

**Minutes Meeting
Citizens' Compensation Advisory Committee
February 7, 2013**

Members Present: John Campbell, Chair
Paul Jones
Charlotte Miller
John Mathews

Members Excused: Connie Spyropoulos-Linardakis, Vice-Chair
Drew Clarke
Kerma Jones

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

Guests: Karen Halladay, Steve Hoffman (SLC Firefighters Union - Local 1645), Michael Tuttle (SLC Police Union – Local 75), Byron Garritson, Rachel Lovato

A recording of these proceedings is on file and available from the SLC- HR Department. These minutes reflect only a brief outline of the meeting.

Welcome & Introduction: Charlotte Miller opened and announced the beginning of the meeting with only one other member present, John Mathews. Since a quorum was not yet present, the meeting proceeded without conducting any official Committee business until additional members arrived. Committee Chair John Campbell and member Paul Jones arrived later, as previously anticipated after prior appointments were concluded.

2012-13 Compensation Review, including Salary Survey Results: Charlotte Miller invited David Salazar to share information obtained from the various 2012 salary surveys conducted, local economic and national salary budget increase forecasts. David provided members with copies of the CCAC's 2012 Annual Report to refer to as a sample of the report sections and information to be addressed. In addition, members received copies of the Utah Department of Workforce Services' statewide employment summary report for December 2012 (issued on 1/18/2013) and World at Work's salary budget projections by employee group (see attached handouts).

Elected Officials, Department Head & Other Key City Leaders Salary Survey: Members received draft copies of the 2012 survey results obtained from this survey. David reported that the total number of similar U.S. cities participating increased over last year, including 26 cities. Survey matches, data comparisons and results were discussed. David highlighted results indicating those Directors whose pay lagged significantly (>15%) and suggested that the Committee consider what final recommendations, if any, they wish to include in the Annual Report relative to executive pay.

John Mathews inquired about whether the same 95% market standard is (or should be) considered relative to executive pay. David indicated that this is a question and decision that the Committee should decide. (David indicated that electronic copies would be emailed to all Committee members to consider this question prior to making a final determination during the next Committee meeting on 2/19/13).

2012 Western Management Group & Wasatch Compensation Group local survey results: David gave an explanation and overview of the job benchmark system relied upon by the City for making market comparisons and introduced the two primary survey groups with whom the City participated for gathering local market data – Western Management Group's Salt Lake Area Survey (consisting of large private & public sector employers along the Wasatch Front) and the Wasatch Compensation Group (limiting wage comparisons exclusively to Wasatch Front local/ county/ state governments and special districts, which serve populations of 40,000 or more.)

Average Salary Comparative Market Analysis: Members received a draft copy of the comprehensive data spreadsheet, including comparative summary results calculated for each of the City's more than 60 salary

benchmark jobs. David responded to questions about the City's benchmark system and approach for implementing market adjustments for employees and affected job salary ranges.

Members were provided a handout that highlighted benchmark jobs targeted as significantly/slightly below market, as well as those which are significantly above market ("Significantly below/above is defined as $> \pm 10\%$ and "slightly" is defined as between $\pm 4.9 - 9.9\%$). Committee members reviewed and asked questions about the data for benchmark jobs significantly below market compared to results from the 2011-12 survey. Specific questions regarding the data shown for Building Inspector III's were raised given the significant decrease shown in the average salary for SLC incumbents; David was asked by the Committee to check and verify the data for Building Inspectors, for which SLC's incumbent *average actual pay* results are unexpected and vary significantly compared to data reported last year.

David asked Committee members for guidance on how to best address benchmark jobs for which salary data indicates that average actual pay significantly exceeds market; Committee members were asked to give thought and consideration for a recommendation intended to help the Mayor and City Council curb on-going concerns where actual average pay exceeds comparable market pay rates in some cases by up to 40 percent or more, especially compared to the private sector. Committee members presented various ideas and suggestions for approaches to address this concern.

Paul Jones inquired about what salary budget the City has allocated for employee increases; David indicated that the FY14 budget process is currently underway and that City leaders are awaiting the Committee's recommendations prior to formulating a salary budget. He noted World at Work's 2012-13 U.S. employer projected salary budget projection is 3.0% -- a statistic typically reported in the Committee's Annual Report).

During discussion and in response to questions about how employees are moved through their respective salary ranges. David mentioned implementation of a new pay structure (effective 1/6/2013) for employees in union-eligible jobs. He explained that pay increases under this new structure are based on individual experience and time in position.

Adoption of October 30, 2012 Meeting Minutes: John Campbell called for a motion to approve the minutes from the meeting held on 10/30/12. A motion to approve was made by Charlotte Miller and was seconded by John Mathews. Members of the Committee present voted unanimously to approve the minutes.

City Benefits Update: Jodi Langford provided the Committee with an overview of the City's recent success since implementing its high-deductible (Summit Star) health plan option for employees. In its second year, Jodi stated that the plan's enrollment increased to include approximately 68% of all eligible employees. Consideration of benefit plan changes, including options for funding the City's contribution towards employee HSA's, will be reviewed by the Employee Benefits Committee (during meetings yet to be held). Plans to introduce an employee wellness program and the opening of an employee health clinic were also discussed. Jodi outlined consideration being given to impact on the City with regard to the Affordable Healthcare Act and benefits for part-time employees. Jodi addressed questions about the City's approach for funding employee health savings accounts.

Committee Discussion of Preliminary Recommendations: The Committee reviewed 2012 Annual Report recommendations and discussed which recommendations (either whole, in part or modified) they wish to incorporate into the 2013 report.

Public comment/ question: The Committee agreed to hear a question presented by Steve Hoffman, president of the City's Local 1645 Firefighters union. Steve asked what, if any, consideration the Committee would give to a recommendation suggesting the City offer employee retirement incentives. John Campbell agreed to table the question for discussion at the Committee's next meeting.

Next Meeting Date: The next meeting date was confirmed for February 19, 2013 at 3:00 pm. The meeting was adjourned at approximately 4:53 pm.

Minutes were approved unanimously on 2/19/2013.