 modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

1. Designation of Premises (Part Leased to You): ANY PREMISES OR PART THEREOF LEASED TO YOU.
2. Name of Person or Organization (Additional Insured): ANY AND ALL PERSONS OR ORGANIZATIONS CONTRACTUALLY REQUIRING ADDITIONAL INSURED STATUS AS THE MANAGER OR LESSOR OF PREMISES TO YOU.
3. Additional Premium: INCLUDED

(If no entry appears above, the information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US - WORKERS COMENPENSATION, GENERAL LIABILITY AND AUTOMOBILE LIABILITY

We waive any right of recovery we may have against the person or organization where required by written contract because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only where required by written contract as specified and approved per contract.

PROPERTY

This policy insures against "All Risks" of physical loss or damage, except as excluded, to covered property while on Described Premises, provided such physical loss or damage occurs during the term of this policy. Coverage is subject to policy deductibles, terms, conditions and exclusions. Loss Payable clause included for whom Insured has agreed to per written contract.



***All other Additional Insureds requests requires Legal approval and issuance of a Certificate of Insurance.**

***For special requests, such as a WET SIGNATURE, please contact the appropriate team: P&C – Doreen Morris or Renata Grzeskowiak; E&O – Frederick Arkin or Mari Maceri; Cyber – Jeremy Gillespie or Ariel Magrini.**

This Memorandum of Insurance serves solely to list insurance policies, limits and dates of coverage. Any modifications hereto are not authorized by Gallagher or the Insurance Companies.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

10/3/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Arthur J. Gallagher Risk Management Services, LLC 300 S Riverside Plaza Ste 1500 Chicago IL 60606	CONTACT NAME: PHONE (A/C, No, Ext): 312-704-0100		FAX (A/C, No): 312-803-7443
	E-MAIL ADDRESS: certrequests@ajg.com		
INSURER(S) AFFORDING COVERAGE			NAIC #
INSURED Arthur J Gallagher & Co and its Subsidiaries 2850 West Golf Road Rolling Meadows, IL 60008	ARTHJGA113		INSURER A : Lexington Insurance Company 19437
			INSURER B : XL Specialty Insurance Company 37885
			INSURER C : Underwriters at Lloyd's London 15792
			INSURER D :
			INSURER E :
		INSURER F :	

COVERAGES

CERTIFICATE NUMBER: 809046053

REVISION NUMBER:


THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N <input checked="" type="checkbox"/> N/A (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Errors & Omissions			014629885	10/1/2023	10/1/2024	Per Claim/Aggregate \$12,000,000
B	Excess Errors & Omissions			ELU192671-23	10/1/2023	10/1/2024	Per Claim/Aggregate \$10,000,000
C	Excess Errors & Omissions			FI0121923	10/1/2023	10/1/2024	Per Claim/Aggregate \$13,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Coverage extends to: Gallagher Benefit Services, Inc. 2850 West Golf Road Rolling Meadows, IL 60008
 Gallagher Benefit Services, Inc., is an insured under the policies referenced above. The definition of Insured in the policy extends coverage to all employees while acting within the scope of his or her duties as such as an employee of Arthur J Gallagher and subject to all policy terms and conditions.

CERTIFICATE HOLDER**CANCELLATION**

Evidence of Insurance	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

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Gallagher

Insurance | Risk Management | Consulting

Signature Page

Gallagher, formerly known as Koff & Associates, intends to adhere to all of the provisions described above.

This proposal is valid for 90 days.

Respectfully submitted,

By: **GALLAGHER, FORMERLY KNOWN AS KOFF & ASSOCIATES,**
State of California

Georg S. Krammer
Managing Director, Compensation and Rewards Consulting

January 8, 2024



Gallagher

Insurance | Risk Management | Consulting

Appendix

Project Team Biographies

Georg S. Krammer, M.B.A., S.P.H.R. **Managing Director**

Georg brings over 22 years of management-level human resources experience to Koff & Associates with an emphasis in classification and compensation design; market salary studies; organizational development; executive recruitment; performance management; and employee relations, in the public sector and in large corporations as well as small, minority-owned businesses.

