



2016 ANNUAL REPORT

Citizens'
Compensation
Advisory
Committee
(CCAC)

SALT LAKE CITY
CORPORATION

Executive Summary

The Citizens' Compensation Advisory Committee (CCAC) was formed with the purpose of "...*evaluating the total compensation levels of the city's elected officials, executives and employees and making recommendations to the human resources department, mayor and the city council...*" (City Code Title 2, Chapter 2.35.060).

Each year the Committee is responsible for preparing and submitting a written report to the Mayor and City Council containing, among other things, recommendations of the "*appropriate competitive position for the city relative to the compensation practices of comparable employers*", "*wages and benefits of the city's elected officials, executives and employees*" and "*general recommendations regarding the mix of compensation for the city's employees, e.g., base salary, benefits, incentives*" (City Code Title 2, Chapter 2.35.060.A.6)

Based upon a review of current economic trends, market data and other significant considerations, the Committee now recommends the Mayor and City Council consider the following when deciding appropriate measures to be taken regarding the City's total compensation plan:

1. As a standard, the Committee feels confident the best possible outcomes can be achieved if the City continuously strives to maintain an *actual average pay* position of no less than 95% compared to the pay levels of other employers with whom the City most directly competes. Going forward, however, the Committee highly recommends the City investigate and initiate ways to consider wage and salary comparisons based on median pay rates, in addition to actual average pay. The Committee finds best practice in compensation is to consider median pay rates, which unlike average actual pay, is not sensitive to or skewed by outliers, or abnormally low or high values.
2. Based upon current market comparisons of actual average pay, the Committee is confident with regard to the City's overall pay position relative to market. For the majority of salary benchmark jobs surveyed Salt Lake City Corporation's actual average base pay rates are appropriately compared to and generally match or exceed the local market.

Among the 58 salary benchmark jobs surveyed, actual average pay for 18 of these significantly lead the market by more than 10% (including one new benchmark job, Firefighter Paramedic)-- compared to 17 benchmark jobs in this same category last year (see page 10).

HOWEVER, current market data also indicates a total of **seven** salary benchmark jobs which **lag the market**, compared to eight benchmark jobs in this same category last year. Among the lagging benchmark jobs, **six** benchmark

jobs lag significantly (compared to four last year) and **one** lags slightly (compared to four last year) (see page 11).

As funds permit and following similar approaches used by the City in the past, the Committee **strongly recommends** the Mayor and City Council appropriate financial resources necessary to grant special market salary adjustments for employees in benchmark jobs identified in this report as lagging behind market. First priority should be given to those lagging significantly; second priority should be given to those lagging slightly behind market. For incumbents in job benchmark jobs designated as lagging market significantly, the City may wish to consider implementing market pay adjustments *incrementally*, as a cost savings measure.

3. In consideration of the salary budget forecast available at the time of this report, the Committee advises the City consider a total **3.0%** salary budget to be allocated for merit-based pay increases. This recommended salary budget is based upon results obtained from the annual salary budget survey conducted by WorldatWork, a nationally recognized not-for-profit organization focused on human resource issues. Furthermore, this recommendation is intended to ensure and maintain the City's current market competitiveness, especially as it pertains to attracting and retaining high level performers and critical talent.

The Committee asserts that effective implementation of budgeted salary increases should be influenced by the following considerations:

- a) When granting individual wage & salary increases, the Committee **strongly recommends** the Administration consider the best practice of granting pay increases that accelerate employees pay through the first and second quartiles of their respective salary ranges, up to and including the City's established range midpoint or City market rate;
- b) For those employees whose pay rates are equal to or above established City market rates, pay increases, if any, should be limited to smaller increments (not to exceed range maximum); and,
- c) For those employees whose pay is at (or above) maximum rates, the Committee recommends a zero increase; instead, the Committee suggests consideration of lump sum awards such as a bonus or other award in lieu of a base pay increase.
- d) Except for the Police Officer and Firefighter benchmark jobs, potential concerns arise when comparing the City's actual average pay for the those benchmark jobs shown to **significantly lead the market**. Where market salary data indicate the City's actual average pay significantly leads the average pay offered by other employers, the Committee strongly

cautions and advises the City to reconsider its policies and any pay decisions which may compound this issue, especially when considering the value of benefits offered to City employees is at the 75% percentile as compared to other Utah employers. In these cases, the Committee **strongly recommends** holding the maximum pay rates of these benchmark jobs (and their associated jobs) at a zero increase until which time City market rates more closely align with other employers.

- e) Finally, as decided by the City Council to commission a third-party compensation survey on Fire and Police, a special study including other U.S. cities was completed by a third-party consultant, FirstWest Human Resource Solutions. The results of these findings are distributed separately for consideration by city leaders when making pay decisions for incumbents in the Firefighter and Police Officer benchmark jobs.
4. Again, the Committee **strongly recommends** the City consider pay alternatives to cost-of-living adjustments (COLA), and, instead, reserve limited funding available to focus on providing actual pay & salary range adjustments necessary to allow the City to remain competitive with other employers; especially in cases where current data indicates a significant lag in actual employee pay and/or established job salary ranges. However, if the City decides to implement a general pay increase for employees, then the Committee recommends a budgeted amount equal to one to two percent, which is the median for this type of increase according to WorldatWork's 2015-16 Salary Budget Survey.
 5. Across all industries *pay for performance* continues to be a recognized standard and criterion for setting employee pay. Although no citywide plan or program presently exists, the Committee wishes to continue to encourage efforts to identify and implement the best practices found among other employers.
 6. For the majority of City department directors and other key city leaders, a comparative analysis with similar U.S. cities indicates that current salaries when factored with cost of labor/living differences are mostly competitive. Considering the establishment of a new Administration, including a change in Mayor and the appointment of many new department heads, the Committee recommends no specific action be taken at this time. The advice of the Committee is to allow additional time for new city leaders and any potential changes in organizational structure to first settle. The only salary adjustment recommended for these officials would be the same general salary increase, if any, given to all other employees.
 7. The Committee also finds the present salaries for the Mayor and City Council to be appropriate when compared to the salaries of elected officials in similar U.S. cities. Therefore, the only salary adjustment recommended for these officials would be the same general salary increase, if any, given to all other employees.

