

2015

ANNUAL REPORT

The City and County Building,
Salt Lake City, Utah.



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.
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 benchmarks surveyed Salt Lake City Corporation's actual average base pay rates are appropriately compared to and generally match or exceed the local market. Over the past year improvement has been made in the position to market for some benchmarks, demonstrated by the reduction of jobs lagging the market from the year prior.

Among the 58 salary benchmarks surveyed, actual average pay for 17 (or 29%) of the City's benchmarks **significantly lead the market** by more than 10% -- compared to 20 benchmarks in this same category last year (see page 9).

HOWEVER, current market data also indicates a total of **eight** salary benchmarks which **lag the market**, including four benchmarks that lag significantly, which is more than ten percent below market; and, four benchmarks that lag slightly, which is between 5-10% less than market average (see page 10).

In addition, as noted with more detail in this report, the Committee also reviewed two benchmarks considered to be anomalies due to extreme differences in

survey results. These include the **General Maintenance Worker IV** and **Paralegal** benchmarks. Although both lead in comparison to other local government employers, the average actual pay rates of City job incumbents appear to simultaneously significantly lag when compared to their counterparts in the private sector. The Committee strongly encourages City officials to assess what, if any, potential attraction and/or retention issues this unique situation causes and make adjustments, as needed.

As funds permit and following similar approaches by the City, 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. The Committee recommends implementing market pay adjustments *incrementally* for incumbents in job benchmark groups designated as lagging market significantly.

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 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 control point 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 longevity bonus or other award in lieu of a base wage or salary increase.
- d) Finally, except for the Police Officer and Firefighter benchmarks, potential concerns arise when comparing the City's actual average pay for the those benchmarks 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 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 benchmarks (and related) jobs at a zero increase until which time City market rates more closely align with other employers.

- e) Considering Salt Lake City's increasing status as one among the largest and most relevant cities in the Mountain region, the Committee recommends City leaders also contemplate regional wage data when considering public safety pay decisions (i.e. Fire & Police). As an additional source, this information provides city officials with another perspective of current pay rates for sworn personnel, which the Committee believes should be considered along with local market data.
- 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.
- 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 public 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 are competitive. The Committee advises the Administration to consider action, if any, for Directors where data indicates that annual salaries lag by more than ten percent. Consideration of pay increases for all others should include the same general salary increase, if any, given to all other employees.
- 7. The Committee 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 continuing to offer a high-deductible health plan (HDHP) option, which now covers a reported **88%** of City employees and their eligible dependents. This total reflects an annual increase of **8%** compared

to the number enrolled last year. To sustain and promote employee interest in this type of plan, the Committee encourages City officials to continue to provide front-loaded employer contributions to qualified health savings accounts (HSA's) for employees enrolled in the high-deductible plans.

9. Except for those noted as lagging market, the Committee finds 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

Kerma Jones

John Mathews

Cori Petersen

Dale Cox

Frances Hume

Jennifer Seelig

Introduction

In conjunction with its role as a local government employer, Salt Lake City Corporation is responsible for maintaining a workforce capable of providing for 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 elected officials' and public administrators' ability to make informed and fiscally-responsible decisions with regard to the total rewards offered in the form of compensation and benefits to City employees.

This report is intended to aid City officials when determining appropriate compensation and benefit levels, including the pay practices necessary to effectively **attract**, **motivate** and **retain** the human resources required to carry out the City's mission-critical goals and objectives.

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 economic outlook, including salary budget projections
- 3) Market wage & salary analysis
- 4) Special Reports including: Fire & Police; Elected Officials, Department Directors & Other Key City Leaders; and Employee Benefits Value
- 5) Appendices (including a detailed comparative market data analysis by salary benchmark)

City Compensation Philosophy

Whether public or private, every employer must find ways to effectively **attract**, **motivate** and **retain** the human resources necessary to carry out its mission-critical goals and objectives. The degree to which an employer succeeds in this endeavor is tied directly to their decision to *match*, *lead* or *lag* the comparative pay levels offered by competing employers. Whether informal or deliberate, pay decisions, practices and policies formulate the basis of any organization's compensation philosophy.

Unlike private employers, 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 (drawn primarily from along the Wasatch Front), highly competitive wages (and benefits value) and low turnover—measured during FY 2014 at **7.3%**-- there is good evidence to support and demonstrate that the City's existing compensation strategy is working.