After obtaining a Master of Arts in English and Russian and teaching credentials at the University of Vienna, Austria, Georg came to the United States to further his education and experience and attained his Master of Business Administration from the University of San Francisco. After starting his HR career in Wells Fargo's college recruiting department, he moved on to HR management positions in the banking and high-tech consulting industries. He had five years in the private sector where he served as an HR Manager, and Administrative Officer, and then HR Director before entering the public sector. With his wide-ranging and deep experience as a well-rounded senior HR generalist, his education in business and teaching, his depth and breadth of experience with public sector HR needs, programs, and functions, Georg's contribution to K&A's variety of projects greatly complements the Koff & Associates Human Resources and Recruitment Services team.

He has spearheaded several hundred classification, compensation, organizational, strategic planning, etc., studies for hundreds of cities, towns, counties, and special districts throughout the State of California and has contributed to more than quadrupling the size of Koff & Associates as a result of the success of his projects and the subsequent expansion of the business through referrals from satisfied clients. Georg joined K&A in 2003 and has been the firm's Chief Executive Officer since 2005.

In the last few years, Georg has been the Project Director/Key Personnel for classification and/or compensation studies, organizational assessments, and other HR projects, at the following agencies:

- **Cities/Towns:** Alameda, American Canyon, Anaheim, Arroyo Grande, Bellflower, Campbell, Citrus Heights, Coachella, Concord, Cotati, Gilroy, La Cañada Flintridge, Lomita, Los Altos, Los Altos Hills, Menifee, Menlo Park, Morro Bay, Murrieta, National City, Newport Beach, Oakland, Oxnard, Palm Desert, Perris, Pleasant Hill, Port Hueneme, Redlands, Redwood City, Sacramento, San Diego, San Jose, San Marino, Santa Ana, Santa Barbara, Santa Clara, Saratoga, Sausalito, Seal Beach, Spokane (Washington), Vallejo, West Sacramento, Westminster, Yucca Valley, Yreka
- **Counties:** Bernalillo (New Mexico), Fresno, Monterey, Orange, Placer, San Joaquin, Sonoma, and Trinity.
- **Courts:** Habeas Corpus Resource Center, Superior Court of Kern County, Superior Court of Orange County, Superior Court of Santa Barbara.
- **Education:** College of the Sequoias, Excelsior Charter Schools, First 5 Alameda, Foothill-De Anza Community College District, Riverside Community College District, West Valley Mission Community College District.
- **Special Districts:**
 - Air Quality: Monterey Bay Air Resources District, South Coast Air Quality Management District
 - Community Services District: Cosumnes CSD, Desert Recreation District, Hayward Area Recreation and Park District, Helendale Community Services District, Heritage Ranch Community Services District, Incline Village General Improvement District, Phelan-Pinon Hills