8. The Committee commends the City for its success containing health insurance premium and related plan costs by offering a high-deductible health plan (HDHP) as its only health plan option. To sustain and promote employee support in this type of plan, the Committee encourages City officials to continue to provide front-loaded employer contributions equal to one-half the annual deductible to a qualified health savings account (HSA) or flexible spending account for employees enrolled in the high-deductible plan.
9. Except for those noted as lagging market, the Committee continues to find the City's overall mix of wages, salaries and employer-provided benefits (known as *total rewards* or *total compensation*) to be competitive to highly competitive when compared to other local employers.
10. Furthermore, continuing to rely upon the 2014 findings and results of the City benefits market analysis conducted by the Hay Group, the Committee recommends that leaders strive to maintain a full range of benefits that is around the 75th percentile when compared in aggregate to the Utah market. Maintaining this position not only enhances total compensation for employees, but strengthens the City's overall competitive advantage.

We are hopeful that these recommendations and the detailed information contained within this report are both helpful and beneficial to the City, its leaders, and administration during the important decision-making process ahead.

Respectfully,



Citizens' Compensation Advisory Committee

Connie Spyropoulos-Linardakis, Chair

Cori Petersen, Vice-Chair

Kerma Jones

John Mathews

Dale Cox

Frances Hume

Introduction

As a municipal services provider, Salt Lake City Corporation is responsible for maintaining a workforce capable of ensuring the public safety and well-being of its residents, visitors and business community at large. Success in fulfilling this part of the City's mission depends in large part upon leaders' ability to effectively **attract**, **motivate** and **retain** the human resources required to carry out these mission-critical goals and objectives.

This report is intended to assist City officials who are charged with making informed and fiscally-responsible decisions regarding the total rewards offered to employees in the form of wages, salaries and benefits.

This Committee believes the primary mix of indicators upon which the City should rely when making these key decisions include: current economic indicators, pay trends and comparative market data analysis, as conveyed and included in the recommendations of this report.

Specific sections in this report include the following:

- 1) City compensation philosophy
- 2) 2015-16 WorldatWork salary budget forecast
- 3) 2016 Economic Outlook
- 4) Market wage & salary analysis
- 5) Special Report: Fire & Police
- 6) Elected Officials, Department Directors & Other Key City Leaders salary analysis
- 7) Employee Benefits Value
- 8) Appendices (including a detailed comparative market data analysis for each benchmark job)

City Compensation Philosophy

Whether public or private, every employer must find ways to effectively **attract**, **motivate**, and **retain** the human resources necessary to meet public service demands. The degree to which an employer succeeds in this endeavor is tied directly to their decision to either *match*, *lead* or *lag* the comparative pay levels offered by other employers with whom they most directly compete for talent. Deliberate or not, pay decisions, practices and policies formulate the basis of an organization's overall compensation philosophy.



Unlike private employers, however, City leaders are under pressure to make pay decisions that support the tenuous balance between the *competitive pay fairness* that employees seek and the *fiscal responsibility* demanded by taxpayers. To this end, this Committee is confident that the best possible outcomes can be achieved if the City strives to maintain an *actual average pay* position of no less than 95% compared to the *actual average pay* offered by other employers with whom the City most directly competes. Furthermore, when qualified human resources are both abundant and readily available from within the local area, the Committee affirms that comparing wages and benefits of other Utah employers is most often an adequate approach.

Considering the City's present success in attracting large applicant pools (including nearly 14,300 applicants for 421 jobs posted), highly competitive wages (and benefits value) and an extremely low voluntary turnover—which measured **6.8%** including employees who quit or retired during calendar year 2015— there is good evidence to support and demonstrate that the City's existing compensation strategy is working. NOTE: With an additional 1.1% of employees who were dismissed or involuntarily discharged from employment, the total turnover for the same time period was 7.9%.



The Committee acknowledges there may be specific situations or circumstances when the City's needs, even as a public employer, call for higher than average wages in order to attract the right talent. Factors such as a larger magnitude, higher volumes, and unique challenges associated with

delivering services to Utah's capital city *may* call for Salt Lake City to promote itself as a local *pay leader*, such as with Police, Fire and other jobs that are exclusive to the public sector. Other considerations include situations when jobs require highly-specialized or scarce skills, training, education and/or experience.

2015-16 WorldatWork Salary Budget Forecast



Historically, this Committee has relied upon data obtained from the employer salary budget survey conducted by WorldatWork when formulating recommendations to City leaders about annual salary budget increases. WorldatWork is a nationally recognized not-for-profit organization focused on human resource issues, which conducts the most anticipated, most respected survey of its kind in the compensation industry. In addition to collecting data on actual salary budget increases allocated by the organizations surveyed, WorldatWork also obtains information about employers' projected salary increases during the upcoming year (expressed as a total percent increase).

