

Public Sector Advisors





LEE'S SUMMIT

M I S S O U R I

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

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Agenda

- ✓ Scope of Services
- ✓ Benchmark Organizations
- ✓ Analyzing Salary Survey Data
- ✓ Findings
- ✓ Total Compensation Comparison
- ✓ Benefits Contribution/FTE
- ✓ Corrective Actions
- ✓ Draft Compensation Philosophy and Next Steps

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
- ✓ Final Report

Benchmark Organizations

Lee's Summit Survey Respondents
Ankeny, IA
Blue Springs, MO
Central Jackson County Fire Protection District
Consolidated Fire District No. 2 NE Johnson County, KS
Independence, MO
Johnson County, KS
Kansas City, MO
Lawrence, KS
Lenexa, KS
O'Fallon, MO
Olathe, KS
Shawnee, KS
Private Sector Data, Including WaterOne

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 Salaries

- ✓ 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 Salaries

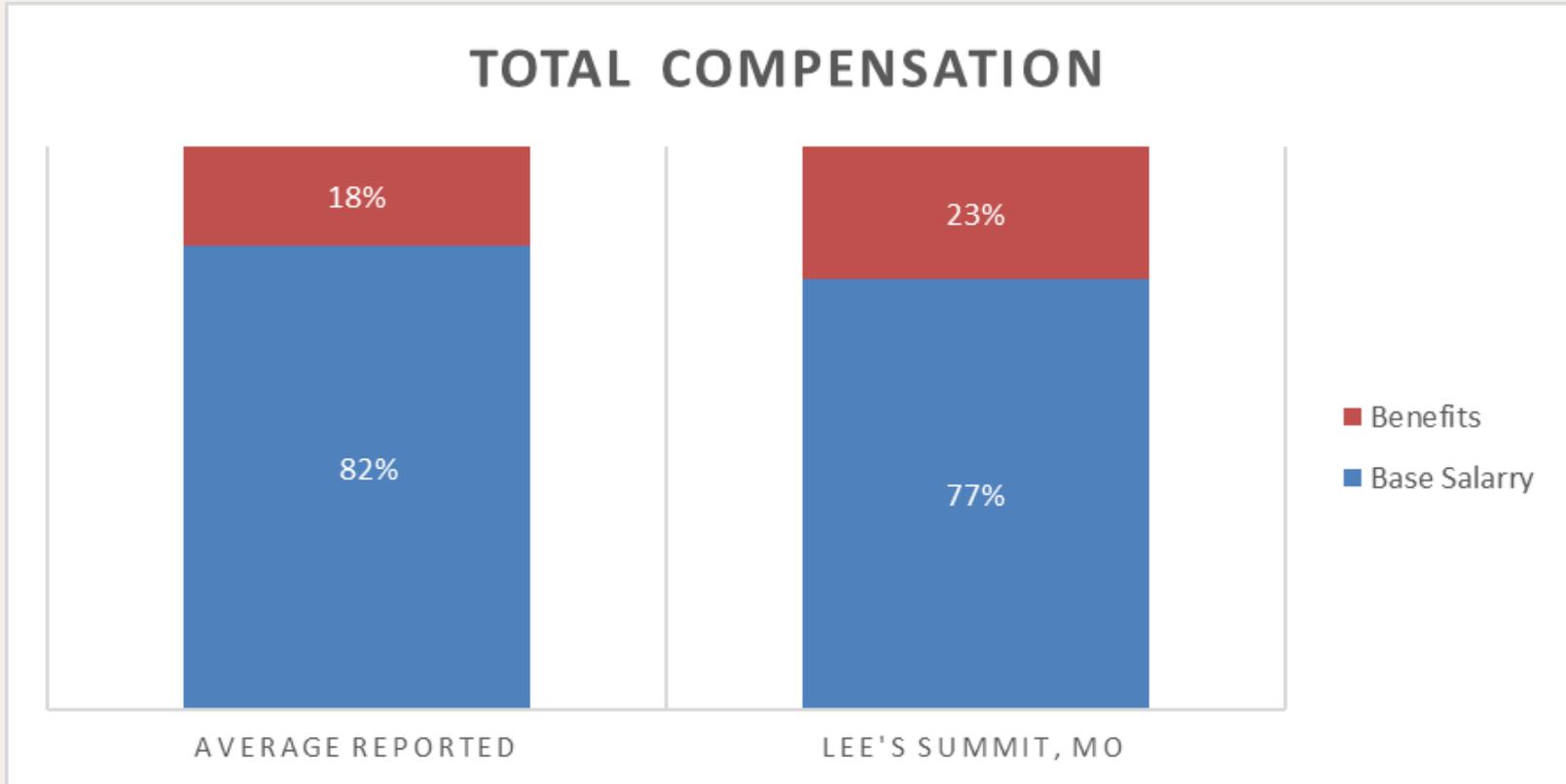
- ✓ Market competitiveness varies by rank, though Lee's Summit's current range minimums and maximums are, on average, below market
- ✓ Assistant Fire Chief II, Fire Captain II, Fire Specialist, Police Major II, Police Sergeant II, and Police Officer II did not have sufficient market matches to draw statistically valid comparisons
- ✓ Additional survey work being conducted for Master Police Officer I and II
- ✓ Average market range spreads are different than those found in Lee's Summit's current structures. Discrepancies of particular note:
 - ✓ Firefighter → **(-12%)**
 - ✓ Fire Captain I → **+28%**
 - ✓ Police Officer I **(-19%)**
 - ✓ Police Sergeant I → **+23%**
 - ✓ Police Major I **(-12%)**