- Community Services District, Town of Discovery Bay CSD, Truckee Donner Recreation & Park District, Tualatin Hills Park & Recreation District
- Fire and Police Protection: East Contra Costa Fire Protection District, Orange County Fire Authority, Sacramento Metropolitan Fire District
- Housing/Economic Development: Alameda Housing Authority, Housing Authority of the City of San Buenaventura, Housing Authority of the County of Alameda, Housing Authority of County of Santa Barbara, Housing Authority of County of San Luis Obispo, Oakland Housing Authority, Santa Clara County Housing Authority, San Bernardino County Housing Authority
- Open Space: Local Agency Formation Commission (LAFCO) of Santa Clara County
- Public Utilities: East Bay Municipal Utility District, Inland Empire Utilities Agency, North Tahoe Public Utility District, Southern California Public Power Authority
- Transportation: Alameda County Transportation Commission, El Dorado County Transit Authority, Golden Gate Bridge Highway and Transportation District, Livermore Amador Valley Transit Authority, Long Beach Transit, Marin Transit District, Metropolitan Transportation Commission, Ontario International Airport, Orange County Transportation Authority, Port of Hueneme, Port of Long Beach, Port of Oakland, Riverside County Transportation Commission, Sacramento Area Council of Governments, Sacramento Regional Transit District, San Bernardino County Transportation Authority, San Bernardino International Airport, San Francisco Bay Area Water Emergency Transportation Authority, Santa Barbara County Association of Governments, Santa Clara Valley Transportation Authority, Sonoma-Marín Area Rail Transit, Transportation Corridor Agencies, Western Riverside Council of Governments
- Wastewater: California Association of Sanitation Agencies, Central Marin Sanitation Agency, Encina Wastewater Authority, Leucadia Wastewater District, Napa Sanitation District, Ojai Valley Sanitary District, Orange County Sanitation District, Oro Loma Sanitary District, Truckee Sanitary District, Union Sanitary District, Vallejo Flood and Wastewater District
- Water: Bay Area Water Supply & Conservation Agency, Beaumont Cherry Valley Water District, Central Coast Water Authority, Cucamonga Valley Water District, Eastern Municipal Water District, Joshua Basin Water District, Marina Coast Water District, Metropolitan Water District of Southern California, Min-Peninsula Water District, Mojave Water Agency, Monte Vista Water District, Mt. View Sanitary District, Oakwood Lake Water District, Paradise Irrigation District, Rancho California Water District, San Bernardino Valley Water Conservation District, Santa Clarita Valley Water Agency, Sonoma County Water Agency, South Coast Water District, State Water Contractors, Sweetwater Authority, Trabuco Canyon Water District, Vallecitos Water District, Valley County Water District, West Basin Municipal Water District, Western Municipal Water District, Zone 7 Water Agency
- Other: Cooperative Agricultural Support Services Authority, Los Angeles County Employees Retirement Agency, Orange County Mosquito & Vector Control District

Mike Harary, B.B.A., M.B.A.
Project Manager

Mike Harary possesses over 33 years of municipal HR management experience including serving as a Human Resources Director for two municipalities in Southern California. He has been involved in all aspects of Human Resources for the cities of La Mirada, Orange, Westminster, and Downey, including serving as Chief Labor Negotiator, managing recruitment and selection processes for all types of municipal government positions, handling employee benefits functions, responding to labor and employee relations issues, complying with labor laws, conducting personnel investigations, and

managing a variety of general human resources functions. He has also served as a consultant with Koff and Associates for the last 2½ years managing numerous classification and compensation studies for multiple cities, counties, and special districts throughout California.

Mike has a bachelor's degree in Business Administration emphasizing in Human Resources Management from California State University, Long Beach, and a Master of Business Administration, also from Cal State Long Beach.

Some of the K&A classification and compensation projects Mike has worked on include but are not limited to:

- **Cities:** Bellflower, Corona, Davis, Duarte, East Palo Alto, El Monte, Fullerton, Gardena, Glendora, Newport Beach, Orange, Rohnert Park, San Marino, Spokane (WA), Westminster
- **Special Districts:** Altadena Library District, Banning Library District, Big Bear Lake Department of Water & Power, Buena Park Library District, Camrosa Water District, Chino Basin Water Conservation District, Cucamonga Valley Water District, Garfield County Public Library District (Colorado), Greater Los Angeles County Vector Control District, Housing Authority of the City of Santa Barbara, Housing Authority of the County of Santa Barbara, Jurupa Community Services District, Los Angeles County Employees Retirement Agency (LACERA), Orange County Water District, Tri-City Mental Health Authority, and Victor Valley College

Mike will provide managerial project support throughout this effort, including classification analysis, interviews with employees and management, compensation data collection and analysis, internal job analysis, development of recommendations, and implementation strategies.

Monica Garrison-Reusch, B.A., M.B.A.

Consultant

Monica has over 15 years of human resource program experience, all of which have been spent serving as either a team consultant or project manager on projects working with public sector agencies. Monica's primary professional focus over the last several years has been on classification and compensation practices.