In its 42nd annual edition, WorldatWork released the findings from its *2015-16 Salary Budget Survey*, which included more than 2,000 responses from a wide variety of employers from all industries in all 50 states. Approximately 60% of all the survey responses were received from organizations whose workforces total between 500 – 9,999 employees (Source: WorldatWork’s “*2015-16 Executive Report & Analysis*,” pp. 8 & 10).

The following charts provide a summary of the projected and actual increases reported by participants based on the type of increase and employee category.

Chart 1 – Median Salary Budget Increases, by Type of Increase

	Projected 2015	Actual 2015	Projected 2016
General Increase/COLA	2.0 %	1.0 %	2.0 %
Merit Increase	3.0 %	3.0 %	3.0 %
Other Increase	0.5 %	0.5 %	0.5 %
Total Increase	3.0 %	3.0 %	3.0 %

Note: “General Increase/COLA,” “Merit,” and “Other” do not add to the “Total Increase” because not every organization provides all three types of increase.

Chart 2 – Median Salary Budget Increases (zeros included), by Employee Category

	Projected 2015	Actual 2015	Projected 2016
Nonexempt Hourly, Nonunion	3.0 %	3.0 %	3.0 %
Exempt Salaried	3.0 %	3.0 %	3.0 %
Officers/Executives	3.0 %	3.0 %	3.0 %
All	3.0 %	3.0 %	3.0 %

The Committee noted that in general no differences exist when comparing nationally-based figures to the salary budget forecast for Utah employers or other public sector employers. The salary budget forecast for Utah and, particularly, government employers is also three percent.

In the executive summary of its latest report, WorldatWork speculates that a “new normal” is in effect, which began with onset of the Great Recession. The report states, “For about 15 years before the Great Recession, the salary budget increase norm hovered between 3.5 and 4.5 percent. After all-time lows in 2009 caused by prevalent pay freezes, followed by the thawing of those freezes and a partial recovery in averages, salary increase budgets have reached only the 3.0 percent mark.”

WorldatWork suggests the appearance of employers’ wariness of overspending on base pay increases, anticipation of possible changes in overtime rules and/or minimum wage

levels, along with the continued uncertainty about the future state of the economy, as potential contributing factors that continue to sustain this conservative approach.

2016 Economic Outlook

While a new normal appears to be settling in, WorldatWork also notes that there are several positive economic indicators that suggest wage growth should be accelerating. “The stock market has been in and out of record territory; unemployment has fallen; and the economy has created a significant number of jobs in the last 24 months. Conversely inflation and the federal funding rate remain low,...and with an imbalance in the supply and demand for qualified labor...until the demand for qualified labor meets the supply of qualified job seekers, upward pressure on wages will continue to remain low.”



The emerging and more prevalent pay practice is that most employers are targeting the market median (50th percentile) in terms of pay and are not faced with pressure from anywhere to raise wages more aggressively. Assuming little to minimal growth occurs year over year modest salary increases may be here to stay, driving employers to look for other ways to motivate and reward employees.

On the local front, “Utah’s labor market is on solid footing with robust positioning in 2015 and a strong start to 2016,” as reported by Carrie Mayne, Chief Economist at the Department of Workforce Services. “Annual data revisions are now complete and show the 2015 annual average for unemployment (in Utah) at 3.5 percent and job growth at 3.7 percent. This is a firm base from which to operate in 2016.”

PAY FOR PERFORMANCE -- In addition to the projected salary budget increases, there is still good evidence of a differentiation of awards offered to employees through pay for performance. Year after year, regular studies conducted by WorldatWork show that rewards for top performers consistently receive higher than average merit pay increases compared to those given to average performers. Results obtained from WorldatWork’s most recent survey indicate that the average merit increase is expected to rise for mid-level performers to 2.8 percent and 4.1 percent for high performers.

The Committee recognizes that no such *pay for performance* program exists citywide, but is utilized by a few City departments. We believe that such programs, if administered effectively, have the potential to enhance the City’s ability to not only **motivate** and **retain** top talent upon which the City relies, but will also facilitate the City’s efforts to implement best practices such as **succession planning**.

Market Wage & Salary Analysis

As a matter of regular practice, the Committee considers comparative data (wages & salaries only) obtained from two Wasatch Front-based survey groups: 1) the 2015 *Salt Lake Area Survey*, conducted by the Western Management Group (WGM); and, 2) Wasatch Compensation Group's (WCG) *TechNet* system. The *Salt Lake Area Survey* included 100 participants, the majority of whom are large private or public employers with operations along the Wasatch Front. Data gathered from the Wasatch Compensation Group (WCG) comes exclusively from other Utah public employers, including local municipalities, counties and special districts, who mostly serve populations of approximately 40,000 or more along the Wasatch Front.

A complete list of all employers considered for salary comparative purposes is shown in Appendix B of this report.

Where appropriate, additional salary data was also collected in special surveys conducted by the Human Resources Department for certain key positions where the City competes regionally and/or nationally, such as for City Planners.



Among the City's more than 830 individual job titles, the Committee reviewed wage & salary data for 58 salary benchmark jobs. The Committee reviewed a comparison of *actual average pay* for all benchmark jobs and focused especially on those for which data shows the City either **leads** or **lags** market.

