

**Minutes Meeting  
Citizens' Compensation Advisory Committee  
January 17, 2017**

**Members Present:** Cori Petersen  
Connie Spyropoulos-Linardakis  
Kerma Jones  
Dale Cox  
Frances Hume  
Jeff Herring

**Staff Present:** David Salazar, City Compensation Administrator  
Rachel Lovato, Senior Human Resources Consultant  
Julio Garcia, Human Resources Director

**Guests:** Jeff Vaughn (SLC Association of Firefighters – Local 1645); Steve Hartney (President, SLC Police Association)

A recording of these proceedings is on file and available by request from the SLC- HR Department.

**Meeting Open & Welcome:** Vice-Chair Cori Petersen opened the meeting and established that all Committee members were present, including Connie Spyropoulos-Linardakis who would be joining us late.

**Review and adopt August 25, 2016 meeting minutes:** A motion to approve the minutes of the committee meeting held on August 25, 2106 was made by Dale Cox and seconded by Frances Hume. The vote to approve the minutes was unanimous by all members present.

**Comprehensive HR policy review - Compensation, benefits, and related areas:** Julio Garcia explained human resources has updated all of the human resources policies and created additional policies. Responding to a question from Frances Hume about how the city disperses its policies, Julio explained all the policies are available on the city intranet and hopefully we have them on the internet shortly. David mentioned the city duplicated many of the sections of the compensation plan and created policies to cover those sections that are policy-related such as leave time. Responding to a question from Cory about a need to get the compensation plan approved, David explained parts of that plan will always need to be approved such as the appointed pay plan.

**MAYOR'S REQUEST: Review and discussion, including potential recommendations, pertaining to the city's living wage and future rate adjustments:** David explained that a couple of years ago, the mayor assigned a living wage of \$10.10 per hour. The city adjusted most salaries up to \$10.10. This adjustment was only needed for part-time and seasonal employees. The city did not have any full-time employees making less than \$10.10. David posed the question of what they have seen in their organizations or other organizations.

Responding to a question from Frances about how \$10.10 was established, David responded by saying it was based on, at the time, the federal government proposing a living wage. Kerma asked how other agencies handle the living wage and David explained we are currently the only agency in the state, we are aware of, that has a living wage. Jeff mentioned the University of Utah is moving to establishing a living wage also.

Jeff asked if the minimum rate gets adjusted annually at the same rate as the full-time employees. Julio indicated the mayor is interested in ensuring the lower wage earners don't left behind. David responded by saying no it has not to this point. Dale suggested adjusting the rate with the CPI. David indicated the city does not use the CPI alone but the budget forecast and market.

The committee asked if there was compression between seasonal and full-time and the difficulty about hiring seasonal staff. Rachel indicated that no we do not have compression and we do have an issue with hiring but not sure if the reason is due to the market or the wage.

Frances indicated what is the real living wage is and how do we keep up with that. Cori asked Jeff what they are doing at the University. He indicated they are looking at \$10.00 range as a first step. Cori proposed there is room in the report to weigh in and it's inline with their objective. David stated we can provide them some information for that section of the report.

**MAYOR'S REQUEST: Review and discussion, including potential recommendations, pertaining to analysis of employee pay compression:** The mayor is interested in knowing if compression exists and how/where. David indicated there are several ways to look at compression – people within the same salary range, pay differences between different levels of employees. Some departments have been looking at where the experience based employees are paid in relation to new hires. A question to the committee: What are your recommendations?

Cori presented the question of whether the city has money set aside to deal with the issue. Julio answered the city is interested in determining what the issue is and looking for their recommendations of how to approach the problem. David spoke of the Airport and Public Utilities and how they are utilizing years of experience and a formula to determine where employees should be paid. It has helped them to address compression. The remaining departments are handling it in a piecemeal manner. The city is looking for a 3-year approach.

The committee asked if we have done a data scan to understand the scope of our problem. Rachel answered that Public Services was reviewed last year and it was about \$500,000. The city needs to determine what is considered compression. The current process requires the department to utilize the salary action process for each non-union employee to move them through the range. The union employee's have built-in increases and then when everybody gets the same increase each year it compounds the issue.

The committee is asking, "What is the problem we are solving?" Are we looking at just paying for time in position or do we want to look at performance? What is the culture? David said we would like to have a proactive process and looking at market. We should provide managers with a compensation profile so they can make decisions about moving them through the range. The city needs to determine the philosophy for compensation. We use primarily market based pay which means we could/should be lowering pay if necessary. The committee suggested it doesn't make sense to have a one-size fits all philosophy due to the complexity of the make-up of the employee base. The committee cautions on using time in position because it can create entitlement and pay employees significantly over market.

Julio asked the committee what they recommend when it comes to years of service as it relates to market. They indicated it depends on the position. Connie indicated she considers the career path as it relates to each role. The complexity of the role will depend on the experience and education. Scope and budget, span of control are other factors to be considered. When it comes to taking someone to 20-25% over market, Frances indicated it could be the role, whether they are the expert in an area, are they on the management path, revenue generator. Frances and Connie suggested using the Hay Group factors.

What does the committee suggest for pay difference between supervisor and subordinates? 10-15% as a minimum. A consideration is also the pay they are losing. The committee suggested pay for performance can create more compression issues. Frances indicated that companies she has worked with will pay people supervising the high wage earners at the high end of the range.

**MAYOR'S REQUEST: Review and discussion, including potential recommendations, pertaining to analysis of voluntary turnover rates >10%:** Turnover is a topic the committee reviews in the

annual report already. The mayor wants us to review turnover by department. David asked the committee if they are still interested in the voluntary turnover rate which included resignations and retirements. The committee confirmed they are still interested in the voluntary turnover rate. The committee suggested it depends on what the mayor is wanting to know. However, this may not be a strict compensation question. Julio indicated that the mayor is looking for red flags and primarily if they are leaving due to compensation. The committee suggested that 10% is a good place to start.

**Presentation of 2016-17 WorldatWork salary budget forecast, local economic conditions report and review of preliminary local market survey data:** Spreadsheets including updates to market data for local area benchmarks were distributed to Committee members. David highlighted the specific data points included in the spreadsheet, included new median pay information instead of average. He indicated that last year we were successful in getting the Western Compensation Group to present median data.

Highlights of the report include: median pay comparisons; significantly leading and lagging benchmarks (color-coded for easy identification). Significantly leading or lagging benchmarks are defined as those with more than a ten percent difference compared to market.

The committee asked if there was a significant change going from average to median. David indicated it depended on the job, in some instances it was a big difference and others not much. The median pay gives a truer picture of what is really going on because it removes the outliers. The committee noted that we are leading more in the WCG than WMG which is our intention. The city is looking for a recommendation of where we can do things differently. Last year, the city gave a general increase of 1.25% for all full-time employees. The city recognizes we can't continue on the general increase path. One option is to continue looking at the jobs below market.

Frances asked how we use the benchmark jobs to look at the other positions in our organization. David responded by saying we look at the market data if possible to ensure the distance between job levels makes sense. We feel confident about the structure because we look at it continuously not just once a year. Cori suggested we look at year over year trends to justify not giving a general increase.

This meeting was adjourned at approximately 5:30 PM.

**Next Meeting Date:** The next meeting date was set for February 1, 2017 from 4-6:00 pm.

**These minutes were approved in a Committee meeting held on 2/1/2017.**