

**Minutes Meeting
Citizens' Compensation Advisory Committee
February 18, 2015**

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

Members Excused: (none)

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

Guests: Trevor Tallon (SLC Association of Firefighters – Local 1645); Jeffrey Vaughn (SLC Association of Firefighters – Local 1645); Michael Millard (SLC Police Association); Jonathan Pappasideris (SLC Attorney's Office).

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

Meeting Open & Welcome: The meeting was opened by Committee Chair Connie Linardakis, who established that a quorum of members was present. Members who participated in the meeting by phone conference included Kerma Jones and Frances Hume.

Adoption of February 2, 2015 Meeting Minutes: Members were invited to review copies of the revised minutes for the meeting held on 2/2/2015; a motion to approve the minutes was made by Jennifer Seelig and seconded by Dale Cox. This motion was approved.

Presentation & Review of Results of 2014 Elected Officials, Department Directors & Other Key City Leaders Salary Survey: David Salazar presented members with a hard copy of results obtained from the 2015 *Elected Officials, Department Directors & Other Key City Leaders* salary survey. Connie noted that this information was issued to members in electronic form prior to the meeting.

Prior to beginning a review of the data, David explained the methodology used when gathering the data, including the sample of nationwide cities surveyed with populations between 100,000 and 600,000. He noted that new city participants were highlighted with an asterisk next to their city name. Former city participants who did not submit a new response, but who participated last survey are shown using data which has been aged by two percent higher than their previous year response.

David also explained that the data obtained from cities for Mayor includes other full-time Mayors only. He noted that the salary data shown for City Council members reflects other part-time City Councils, as confirmed by each city's response to a survey question regarding their specific form of government (*i.e.* strong mayor/ part-time council).

Frances Hume noted that the market average shown for each position excludes the high and low salaries, which David confirmed is correct. In addition to the specific salary data shown, David noted other data elements shown in the report, including the number of matching entities and a relative market pay analysis for each position (shown as a percentage). He remarked that the current pay analysis by position indicates that the vast majority of Salt Lake City incumbents included in the survey group are within ten percent of the average actual pay received by their counterparts. Frances asked if the results showing incumbents whose pay is at 92% or lower causes concern. David responded that the a ten percent difference compared to market for executive level jobs has been

viewed, historically, as an acceptable pay gap—especially when trying to account for potential cost of living differences between cities.

Committee members discussed and noted past practice and how recommendations are presented in the annual report for executives. Jennifer Seelig inquired about the pay structure for elected officials versus non-elected executives and other city officials—more specifically, single pay rates and ranges—as well as, gender-based pay analysis.

Dale Cox inquired about the source of data used to compare the Airport Executive Director's pay. David explained that pay for this position is uniquely compared using salary data collected from an industry specific survey by the Western Management Group (WMG); consideration is given only to the average pay of executives from other large-hub airports.

David also highlighted the unique nature of the data shown for the Chief of Staff position, which includes a comparison with City Managers. Data and comparative analysis are shown including City Managers and results without City Managers. Committee members discussed alternatives for considering salary and the unique mix of duties associated with this position.

Kerma Jones inquired about how the result of the most recent survey compares to past years; in particular, the number of SLC elected officials and executives whose salaries either lead or lag their counterparts. David noted that compared to past years fewer executives' pay appears to lag and instead appear to be more in-line with market averages. John Mathews clarified that, aside from the elected officials, the majority of incumbents covered by this survey are in appointed positions. Also, noted was the Mayor's ability to make pay adjustments as deemed appropriate when considering results of this special survey.

A copy of the draft 2015 Annual Report was distributed to Committee members to review.

Committee Discussion of Follow-up Information: David distributed copies of reports with the added comparison of *weighted average pay rates* for Fire & Police from the Mountain region survey. Specific results, including analysis of topped out rates (pay range maximum), were highlighted and discussed by Committee members. Connie noted that there appears to be little or no statistical significance when considering weighted averages.

In response to a question from John Mathews about the process of analyzing wage data obtained from local market sources, David confirmed that local wage data comparisons are based on weighted average; whereas, the approach used historically for analyzing and comparing regional or national wages has been based upon a simple average as an effort to discount factors such as geographic pay and cost of living differences.

Relative to the current Police & Fire pay analysis, Connie noted the current pay position of SLC's public safety personnel in the local market as high compared to the Mountain region low. Dale Cox suggested that based upon recruitment statistics and the Mountain region survey results it is time to consider moving forward (beginning with next year's report) to a regional wage comparison for Fire & Police. Frances Hume stated her belief that the annual report should highlight the weighted average pay comparison for City leaders' consideration, including a special section in the report. Cori noted the Committee's approach last year was to include both regional and local wage comparisons in the 2014 Annual Report. To further assist with the discussion David referred members to and explained the special section for Fire & Police included in the 2015 draft annual report (pp. 11-13).

Committee members discussed questions and differences of using simple versus weighted average pay comparisons, both in general for local benchmark comparisons as well as more specifically for regional Fire & Police data. Both Jennifer Seelig and Frances Hume voiced support for using weighted average statistics when making regional public safety pay comparisons.

