

Compensation and Classification Study Discussion

AB 5664 | February 18, 2020



Agenda

- Public Sector Compensation
- Long-Term Compensation Strategy
- Compensation and Classification Study
 - *Objectives*
 - *Analysis*
 - *Timeline and Cost*



Public Sector Compensation

- Public Sector
 - *Stable employment & wages, good benefits*
 - *Salaries are public*
- Private Sector
 - *Perks, stock options, large bonuses in good times*
 - *Salaries are confidential*



Public Sector Compensation

- Laws that impact public sector pay
 - *Fair Labor Standards Act (FLSA)*
 - *Family Medical Leave Act (FMLA), WA Leave Act (WLA) & WA Paid Family & Medical Leave (PFML)*
- Washington State bargaining laws
 - *Must bargain hours, wages & working conditions*
- Staffing requirements for safety-sensitive positions
- Recruitment challenges



Public Sector Compensation

- The comparable market
- Maintain lean staffing models
- Vacant position review (internal review process)
- Effective performance management system



Represented Compensation

- Four bargaining units:
 - *AFSCME*
 - *Police*
 - *Police Support*
 - *Fire*
- The City is obligated to bargain hours, wages, and working conditions, and/or any changes to such, with each bargaining unit.



Represented Compensation

- Salaries benchmarked to the midpoint of the comparable market
- Collective bargaining (usually) occurs every three years
- Receive annual COLA increases
- Compensate using a step system - on basis of skill attainment, tenure, or a combination of these factors



Non-Represented Compensation

- City's management and professional level employees
- Paid at the mid-point (average) of the comparable market
- Receive a flat rate, benchmarked to midpoint as opposed to a step system
- Market studies are conducted every 3-4 years
- Receive annual COLA (budget allowing)



Long-Term Compensation Strategy

The City strives to create a balance between fair and equitable pay for employees and exercising fiscal prudence given the City's reliance on property taxes.

Policies:

- Salaries are benchmarked to the midpoint of the defined market
- For all employee groups, total compensation includes base pay, steps (for represented employees), and other compensation.
- Vacant positions are carefully reviewed before they are filled.



Long-Term Compensation Strategy

Policies (continued):

- Goal is to remain competitive at approximately the mid-point of the comparable market.
- Comparable cities criteria: full-service cities, population (20,000-100,000), Puget Sound location (King County and south Snohomish County, excluding Pierce, Thurston, and Kitsap Counties), number of employees (150-750), and number of job matches.
- Employees must share in the cost of their health care benefits.
- Compensation decisions (including labor negotiations) will be made using the best data available.



Comp and Class Study

- **Issue:** A comprehensive classification and compensation study has not been completed since 2001.
- **Purpose:** To examine and evaluate the City's current salary schedule for non-represented employees, develop a classification system for all positions, and provide recommendations for modifications.
- **Objective:** Ensure employee confidence, provide a work environment that promotes wellbeing and work-life balance and provide departments with the ability to recruit and retain qualified employees by ensuring the City's classification and compensation structure is relevant, accurate, and competitive in the market.



Comp and Class Study

Scope of Services:

- Project Management/Consultant Coordination
- Classification and Compensation Analysis
- Meetings
- Deliverables
- Public Meetings



Comp and Class Study

Classification and Compensation Analysis

- 1. Conduct a job audit of all positions*
- 2. Collect position description questionnaires and other written feedback*
- 3. Review and revise existing job descriptions*
- 4. Recommend an appropriate classification for each position and establish a Citywide job classification structure.*
- 5. Prepare a market analysis; determine recommended comparable cities.*



Comp and Class Study

Classification and Compensation Analysis (continued)

6. *Prepare a recommendation for a compensation philosophy.*
7. *Provide a recommendation for total salaries and benefits.*
8. *Determine an appropriate salary structure including steps.*
9. *Develop recommendations and impact studies for implementing the proposed compensation policies.*
10. *Schedule and attend meetings with City staff and the City Council.*



Comp and Class Study

RFP Timeline:

- Issue RFP February 21, 2020
- Deadline for Submittal of Proposals March 20, 2020
- Preliminary Selection of Firm April 3, 2020
- Notify Firm Chosen April 15, 2020

Study Timeline: 10-12 months

Cost: \$60,000-\$100,000 (estimate)



Next Steps

1. Questions?
2. Provide feedback on current compensation philosophy
3. Provide feedback on proposed Scope of Services for Compensation and Classification Study RFP
4. Staff will issue RFP on February 21, 2020