As noted in previous years, potential concerns arise when comparing the City's actual average pay for benchmark jobs which **significantly lead** market. Jobs in this category are defined as those for which actual average pay is ten percent or more above market. In these cases, the Committee cautions City leaders to note that when significantly leading pay is combined with a highly competitive mix of benefits (such as the City has), the likely result is a *total compensation* value (*i.e.* the total of base pay and benefits combined) that may be considered *overly excessive*. Reason for such caution is especially vital in cases when the City competes for talent directly with private sector employers.

With the exceptions of the Firefighter and Police Officer jobs (for which the City desires to be a pay leader), the Committee cautions and advises leaders to reconsider its policies and pay practices which, if not readjusted or corrected, may only result in exacerbating this pay issue.



Table A: Benchmark Jobs SIGNIFICANTLY ABOVE MARKET (> 10%)

BENCHMARK JOB	SLC Actual Average Salary	Market Actual Average Salary	SLC/MKT
Web Producer III	\$78,505	\$50,002	157%
Custodian II	\$32,677	\$25,098*	130%
Wastewater Plant Operator	\$47,130	\$37,426	126%
Firefighter – Paramedic I/II/III	\$68,848	\$56,504	122%
Engineering Technician IV	\$55,050	\$45,591	121%
Office Technician II	\$39,967	\$33,113*	121%
HVAC Technician II	\$54,602	\$45,543*	120%
Legal Secretary	\$47,466	\$40,659	118%
Police Officer I/II/III	\$59,453	\$50,404	118%
Firefighter – EMT I/II/III	\$49,459	\$42,412	117%
Public Safety Dispatcher II	\$44,541	\$38,095*	117%
Senior Secretary	\$42,623	\$37,193	116%
Golf Professional	\$74,227	\$65,774	113%
Real Property Agent	\$63,045	\$55,915	113%
Asphalt Equipment Operator	\$45,049	\$40,155*	112%
Painter II	\$49,546	\$44,091	112%
Licensed Architect	\$74,654	\$67,340	111%
Building Inspector III	\$65,918	\$59,591	111%

* Market salary is based on a weighted average of actual salaries reported in both WMG & WCG surveys (with 60% weight given to WMG average salary figures). All other market salary comparisons are from one survey group only.

Compared to the number of benchmark jobs shown in this category last year, the total this year includes fourteen of the same benchmark jobs and the addition of four new jobs (i.e. Firefighter Paramedic, Legal Secretary, Asphalt Equipment Operator, and Building Inspector III).

In contrast, market data also reveal reason for concern in cases when City pay lags market either *slightly* or *significantly*. Based on the comparative data reviewed, the Committee wishes to highlight the actual average pay levels of **seven** benchmark jobs that **lag** competing employers either **slightly** (between 4-9% less than market) or **significantly** ($\geq 10\%$ less than market), as shown in Tables B & C.

Table B: Benchmark Jobs SIGNIFICANTLY Below Market (> -10%)

SLC SALARY BENCHMARK	SLC Actual Average Salary	Market Actual Average Salary	SLC/MKT
Airport Operations Specialist	\$52,984	\$66,054	80%
Metal Fabrication Technician (Welder)	\$54,384	\$64,617	84%
Software Engineer	\$81,820	\$95,024	86%
Engineer IV	\$70,979	\$82,440*	87%
Senior Human Resources Consultant	\$67,696	\$76,587	88%
Appointed Senior City Attorney	\$117,455	\$130,520	90%

* Market salary is based on a weighted average of actual salaries reported in both WMG & WCG surveys (with 60% weight given to WMG average salary figures). All other market salary comparisons are from one survey group only.

Table C: Benchmark Jobs SLIGHTLY Below Market (-4 % to -9%)

SLC SALARY BENCHMARK	SLC Actual Average Salary	Market Actual Average Salary	SLC/MKT
Plans Examiner	\$56,526	\$61,891	91%

A complete summary of the 2015 SLC/Market survey results for all 58 job salary benchmark jobs reviewed by the Committee is shown in Appendix A of this report.

In presenting this compensation survey data, we repeat our usual cautions: Due to many uncontrollable variables, salary survey results **alone** should be seen only as indicators, not absolutes.

To maintain a competitive compensation system, the Committee urges City leaders to also consider effective means for steadily advancing employees through their respective pay ranges, up to the City’s established market rate. Best compensation-related business practices rely on factors such as **pay for performance, enhanced competency** and **market competitiveness** when determining frequency and amounts of pay increases. Another important factor to consider is **recruitment data**, especially in instances which indicate the City’s inability to attract an acceptable applicant pool during recruitment periods.

Failure to implement a plan for advancing employee pay most often has negative impact and results in issues such as pay compression, loss in competitiveness and increased turnover due to employee dissatisfaction.

SPECIAL REPORT: FIRE & POLICE

FIRE & POLICE—Earlier in this report, the Committee suggested that the City consider itself a local *pay leader* when evaluating compensation levels for Police and Fire personnel. Although acting as a pay leader doesn't necessarily equate to offering the highest pay, the Committee believes that operating under this philosophy better enables the City to more effectively attract and retain the most highly desired talent available from the local workforce.



Further support for the idea of Salt Lake City acting as a local area pay leader includes factors such as—the City's large downtown area and increased weekday business population; broad infrastructure; high call volumes, specialized training requirements and the complex logistics required to protect and serve the residents and visitors of Utah's capital city. All are traits that make Salt Lake City unique when compared to other local jurisdictions.

