

Work Session Agenda Summary

April 12, 2022

Raymond C. Lee III, City Manager
Paul J. Fetherston, Deputy City Manager for Enterprise Resources
Kathleen Hix, Interim Human Resources Director

Title:

Classification and Compensation Project Update

Summary:

In February 2021, the City of Greeley released a Request for Proposals for Phase 1 of a project focused on creating a classification and compensation plan design with the following goals:

- Solidify the City's pay philosophy to guide the new pay structure.
- Have a compensation and classification structure that attracts and retains qualified employees and that includes a clear path of career progression
- Establish and understand the City's market competitiveness in regard to the total rewards package including base pay, leave, benefits and incentives.

The project – which is focused on designing the compensation plan for the City's non-union workforce – includes the following services in Phase 1:

1. Assess current pay philosophy, pay plan, job placement, and job descriptions for non-union workforce;
2. Develop an updated compensation philosophy statement;
3. Define Market and conduct surveys to evaluate market competitiveness;
4. Develop a pay plan, structure and policies to support the plan and its integrity;
5. Review, evaluate and update all non-union job descriptions;
6. Present recommendations and develop a roadmap to implement the new compensation structure; and
7. Lead project communications and change management.

In addition to the above referenced focus, the project also looked to align the City's Classification and Compensation Plan with the Colorado Equal Pay for Equal Work law, which became effective in January 2021.

Through the RFP process, the Denver based consulting firm – hrQ – was selected. Following the selection process, the project kicked off in the summer of 2021 and progressed to its current state. At the April 12 City Council Work Session, representatives of hrQ will be present to review for City Council the project objectives, methodology, recommended priorities, implementation process and timeline.

Compensation Priorities: As hrQ will outline in the presentation, the recommended compensation priorities include the following in ranked order of importance:

Pay inequities per Equal Pay for Equal Work law	Implement adjustments necessary to meet legal requirements related to inequities.
Bring salaries to minimum	Since competitive salary ranges have increased 5% on average, make adjustments to ensure any employee salary that is below the new minimum is brought to minimum.
Compression in 1 st Quartile of salary ranges	Make adjustments to compressed pay rates within the 1 st quartile of salary ranges associated with moving employees to the new salary range minimums.

The estimated cost of addressing these three primary areas is \$1.5 million to \$2.5 million. Currently, the Fiscal Year 2022 budget has an appropriation of \$500,000 to put toward the estimated implementation costs. Due to the funding gap associated with addressing these priorities, staff would return to City Council in the May/ June timeframe to approve the new pay structure and appropriate funding needed to address the priorities in the current fiscal year.

Based on the City Council discussion on the item, staff tentatively plans the following timeline:

TIMEFRAME	ACTION
May/ June 2022	<ul style="list-style-type: none"> Return to City Council seeking approval of the new classification and compensation plan Present City Council with funding request to make adjustments to most significant legal pay inequities
Late Summer 2022	Implement new pay structure and approved pay adjustments for those funded through May/ June appropriation
Fall 2022	Through the Fiscal Year 2023 budget process, consider funding requests for remainder of pay adjustment priorities as needed
2023 & Beyond	New pay structure is implemented and maintained

Attachments:
PowerPoint