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 Economic Outlook



Just as predicted, Utah's economy continued to grow and remain strong throughout 2014. As of January 23, 2015, local researchers and economists declared that Utah ended last year on a "labor market high note, posting the highest year-over job growth for all of 2014." Chief Economist Carrie Mayne at the state's Department of Workforce Services (DWS) reported, "For the first time since the Great Recession the number of unemployed Utahns dropped below the 50,000 level." (Source: Utah Department of Workforce Services, *Employment Summary – December 2014*, issued January 23, 2015).

Compared to the rest of the nation, DWS reported Utah's unemployment rate was 3.5 percent in December (compared to the national rate of 5.6%), while the state's job growth rate for same period was 3.4 percent (markedly better than the national average of 2.0 percent).

"The labor market was about the last thing to recover from the Great Recession, and in the last six months it has picked up steam," said Bill Hampel, chief economist at the Credit Union National Association (Source: Salt Lake Tribune article, "U.S. Gains 257K Jobs, etc." by Christopher Rugaber, published 2/6/2015). Other notable signs of an improved economy include: low inflation (which rose just 0.7 percent in 2014), steady economic growth that has encouraged companies to keep hiring and boosts in consumer confidence and spending.

2014-15 SALARY BUDGET PROJECTIONS – 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 41st edition, WorldatWork released the findings from its *2014-15 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 “*2014-15 Executive Report & Analysis*,” pp. 8 & 10).

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

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

	Projected 2014	Actual 2014	Projected 2015
General Increase/COLA	2.0 %	1.3 %	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 2014	Actual 2014	Projected 2015
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 notes that no differences exist when comparing nationally-based figures to the totals forecasted for Utah employers and, specifically for other governmental entities.

PAY FOR PERFORMANCE -- In addition to these 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. WorldatWork notes that if merit increase projections are accurate, differentiation between middle and high performers will expand to 152 percent.

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**, but also **retain** top talent upon which the City relies.

Market Wage & Salary Analysis

As a matter of regular practice, the Committee considered comparative data (wages & salaries only) obtained from two Wasatch Front-based survey groups: 1) the 2014 *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 105 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 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 benchmarks. 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: Benchmarks SIGNIFICANTLY ABOVE MARKET (> 10%)

BENCHMARK JOB	SLC Actual Average Salary	Market Actual Average Salary	SLC/MKT
Web Producer III	\$75,795	\$48,479	156%
Wastewater Plant Operator	\$47,133	\$36,191	130%
Firefighter I/II/III	\$50,480	\$41,144	123%
Custodian II	\$29,838	\$24,516*	122%
Senior Secretary	\$39,114	\$32,258	121%
Office Technician II	\$40,032	\$32,258*	120%
Airport Operations Specialist	\$51,938	\$43,773	119%
Engineering Technician IV	\$52,624	\$44,189	119%
Police Officer I/II/III	\$58,148	\$49,457	118%
Public Safety Dispatcher II	\$42,817	\$36,607*	117%
Warehouse Support Worker	\$36,823	\$32,046*	116%
Community Programs Manager	\$49,470	\$43,020	115%
Golf Professional	\$73,408	\$64,538	114%
Real Property Agent	\$61,800	\$54,819	113%
HVAC Technician II	\$53,102	\$47,209	112%
Licensed Architect	\$73,195	\$66,101	111%
Painter II	\$48,568	\$43,890	111%

* Market salary is based on an average of actual salaries reported in both WMG & WCG surveys. 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 thirteen of the same benchmark jobs and the addition of four new jobs (i.e. Web Producer, Warehouse Support Worker, Golf Professional and Painter).

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 **eight** benchmarks 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: Benchmarks SIGNIFICANTLY BELOW MARKET ($\geq -10\%$)

SLC SALARY BENCHMARK	SLC Actual Average Salary	Market Actual Average Salary	SLC/MKT
Metal Fabrication Technician (Welder)	\$47,736	\$57,586	83%
Appointed Senior City Attorney	\$112,921	\$126,215	89%
Engineer IV	\$69,346	\$78,082	90%
Software Engineer	\$85,094	\$94,696	90%

Table C: Benchmarks SLIGHTLY BELOW MARKET (-4 % to -9%)

SLC SALARY BENCHMARK	SLC Actual Average Salary	Market Actual Average Salary	SLC/MKT
Financial Analyst III	\$67,594	\$74,357	91%
Water Meter Reader II	\$32,661	\$35,670	92%
Evidence Technician II	\$37,244	\$40,210	93%
Senior Human Resources Consultant	\$67,974	\$73,462	93%

* Market salary is based on an average of actual salaries reported in both WMG & WCG surveys. All other market salary comparisons are from one survey group only.

