

Public Sector Advisors





LEE'S SUMMIT

M I S S O U R I

City of Lee's Summit, Missouri Compensation Philosophy and Study

TL Cox, Senior Vice President

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Agenda

- ✓ Scope of Services
- ✓ Analyzing Salary Survey Data
- ✓ Findings
- ✓ Total Compensation Comparison
- ✓ Benefits Contribution/FTE Comparison
- ✓ Corrective Actions
- ✓ Recommendations

Scope of Services

- ✓ Project Initiation and Data Collection
- ✓ Employee Communication Sessions
- ✓ Development of Classification System
- ✓ Salary and Benefits Survey and Development of Pay Plan
- ✓ Implementation Strategy and Staff Training
- ✓ ***Reconsideration Process***
- ✓ Final Report

Analyzing Salary Survey Data

- ✓ Match jobs based on content (essential functions and minimum qualifications)
- ✓ Establish tests for statistical validity and calculate weighted averages
- ✓ Determine average market range spreads (i.e. distance from pay range minimum to pay range maximum)
- ✓ Compare external market data with internal placement
- ✓ Sworn police and fire: compare average market range minimums and maximums by rank

Findings – Civilian Ranges

- ✓ Internal relationships (i.e. the alignment of City positions) did not fully reflect job duties and minimum qualifications
- ✓ Market competitiveness varies by position, though Lee's Summit's current salary ranges are, on average, below market
- ✓ Average market range spreads are different than those found in Lee's Summit's current structures.

Findings – Police and Fire Ranges

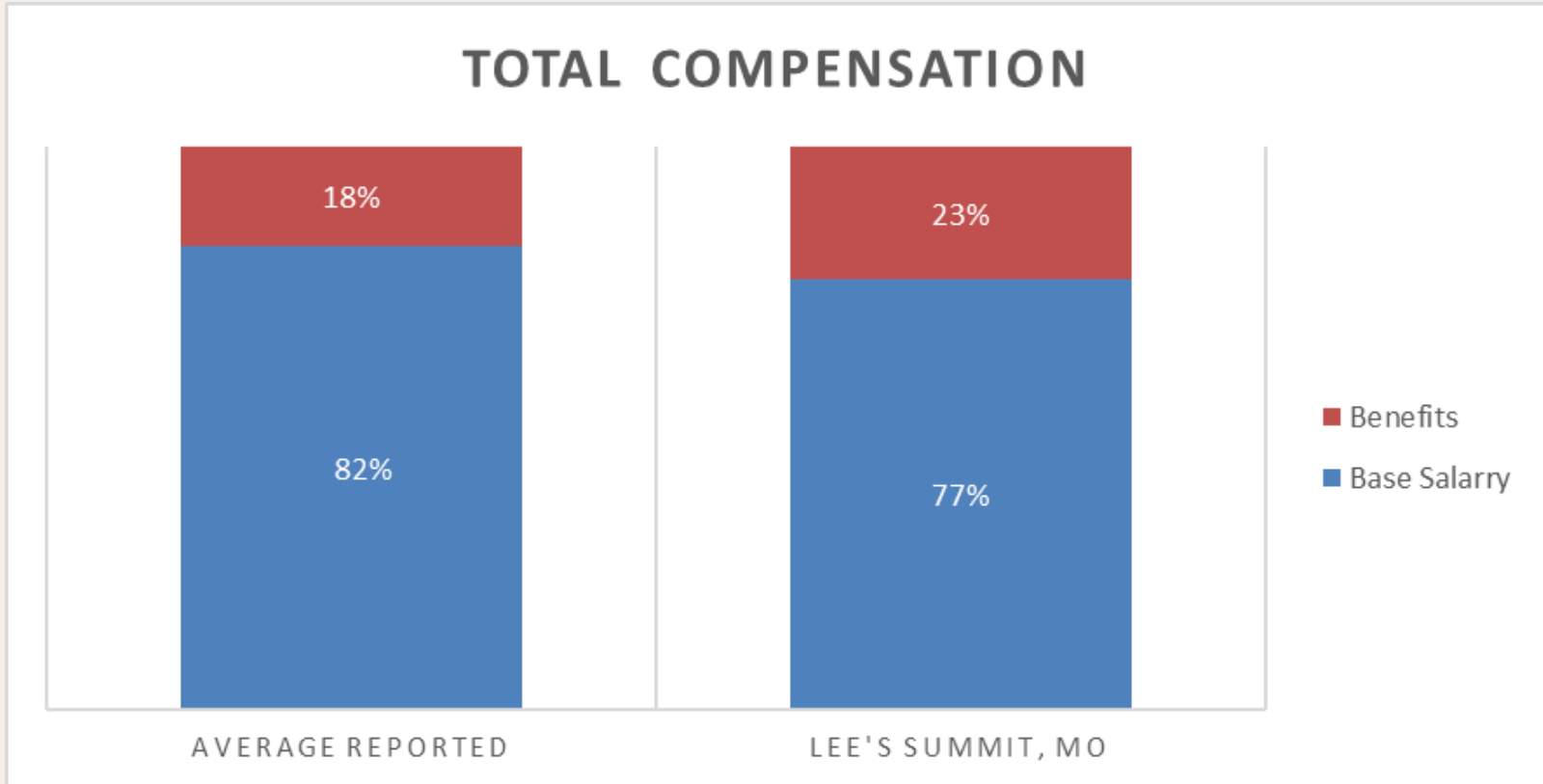
- ✓ Market competitiveness varies by rank, though Lee's Summit's current range minimums and maximums are, on average, below market
- ✓ Assistant Fire Chief II, Fire Captain II, Fire Specialist, Police Major II, Police Sergeant II, Police Officer II, Master Police Officer I, and Master Police Officer II did not have sufficient market matches to draw statistically valid comparisons
- ✓ Average market range spreads are different than those found in Lee's Summit's current structures

