

Classification & Compensation Project

City Council Update

4/12/2022



a Landrum **HR** company



Project Objectives

Ensure market relevance

Align with Colorado Equal Work for Equal Pay - pay equity law

Update position pay rates and recommend changes to pay structures to align with market best practices

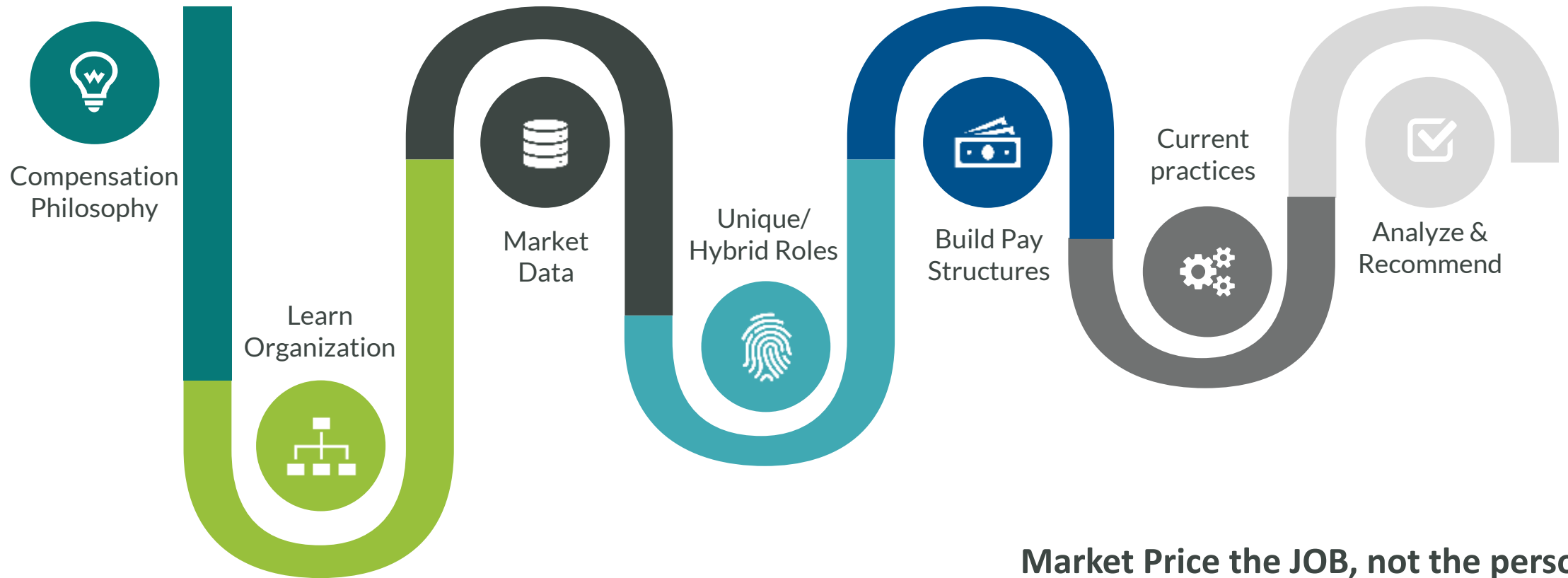
Provide increased opportunities for professional growth within current positions

Identify any gaps in current processes and programs from desired state & recommend pay adjustments where needed

Study focused on non-union, full-time employees



Methodology Roadmap





COG Compensation Philosophy (2022)

- We strive to be Colorado's Municipal employer of choice
- We seek to attract, hire, retain and engage highly qualified and high performing professionals
- We strive to provide a comprehensive compensation package that is competitive with similar employers in Colorado. We believe that employees who consistently meet expectations should be rewarded with base pay that recognizes talent. Some positions in the city require a skill set that is highly in demand and the city will increase base pay expectations for those positions.
- In addition to base salary, we provide a benefits package to meet employees' health and welfare needs, encourage healthy behavior, promote professional development, recognize performance and provide retirement resources
- We administer our compensation program with consistency and in a manner that is free from discrimination

Reviewed and endorsed by City Council



Market Data Sources

To make intelligent decisions about the value of a job to any company, you need data from a range of sources. Formal compensation surveys (made up of HR-reported data) are generally considered to be the highest quality.