With a continuance of lower than average turnover rates and consistently high numbers of candidates qualified to be placed on the City's public safety hiring registers, the Committee notes that current Firefighter & Police Offer pay levels do not appear to be a hindrance to filling limited position vacancies. As the following table indicates, Salt Lake City is in fact in the desired **pay leader** position, including the highest average pay for the local area market.



Respondents used in these comparisons include other cities, counties, the State of Utah and special service districts such as Salt Lake County's Unified Fire Authority and Unified Police Department. All are located along the Wasatch Front and serve populations of approximately 40,000 or more.

SLC Police & Fire – Local Wasatch Front Comparison (base wages only)

	SLC Average	# SLC Incumbents	Local Market Weighted Average	# Mkt Incumbents	# Mkt Respondents	SLC/Mkt Ratio
Firefighter -- EMT I/II/III	\$49,459	46	\$42,412	246	13	117%
Firefighter -- Paramedic I/II/III	\$68,848	81	\$56,504	423	14	122%
Police Officer I/II/III	\$59,453	348	\$50,404	1,735	20	118%

Considering the City’s present success in attracting sufficient applicant pools (drawn primarily from along the Wasatch Front) and low voluntary turnover for sworn personnel—measured during 2015 at 5.4% and 4.4% for Police and Fire, respectively-- there is good evidence to support and demonstrate that the City’s existing compensation strategy is working.

In addition to relying on local market data for Firefighters and Police Officers, the Committee also considered preliminary results obtained from a special wage and salary survey of Fire & Police personnel from similar U.S. cities. With input received from the Committee, City Council, and union representatives, FirstWest Human Resource Solutions developed a study and sample of U.S. cities considered to be similar to Salt Lake City based on factors including: (regular and daytime) population; homeless services; downtown size; skill and training requirements; as well as, number of calls/incidents, to name a few.

Preliminary results of this study show that the top out pay rates with cost-of-living factor for Salt Lake City’s Police Officers and Firefighter EMT’s are at **98.1%** and **99.7%**, respectively, compared to similar U.S. cities.

FirstWest Police & Fire Wage Study – SLC vs. U.S. City Average Pay Comparison

	SLC Top Rate	U.S. Cities Avg Top Rate	% Difference	SLC Top Rate w/ Cost of Living Factor	U.S. Cities Avg Top Rate w/ Cost of Living Factor	% Difference
Firefighter -- EMT I/II/III	\$64,142	\$70,728	90.7%	\$70,445	\$70,665	99.7%
Police Officer I/II/III	\$65,374	\$73,429	89.0%	\$71,897	\$73,254	98.1%

Additional details, including comparative wage data analysis and participating cities included in the survey, will be conveyed to City leaders in a separate report by FirstWest Human Resource Solutions.

Elected Officials, Department Directors & Other Key City Leaders



During 2015, the City’s Human Resources Department also conducted a special survey designed to compare salaries of Elected Officials, Department Directors and other key city leaders with their counterparts from similar U.S. cities. Going forward, the plan is to conduct this survey only once every two years (during odd-numbered years).

Responses received during this year’s survey compared salaries of incumbents from a total of 24 cities whose population size is between approximately 100,000 to 600,000.

Elected Officials

Salary comparisons for Salt Lake City's Mayor was limited to other cities with full-time mayors; data from all cities surveyed was used to compare City Council members pay considering the fact that most, if not all, other City Councils are considered to be part-time.

Department Directors & Other Key City Leaders

The Committee also reviewed data obtained for appointed executives, including department heads and others in key appointed city positions. Salaries were analyzed and considered based on actual average and median salary comparisons, including cost of labor/living differences among the various cities' geographic locations.

Considering the establishment of a new Administration, including a change in Mayor and the appointment of many new department heads, the Committee recommends no specific action be taken at this time. The advice of the Committee is to allow additional time for new city leaders and any potential changes in organizational structure to settle before making any significant pay decisions.

Employee Benefits Value



Considering the start of a newly elected Administration, along with at least two new City Council members, the following information about employee benefits value, which remains valid and the Committee believes bears repeating, is included in this report.

In addition to assessing wage and salary information, the Committee is charged with evaluating *total compensation* of the City's employees and elected officials. Consideration, therefore, should once again be given to the results of a benefits market analysis conducted by the Hay Group during March 2014. This is the same study which was issued as part of the Committee's 2014 Annual Report.

A review of results of this study should better enable City leaders to do the following:

- Compare the value of the City's benefits programs with the local market;
- Understand the key drivers of cost for the City and the market;
- Identify market trends with regard to benefits changes; and,
- Make decisions regarding the City's compensation program in the context of *total compensation*.

It is important to note that this analysis compared the value of benefits for someone hired today by the City to a new hire in the Utah market (including both private and

public sector employees) —ensuring an “apples-to-apples” comparison based on current market conditions.

Hay Group’s analysis indicated that the City’s total benefits value is at (or above) the 75th percentile compared to the Utah market. This means that the City’s overall employee benefits offering is valued among the highest 25% of benefit programs provided by competing Utah employers. The total benefits value calculated for Fire & Police is higher than regular SLC employees due primarily to differences in the retirement benefits received.

