

AGENDA ITEM SUMMARY

City Council



STAFF

Teresa Roche, Human Resources Executive
Kelley Vodden, Compensation, Benefits, and Wellness Director
Aaron Guin, Senior Assistant City Attorney

SUBJECT

First Reading of Ordinance No. 172, 2023, Adopting the 2024 Classified Employee Pay Plan.

EXECUTIVE SUMMARY

The purpose of this item is to recommend the 2024 City Classified Employee Pay Plan. Classified jobs are grouped according to job functions, a business practice commonly used by both the public and private sectors. Pay ranges are developed by career group (management, professional, administrative, operations and trades) and level for each job function. The result of this work is a City Classified Employee Pay Plan (Pay Plan) which sets the minimum, midpoint, and maximum pay ranges for the level within each career group and function. Actual employee pay increases are awarded through a separate administrative process in accordance with the budgeted amount approved by Council.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

OPEN PAY RANGES

The City utilizes a common compensation methodology to assess jobs, combine them into job functions and establish pay range structures. The result of this work sets the minimum, midpoint, and maximum pay ranges for the levels within each career group and function.

Pay ranges are reviewed annually as part of a comprehensive market pricing analysis. Pay ranges are grouped and driven by job functions that are based upon the findings of a recruiting analysis conducted to determine where positions are typically sourced. Pay range midpoints are determined by looking at aggregate market data for positions or groups of positions and rolled up to a median of the market for functional groupings, with high and low outliers removed.

Jobs for which there is no external benchmark are evaluated and placed in the Pay Plan using a job evaluation system that is calibrated against benchmark jobs.

Individual salary placement in a pay range is based on an employee's knowledge, skills, abilities, performance, and experience, paired with internal equity considerations and budget availability to ensure horizontal alignment across the City.

Market Data Sources

- Employers Council - Colorado Benchmark Compensation Survey
- Employers Council - Public Employers Compensation Survey
- Willis Towers Watson - General Industry Compensation Survey
- Payfactors – Peer Global Network Survey

Recommended Open Pay Range Structure Adjustments

As a result of the market analysis, Human Resources (HR) Compensation staff recommends a 2.5% increase for all open pay ranges, excluding Legal Services & Executive Tables. Actual employee salary increases are determined administratively within the Council-adopted employee pay increase budget.

STEP PLAN

The City has 13 jobs that are part of the Step Plan pay structure. Step level jobs are designed to compensate employees whose jobs require mastery in a range of skills that are complex and/or technical in nature or also require attainment of predefined licenses and/or certifications. Pay progression is directly linked to skills and certification acquisition. Employees in Step Plan jobs may receive labor market adjustments as determined by the annual market analysis.

Market Data Sources

- Employers Council - Colorado Benchmark Compensation Survey
- Employers Council - Public Employers Compensation Survey
- Employers Council - Rural Electric Association Survey
- Payfactors – Peer Global Network Survey

Recommended Step Plan Adjustments

As a result of the market analysis, HR Compensation staff recommends changes to Step Plan jobs, varying from 2.5% to 8.0% increases. Employees in Step Plan jobs will receive a market adjustment consistent with the analysis.

COLLECTIVE BARGAINING UNIT

Police collective bargaining unit (CBU) positions are included in the Pay Plan to establish pay for such positions until market data is collected and pay is established according to the Council-approved collective bargaining agreement. The pay plan for classified positions not in the CBU is taken to Council for consideration and adoption by ordinance in late December and before the new payroll year. Terms of the collective bargaining agreement between the City and the police employee organization call for market data to be collected close to the end of the calendar year, so there is a delay in gathering market data for the CBU positions. This results in City staff bringing an amended Pay Plan back to Council for consideration early in the first quarter of the year.

CITY FINANCIAL IMPACTS

The estimated net cost for the adjustments to the Step Plan jobs is approximately \$243,000 and will be absorbed within the 2024 operating budgets approved by Council.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Ordinance for Consideration
2. Exhibit A to Ordinance