The Committee also focused on two benchmarks considered to be anomalies due to extreme differences in survey results, including **General Maintenance Worker IV** and **Paralegal**. Although both lead in comparison to other local government employers, the average actual pay rates of City job incumbents simultaneously appear to **significantly lag** when compared to their counterparts in the private sector. The Committee strongly encourages City officials to assess what, if any, potential attraction and/or retention issues *may* arise due to this unique situation and make adjustments, as needed.

Table D: Benchmarks SLIGHTLY BELOW MARKET (-4 % to -9%)

SLC SALARY BENCHMARK	SLC Actual Average Salary	WCG Average Salary	SLC/WCG	WMG Average Salary	SLC/MKT
General Maintenance Worker IV	\$44,544	\$37,043	120%	\$53,185	84%
Paralegal	\$50,471	\$46,185	109%	\$59,716	85%

A complete summary of the 2014 SLC/Market survey results for all 58 job salary benchmarks 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.

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 REPORTS

FIRE & POLICE—Previously 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, and the complex logistics required to protect and serve 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, 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.

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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 I/II/III	\$50,480	37	\$41,144	236	12	123%
Police Officer I/II/III	\$58,148	347	\$49,457	1,753	20	118%

Considering the City’s present success in attracting sufficient applicant pools (drawn primarily from along the Wasatch Front) and low turnover for sworn personnel—measured during 2014 at 5.5% and 3.2% for Police and Fire, respectively-- there is good evidence to support and demonstrate that the City’s existing compensation strategy is working.

U.S. Mountain Region Public Safety Pay Comparisons

In addition to reviewing comparative wage data obtained from the local market, the Committee also considered the results from a special survey conducted among a sample of 48 comparable cities from the U.S. Mountain region. These results, which included responses from approximately 50% of the total survey sample, come from cities who serve populations between 50,000 to 455,000 residents. Participants originated from cities from within the following states: Idaho, Montana, Wyoming, Colorado, Nevada, Arizona and New Mexico.

The following table includes a quick summary with a comparison of base wages only. The wage amounts shown are non-adjusted for cost of living or labor differences between cities.

SLC Police & Fire – Mountain Region City Comparison (base wages only)

	SLC Average	# SLC Incumbents	Mtn Region Weighted Average	# Mtn Incumbents	# Mtn Respondents	SLC/Mkt Ratio
Firefighter I/II/III	\$50,480	37	\$53,982	1,001	18	94%
Police Officer I/II/III	\$58,148	347	\$66,103	3,956	23	88%

(NOTE: The specific comparative data collected as part of the 2014 special survey for this group is available through the SLC Human Resources Department).

2014 Mountain Region salary survey participants included the following U.S. cities (population size): **Arvada, CO** (108,000); **Aurora, CO** (347,953); **Billings, MT** (110,000); **Boise, ID** (214,237); **Boulder, CO** (100,000); **Chandler, AZ** (248,698); **Colorado Springs, CO** (446,439); **Great Falls, MT** (58,000); **Greeley, CO** (100,000); **Henderson, NV** (284,968); **Lakewood, CO**, (145,596); **Las Cruces, NM** (100,000); **Longmont, CO** (90,219); **Loveland, CO** (72,846); **Mesa, AZ** (454,981); **Ogden, UT** (83,000); **Pocatello, ID** (54,000); **Provo, UT** (120,000); **Rio Rancho, NM** (91,956); **Scottsdale, AZ** (224,800); **Surprise, AZ** (117,517); **West Jordan, UT** (108,270); **West Valley City, UT** (133,000).

Considering Salt Lake City’s increasing status as one among the largest and most relevant cities in the Mountain region, the Committee recommends City leaders to contemplate regional wage data when considering public safety pay decisions. As an additional source, this information provides city officials with another perspective of current pay rates for sworn personnel, which the Committee believes should be considered alongside local market data.