Additional highlights and conclusions regarding the City’s overall benefits value to employees include the following—

- Market position of the City’s **health care** and **retirement** benefits, the two primary drivers of overall market competitiveness, weigh heavily in overall benefit program competitiveness and are above market median relative to the Utah market.
- Lower than average employee-paid **health care** contributions (equal to 5% of the total premium) and the City’s front-loaded **health savings account** (HSA) contributions boost the overall value of the program.
- The Tier 2 Hybrid **retirement** benefit for regular and Fire & Police (F&P) employees is above market (>P75), as only 18% of the Utah market provides a defined benefit plan.
- **Disability** and **paid leave** are also competitive relative to the market, while **death benefits** (life insurance) are less competitive relative to the market. These benefits, however, comprise a smaller portion of the total benefits program.

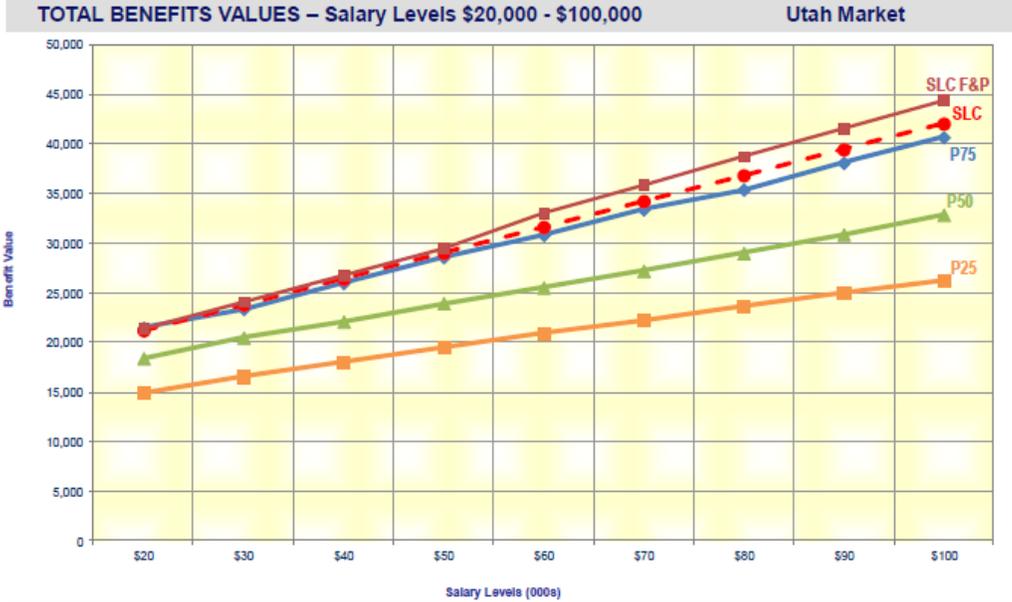
Perhaps, the simplest approach for applying these results and assessing employee total compensation is to refer to the chart on the next page, which illustrates the City’s total benefits value compared to other Utah employers. With the market median noted on this graph as “P50,” City leaders (and employees alike) are able to first identify a specific pay level (along the x-axis), then follow the graph to find the respective benefits value (shown along the y-axis).

For example, when considering a Salt Lake City employee whose gross base wage earnings are \$55,000 per year, the City’s benefits value equates to approximately \$30,000, for \$85,000 in total compensation. Compared to an employee receiving the same annual gross earnings in other Utah market employers (P50), benefits value is approximately \$5,000 less, yielding a total compensation figure of only \$80,000.

The Committee considers this information to be a most valuable resource, especially as it relates to employee *total compensation*, and **strongly advises** City leaders to communicate and convey the significant total rewards advantage afforded to all existing and prospective City employees.



Market Competitiveness – Total Benefits (F&P)