Prior to joining K&A in 2016, Monica performed classification and compensation consulting services as either a team member or project manager on varied projects including large scale studies done for the Counties of Madera, Sacramento, Bernalillo (in New Mexico), and the California State Department of Personnel Administration. Monica also developed and served as a Co-Trainer for a two-day course on Classification and Compensation.

Monica's depth of experience allows her to provide a broad range of human resources services to public agencies. She specializes in compensation projects focusing on both base salary and total compensation analysis studies. Monica has also worked on project teams conducting classification studies and organizational analysis, including performing the full range of classification analysis and conducting in-depth survey and analysis of organizational structures and past organizational practices.

Since joining K&A, Monica has worked on studies for the following clients:

- **Cities:** Cotati, Crescent City, Pleasant Hill, Sacramento, Vallejo
- **Counties:** El Dorado, Mendocino, Monterey, Trinity
- **State:** California State Auditor's Office

- **Special Districts:** AC Transit, Cosumnes Community Services District, East Bay Municipal Utility District, Eastern Municipal Water District, El Dorado County Transit Authority, First 5 Contra Costa County, First 5 Santa Clara County, Hayward Area Recreation and Park District, Livermore Amador Valley Transit Authority, Mendocino Coast Rec and Park District, Mojave Water Agency, North Tahoe Public Utility District, Orange County Transportation Authority, State Water Contractors, Trabuco Canyon Water District

She earned an MBA with an emphasis in Marketing at Golden Gate University and a Bachelor of Science in Business Administration from the University of Southern California.

Monica will provide Senior H.R. Associate support for this project, including classification analysis, interviews with employees and management, compensation data collection and analysis, internal job analysis, development of recommendations, and implementation strategies.

Janna Dinkelspiel
Associate Consultant

Janna Dinkelspiel came to Koff & Associates in August 2022 with over 15 years' experience in private and public sector human resources. Most recently Janna was a Senior Employee Relations Analyst in a municipality where she gained well rounded experience in recruitment and retention, employee relations, labor relations, policy development, performance management, training and development and classification and compensation. Janna was the City's subject matter expert for classification and compensation while conducting and implementing three large-scale compensation studies for the City, as well as assisting the executive team with creation of a compensation policy.

Janna has a degree in Business Administration from the University of Washington and holds a Senior Professional Human Resources Certificate from HRCI.

Kelly Barns
Associate Consultant

Kelly Barns has over 17 years of experience in a variety of leadership and technical public-sector human resources and risk management roles, from analyst to, Risk Manager to, Assistant Director and Director of Human Resources in municipal government. While a well-rounded practitioner and generalist with experience in talent acquisition, labor relations, classification and compensation, policy and contract development, performance management, employee engagement, Leaves and ADA administration and management, training and development, workplace investigations, health and safety, workers' compensation, employee benefits, liability administration and management, and general Human Resources and Risk Management administration. Kelly joined Koff & Associates in March 2022.

Kelly has a degree in Business Administration and Management, is a Human Resources Certified Professional through International Public Management Association of Human Resources (IPMA-CP) and has a Senior Professional Human Resources Certificate (SPHR).

Kelly will provide Human Resources Associate support throughout each project role, primarily consist of project and technical support in, classification analysis, interviews with employees and management, compensation data collection and analysis, internal job analysis, and development of recommendations. Kelly has a passion for engaging, collaborating with, and supporting clients, strengthening employee relations and community partnerships.

Cindy Harary, B.A.
Consultant

Cindy's professional qualifications include over 32 years of experience in the Human Resources field, primarily in classification and compensation. She spent the first 11 years in the public sector working for the City of Whittier, California, where she started out in their Public Works Department before moving to the Human Resources Department. She gained experience in classification and compensation, recruitment and selection, employee training and development, labor relations, and general human resources administration.

For the next 16 years, Cindy worked as a Human Resources Consultant for a consulting firm where she specialized in conducting classification and compensation studies for multiple public sector agencies including cities, counties, and special districts as well as several private sector clients. Some of the Orange County Cities she worked on in partnership with other consultants at that firm were: Cities of Brea, Laguna Beach, Lake Forest, La Palma, Los Alamitos, Placentia, San Clemente, Stanton and Tustin. In Los Angeles County, her work includes: Cities of Corona, Downey, El Monte, Manhattan Beach, and Upland. Finally, in San Bernardino County she has worked on the City of Rancho Cucamonga.