Furthermore, the Committee recognizes that for Salt Lake City to become a pay leader in the Mountain region is a costly proposition. If this is, in fact, the City’s objective, then the Committee recommends accordingly that City leaders take prudent action and not attempt to make such a move in a single year.

Elected Officials, Department Directors & Other Key City Leaders

During 2014, 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. Responses were received from a total of 39 cities whose population size is between 100,000 to 600,000.

Elected Officials

Salary comparisons for Salt Lake City’s Mayor only included other full-time mayors; salary 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 part-time.

Data indicates that the annual salaries for both the Mayor and City Council are well within the range of salaries paid to other elected officials in the cities surveyed, as shown in the following table.

	SLC	U.S City Mkt Avg	# Respondents	SLC/ U.S. Mkt
Mayor	\$133,744	\$131,352	11	102%
City Council	\$24,461	\$25,383	26	96%

Department Directors & Other Key City Leaders

For the majority of City department directors and other key city leaders surveyed, survey results indicate current salaries are competitive or at rates that are within ten percent of their U.S. city counterparts. The Committee advises the Administration to review and consider action where data may indicate that annual salaries lag ten percent or more.

(NOTE: The specific comparative data collected as part of the 2014 special survey for this group is available through the SLC Human Resources Department).

2014 Elected Officials, Department Heads & Other Key City Leaders salary survey participants included the following U.S. cities (population size): Albuquerque, NM (555,417); Anaheim, CA (336,265); Arvada, CO (108,000); Aurora, CO (347,953); Baton Rouge, LA (440,000); Billings, MT (110,000); Boise, ID (214,237); Boulder, CO (100,000); Burbank, CA (104,000); Centennial, CO (104,811); Chandler, AZ (248,698); Colorado Springs, CO (446,439); Denver, CO (634,000); Eugene, OR (159,964); Everett, WA (104,900); Gresham, OR (106,180); Henderson, NV (284,968); Lakewood, CO, (145,596); Las Vegas, NV (619,419); Lincoln, NE (268,738); Mesa, AZ (454,981); New Orleans, LA (369,250); Oklahoma City, OK (580,000); Omaha, NE (434,353); Orlando, FL (255,483); Peoria, AZ (160,000); Portland, OR (603,650); Provo, UT (120,000); Reno, NV (220,000); Salem, OR (157,000); Scottsdale, AZ (224,800); Spokane, WA (210,000); Surprise, AZ (117,517); Tacoma, WA (200,000); Thousand Oaks, CA (128,000); Tulsa, OK (391,906); Vancouver, WA (165,500); West Jordan, UT (108,270); West Valley City, UT (133,000).

Employee Benefits Value

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.

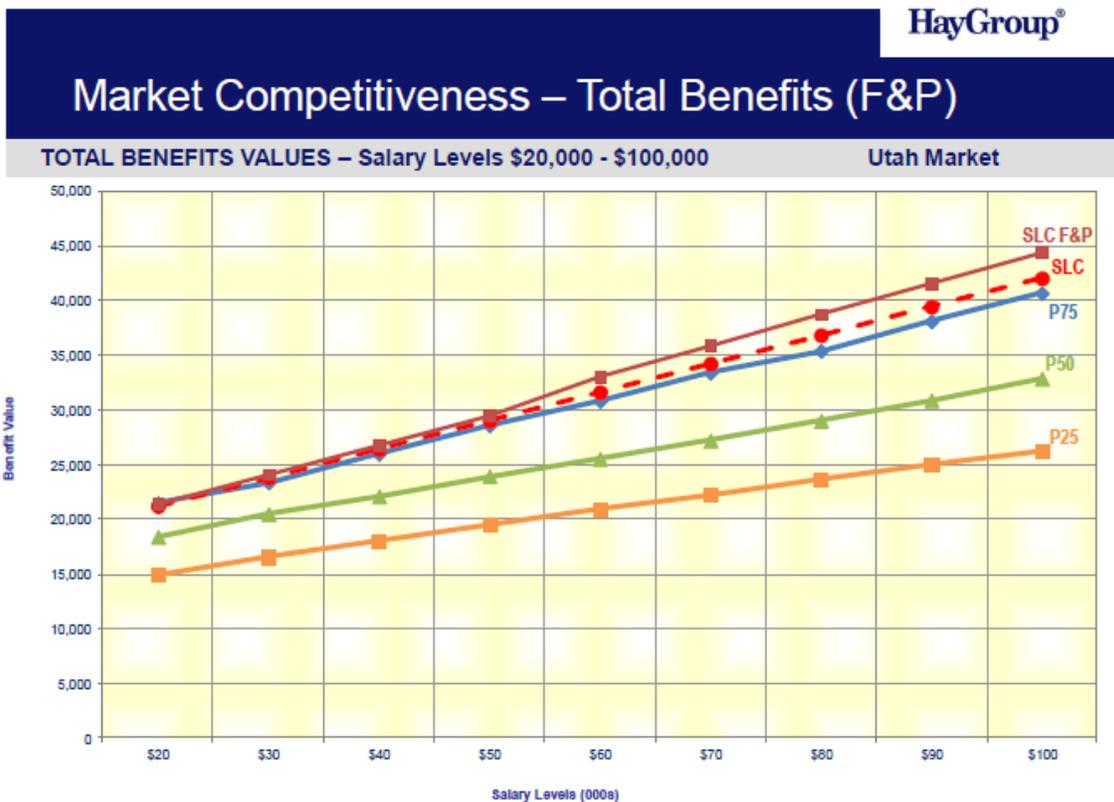
Additional highlights and conclusions regarding the City's overall benefits value to employees include the following—

