City of Joplin Compensation Philosophy

Overview

The compensation philosophy is intended to provide a broad framework for the City Council, management, employees and the citizens, in order to understand and guide decisions that affect pay. It is designed to reflect the importance public employees play in the delivery of services and programs to the community; that compensation is a clear measure of that importance; and that there is fair and equitable treatment of all employees, regardless of race, gender, or disability in accordance with EEO/AA goals. In addition, the philosophy establishes the commitment and necessity to maintain market competitive pay, as well as comparability with jurisdictions that are most likely to affect recruitment and retention of employees.

Salary Administration Plan

The City will promulgate a salary administration plan for all employees that provides information on the movement through each grade in the form of steps that an employee may expect from year-to-year, based on satisfactory performance.

The annual step increase is a merit increase. Merit increases are not automatic wage increases. All employees should be aware that such increases are a recognition of performance that meets or exceeds expectations. Employees shall be subject to performance standards and supervisory evaluations at least annually.

Pay Competitiveness and Comparability

The intent of the compensation philosophy is to provide guidance as to how to maintain a competitive market compensation program. A competitive market compensation program is essential to attract, retain and motivate qualified employees. To that end, the following principles govern compensation programs:

I. Maintenance of the Salary Administration Plan:

- The overall Salary Administration Plan requires periodic adjustments to remain within market competitive range. These periodic adjustments result in adjustments to the entire Salary Administration Plan, in order to ensure market competitive starting and ending wages across the entire plan.
- Pay programs are intended to be competitive at a minimum with the average pay of comparator organizations in the primary labor market. The primary labor market is currently defined as local and regional cities and counties.
- It is the goal of the City that at ***least*** every two years, the City will conduct a market compensation study of benchmark positions to determine the overall competitive posture of the organization.

- The market compensation study will strive to include a minimum of 5 local cities and counties and 8 regional cities and counties to represent the primary labor market.
- It is the goal of the City that an adequate representative sample of benchmark jobs (25 positions) be used in the market study. These positions should be representative of all job classifications.
- The City desires to be the leader in the local market. Furthermore, in order to maintain market competitive pay, the City desires to compete regionally. As such, the City will strive to be at least 90% in the regional market.
- In all instances, for benchmark jobs, information for an assessment of pay competitiveness will be ascertained through reliable compensation survey data.
- Periodic adjustments to the Salary Administration Plan will be based upon the updated results, as well as ongoing trends, of the market compensation study.

II. Placement of Positions within the Salary Administration Plan:

- As market conditions change, the placement of individual positions within the Salary Administration Plan may require adjustments. An evaluation of various factors will be used prior to any recommended adjustment to the placement of the position within the Salary Administration Plan.
- Such factors could include, but are not limited to:
    - The inability to fill an open position at the starting wage over an extended period of time.
    - Other wage comparators (e.g., State of Missouri, or private sector employers or industry groups) where information from the primary labor is considered insufficient to attract/retain specific positions or classification groups.
    - Trends developed through the market compensation study.

Salary Administration Plan Adjustments

The City Manager will periodically recommend adjustments to the Salary Administration Plan by utilizing the pay competitiveness and comparability information based upon:

- Overall competitive posture of the organization
- Results and trends of the market compensation study
- Financial affordability

Any such wage adjustment recommendation from the City Manager will be prioritized in the following order:

- Movement through the grades in the form of merit increases
- Maintenance of the Salary Administration Plan in the form of periodic adjustments to the entire plan
- Maintenance of the placement of positions (as referenced in item II) within the Salary Administration Plan

Benefits

Benefits (e.g. longevity, retirement, insurance) are considered part of the overall compensation package to attract, retain and motivate qualified employees. The City shall strive to maintain benefit competitiveness with the local and regional labor market.

Exceptions

Nothing in this compensation philosophy statement should be construed as a required benefit. A change in the overall financial standing or a decline in revenue of the City will be considered prior to any recommendation by the City Manager. As with all budget decisions, merit increases, pay plan adjustments and funds for other employee benefits are subject to annual appropriation.