

**Minutes Meeting
Citizens' Compensation Advisory Committee
February 2, 2015**

Members Present: Connie Spyropoulos-Linardakis, Chair
Kerma Jones
Cori Petersen (by telephone)
Dale Cox
Frances Hume
Jennifer Seelig

Members Excused: John Mathews

Staff Present: David Salazar, City Compensation Administrator
Jodi Langford, City Benefits Administrator
Nancy Torres, Committee Support/Coordinator

Guests: Jeffrey Vaughn (SLC Association of Firefighters – Local 1645); Val Thometz
SLC (Vice-president, Association of Firefighters– Local 1645); Brandon Heaney (SLC
Association of Firefighters – Local 1645); Andy Maxwell (SLC Association of Firefighters
– Local 1645); Lisa Demmons (SLC Association of Firefighters – Local 1645); Michael
Millard (SLC Police Association); Jonathan Pappasideris (SLC Attorney's Office).

Meeting Open & Welcome: The meeting was opened by Committee Chair Connie Linardakis. All members were present, including member Kerma Jones who participated in the meeting via telephone conference.

Adoption of January 7, 2015 & January 20, 2015 Meeting Minutes: Members were invited to review copies of the revised minutes for the meeting held on 1/7/2015; a motion to approve the minutes was made by Frances Hume and seconded by Dale Cox. This motion was approved.

Likewise, members reviewed the minutes prepared for the meeting held on 1/20/2015. Frances Hume noted a few typographical errors, but no concerns with overall content. A motion to approve the minutes with the minor corrections noted was made by Frances Hume and seconded by Kerma Jones. This motion was approved.

Results of 2014 Special Surveys: David Salazar noted that results of the *2015 Elected Officials, Department Directors & Other Key City Leaders salary survey* were not yet complete and ready for presentation to the Committee. He indicated that these results would be forwarded for Committee review prior to the next meeting.

U.S. Mountain Region Cities Fire & Police Salary Survey—Prior to sharing results and analysis of the wage data obtained for Fire & Police from Mountain region cities. David distributed a copy of the list of cities included in the survey sample to the Committee. He explained that this sample list was formulated following the Committee's recommendation last year to limit the scope of wage comparison to cities located within the U.S. mountain region

Based on this criterion, David stated that approximately one-half of the cities included in the previous year's total sample were eliminated from consideration based on their geographic location (leaving a total of only 24 cities). In an attempt to make up for the loss, additional cities within the region with population sizes of 100,000 or more were identified, but this search only yielded a few eligible cities to be added to the sample list (an additional five cities). By broadening the criteria to include cities in the region with populations of 50,000 or more raised the total sample to 48 cities. David noted that this broader criterion is similar to the specification used for comparing wages in the local (Wasatch Front) market.

Dale Cox expressed appreciation for the work done, but suggested that a comparison with like-sized cities should be used based upon Salt Lake City's regular and daytime population size, or 100,000 to approximately 300,000.

Frances Hume asked for clarification regarding the population sizes noted on the survey sample list; David responded noting that the population sizes shown are regular, full-time residents.

David noted that the total survey responses received varied between Fire & Police, depending on which specific services are provided by a particular city. He explained that a few cities indicated that public safety services, Fire, Police (or both), are contracted services (such as by an adjoining county government). Overall, the total survey response rate was between 43% & 50%. Following a question by Cori Petersen, David indicated that the wage data collected by job are noted on the summary report being presented.

Referring to the survey sample of cities, Jennifer Seelig inquired about the designation used for determining what constitutes "Mountain region." David explained that the designation used for specifying the region is the same as defined by the U.S. Bureau of Labor Statistics (BLS). In addition to consideration of wages based on population size and geographic location, Jennifer also noted her position that other factors specific to Police should also be considered, including: training standards, capital city designation, and the presence of an international airport.

David provided insight and some detail about criteria relied upon by past Committees for determining 'comparable' U.S. cities, including capital city designation, presence of an international airport, etc. He noted that the criterion adopted by the most recent Committees has been based solely on resident population. He also explained that, as part of the survey methodology, participants are provided with a description of job duties for each job included in the survey. Participants are asked to provide wage data based on a match of specific job duties rather than on job title alone.