APPENDIX A

Appendix A - 2015-16 Salt Lake City/Market Comparison

Job Title (Job Code)	SLC Actual Avg	SLC Actual Median	# SLC Incumbents	WCG Actual Avg	# Incumbents	# Respondents	SLC/WCG Avg	WGM Actual Avg	# Incumbents	# Respondents	SLC/WMG Avg
ACCOUNTANT III (001666)	\$63,527	\$64,165	7	\$53,090	118	23	120%	\$64,276	190	37	99%
AIRPORT OPERATIONS SPECIALIST (001514 & 001505)	\$52,984	\$53,914	32					\$66,054	203	16	80%
APPOINTED SENIOR CITY ATTORNEY (000185)	\$117,455	\$114,955	12					\$130,520	68	15	90%
ASPHALT EQUIPMENT OPERATOR (000909 & 000918)	\$45,049	\$46,738	35	\$41,653	110	15	108%	\$39,157	210	12	115%
AUDITOR (001684)	\$73,752	\$73,752	2					\$69,143	30	8	107%
BUILDING INSPECTOR III (000723)	\$65,918	\$68,598	7	\$59,591	32	12	111%				
BUSINESS LICENSE PROCESSOR III (001964)*	\$44,450	\$42,973	3	\$41,791	11	10	106%				
CARPENTER II (001349)	\$49,546	\$49,546	7					\$45,294	116	12	109%
COLLECTIONS OFFICER (001376)	\$43,252	\$40,919	5					\$39,663	35	9	109%
COMMUNITY PROGRAMS MANAGER (001655)	\$49,202	\$48,329	7	\$45,362	32	12	108%				
CUSTODIAN II (006090)	\$32,677	\$32,677	2	\$23,788	114	12	137%	\$25,971	279	16	126%
DEPT PERSONNEL/PAYROLL ADMINISTRATOR (000410)	\$50,983	\$50,232	5	\$48,221	18	14	106%	\$52,264	25	18	98%
ENGINEER IV (000745)	\$70,979	\$70,792	6	\$70,736	195	23	100%	\$90,242	18	5	79%
ENGINEERING TECHNICIAN IV (000829)	\$55,050	\$56,410	13	\$45,591	18	8	121%				
EVIDENCE TECHNICIAN II (001549)	\$39,151	\$40,498	4	\$41,048	17	11	95%				
FINANCIAL ANALYST III (001670)	\$69,938	\$68,040	9					\$73,927	139	23	95%
FIREFIGHTER I/II/III (001461, 001460, 001480)	\$49,459	\$49,338	46	\$42,412	246	13	117%				
FIREFIGHTER/PARAMEDIC (001463, 001462, 001481)*	\$68,848	\$74,069	81	\$56,504	423	14	122%				
FLEET MECHANIC (001952)	\$48,952	\$51,064	33	\$45,198	118	23	108%	\$45,354	73	7	108%
GENERAL MAINTENANCE WORKER IV (006145)	\$45,835	\$48,069	5	\$37,523	182	16	122%	\$50,975	77	18	90%
GIS SPECIALIST (000781)	\$57,472	\$58,315	6	\$58,958	18	11	97%				
GOLF PROFESSIONAL (000940)	\$74,227	\$75,348	4	\$65,774	42	18	113%				
HUMAN RESOURCES CONSULTANT, SENIOR (001834)	\$67,696	\$67,085	6					\$76,587	64	25	88%
HVAC TECH. II (006050)	\$54,602	\$54,163	10	\$43,563	27	5	125%	\$46,863	124	13	117%
JUSTICE COURT CLERK (001495)	\$39,561	\$38,168	21	\$41,052	20	11	96%				
JUSTICE COURT JUDGE (001601)	\$115,116	\$115,116	4	\$117,804	15	12	98%				
LAB CHEMIST (000427)	\$56,628	\$56,628	2	\$53,355	9	8	106%	\$54,976	22	6	103%
LEGAL SECRETARY III (003136)	\$47,466	\$47,466	2	\$35,587	39	15	133%	\$44,041	47	9	108%
LICENSED ARCHITECT (000752)	\$74,654	\$74,654	1	\$67,340	25	6	111%				
MAINTENANCE ELECTRICIAN IV (000168)	\$55,910	\$55,910	27	\$53,199	31	12	105%	\$53,832	158	16	104%
METAL FABRICATION TECHNICIAN (006207)	\$54,384	\$55,910	5					\$64,617	24	7	84%
NETWORK SYSTEMS ENGINEER II (001394)	\$78,090	\$79,565	5	\$74,457	21	20	105%	\$77,356	43	22	101%
OFFICE FACILITATOR II (001232 & 001259)	\$45,681	\$44,981	19	\$44,224	66	16	103%	\$43,214	590	32	106%
OFFICE TECHNICIAN II (001191)	\$39,967	\$45,157	15	\$33,034	139	19	121%	\$33,166	257	15	121%
PAINTER II (001347)	\$49,546	\$49,546	6					\$44,091	64	10	112%
PARALEGAL (000572)	\$50,474	\$50,260	6	\$44,440	21	10	114%	\$61,596	22	12	82%
PARKS GROUNDSKEEPER (001813)	\$28,731	\$29,994	14					\$27,685	94	12	104%
PLANS EXAMINER (001546)	\$56,526	\$56,701	5	\$61,891	12	9	91%				
PLUMBER II (000854)	\$52,645	\$52,645	5					\$47,786	94	13	110%
POLICE INFO SPECIALIST (001713)	\$32,729	\$30,326	15	\$34,408	74	14	95%				
POLICE OFFICER I/II/III (001457, 001456, 001489)	\$59,453	\$65,374	348	\$50,404	1,735	20	118%	\$46,499	156	9	128%
PRINCIPAL PLANNER (001733)	\$63,766	\$63,750	10	\$52,906	60	17	121%	\$66,644	108	10	96%
PROCUREMENT SPECIALIST II (000534)	\$60,772	\$60,772	2	\$52,197	37	14	116%	\$66,725	101	27	91%
PUBLIC SAFETY DISPATCHER II (000161)	\$44,541	\$49,774	45	\$38,080	157	9	117%	\$38,105	46	8	117%
REAL PROPERTY AGENT (000370)	\$63,045	\$63,045	2	\$55,915	1,149	6	113%				
RESEARCH ANALYST/ GRANT PROG MGR (001276)	\$55,702	\$55,702	1	\$54,620	130	8	102%				
SENIOR SECRETARY (003030)	\$42,623	\$45,157	5	\$33,034	139	19	129%	\$39,966	731	32	107%
SOFTWARE ENGINEER II (001726)	\$81,820	\$81,820	2					\$95,024	57	11	86%
SR UTILITIES REPRESENTATIVE - CUSTOMER SVC (000199)	\$43,921	\$45,157	5	\$35,256	24	9	125%	\$44,002	359	17	100%
TECHNICAL SYSTEMS ANALYST III (000585)	\$64,979	\$64,542	5	\$65,404	8	5	99%	\$71,757	22	5	91%
TRAINING & DEVELOPMENT COORDINATOR (000491)	\$54,845	\$54,845	2					\$54,207	31	12	101%
WAREHOUSE SUPPORT WORKER - FLEET & AIRPORT (000390 & 002022)	\$37,513	\$37,513	2	\$35,663	25	6	105%	\$39,306	123	17	95%
WASTEWATER PLANT OPERATOR (000968)	\$47,130	\$48,069	7	\$37,426	20	7	126%				
WATER METER READER II (006326)	\$33,185	\$32,739	7	\$35,083	27	7	95%				
WATER METER TECHNICIAN (000997)	\$45,302	\$45,302	3	\$41,498	13	7	109%				
WATER SYSTEM MAINTENANCE OPERATOR II (000975)	\$48,069	\$48,069	15	\$46,144	12	6	104%				
WEB PRODUCER III (001413)	\$78,505	\$78,505	2					\$50,002	5	5	157%