Findings - Benefits

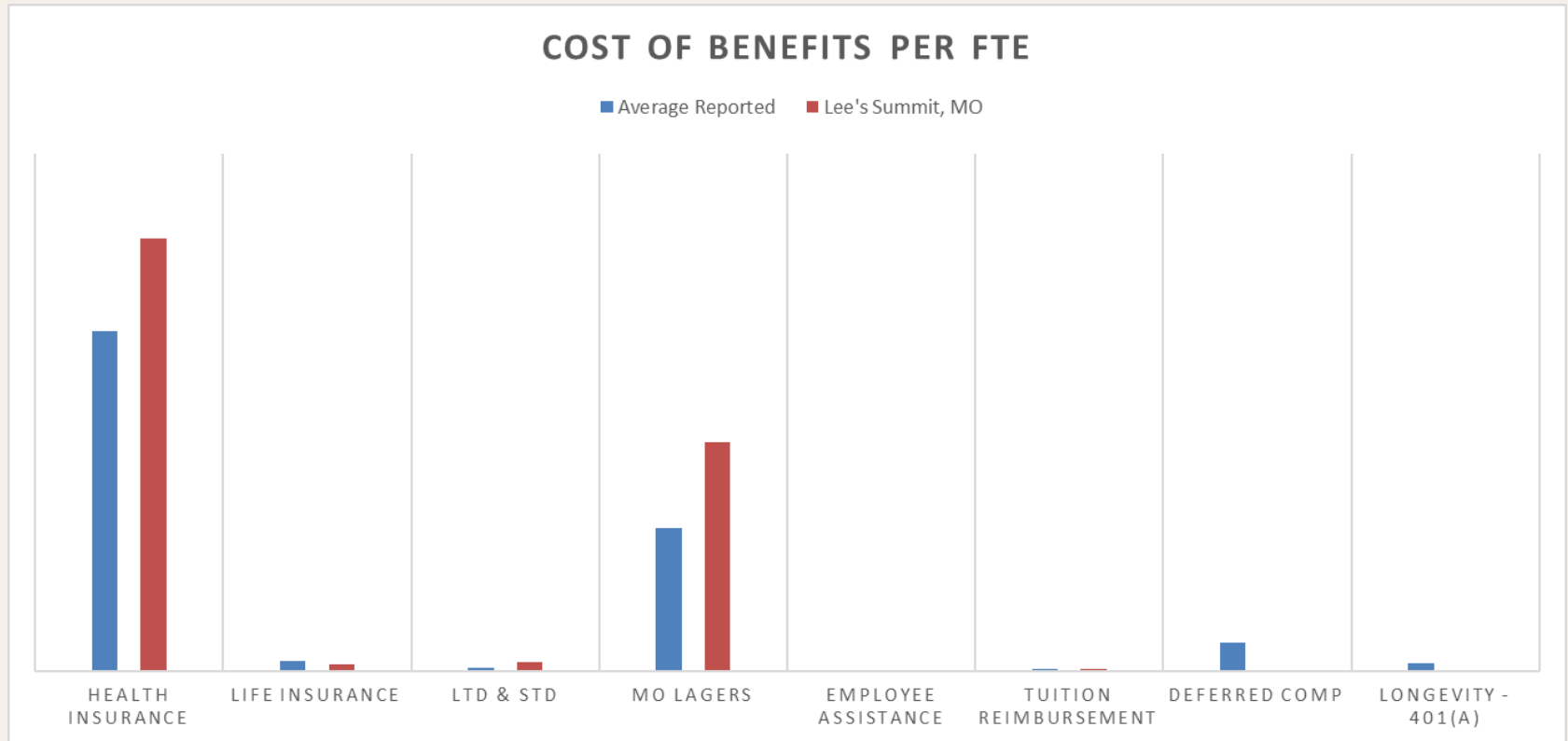
- ✓ City benefit offerings are mostly consistent, with the following items for further consideration
 - ✓ Lee's Summit leave policies are slightly better than market averages
 - ✓ Lee's Summit insurance costs are higher than the group averages, however the cost-sharing utilized is consistent
 - ✓ Lee's Summit makes no allowances for retiree health costs while a majority of respondents provide some degree of retiree health coverage
 - ✓ Lee's Summit's dental and vision contributions for both employee and family coverage ranks higher than average
 - ✓ Lee's Summit' contributions to short and long-term disability are greater than market averages
 - ✓ Lee's Summit lags the market in providing no contribution to a deferred compensation plan
 - ✓ Lee's Summit exceeds the market in providing a retirement plan at no cost to the employee