Jennifer expressed understanding that timing for modifying the present criteria is past and her belief that cities from the present survey do not need to be eliminated, but requested that the Committee reconsider the criteria along with other factors used in the selection of comparable cities. Connie Linardakis acknowledged the challenge the Committee faces when determining a definition for comparable cities as it relates to the complexity of jobs.

David distributed hard copies of two data sets to Committee members, including one for Fire and another for Police. He informed that Committee that this same information was shared earlier in the day with representatives from the Fire & Police unions.

FIRE SURVEY DATA - David outlined the information included in the summary report for Fire, including specific Fire jobs, number of respondents, number of incumbents, and pay information (including range and actual pay). David highlighted the fact that the list of cities shown for each job are sorted from low to high based upon actual average pay; he also noted that there does not appear to be any correlation when comparing actual average pay rates to city population size.

Given the Committee's population-based criterion for specifying comparable cities, Frances Hume asked if any other correlation or a distinction based on job matches had been noted while reviewing this wage data. David expressed confidence in the job matches due to the minimal differences in the basic duties performed by Police & Fire professionals from one city to another. No other correlation was noted.

Continuing with review of the Fire related wage data, David explained that the calculation used to compare SLC wages to other Mountain Region cities is shown both as simple average and median wage comparisons, including dollar figures and a percentage of market. Kerma Jones questioned what difference would result if the low and high figures were removed from this comparison. Cori Petersen indicated that such a change is minimal relative to the simple average dollar comparison and that no change results in either the median pay or percentage difference.

In response to a question from Connie about the asterisk noted by some city names, David explained the asterisk is used to designate new survey participants, including those cities added to the survey sample.

Overall, analysis of Fire related jobs indicated that Salt Lake City pay rates compared to Mountain Region cities are mostly even or competitive with market. Referring to the local market comparison, Connie Linardakis noted that SLC Firefighters average pay leads other Wasatch Front jurisdictions by 23%.

Relative to the Committee's 2014 recommendation for Fire & Police and the use of local market versus regional market data, Connie asked to be reminded what the final outcome and decision was and how it was reflected in the Annual Report. David explained that the Committee determined it would base its pay recommendations for Fire & Police on local market data, but also highlighted a relative pay comparison to Mountain region U.S. cities within the body of the report.

Frances Hume asked why the Committee chose to base its recommendation on local market data. Connie answered saying the rationale for this decision was tied to the fact that the Committee had received (for the first time ever) results from an employee benefits market study (conducted by the Hay Group). She explained the Committee's decision considered not only its charter to review employee total compensation (base pay + benefits), but also contemplated where the City recruits, a lack of attrition and compelling recruitment data that did not substantiate shifting consideration beyond the local market.

Connie also asked David what was known about the practice followed by the Mountain region cities surveyed when comparing their own Fire & Police wages. David stated that with only one exception (Great Falls, MT), the practice among 18 cities is to make wage comparisons within their respective local area (including other in-state cities). Cori Petersen elaborated and added that enough of the Committee last year felt that local data should be utilized because low turnover and the ability to attract and retain employees did not support consideration beyond the local market. However, the Committee also agreed to share the Mountain region wage data with City leaders to ensure they had a broader view of public safety pay levels outside the local area, along with the opportunity to expand their own consideration, if they choose.

TURNOVER AND RECRUITMENT STATISTICS: David provided the Committee with a copy of an email obtained from the City's Police & Fire HR Consultants, which highlights current turnover and recruitment information.

POLICE - He noted that from a total of **417** sworn Police employees, **23** were officers who left voluntarily; **two** left involuntarily. Of the 23 Officers who left voluntarily, **15** Officers retired and **8** sworn officers resigned from employment (including three who resigned while in training, one who resigned for family reasons, and four who resigned for personal reasons). No one left to pursue employment at another police department.

Relative to recruitment, David indicated that **40** candidates were offered positions from the 2013 Entry-level recruitment process, including: 8 experienced candidates (six who had 8+ years of experience and two recruits with 4-6 years of prior police experience). In addition, six of the lateral-entry candidates came from other Utah Police agencies; one came from a Nevada police agency and another who originated from a police agency in North Carolina (8+ years of experience each). David explained that there has no regular entry-level hire process since 2013.

Following up on the HR Consultant's email comment, "No one left to pursue employment at another police department (that I am aware of anyway)", Jennifer Seelig asked if the HR Consultant would know based on sources such as exit interviews. David responded that the HR Consultant, although perhaps not always certain, would be the one most likely familiar with the reasons an officer leaves given her close contact with employees throughout the agency.