* = New/updated benchmark title

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APPENDIX B

2015 Wasatch Compensation Group (WCG) Participant List

All participants, except western states, are political subdivisions or special districts within the state of Utah (population size \geq approximately 40,000).

(*) indicates cities used for Golf Professional benchmark only.

BOUNTIFUL	SOUTH JORDAN
CEDAR CITY*	SOUTH VALLEY SEWER DISTRICT
CENTRAL DAVIS COUNTY SEWER	SOUTH VALLEY WATER RECLAMATION
CENTRAL VALLEY WATER	SPANISH FORK*
CENTRAL WEBER SEWER	SPRINGVILLE*
COTTONWOOD HEIGHTS	ST. GEORGE*
DAVIS BEHAVIOR HEALTH	STATE OF COLORADO
DAVIS COUNTY	STATE OF IDAHO
DRAPER	STATE OF MONTANA
HURRICANE*	STATE OF NEW MEXICO
JORDAN VALLEY WATER	STATE OF UTAH
LAYTON	STATE OF WYOMING
LEHI	TAYLORSVILLE
LOGAN*	TAYLORSVILLE-BENNION SPECIAL DISTRICT
METROPOLITAN WATER, SALT LAKE & SANDY	TIMPANOGOS SPECIAL DISTRICT
MOUNTAINLAND ASSOC. OF GOVERNMENTS	TOOELE*
MT. OLYMPUS IMPROVEMENT DISTRICT	UNIFIED FIRE AUTHORITY
MURRAY	UNIFIED POLICE DEPARTMENT
NORTH DAVIS COUNTY SEWER	UTAH COUNTY
NORTH DAVIS FIRE DISTRICT	UTAH TRANSIT AUTHORITY
NORTH SALT LAKE*	UTAH VALLEY DISPATCH SPECIAL SERVICE DISTRICT
OGDEN	VALLEY EMERGENCY
OREM	VALLEY MENTAL HEALTH
PARK CITY	WASHINGTON CITY*
PARK CITY FIRE DEPT	WEBER BASIN WATER
PAYSON*	WEBER COUNTY
PROVO	WEBER FIRE DISTRICT
ROY WATER CONSERVANCY SUBDISTRICT	WEBER HUMAN SERVICES
SALT LAKE COUNTY	WEST BOUNTIFUL*
SANDY	WEST JORDAN
SOUTH DAVIS METRO FIRE AGENCY	WEST VALLEY CITY
SOUTH DAVIS SEWER DISTRICT	63 TOTAL PARTICIPANTS

2015 Western Management Group (WMG) Participant List

Salt Lake Area Compensation Survey

AECOM/Federal Services	FBL Financial Group	Raytheon
Aerojet Rocketdyne	FJ Management	Rio Tinto Shared Services
Agreserves	General Atomics	Rockwell Collins
Alliant Techsystems	General Dynamics/ Info Technology	Salt Lake Community College
Amer Sports US	Hexcel	Salt Lake County
ARUP Laboratories	Holiday Retirement	Sierra Nevada
Associated Food Stores	Honeywell Technology Solutions	Sinclair Services
BAE Systems USA	Hoyt Archery	Southern Utah University
Bard Access Systems	Idaho National Laboratory	Southwest Research Institute
Barrick Gold	IM Flash Technologies	SRA International
Battelle Memorial Institute	inContact	Stampin' Up
BBA Aviation	InsideSales	State of Utah
BD Medical Systems	Intermountain Health Care	TAB Bank
Big West Oil	ITT Exelis – Electronic Systems	TASC
Black Diamond Equipment	Jacobs Technology	Textron Systems
Blendtec	Jordan School District	Unysis/Federal Systems
Boart Longyear	JT3	University of Utah
Boeing	L-3 Communications/Link Simulation	US Magnesium
Booz Allen Hamilton	Landesk Software	USANA Health Sciences
Brigham Young University	LDS Business College	Utah State Courts
Brookdale Senior Living	Leidos	Utah State University
Browning	Lockheed Martin	USU/Research Foundation
CACI International	ManTech International	Utah Transit Authority
Camber	Maverik	Utah Valley University
Church of Jesus Christ LDS	Merit Medical Systems	Verizon Communications
Clean Harbors	MITRE	Vivint Solar
Comcast	Moog Aircraft Salt Lake Ops	Waste Management
Compass Minerals	Morinda Bio Actives	Weber State University
ConAgra Foods	Northrup Grumman	Westech International
Davis County	Orbit Irrigation Products	Zions Bank
DRS Technologies	Parsons	
Easton Technical Products	Penske Truck Leasing	
eBay	Pitney Bowes	
Edwards Lifesciences	Progexion	
EnergySolutions	Questar	
		100 TOTAL PARTICIPANTS



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