

**Minutes Meeting  
Citizens' Compensation Advisory Committee  
February 18, 2014**

**Members Present:** Connie Spyropoulos-Linardakis, Chair  
Kerma Jones  
Paul Jones  
Cori Petersen  
Dale Cox

**Members Excused:** John Mathews  
John Campbell

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

**Guests:** Michael Millard (SLC Police Association – Local 75), Brandon Shearer (SLPA), Samuel Wolf (SLC-PD); Jennifer Sykes (SLC-HR), Candace Roberts, Paige Christensen (SLC-HR); (SLC-HR); Steve Hoffman (President, SLC Association of Firefighters – Local 1645); Ray Wickens (President, AFSCME – Local 1004), Patty Rich (Executive Director, AFSCME); Brian Roberts, Jonathan Pappasideris (SLC Attorney's Office).

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.

**Meeting Open & Welcome:** Committee Chair Connie Spyropoulos- Linardakis opened the meeting and established a quorum among the members present.

**Presentation & Introduction of New Committee Members:** Connie called upon David Salazar to introduce new and recently appointed members, including Cori Petersen (Mayor's appointee); Dale Cox (City Council appointee); Kerma Jones (Mayor's appointee); and Connie Spyropoulos-Linardakis (City Council appointee). Additionally, Connie invited these members to give a brief introduction and description of their respective professional backgrounds.

**Adoption of February 19, 2013 Meeting Minutes:** Members were presented with a draft copy of the minutes from the meeting held on 2/19/13. Connie made a first motion to approve the minutes, as presented; the motion was seconded by Paul Jones. Members of the Committee present voted unanimously to approve the minutes.

**Committee Updates & Housekeeping Items:** David Salazar informed and explained to members both new and recent ordinance changes pertaining to City boards and commissions, including the CCAC. Copies of the new City Boards and Commissions ordinance (#67-2013), along with the CCAC's own section of ordinance (City Code, Chapter 2.35), were provided to members. David briefly highlighted sections including the Committee's role, terms, appointment process, etc. Cori Petersen asked about the impetus for the ordinance change; David responded by indicating the City Councils desire to establish consistency among City boards and commissions and to make other updates.

David indicated the need for the Committee to consider its own appointee following the end of member John Campbell's term, which expired 8/31/2013. Term dates for all other members were also discussed.

Members were presented with Civility Pledge forms developed by the Mayor's Office. David explained the purpose of the forms and collected signed copies from each member present.

**Presentations by the Salt Lake City Police & Fire Unions to Committee Members:** Chair Connie Linardakis invited representatives from both the City's Police and Fire unions to each make a ten-minute presentation, as requested by the two union groups. The local AFSCME union group was also invited to present, but declined.

POLICE UNION PRESENTATION – SLPA representative Michael Millard presented members with a hard copy his presentation and spoke to members on behalf of the Police union. Presentation highlights focused on the unique characteristics of Salt Lake City compared to other Utah cities and police departments, including: higher crime rates, call volume, population size, and other differences (including those between the function and role of other local law enforcement agencies such as state highway patrol and sheriffs' departments). The Police union position is that Police Officer pay rates should be compared to other U.S. cities police jurisdictions, using a sample similar to those considered for Elected Officials, Department Heads & Other Key City Leaders. Among the major points highlighted during the presentation are: general attraction of SLC to business, tourism, and overall safety; results of 2012 local and other U.S. city wage comparisons; current police officer demographics, including those from out-of-state; employee turnover; recruitment statistics; and, concerns for officer safety. Results from a Police union survey of 161 U.S. cities with populations ranging from 90,000 to 270,000 were also presented. Specific data points compared the number of incumbents and difference in range minimum, maximum and average midpoints for each city surveyed.

FIRE UNION PRESENTATION – SL Firefighter Association president Steve Hoffman presented members with a hard copy his presentation and spoke to members on behalf of the Fire union. Presentation highlights focused on Firefighter performance and the unique characteristics of Salt Lake City compared to other Utah cities and fire departments, including: pay for performance system; apprentice program; call volume, save percentage; and, innovation. Concerns around the practice and negative impact of local data comparison, including flattened wages; low average annual pay increases; and pay differences of SLC firefighters compared to local cities based on population size were among the major points cited. In addition, a comparison of wages among other U.S. western states cities with Salt Lake City and call volumes among SLC and other Wasatch Compensation group cities were also presented.

**Presentation of 2013-14 WorldatWork Salary Budget forecast, local economic conditions and market survey data:** David Salazar provided members with an overview of the process leading up to creation of the CCAC's annual report. He outlined the sources of information typically considered by the Committee for inclusion in the report, including market wage comparisons, salary budget forecast(s), and local economic reports. An overview of the City's salary benchmark system of jobs and the rationale used for identifying which "wage market" to compare against was presented. David informed Committee members that the majority of City benchmark jobs are compared against local Wasatch Front employers, including both large, public/private sector employers and other local municipalities, counties, state government and special districts. An overview of the criteria used for comparing salaries for elected officials, department heads, and other key City leaders David emphasized that comparisons outside the local area have been typically limited to such cases as when the demand for a specialized skill set is needed or due to the lack of an ample, qualified pool of candidates for certain executive-level and/or specialty jobs.