Jennifer expressed concern about language in the draft report, including how it relates to the wage information shown. Specific reference to how the wage information relates to language in the report was made—in particular, a statement which declares SLC as a pay leader (for Fire & Police) compared to information in the wage tables shown. David clarified that this particular statement is specific to SLC's position in the local market only. Jennifer

also suggested that attention should be given ensure that the report language and expressions used should be more plain and accessible to those with a non-technical human resources background.

Cori Petersen cautioned the Committee about flipping its position from one year to the next by relying on regional wage data comparison for the Fire & Police benchmarks. With only a second year review of regional wage data, along with little to no change in recruitment and turnover statistical data for both groups of employees, she expressed concern and questioned the Committee's justification for a switch.

Dale Cox opined that due to the similarity in the areas from which executive and public safety personnel are hired (both local and regional/national), consideration for pay comparisons for Fire & Police should extend to the regional area. David followed Dale's remarks by noting specific executive recruitment statistics obtained from recruitment records. In particular, David noted that the most recent executive recruitment efforts to occur during the current Administration included searches for a Community & Economic Department Director (2011) and Fire Chief (2008).

- CED Director: Open public recruitment yielded a total of 118 applicants, 76 of which were in-state and 42 were out-of-state—among the total applicants, only 15 were qualified and four were considered “best qualified” and contacted for interview. Final selection resulted in appointment of an out-of-state candidate.
- Fire Chief: Following an executive search (conducted by an outside contractor), a total of 20 applicants were considered, 6 of whom were considered to be “best qualified”—four of the six were out-of-state candidates. Final selection resulted appointment of an out-of-state candidate.

David further mentioned that with executive recruitment, in particular, experience shows that fewer qualified candidates exist at the local level for executive positions. Therefore, in order to attract an adequate pool of qualified candidates, the City (like other large organizations) must recruit beyond the local area.

John Mathews observed that considering Police & Fire a pay leader in the regional market could result in a significant increase. Connie estimated that such a change could result in a \$1M cost to the City. John continued by stating that it appears, as a matter of policy, that City leaders have been clear about maintaining a lead position in the local market, but that no similar assertion has been to establish the City's position as a regional pay leader. John questioned whether making a switch is within the purview of the Committee or a matter to be reserved as a policy decision by City leaders. Dale Cox declared that because the City acts as a regional pay leader for executives the same consideration should be given to Police & Fire. He stated that he believes that the Committee should recommend surveying and comparing wages for public safety personnel exclusively among regionally-based cities.

Connie expressed concern with shifting comparisons to the regional area without more education and targeted information. Jennifer suggested that the Committee's report should provide City leaders with both sets of wage data, including both local and regional market data for Fire & Police—especially considering the apparent pay differences between SLC's public safety personnel and those in Mountain region cities. Cori Petersen stated her agreement that the Committee's approach to Fire & Police needs to include refining how it considers the regional market data. She suggested that the Committee should establish a stronger recommendation, urging City leaders to also consider regional market data for Fire & Police, while also noting that local attraction, retention and turnover do not appear to be issues of concern.

David Salazar suggested that as the Committee refines its approach to considering external market data (e.g. regional or national) members also factor in some measure of cost of labor/cost of living differences between cities. Kerma Jones agreed that David's point was valid, also noting the difficulty and challenge with measuring cost of living differences.

Committee members discussed questions, issues and potential ideas for framing a specific recommendation for City leaders to consider, including whether to convey simple or weighted average pay comparisons. David specified that last year's annual report included simple average wage data from Mountain region cities. Connie indicated her support for conveying weighted average external wage data, which is similar to the approach used when considering local market wage data. Kerma noted that caution should be used when weighting external

market information, including consideration of potential outliers. Frances Hume highlighted a few of the specific differences between the numbers of incumbents in SLC versus other Mountain region agencies. David noted that the data set and analysis includes all the Mountain region cities and does not exclude any outliers. Dale Cox noted that, based on the size of Mountain region agencies, the number that are larger or smaller compared to SLC appears to be balanced.

Following conclusion of the discussion, the Committee confirmed its intent to reflect *weighted average wage* figures in the wage tables in the report designed to highlight SLC's comparison to the Mountain region.

Draft 2015 Annual Report, including Committee Recommendations: Relative to the Committee discussion, Cori Petersen suggested that the language in the Police & Fire section of the draft report (pp.11-12) remain the same; furthermore, she suggested that additional language be added to the latter part of this section (p. 13) to enhance and strengthen the Committee's position that City leaders should also consider regional market data when reviewing wages of public safety personnel.

Jennifer emphasized the need to ensure that language in the report be expressed in such a way that the recommendations and ideas conveyed are clear to non-technical readers.

David made note of changes to be made within the body of the report, as highlighted by various Committee members. Specific remarks pertain to: Police & Fire section, including relative pay position and additional language; regional market pay considerations; updates to the Economic Outlook section; executive summary recommendations; Market Wage & Salary Analysis, including lists of leading & lagging benchmarks; Pay for Performance section.

Next Meeting Date: The Committee's next meeting to review and approve the final report was scheduled to occur on Wednesday, February 25, 2015. Meeting time was set to begin at 3:45 PM.

The meeting was adjourned at approximately 6:05 PM.

These minutes were approved in a Committee meeting held on 2/25/2015.