FIRE – Referring members to the second page of the email, David noted a total of **10** voluntary separations and **2** involuntary separations from Fire. Both involuntary separations were due to medical unavailability. Among the voluntary separations, **9** were sworn firefighters who retired and **1** who resigned after two days of recruit school. No one left to pursue employment at another fire department.

A total of seven candidates were offered positions from the last recruitment process; all were from Utah. David explained that Fire's testing & hire process is unique in that recruitment is open only once every two years.

Frances inquired about what means Police & Fire positions are announced or recruited for publicly. David stated that all City recruitment is conducted utilizing a central online application system. In addition, recruitment announcements are sent to professional associations, trade magazines and other local & national groups with interest in these positions.

Cori noted that in addition to considering the low turnover data (even as compared to last year), the data obtained from the 2014 Hay benefits study indicates that the market competitiveness for Fire & Police, including wages, retirement and related benefits, likely puts them well ahead of market from a total compensation perspective. Dale Cox noted that the Hay benefits study was specific to the Utah market, which would not necessarily apply to the Mountain region cities.

In response to Dale's request to consider the origins (from a recruitment perspective) of the various department directors and other executives, David reported that two department directors who came from areas outside of Utah, including the Executive Directors for the Department of Airports and Community & Economic Development; all other current directors came from the local area. David explained further that it is common practice among other employers to recruit either regionally or nationally in order to attract an adequate pool of qualified job candidates for executive level jobs.

David referred to minutes from a previous Committee meeting held on 2/24/2014, which indicated a 4.5% turnover rate during FY2013 for Police compared to approximately 5.5% for the current year, which is largely reflective of employee retirements. With regard to Fire, the statistics are fairly comparable. Jennifer Seelig inquired about comparable turnover rates from the private sector or other entities. Although no specific data was readily available for other employers, David mentioned that turnover for other SLC employees is also low.

Cori Petersen inquired about the turnover rates of other local, public employers. David indicated that he had no immediate information available, but would check for similar statistics from the Wasatch Compensation Group.

POLICE SURVEY DATA – Beginning review of the Police wage data collected from the Mountain region, David noted that responses came from the same sample of cities surveyed for Fire; however, a few of the cities might differ depending on whether police services were offered or not. For Police Officer, a simple average comparison showed SLC Police Officers at 92% of market and a median pay difference at 86%. Wage comparison for other job levels, including Sergeant and Lieutenant, were also highlighted.

Connie asked all other Committee members about their approaches to comparing wage data, whether using a simple or weighted average. Frances stated that in her practice she relies on weighted average pay comparison. Cori Petersen suggested calculating a wage comparison for Police & Fire based on a weighted average, simply to see the differences. David explained that the approach for comparing wages outside the local market has been based on a simple average. He noted that giving equal weight through a simple average comparison has been used as the rationale in order to account for the cost of labor and living differences that exist between cities.

Frances Hume remarked that accounting for cost of living differences is a routine approach which can be used with software tools. Cori Petersen also recommended checking with the U.S. Bureau of Labor Statistics (BLS) to obtain and add cost of living/labor information to the Fire & Police wage data. Jennifer Seelig suggested that there may be value in making a request for a tool that enables the Committee to better assess wage data with the cost of living difference. David added that such a tool would be helpful, especially when considering salary data gathered from a national market for executive positions.

Connie affirmed what was previously stated about the practice of other Western region cities to limit their own wage comparison for public safety positions to their own local market. David specified that the cities who follow this practice include: Pocatello, ID; Arvada, CO; Scottsdale, AZ; Chandler, AZ; Boulder, CO; Surprise, AZ; Ogden, UT; Longmont, CO; Boise, ID; Broomfield, CO; Henderson, NV; Billings, MT; Aurora, CO; Rio Rancho, NM; Colorado Springs, CO; Greeley, CO; and, Las Cruces, NM. David indicated that only Great Falls, MT indicated the need to go beyond their respective area to include regional cities, such as Boise, ID. Dale Cox noted that this among these cities it is likely that they are comparing against cities of comparable sized based on their respective populations.