- 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 use the following chart, 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.

APPENDIX A

Appendix A - 2014 Salt Lake City/Market Comparison

Job Title (Job Code)	SLC Actual Avg	# SLC Incumbents	WCG	# Incumbents	# Respondents	SLC/WCG	WMG	# Incumbents	# Respondents	SLC/WMG
ACCOUNTANT III (001666)	\$60,820	7	\$48,352	99	13	126%	\$65,121	156	33	93%
AIRPORT OPERATIONS SPECIALIST (001514 & 001505)	\$51,938	34					\$43,773	257	13	119%
APPOINTED SENIOR CITY ATTORNEY (000185)	\$112,921	12					\$126,215	61	12	89%
ASPHALT EQUIPMENT OPERATOR (000909 & 000918)	\$43,265	35	\$41,479	105	14	104%	\$37,813	73	7	114%
AUDITOR (001684)	\$71,583	2					\$70,127	18	7	102%
BUILDING INSPECTOR III (000723)	\$57,868	8	\$58,886	28	12	98%				
REVIEW & LICENSING PROCESSOR II (001607)	\$44,876	4	\$40,918	12	11	110%				
CARPENTER II (001349)	\$48,568	7					\$44,448	136	13	109%
COLLECTIONS OFFICER (001376)	\$42,404	5					\$38,580	42	10	110%
COMMUNITY PROGRAMS MANAGER (001655)	\$49,470	7	\$43,020	89	12	115%				
CUSTODIAN II (006090)	\$29,838	2	\$23,836	105	12	125%	\$25,196	238	19	118%
DEPT PERSONNEL/PAYROLL ADMINISTRATOR (000410)	\$49,391	5	\$46,730	12	12	106%	\$47,580	21	15	104%
ENGINEER IV (000745)	\$69,346	7	\$68,978	106	13	101%	\$87,185	21	6	80%
ENGINEERING TECHNICIAN IV (000829)	\$52,624	14	\$44,189	18	7	119%				
ENVIRONMENTAL & SUSTAINABILITY COORDINATOR (001755)*	\$67,392	1					\$64,020	9	8	105%
EVIDENCE TECHNICIAN II (001549)	\$37,244	5	\$40,210	15	9	93%				
FINANCIAL ANALYST III (001670)	\$67,594	9					\$74,357	187	23	91%
FIREFIGHTER I/II/III (001461, 001460, 001480)	\$50,480	37	\$41,144	236	12	123%				
FLEET MECHANIC I/II (000757 & 000758)	\$47,912	32	\$44,672	136	23	107%	\$44,299	69	11	108%
GENERAL MAINTENANCE WORKER IV (006145)	\$44,554	5	\$37,043	175	14	120%	\$53,185	101	19	84%
GIS SPECIALIST (000781)	\$55,120	5	\$58,290	16	10	95%				
GOLF PROFESSIONAL (000940)	\$73,408	5	\$64,538	42	18	114%				
HUMAN RESOURCES CONSULTANT, SENIOR (001834)	\$67,974	5					\$73,462	45	22	93%
HVAC TECH. II (006050)	\$53,102	8					\$47,209	122	15	112%
JUSTICE COURT CLERK (001495)	\$39,061	19	\$38,889	18	8	100%				
JUSTICE COURT JUDGE (001601)	\$112,859	5	\$109,171	14	11	103%				
LAB CHEMIST (000427)	\$55,515	2	\$55,615	9	6	100%	\$53,895	18	5	103%
LEGAL SECRETARY III (003136)	\$43,784	2	\$36,649	82	14	119%	\$43,479	40	9	101%