- ✓ City per FTE benefit expenditures exceed the average of survey respondents

Total Compensation Comparison – Lee’s Summit vs. Respondent Average



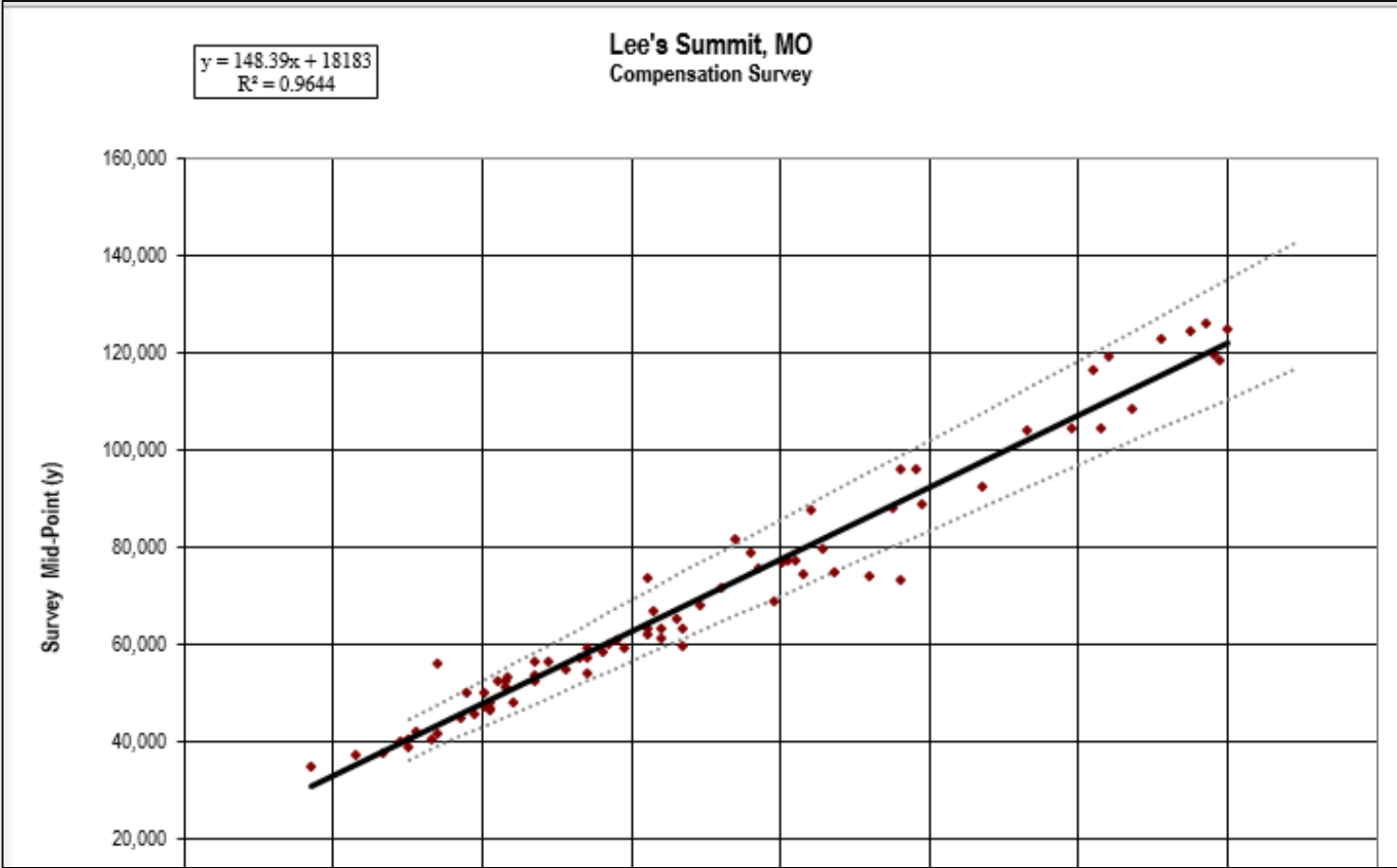
Benefits Contribution/FTE Comparison – Lee's Summit vs. Respondent Average