Members were provided copies of recent economic reports and salary budget forecasting information, including results of WorldatWork's 2013-14 salary budget survey. Historically, the Committee has relied on these types of information when framing its recommendations for the annual report. Members received copies of the state's Department of Workforce Services most recent state employment summary (issued on 1/24/2014), which indicated that at 4.1% Utah's unemployment rate remains lower than the national rate, 6.7%. Kerma Jones inquired about what consideration the City gives when factoring in cost of living differences when comparing against other U.S. cities; David explained that cost of living, even cost of labor, differences are generally understood to be included in the wages reported. Additionally, he noted the challenge that typically arises when attempting to quantify cost of living differences from one city to another.

Results from WorldatWork's 2013-14 salary budget survey were presented as part of a handout. David reported that the results for all employers and all employee categories showed an overall salary budget projected between 3.0% & 3.1%. Members also received a breakdown of salary budget projections by state, including Utah, and major industry (i.e. public administration). Cori Petersen asked what the Committee's salary budget recommendation was in 2013; David stated that recommendation mirrored WorldatWork's 2012-13 projection, which was 3.0%.

Dale Cox inquired about what consideration is given to the uniqueness of Salt Lake City, including both size compared to other Utah cities and the fact that it is the capital city, when comparing wages and benefits. He also

suggested that consideration should be given to comparing Salt Lake City to other like cities with similar situations and responsibilities.

David outlined and explained the City's approach for making wage and salary comparisons. Comparisons are made with information obtained from two major survey groups: Western Management Group's Salt Lake Area survey, which is made up exclusively of large employers such as Zions Bank Corporation, American Express and University of Utah; and the Wasatch Compensation Group, which includes Wasatch Front public sector and non-profit local employers. In order to account for Salt Lake City's unique size, especially compared to other Utah cities, the compensation philosophy recommended by the Committee and adopted City's administration is to ensure that the City's average wages lag the local market by no more 5% (or, a 45% market pay position). In addition, the City's choice is to lead on average based on size when compared against other employers, such as in the case with Police & Fire.

Connie Linardakis commented on past and current efforts to value employee benefits along with base pay.

David highlighted the criteria used for comparing Salt Lake City to other U.S. cities, which are used primarily for gathering comparable salary data for SLC's elected officials, department heads, and other select positions. Criteria including population size (100,000 to 600,000) and form of government (strong mayor/ part-time city council) were utilized for selecting

Paul Jones indicated that standard compensation practice calls for understanding where labor comes from and where labor goes as the guiding principle for determining how an employer identifies a comparative market. Another guiding principle, he added, is to ensure jobs are matched based on duties performed rather than strictly on job titles.

Cori Petersen asked about the City's position relative to which area (i.e. market) it compares jobs to and the impetus for considering wage comparisons outside the local area for Police, Fire, and other potential groups; Committee members also inquired about and asked for statistics for the past year including: recruitment experience, turnover, *etc.* Committee members discussed and asked questions pertaining to compensation and the City's ability to both attract and retain staff based upon pay offered. Paul Jones made remarks on the Committee's commitment to consider and do what is fair and right for both taxpayers and employees who do the work.

Members received spreadsheets including specific data and draft analysis of salary comparison for Elected Officials, Department Heads & Other Key City Leaders. David remarked that additional key city leader positions were added to this year's survey. Also, the number of cities used in comparison for City Council was expanded to include all part-time City Councils; Mayor's salaries were limited to other full-time mayors only. Committee members made inquiries and asked clarifying questions about the data provided, including data exclusions. David noted that only the Airport Executive Director's salary is not compared to the same sample of U.S. cities, but rather is compared to the salaries of executives over other large hub airports, nationally.

Finally, the Committee also received the market comparisons derived for the City's 63 salary benchmarks. David highlighted information and details shown on the spreadsheet, including SLC average employee compensation and number of incumbents compared against employer-participants in Western Management Group's (WMG) Salt Lake Area survey and wage data collected from the Wasatch Compensation Group (WCG).

Cori Petersen inquired about the availability of other compensation data for City benchmarks. Connie Linardakis suggested that the City explore the availability of other data sources, including benefits, for the next review cycle.

Insufficient data and the potential need for expanding data sources were discussed.

**Benefits Report & Update:** Jodi Langford informed and updated the Committee on an employee benefits study and review being conducted by the Hay Group. The purpose of the study is to help ascertain the competitiveness of the City's employee benefits compared against the local market, similar to a recent study conducted by Hay for the State of Utah. Results from the study should be available in the coming weeks.

Following a 5% reduction in health care premiums last year, enrollment in the City's high-deductible health plan (HDHP) increased 10-12% (including 78% of all covered City employees). In addition, the City received a \$2.4 million refund from its medical plan reserves; employees received a refund for their portion of a surcharge charged to build up the plan reserve account. Premium decreases anticipated for the next plan year were also discussed.

Jodi addressed questions and provided specific updates including: City benefits reserves; plan enhancements; front-loading of employee health savings accounts; PEHP's transparency tool; wellness programs and employee health clinic. Focus will be given in the coming year to educate and encourage employees covered under the City's traditional health plan to transition to the HDHP, in order to realize additional cost savings for both employees and the City.

Before adjourning, David highlighted benchmark jobs indicated as either slightly or significantly lagging market for the Committee to consider and review.

**Next Meeting Date:** The next meeting date was confirmed for February 24, 2014 from 3-5 pm.

The meeting was adjourned at 5:00 pm.

**Minutes were approved unanimously on 2/24/2014.**