LICENSED ARCHITECT (000752)	\$73,195	1	\$66,101	23	6	111%				
MAINTENANCE ELECTRICIAN IV (000168)	\$54,566	31	\$49,857	29	10	109%	\$54,524	107	15	100%
METAL FABRICATION TECHNICIAN (006207)	\$47,736	5					\$57,586	44	9	83%
NETWORK SYSTEMS ENGINEER II (001394)	\$78,445	4	\$69,301	22	19	113%	\$75,353	54	25	104%
OFFICE FACILITATOR II (001232 & 001259)	\$46,320	18	\$42,921	63	15	108%	\$42,898	811	37	108%
OFFICE TECHNICIAN II (001191)	\$40,023	17	\$32,258	176	21	124%	\$34,770	193	14	115%
PAINTER II (001347)	\$48,568	7					\$43,890	67	12	111%
PARALEGAL (000572)	\$50,471	7	\$46,185	40	10	109%	\$59,716	19	10	85%
PLANS EXAMINER (001546)	\$58,219	3	\$58,493	14	8	100%				
PLUMBER II (000854)	\$51,605	5					\$48,197	82	11	107%
POLICE INFO SPECIALIST (001713)	\$33,896	26	\$33,186	82	13	102%				
POLICE OFFICER I/II/III (001457, 001456, 001489)	\$58,148	347	\$49,457	1,753	20	118%				
PRINCIPAL PLANNER (001733)	\$62,566	8					\$64,035	108	10	98%
PROCUREMENT SPECIALIST II (000534)	\$59,580	2	\$50,460	34	12	118%	\$59,367	258	57	100%
PUBLIC SAFETY DISPATCHER II (000161)	\$42,817	47	\$36,190	180	9	118%	\$37,024	48	9	116%
REAL PROPERTY AGENT (000370)	\$61,800	2	\$54,819	1,149	6	113%				
RESEARCH ANALYST/ GRANT PROG MGR (001276)	\$57,377	1	\$53,157	130	7	108%				
SENIOR SECRETARY (003030)	\$39,114	4	\$32,258	176	21	121%				
SOFTWARE ENGINEER II (001726)	\$85,094	2					\$94,696	53	9	90%
PARKS GROUNDSKEEPER (001813)*	\$26,146	10					\$25,069	122	12	104%
SR UTILITIES REPRESENTATIVE - CUSTOMER SVC (000199)	\$35,696	7	\$34,305	26	10	104%	\$35,510	265	19	101%
TECHNICAL SYSTEMS ANALYST II (000584)	\$58,282	1	\$60,871	9	5	96%				
TRAINING & DEVELOPMENT COORDINATOR (000491)	\$57,395	2					\$53,728	44	15	107%
WAREHOUSE SUPPORT WORKER - FLEET & AIRPORT (000390 & 002022)	\$36,823	3	\$28,824	75	6	128%	\$35,268	82	16	104%
WASTEWATER PLANT OPERATOR (000968)	\$47,133	6	\$36,191	21	7	130%				
WATER METER READER II (006326)	\$32,661	9	\$35,670	25	7	92%				
WATER METER TECHNICIAN (000997)	\$44,699	5	\$45,467	7	5	98%				
WATER PLANT OPERATOR I (001454)	\$44,408	1				INSUFFICIENT DATA				
WATER SYSTEM MAINTENANCE OPERATOR II (000975)	\$47,133	15	\$44,017	23	9	107%				
WEB PRODUCER III (001413)	\$75,795	2					\$48,479	15	7	156%

* = New/updated benchmark title

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APPENDIX B

2014 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)

