

MEMO



Meeting Date: June 20, 2025

To: Board of Directors
From: Director of Human Resources, Berta R. Torres
Approved by: General Manager, Felipe Melchor

Subject: Approve Revised Pay Schedules for the Operating Engineers Local 3 Allies Unit, Operations Unit, Support Unit; and the Revised Pay Schedules for the Management Unit and Unrepresented, Confidential and At-Will Classifications

RECOMMENDATION

Approve Revised Pay Schedules for the Operating Engineers Local 3 (OE3): 1) Allies Unit, 2) Operations Unit, 3) Support Unit; And the Revised Pay Schedules for the 4) Management Unit; and 5) Unrepresented, Confidential and At-Will Classifications, effective July 1, 2025

BACKGROUND AND DISCUSSION

On June 21, 2024, the Board received the results of a Total Compensation Study dated April 26, 2024. The study concluded that ReGen's base salaries are competitive overall with 78% of the 40 benchmark¹ classifications having been found to be within or above the market median and 22% of the benchmark classifications found to be below market median. The report included recommendations for phased multi-year market rate adjustments for the 11 classifications found to be below the market median by -5.0% to -15.40%. With Board approval, phased **market-rate adjustments** were incorporated into the collective bargaining agreements for the respective OE3 classifications. Following the same criteria, the General Manager recommends market rate adjustments for the non-represented classifications similarly identified as below market median and appearing in the chart below:

* Market Rate Adjustment are stipulated in labor agreement.				FY 24/25	FY 25/26
CLASSIFICATION	BU	No. Positions	Under Market	Market Adjustment	Market Adjustment
General Manager	NON	1	-15.40%	5.0%	TBD
Director of Human Resources	NON	1	-10.50%	5.0%	5.0%
Communications Specialist*	SUP	1	-9.97%	5.0%	4.97%
HHW Supervisor*	OPS	1	-8.70%	5.0%	3.70%
Sr. Communications Coordinator*	SUP	1	-7.70%	5.0%	2.70%
Assistant Engineer*	SUP	1	-7.56%	5.0%	2.56%
Maintenance Worker II (MRF)*	OPS	2	-7.10%	5.0%	2.10%
Senior Maintenance Worker (MRF)*	OPS	1	-6.83%	5.0%	1.83%

¹ Allies Unit classifications are not included in this study.

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Let's not waste this.

Senior Maintenance Worker (Site)*	OPS	1	-6.83%	5.0%	1.83%
Power Systems Supervisor*	OPS	1	-6.28%	5.0%	1.28%
Safety Coordinator*	SUP	1s	-5.00%	5.0%	

The General Manager also requested and received Board approval through the FY 2025/26 budget process, to provide a pay increase of 4% to the Director of Engineering & Compliance based on **material changes in scope of job duties**.

Additionally, in accordance with ReGen's labor agreements, a **cost-of-living adjustment (COLA)** must be implemented effective July 1, 2025. A similar COLA is recommended for the non-represented classifications to maintain internal pay equity and avoid future pay disparities. The stipulated COLA for the four bargaining units and the recommended COLA for the non-represented classifications are as follows:

1	OE3 Allies Unit	1.5%	Based on labor agreement.
2	OE3 Operations Unit	2.5%	Based on labor agreement.
3	OE3 Support Unit	2.5%	Based on labor agreement.
4	Management Unit	1.5%	Based on labor agreement.
5	Non-represented, Confidential (non-exempt classifications)	2.5%	Same as similar Support Unit classifications.
	Non-represented, Confidential and At-Will (exempt classifications)	1.5%	Same as Management Unit classifications.

Based on the compensation adjustments discussed above, the following Pay Schedules have been revised to include market-rate adjustments, a pay increase due to material changes in job scope and COLA for the respective classifications:

- **Attachment A:** Pay Schedule for the OE3 Allies Unit
- **Attachment B:** Pay Schedule for the OE3 Operations Unit
- **Attachment C:** Pay Schedule for the OE3 Support Unit
- **Attachment D:** Pay Schedule for the Management Unit Pay Schedule for the Unrepresented,
- **Attachment E:** Confidential and At-Will Classifications

FISCAL IMPACT

The financial impact of the foregoing compensation increases is \$0.92M and is included in the FY 2025/26 Final Budget. This amount represents a 7% increase over FY 2024/25.

CONCLUSION

Board approval is requested to implement the stipulated compensation adjustments, in accordance with collective bargaining agreements, and to maintain fair market wages and ensure internal equity for non-represented employees, effective July 1, 2025.

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