Since joining Koff & Associates in 2015, Cindy has worked on Classification and/or Compensation studies for:

- **Cities/Towns**: Anaheim, Big Bear Lake, Campbell, Carmel, Corona, Danville, Davis, Indian Wells, Laguna Niguel, Los Altos, Manteca, Menifee, Murrieta, National City, San Diego, Santa Ana, Santa Barbara, Seal Beach, Tracy, Yucca Valley
- **Counties**: Orange
- **Education**: Compton College
- **Special Districts**: Alameda Housing Authority, Altadena Library District, Bay Area Water Supply and Conservation Agency, Cosumnes Community Services District, Eastern Municipal Water District, Encina Wastewater Authority, Housing Authority of Alameda County, Housing Authority County of San Bernardino, Housing Authority for the County of Santa Barbara, Humboldt Waste Management Authority, Inland Empire Utilities Agency, Monte Vista Water District, North Coast County Water District, Orange County Fire Authority, Orange County Mosquito & Vector Control District, Oro Loma Sanitary District, Port of Hueneme, Rincon del Diablo Municipal Water District, Riverside County Transportation Commission, Santa Clarita Valley Water Agency, South Coast Air Quality Management District, Sweetwater Authority, Trabuco Canyon Water District, Vallecitos Water District, Water Replenishment District of Southern California, Western Municipal Water District

Cindy earned her B.A. degree in Broadcast Journalism at California State University, Long Beach.

Cindy will provide H.R. Associate support throughout this effort, including classification analysis, interviews with employees and management, compensation data collection and analysis, internal job analysis, development of recommendations, and implementation strategies.

Renate Tiner, B.Sc.
Associate Consultant

Renate's professional qualifications include five years of both non-profit and private sector Human Resources experience. Starting in Human Resources administration and rising into Human Resources

management, she gained experience in full-cycle recruitment, orientation and on-boarding, Health and Safety, Worker's Compensation, licensing and accreditation, policy development, and general Human Resources administration. Renate has a total of 10 years' experience.

Since joining Koff & Associates in 2017, Renate has worked on Classification and Compensation Studies for the following agencies:

- **Cities:** Bellflower, Concord, Cupertino, El Monte, Hillsborough, Los Altos, Mt. Shasta, Piedmont, Rohnert Park, San Diego, Sausalito, West Sacramento, Calistoga, Foster City, Pittsburg, Perris, Santa Cruz, Town of Truckee, Hayward, Rio Dell, County of Butte
- **Special Districts:** Alameda County Transportation Commission, Bay Area Water Supply and Conservation Agency, Eastern Municipal Water District, Dublin-San Ramon Services District, Foothill-De Anza Community College District, Groveland Community Services District, Los Angeles County Employees Retirement Association, Metropolitan Transportation Commission, Midpeninsula Regional Open Space District, Port of Long Beach, Riverside Community College District, and San Joaquin County Superior Court, Truckee Donner Public Utility District, Monterey Peninsula Regional Open Space District, Santa Clara Valley Open Space Authority, Triunfo Water & Sanitation District, Port of Stockton, Antelope Valley-East Kern Water Agency, Coachella Valley Water District, Foothill Municipal Water District, Orange County Sanitation District, Los Angeles Unified School District, Tahoe Transportation District, San Luis & Delta Mendota Water Authority, Habeas Corpus Resource Center

Renate earned her B.Sc. degree in Psychology from the University of Northern British Columbia, in Prince George BC, Canada. She was a Canadian Human Resource Professional (CHRP) Candidate before moving to the United States.

She will provide H.R. Associate support throughout this effort, including classification analysis, interviews with employees and management, compensation data collection and analysis, internal job analysis, development of recommendations, and implementation strategies.



Gallagher

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