- Colorado Municipal League
- Employers Council
- PayFactors

>5,000
Unique Job
Titles

27,000+
Compensable
Factors

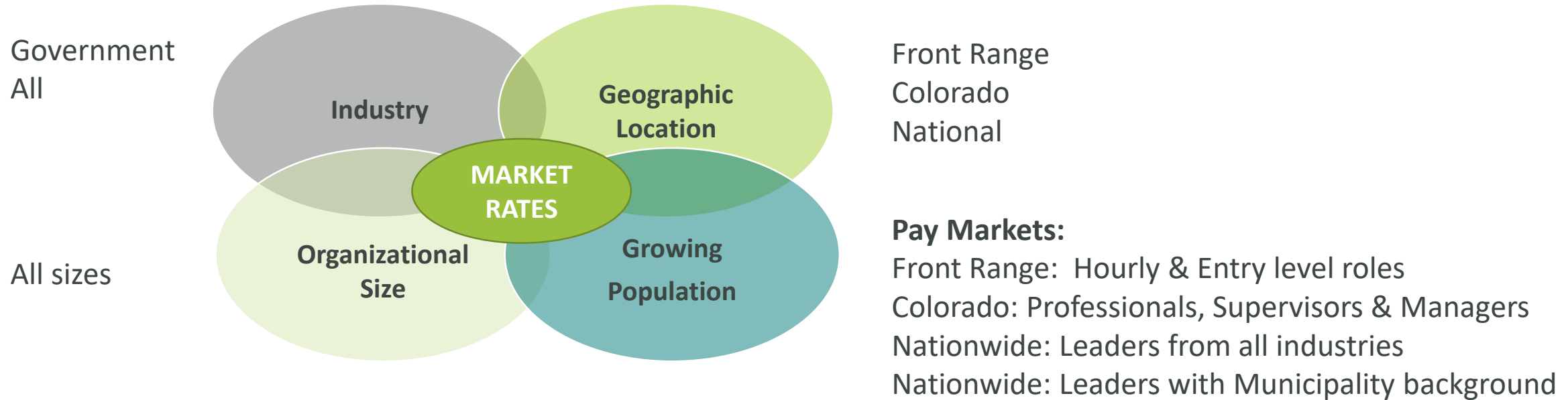
158
Industry
Breakouts

50,000+
Geographies

10th – 90th
percentiles



Researching Market Information



Comparison in base pay market targets were made at the
25th / 50th / 60th / 75th / 90th percentiles of the market

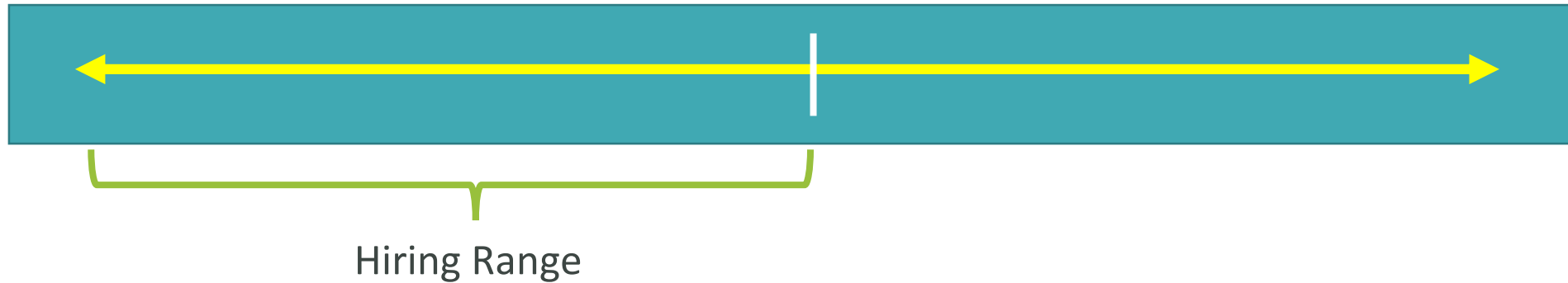


Competitive Salary Range

Minimum

Midpoint

Maximum



Range Minimum:

- Employees new to the role
- Employees with lower proficiency or performance

Range Midpoint:

- Employees proficient in their roles
- Employees with good performance
- Aligns with the market

Range Maximum:

- Employees with high performance
- Employees with demonstrated high proficiency and experience



Old to New Pay Structures

Old Comp Program

No clearly defined compensation philosophy

9 pay tables

Irregular progression from one level to the next

Irregular range spreads

Difficult to accurately assess pay equality across the organization

Average Compa-Ratio = 100.6%

New Comp Program

Clearly defined compensation philosophy & methodology

3 pay tables

Regular progression supporting promotional increases

Pay range spreads based on level within the organization

Aligns with Equal work for equal pay regulations

Average Compa-Ratio = 96.2%

The City is not in bad shape! Each individual role was reviewed, and some market rates shifted more than other.