Findings - Benefits

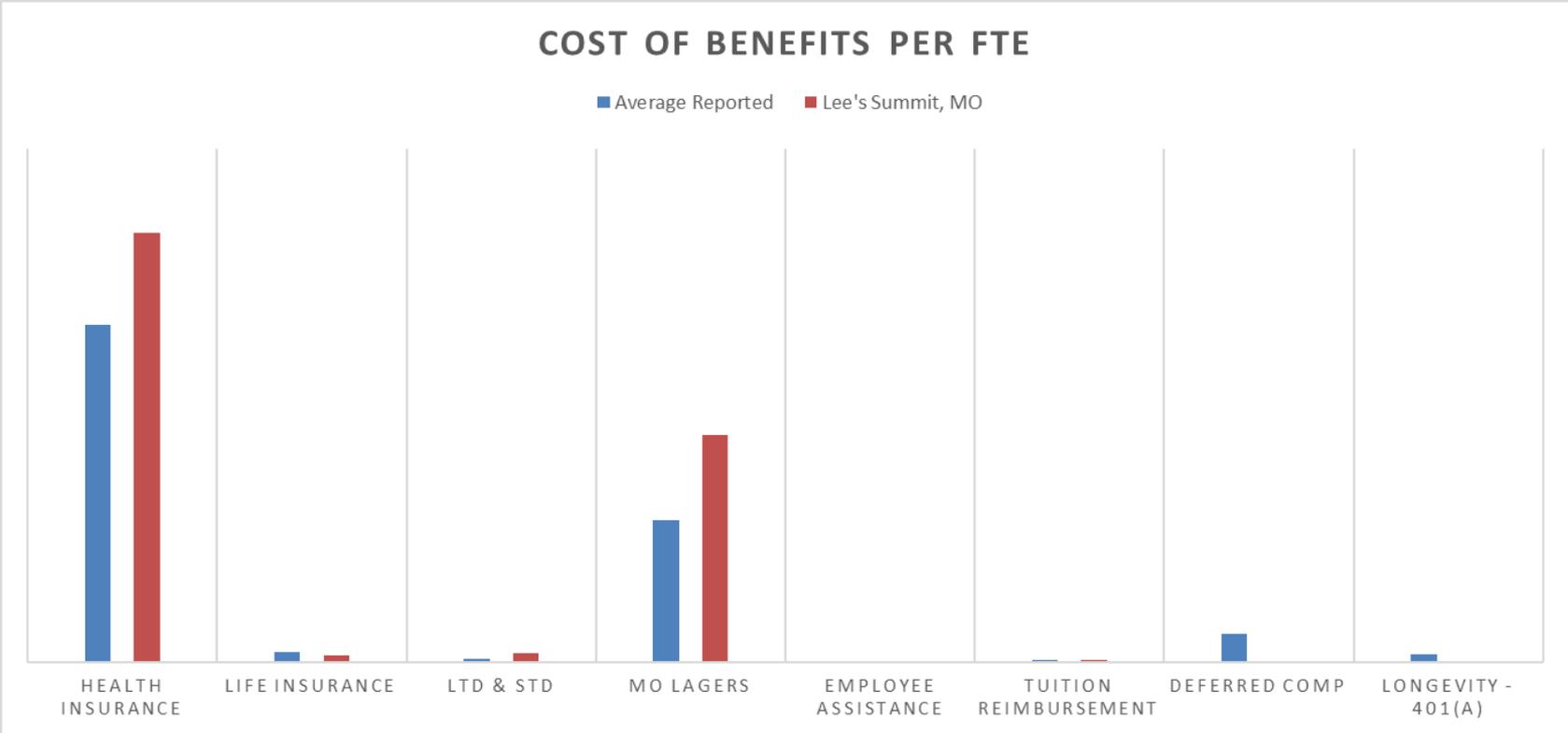
- ✓ City benefit offerings are mostly consistent, with the following items for further consideration
 - ✓ Lee's Summit leave policies are slightly better than market averages
 - ✓ Lee's Summit insurance costs are higher than the group averages, however the cost-sharing utilized is consistent
 - ✓ Lee's 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

- ✓ 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 (***subject to final compensation philosophy***)

Draft Compensation Philosophy

It is vital for Lee's Summit to acquire, retain and motivate capable, performance-driven employees who seek continuous improvement, foster technological self-sufficiency, and promote fiscal accountability.

To that end, the Lee's Summit classification and compensation system, together with other elements of the City's total rewards program should:

- Allow employees to play a meaningful role in total compensation system administration;
- Establish a consistent, objective framework that recognizes job qualifications and the numerous ways positions contribute to the City's mission, vision, and goals;
- Provide total compensation offerings that are market-competitive, yet mindful of the City's need for sustainable revenue sources to fund the services provided to residents;
- Afford flexibility in the definition of total rewards to reflect changing financial conditions and support the evolving needs of the workforce;
- Promote the positive work culture and safe working environment valued by employees; and
- Incentivize individuals who exceed identified performance objectives.

To maintain the ongoing support of elected officials, city leadership, and employees, Lee's Summit's compensation philosophy must account for citizen participation and awareness (both of which remain high); base personnel and human resources decisions on merit; and remain subject to annual appropriations and periodic review.

Next Steps

- ✓ Provide compensation philosophy changes (as required) additional direction (civilian)
- ✓ Obtain non-represented feedback on position placement
- ✓ Review Springsted final report and implement non-represented structures
- ✓ Collaborate with FOP, IAFF and IAM to assess internal equity and market competitiveness and negotiate implementation plan(s)

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