BOUNTIFUL	SANDY
CEDAR CITY	SMITHFIELD
CENTRAL DAVIS COUNTY SEWER	SOUTH DAVIS METRO FIRE AGENCY
CENTRAL VALLEY WATER	SOUTH DAVIS SEWER DISTRICT
CENTRAL WEBER SEWER	SOUTH JORDAN
COTTONWOOD HEIGHTS	SOUTH VALLEY WATER RECLAMATION
DAVIS BEHAVIOR HEALTH	SPANISH FORK
DAVIS COUNTY	SPRINGVILLE
DRAPER	TAYLORSVILLE
HURRICANE	TAYLORSVILLE-BENNION SPECIAL DISTRICT
JORDAN VALLEY WATER	TIMPANOGOS SPECIAL DISTRICT
KEARNS IMPROVEMENT DISTRICT	UINTAH COUNTY RECREATION DISTRICT
LAYTON	UNIFIED FIRE AUTHORITY
LEHI	UNIFIED POLICE DEPARTMENT
LOGAN	UTAH COUNTY
METROPOLITAN WATER, SALT LAKE & SANDY	UTAH COURTS
MT. OLYMPUS IMPROVEMENT DISTRICT	UTAH TRANSIT AUTHORITY
MURRAY	UTAH VALLEY DISPATCH SPECIAL SERVICE DISTRICT
NORTH DAVIS COUNTY SEWER	VALLEY EMERGENCY
NORTH DAVIS FIRE DISTRICT	VALLEY MENTAL HEALTH
NORTH SALT LAKE	WASHINGTON CITY
OGDEN	WEBER BASIN WATER
OREM	WEBER COUNTY
PARK CITY	WEBER FIRE DISTRICT
PARK CITY FIRE DEPT	WEBER HUMAN SERVICES
PROVO	WEST JORDAN
SALT LAKE COUNTY	WEST VALLEY

WESTERN STATES

STATE OF ARIZONA
STATE OF COLORADO
STATE OF IDAHO
STATE OF MONTANA
STATE OF NEW MEXICO
STATE OF WASHINGTON
STATE OF WYOMING

61 TOTAL PARTICIPANTS

2014 Western Management Group (WMG) Participant List

Greater Salt Lake Area Compensation Survey

Agreserves	Hexcel	Ryder Systems
Alliant Techsystems	Honeywell Technology Solutions	Salt Lake Community College
Amer Sports US	Hoyt Archery	Salt Lake County
ARUP Laboratories	ICF International	Sierra Nevada
Associated Food Stores	IM Flash Technologies	Sinclair Services
ATK Launch Systems	InsideSales	Southern Utah University
Atria Senior Living	Intermountain Health Care	Southwest Research Institute
Bard Access Systems	ITT Exelis- Electronic Systems	Stampin Up
Battelle	JR Simplot	State Farm Insurance
BD Medical Systems	Jacobs Technology	State of Utah
Big West Oil	Johnson Controls	Sunrise Senior Living
Black Diamond Equipment	Jordan School District	TAB Bank
Blendtec	JT3	TASC
Boart Longyear	L-3 Communications/Communications Systems-West	TD Ameritrade
Boeing Co.	Landesk Software	Tecolote Research
Boise Cascade	LDS Business College	Textron Systems
Boise Inc	Leidos	Unisys/Federal Systems
Booz Allen Hamilton	Lennox International	University of Utah
Brigham Young University	LJT & Associates	URS Federal Services Division
Browning	Lockheed Martin	US Magnesium
C2 Essentials	Maverik	USANA Health Sciences
CACI International	Merit Medical Systems	Utah State Courts
CH2M Hill	MITRE	Utah State University
Church Of Jesus Christ Of Latter-Day Saints	Moog Aircraft Salt Lake Ops	Utah State University Research Foundation/Space Dynamics Lab
Comcast Cable	Morinda Bio Actives	Utah Transit Authority
Davis County	Northrop Grumman	Utah Valley University
Du Pont	Parker Hannifin/Control Systems	Verizon Communications
Easton Technical Products	Penske Truck Leasing	Visa
eBay	Pitney Bowes	Waste Management
Edwards Lifesciences	Pricewaterhouse Coopers	Weber State University
Energy Solutions	Progrexion	Wells Fargo
FBL Financial Group	Questar	Williams International
FJ Management	R.R. Donnelley and Sons	Xerox
General Dynamics/AIS	Raytheon	Zions Bank
General		
Dynamics/Information Technology	Rio Tinto Services	
Health Catalyst	Rockwell Collins	

106 TOTAL PARTICIPANTS



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