COMPENSATION NEXT STEPS

DECEMBER 16, 2020

COMPENSATION NEXT STEPS

- Market compensation study completed in the fall was the first step in improving the overall Salary Administration Plan to help address employee recruitment and retention
- Next Steps have been identified to continue to help improve and maintain pay plan:
  - Adopt Compensation Philosophy
  - Update all job descriptions

COMPENSATION PHILOSOPHY

City Manager formed internal work group from across various departments to draft Compensation Philosophy for City Council consideration

- Chair, Jimmy Furgerson; Dan Pekarek, Leslie Haase, Jeremie Humphrey, Luke Stahl, Sean Higgins, Dean Smith, Mike Moudy, Bryan Wicklund, and Greg Bertoncino

COMPENSATION PHILOSOPHY

PURPOSE OF COMPENSATION PHILOSOPHY

- Provide broad framework or guiding light for City Council, management, employees, and citizens to understand and guide decisions affecting pay
- Reflect the important role of public employees in providing services to community and that compensation is a clear measure of that importance
- Set forth fair and equitable treatment of all employees
- Establish the commitment and necessity to maintain market competitive pay

COMPENSATION PHILOSOPHY

THREE MAIN COMPONENTS OF COMPENSATION

- Movement through each pay grade within the Salary Administration Plan
- Maintenance of the Pay Plan
- Placement of Positions within the Salary Administration Plan

COMPENSATION PHILOSOPHY

MOVEMENT THROUGH EACH PAY GRADE

- Annual step increase is merit increase rather than automatic wage increase
- Step increase is recognition of performance that meets or exceeds expectations
- Employees subject to performance standards and supervisory evaluations at least annually

COMPENSATION PHILOSOPHY

MAINTENANCE OF OVERALL SALARY ADMINISTRATION PLAN

- Overall pay plan requires periodic adjustments to ensure market competitive starting and ending wages across the entire plan, which will be based on updated market compensation study and ongoing trends from the study results
- Goal that at least every two years, City will update market compensation study of benchmark positions
- Pay is intended to be competitive with local and regional cities and counties

COMPENSATION PHILOSOPHY

MAINTENANCE OF OVERALL SALARY ADMINISTRATION PLAN

- Market compensation study will strive to include at least 5 local and 8 regional cities and counties
- Goal to include at least 25 positions in market study representative of all job classifications
- City desires to be leader in local market and competitive regionally, defined as at least 90% in the regional market

COMPENSATION PHILOSOPHY

PLACEMENT OF POSITIONS WITHIN SALARY ADMINISTRATION PLAN

- Market conditions may require occasional adjustments to the placement of individual positions within the pay plan
- Various factors will be used in this assessment, such as inability to fill open positions at starting wage over an extended period of time, other wage comparators, and trends developed through market compensation study

COMPENSATION PHILOSOPHY

SALARY ADMINISTRATION PLAN ADJUSTMENTS

- With adoption of compensation philosophy, City Manager will make plan adjustment recommendations based upon available resources
- Recommended adjustments to the pay plan will be based on overall competitiveness of the City, results and trends from market compensation study, and financial affordability
- City Manager will prioritize recommended adjustments in this order- Movement through the grades: Maintenance of the entire plan; and, Maintenance of the placement of positions

COMPENSATION PHILOSOPHY

OTHER PHILOSOPHY CONSIDERATIONS

- Retain strong benefits, such as longevity, retirement, and insurance, included in the overall compensation package to attract, retain and motivate quality employees
- Compensation philosophy is not a required benefit and any recommended adjustments are subject to available resources and annual appropriation by City Council

JOB DESCRIPTION PROJECT

- City has hired Sheila Maerz to update all current job descriptions, including an evaluation of FLSA status (exempt or non-exempt)
- Sheila is working with each Department Head to complete this project
- Project steps include gathering current information, holding meetings to explain project scope, gathering new data and developing job description content, finalizing draft job descriptions, and obtaining formal approval of updated job descriptions

JOB DESCRIPTION PROJECT

- Existing job description and budget information has been provided
- Meeting with management team to discuss project has occurred
- New Job Description Template has been developed, approved by management team and sent to Personnel Board for their comments
- Job Description Questionnaire and instructions have been developed and provided to Department Heads

JOB DESCRIPTION PROJECT

- Departments are completing job description questionnaires with assistance from supervisors and employees
- Information from departments due by December 31
- Proposed substantial changes will go through a verification process by the consultant to include such items as additional information, employee meetings and/or job shadowing

JOB DESCRIPTION PROJECT

- Draft job descriptions will be approved by Department Heads prior to seeking formal approval
- Formal approval of updated job descriptions by the Personnel Board and City Council in sections
- Completion date goal is summer 2021

COMPENSATION NEXT STEPS

- Employee compensation related matters require ongoing review
- Compensation Philosophy and Job Description Project are just next steps in employee compensation related matters, not final steps
- City must constantly and consistently maintain pay and classification plan, job descriptions and other compensation-related items
- An updated employee evaluation process is also underway

COMPENSATION NEXT STEPS

Questions?