

**Minutes Meeting
Citizens' Compensation Advisory Committee
February 24, 2014**

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

Members Excused: (All members present)

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); Steve Hoffman (President, SLC Association of Firefighters – Local 1645); Jennifer Sykes (SLC-HR), Candace Roberts, Paige Christensen (SLC-HR); (SLC-HR); Brian Roberts (SLC Attorney's Office).

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

Meeting Open & Welcome: Committee Chair Connie Linardakis opened the meeting and established that all members were present.

Adoption of October 29, 2013 & February 18, 2014 Meeting Minutes: Members were presented with draft copies of the minutes from two meetings, the first held on 10/29/13 and the second held on 2/18/2014. Committee Chair Connie Linardakis invited members to review the minutes of each meeting. Motions to approve each set of minutes were approved unanimously by the full Committee present.

Update on Progress of the Hay Group's City Benefits Study: Jodi Langford provided members with an update indicating that results from the Hay Group's employee benefits study will be received during the week of March 10, 2014. Hay Group informs the City that allowing additional time to issue their report makes it possible to include benefits data collected from another local study conducted by Hay for the University of Utah.

Jodi was asked to discuss the components of the City's employee benefits including: medical insurance, employer-paid health savings account (HSA) contributions, life insurance, 501(c)(9) post-employment healthcare accounts, etc. Committee members followed up with clarifying questions intended to help assess total compensation, including details about Police & Fire retirement benefits and history associated with the City's public safety pension liabilities. Jodi noted that the pending results of Hay Group's analysis and study will better inform the Committee and assist them in assessing employee total compensation, including Police & Fire.

David Salazar informed the Committee that a request for an extension for issuing the Committee's 2014 annual report will be forwarded to the City Council, allowing for additional time for staff and the Committee to review Hay Group's benefits report.

2013-14 Market Salary Data Review: As a follow-up to specific questions raised by Committee members during the previous meeting, David Salazar introduced the HR Consultants from Police & Fire, who were present to address questions around recruitment and turnover, and distributed copies of the wage data obtained for other city police officers and firefighters. He explained that the data collected for both came from the same sample of U.S. cities surveyed for the Elected Officials, Department Heads & Other Key City Leaders.

Committee members asked about consistency in the sample, selection and responses received from the wage and salary survey of U.S. cities. With the exception of the addition of Police & Fire job titles (and a few new appointed job titles), David confirmed that the same data, same (job) matches were used as part of the 2013 survey instrument, as compared to previous years' surveys. He also explained that the criteria established by the Committee for selecting the sample of cities is currently based on population, including U.S. cities with population sizes between 100,000 – 600,000. Despite slight variances in participating cities from one year to the next, the sample has remained the same and there were no significant differences or cause for concern noted over the resulting actual average salaries reported. The total sample of cities surveyed was noted as fewer than 100 U.S. cities; also highlighted was the fact that the latest survey, to date, had the largest number of responses received since the surveys inception (an estimated 40-45% response rate).

MARKET COMPARABILITY – NATIONAL vs. LOCAL MARKET: Dale Cox posed a question relative to the comparability and use of salary data from similar U.S. cities versus local Utah cities not only for executive-level jobs, but for all City jobs. Committee members debated over the rationale used for determining which market to compare to, including similar training/responsibilities and the geographic area from which labor is primarily drawn. Committee members also shared information about the practices utilized within their respective professional organizations. Additional points included: overall compensation philosophy, labor supply/demand, and attempt to attract scarce skills (such as with information technology jobs).

POLICE RECRUITMENT/TURNOVER STATISTICS: In response to specific follow-up questions raised after presentations made by Police & Fire union representatives in the previous meeting, David introduced the HR Consultants Candace Roberts (Police) and Jennifer Sykes (Fire), who presented current recruitment and turnover statistics to the Committee.

POLICE - Candace reported that the voluntary turnover for Police in FY2013 was 4.5% (20 out of 437 sworn personnel resigned) and 4.4% in FY2012 (19 out of 427 sworn personnel resigned); she further indicated that there is no record of SLC-PD officer who left voluntarily to work for another in-state agency. Past police officer recruitment statistics indicate a substantial majority of applicants and new hires are from the local area (**2010** = 373 applicants; **2011** = 549 applicants [including 46 out-of-state, none hired]; **2012** = 630 applicants [including 74 out-of-state, two hired]; **2013** = 512 applicants [including 41 out-of-state, two hired]). Candace noted that approximately 15 new officers are hired on average each year. No job was refused based on pay offered.