Dale noted that he views executives and other employees, including Fire & Police, all as professionals only differentiated by skill set. Relative to wage and salary comparisons amongst all professionals, he questioned the rationale for continuing to consider different markets between executives and public safety employees. Connie countered stating that changing the market used to compare Police & Fire wages would likely necessitate doing the same for all other city jobs for which a local market standard is used. Dale asked whose responsibility it is to

set or identify which standard should be used for comparison. Referring directly to the Committee's powers and duties stated in city ordinance, Connie noted that it is the Committee's responsibility to determine what is considered a comparable market. Connie stated that reconsideration of this standard could be considered during a later cycle.

Kerma Jones remarked that any change in the standard used for market comparability must be justified. She noted further that based on her personal examination of turnover, recruiting market, benefits and their value, etc. it appears that the current wage comparison standard is okay. However, review of the Mountain region data indicates at the very least that we need to continue to monitor and watch what's occurring in the external market. David agreed that continuing to monitor and watch the external market is beneficial and a necessary practice.

David explained that the Committee's approach last year was to provide City leaders with both local and Mountain region market data for Fire & Police.

Frances noted that base wage is only one piece of compensation.

David noted the inclusion of either a 2.5% or 5% shift differential in the wages shown for the City's Police Officers, which is different than the practice of other local police agencies, who do not offer the same.

Cori noted the importance of managing expectations if another survey were to be commissioned. She also noted with caution that creating a different set of criteria that is too specific may not yield a sufficient sample to make the results reliable.

Jennifer countered the assumptions being made noting, for example, a lack in the comparison of turnover with other public and private entities. She also expressed concern that the reasons why Police and Fire employees are leaving are unknown. David responded noting that the reasons are known based on what is conveyed in the HR Consultants' emails, including retirement. She raised a question as to whether the City is competitive enough to attract the best talent.

2014 Local Market Data Review: David distributed an updated copy of the Local Market wage comparison for Committee members to consider. David explained new information shown in this version of the spreadsheet includes a simple market average for benchmarks with results from both surveys. Also shown is a total of the number incumbents for all benchmarks. All other results are the same.

Committee Discussion - Fire, Police & AFSCME Union presentations: Connie asked Committee members if there was any further discussion following the union group presentations. With no further comments were made.

Committee Discussion – Preliminary 2015 Annual Report Recommendations: Connie invited members to provide feedback and share specific recommendations relative to the 2015 Annual Report, including market comparability for Fire & Police and reporting on the status of benchmarks compared to market.

Frances Hume suggested that the Committee continue to specifically study the Mountain region Police wage information to understand it better.

Kerma Jones recommended the Committee continue with the criteria and approach previously adopted for all benchmarks, including Fire & Police, emphasizing the low turnover, recruitment and high benefits value. Further study and Committee review of Fire & Police Mountain region wage data should be considered at a future meeting after completion of the current cycle is complete.

Cori Petersen affirmed general support for the position described by Kerma. In addition, continue to provide Mountain region wage data to City leaders. Based upon current trends, including low turnover and recruitment statistics, no change in the Committee's past approach is warranted.

Dale Cox asked about the potential of sitting with union representatives to share survey results prior to presenting wage and salary information to the Committee. David indicated that the usual practice has been to share data with each of the union groups as soon as possible after analysis is complete. Relative to Police, David

emphasized the philosophical difference between the actual pay data considered by the Committee and the range data the Police union relies upon for comparison.

Jennifer Seelig indicated that she has concerns and still has questions about how wage information is conveyed in the report. David explained that a specific section relative to considerations for Fire & Police is highlighted in last year's annual report, including details about how wages compare in both local and regional market data. David proposed a similar approach be used in the 2015 report.

Frances inquired about how future considerations and recommendations are communicated. David suggested sample language that might be considered. She also inquired about the weight City leaders give to the Committee's recommendations in the Annual Report.

Connie Linardakis stated that her position is to continue to rely on local market data for public safety benchmarks.

Jennifer asked if Committee members will be given an opportunity to review a draft copy of the report before it is issued to City leaders. David explained that a draft copy will be prepared for Committee consideration in its next meeting.

Committee members discussed options and objectives for considering external public safety wages in the future.

Cori Petersen suggested adding the most recent Fire & Police recruitment and turnover data to the Public Safety section of the report.

Next Meeting Date: The Committee's next meeting was scheduled to occur on Wednesday, February 18, 2015. Meeting time was set for 4:00 – 6:00 PM.

The meeting was adjourned at approximately 6:05 PM.

These minutes were approved in a Committee meeting held on 2/18/2015.