Corrective Actions (civilian positions)

- ✓ Developed an updated alignment of positions using Springsted's SAFE® job evaluation process, an objective, fair methodology for placing positions into pay grades
 - Training and Ability
 - Level of Work
 - Physical Demands
 - Independence of Actions
 - Supervision Exercised
 - Experience Required
 - Human Relations Skills
 - Working Conditions/Hazards
 - Impact on End Results
- ✓ Established market-competitive pay structures that reflect the new alignment of positions and appropriate market data (***consistent with final compensation philosophy***)
- ✓ Since the last Council update → completed reconsideration process (in excess of 40 positions) to provide additional employee involvement; incorporated new/replacement job documentation; and specify desired minimum qualifications to be used on an ongoing basis
- ✓ Determine implementation scenarios

Lee's Summit Salary Curve



Corrective Actions (public safety positions)

- ✓ Established market-competitive pay structures using average market range minimum and maximum values for each rank (***consistent with final compensation philosophy***)
- ✓ Consolidated ranks where sufficient market data did not exist to warrant separation
- ✓ Determine implementation scenarios

Recommendations (core general)

- ✓ Implement new structures, which will:
 - Serve as the foundation for adhering to the new compensation philosophy;
 - Provide for more competitive compensation in an increasingly active labor market;
 - Reduce turnover and improve the City's ability to recruit quality replacements; and
 - Balance the City's goals of internal equity and external market competitiveness.

- ✓ Provide opportunities for additional employee involvement (through the recommended "SAFE committee") at a pre-determined point following implementation to:
 - Resolve any remaining questions regarding position placement;
 - Ensure all employees are afforded the opportunity to participate in the reconsideration process (when warranted); and
 - Establish a consistent schedule for the ongoing review of position reclassification requests.

- ✓ Adopt ongoing administrative guidelines that will:
 - Place positions into pay grades based on the objectivity of the SAFE® evaluation, with consideration given to market value;
 - Ensure the consistent administration of compensation policies and procedures; and
 - Allow for updates to individual positions (i.e. to accommodate changes in job responsibilities and an ever-changing labor market).

Recommendations (represented civilian)

- ✓ Work through appropriate parties (City labor relations and union representation) to agree upon the implementation of new structures. Remaining questions include:
 - Applicability of new ranges;
 - Step plan or open-range;
 - If steps, what percentage and through what point in the range (i.e. to mid-point only for example); and
 - Desired cost scenario (performance-based; tenure-based; step-based, etc.).

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Recommendations (public safety)

- ✓ Work through appropriate parties (City labor relations and union representation) to agree upon the implementation of new structures. Remaining questions include:
 - Applicability of new ranges;
 - Step plan or open-range;
 - Inclusion of Kansas City, Missouri data or not and, if so, for what ranks;
 - If steps, what percentage and variable or consistent; and
 - Desired cost scenario (performance-based; tenure-based; step-based, etc.).

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 - Ensure the consistent administration of compensation policies and procedures; and
 - Allow for updates to individual positions (i.e. to accommodate changes in an ever-changing labor market).

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