FIRE – Jennifer reported that overall turnover rates among firefighters were 1.23% & 1.86% for 2012 and 2013, respectively. She noted that fire recruitment occurs only once every two years. Firefighter recruitment statistics including only those who successfully met requirements to be included on the official hiring register were as follows: **2008** = 126 candidates [including 13 out-of-state applicants, two out-of-state of 10 total new hires]; **2010** = 91 candidates [including 14 out-of-state applicants, four out-of-state of 34 total new hires]; and, **2012** = 115 candidates [including 14 out-of-state applicants, no out-of-state of 8 total new hires]. No job was refused based on pay offered.

Paul Jones noted the Committee's past effort to base its guidance on consideration of, first, the primary source of labor (as indicated by recruitment) and, second, to maintain a premium level of pay above other local jurisdictions based on the City's uniqueness. In the case of Police & Fire, David that although no specific standard has been established by the Committee the City has historically led other local municipalities in base pay by 15-20%. John Campbell noted that, historically, 95% of market (based on actual average) has been the overall standard recommended by the Committee for the City's salary benchmarks.

The Committee reviewed specific wage data comparing SLC police & fire to local and other U.S. city organizations, noting that the actual average pay for both SLC Police & Fire leads all other local entities. David Salazar clarified that the wage comparison for both is based exclusively on base pay only. The 2013 wage comparison for Police shows SLC leading local jurisdictions, including highest average pay, by approximately 116%; the same wage comparison for Fire indicates a lead of approximately 123%. The Committee also reviewed and discussed results of the U.S. city wage comparisons for both groups.

Committee members Paul Jones, John Campbell and Connie Linardakis expressed concerns with varying further from the standing practice of comparing wages with other local organizations, not only for Police & Fire, but for all

other non-executive level jobs. Additionally, pay decisions should be based on what is fair and right for the local area in which the City competes.

Connie called upon Committee members to propose ideas for framing the Committee's recommendation relative to Police & Fire wage comparisons.

Cori Petersen suggested that it is important to continue to consider (mountain) region wage data as part of the analysis for Fire & Police, allowing City leaders to determine what is fair, affordable, and reasonable considering local impact.

Paul Jones proposed that the Committee continue to rely on local wage comparisons while only considering regional wage data as a secondary source for determining local pay lead; Kerma Jones expressed agreement with this approach.

Considering the Committee's remarks and discussion on the subject, Connie framed the Committee's recommendation as follows— (a hybrid approach for Police & Fire benchmarks) the Committee will continue to rely on local wage data, but consider mountain region wage data to further gauge the City's overall pay position.

John Campbell expressed concern for considering any non-local data at all. Kerma Jones concurred based on significant differences in population size among the U.S. cities surveyed. Paul Jones agreed that non-Utah wage data should not be considered, but proposed that some estimate (or premium) could be identified to help account for population or other differences.

(Public comment from Police Association representative Michal Millard was heard).

Connie asserted that her opinion is that the attrition and recruitment data presented does not substantiate the need for considering external (non-local) wage data. Paul Jones agreed, but suggested that the Committee recommend a premium difference.

Committee members continued to debate and discuss potential factors for determining market.

Cori Petersen proposed framing a recommendation that reflects that 'based upon local market data, compensation for Police & Fire is fair and equitable with SLC leading the local market,' while also presenting City leaders with the mountain region data set that shows that SLC's pay averages are lower. She suggested that this approach allows City leaders to assess and evaluate what consideration or weight, if any, that the regional data should be given. Connie concurred with and voiced support for this proposal. Paul Jones and Dale Cox agreed that educating and informing elected officials is an acceptable approach.

David stated that he would update the market comparison spreadsheet to show both local and the mountain state region cities surveyed and clarified that the Committee's direction include continuing to survey comparable mountain region cities.

The Committee's consensus and final conclusion is to frame its recommendation based on local wage data, supported by factors including low turnover and large applicant pools; the Committee also agrees to notate the relative pay position for both police and fire benchmarks compared to other mountain region cities for their consideration.

Next Meeting Date: Due to limited time remaining for discussion, the Committee agreed to schedule a third meeting to hear all outstanding agenda items (#4-7). The Committee established that it would forego scheduling a specific meeting date until after receipt of the results from the Hay Group's 2014 Employee Benefits study was known.

The meeting was adjourned at approximately 5:00 pm.

Minutes were approved unanimously on 3/27/2014.