In transitioning from Old to New compensation program, the City of Greeley can now:

- More clearly articulate market competitive position
- Attract and retain quality talent and key roles
- Fairly review employee pay equity
- Identify job families and support a more consistent promotional process



Compensation Priorities

The following compensation actions now resonate as most crucial to address for the City of Greeley:

#1: Pay Inequity

Equal Work for Equal Pay laws have outlined guidance for evaluating equal positions. City of Greeley must address any observed inequities in pay

#2: Bring to Minimum

Competitive salary ranges have increased, on average, over 5%. As such, the salary range minimums have also increased

#3: Compression

Compressed pay rates in the 1st quartile of pay due to moving employee up to the new competitive salary range minimums

– Not every employee will receive a pay review or adjustment



Implementation Cost



Addressing the three primary concerns may cost the city \$1.5 – \$2.5 Million (3 – 5% of current Non-Union payroll)



Cannot fix all identified pay issues at once



A detailed compensation plan and funding request will be presented in May/June for late summer 2022 approval

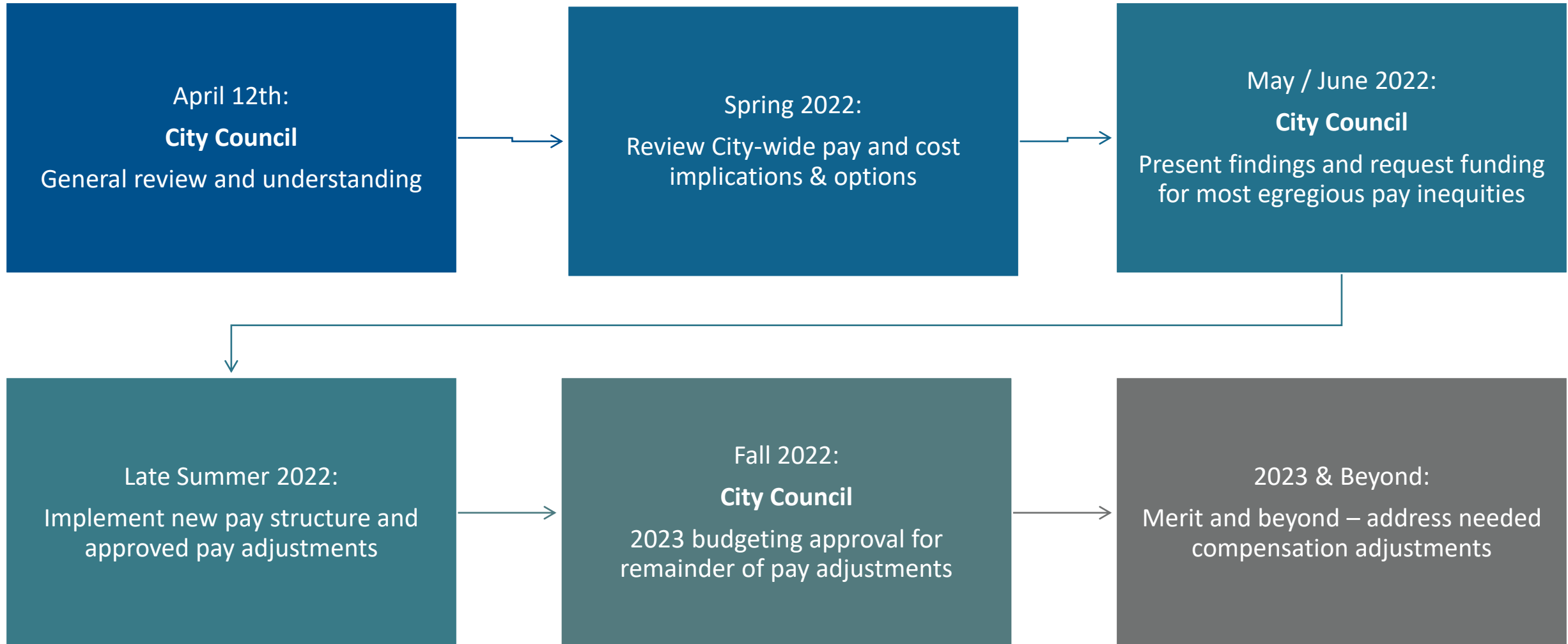


Additional funding request will be added to the budget process for 2023 and beyond

Most organizations incur cost between 3% – 7% of current payroll



Timeline





Updating The Compensation Process

The City has made a significant investment in updating the Compensation Plan which will enhance organization competitiveness and aid in future planning.

Maintenance Plan:

The City of Greeley will update salary ranges on an annual basis:

- Annually, the city will review the national GDP shift and adjust salary ranges accordingly
- Annually, the city will review employees pay for
 - Bring up to pay minimum
 - Pay Compression
 - Pay Equity
- Every 2-3 years, a more robust review will be conducted to determine the updated market rates for all positions
 - This exercise will be much faster now that every single role has been priced and reviewed



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Thank you!