

Compensation At a Glance

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Introduction

Effective Compensation Philosophy:

- Attracts, motivates and retains talent
- Maintains competitiveness
- Supports City's mission and culture

Effective Compensation Plans:

- Should be managed responsibly
- Provide employees with salary/wages/benefits in accordance with industry standards
- Are aligned with the City's financial goals and constraints
- Allow for flexibility
- Provide Fairness/Legally defensible



Some Background...

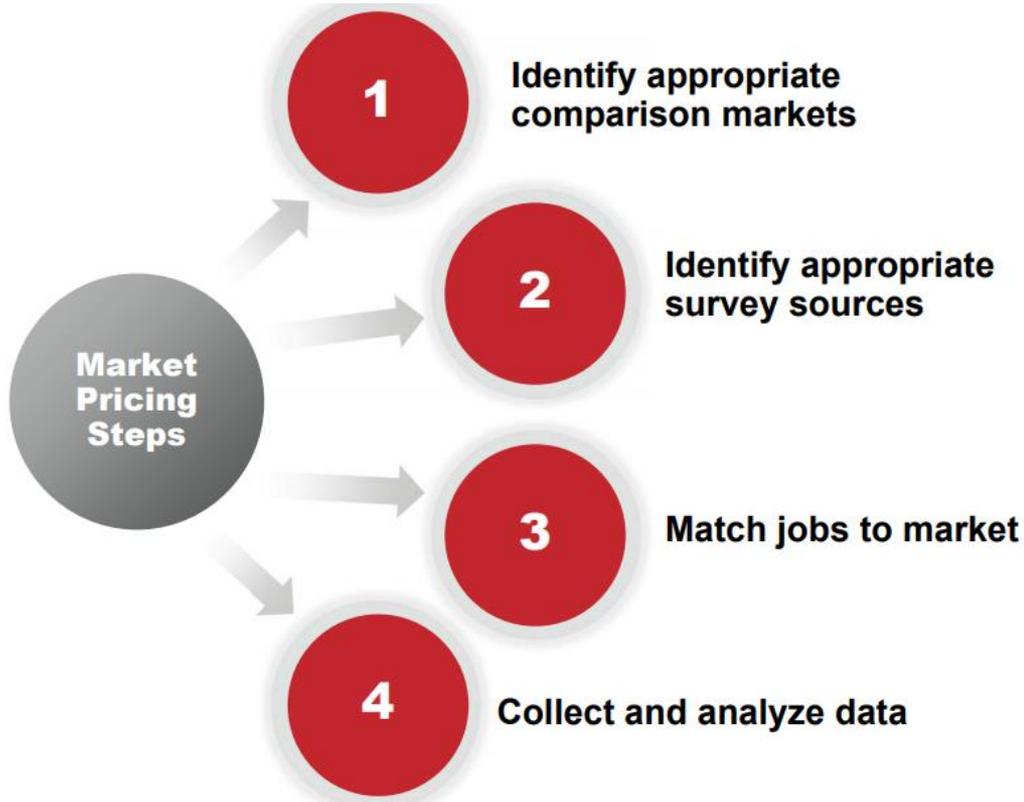
2012 – Council Approved

- Updated Pay Philosophy
- New Pay Plan and Structures
- Workplace Markets
- Market Targeting at 50th Percentile
- Partial Funding

Total Compensation Philosophy

- TOTAL Compensation Focused
- Four Structures
- “Control Point” – Market Aligned
- Green Zone – +/- 10% of Control Point
- Competitive with Market

Our Markets

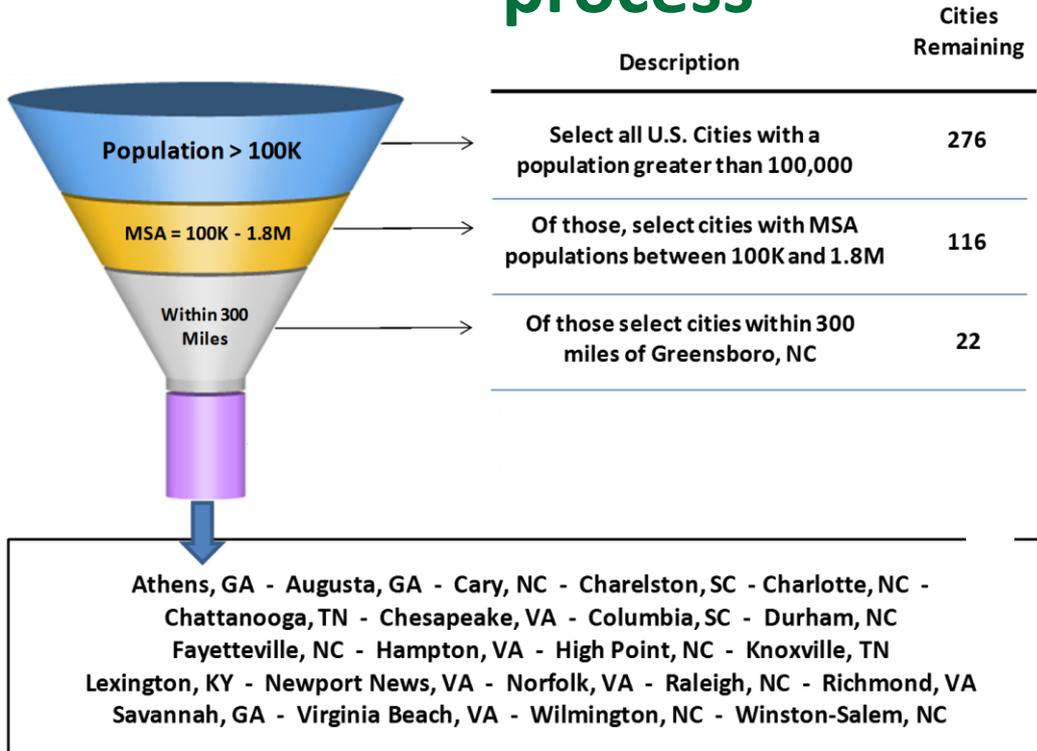


The environment in which an organization competes for qualified staff

- City's Labor Markets are outlined in the Total Compensation Philosophy
 - 300 mile radius
 - Populations > 100,000 and less than 1.8 million

Our Markets - market selection

process

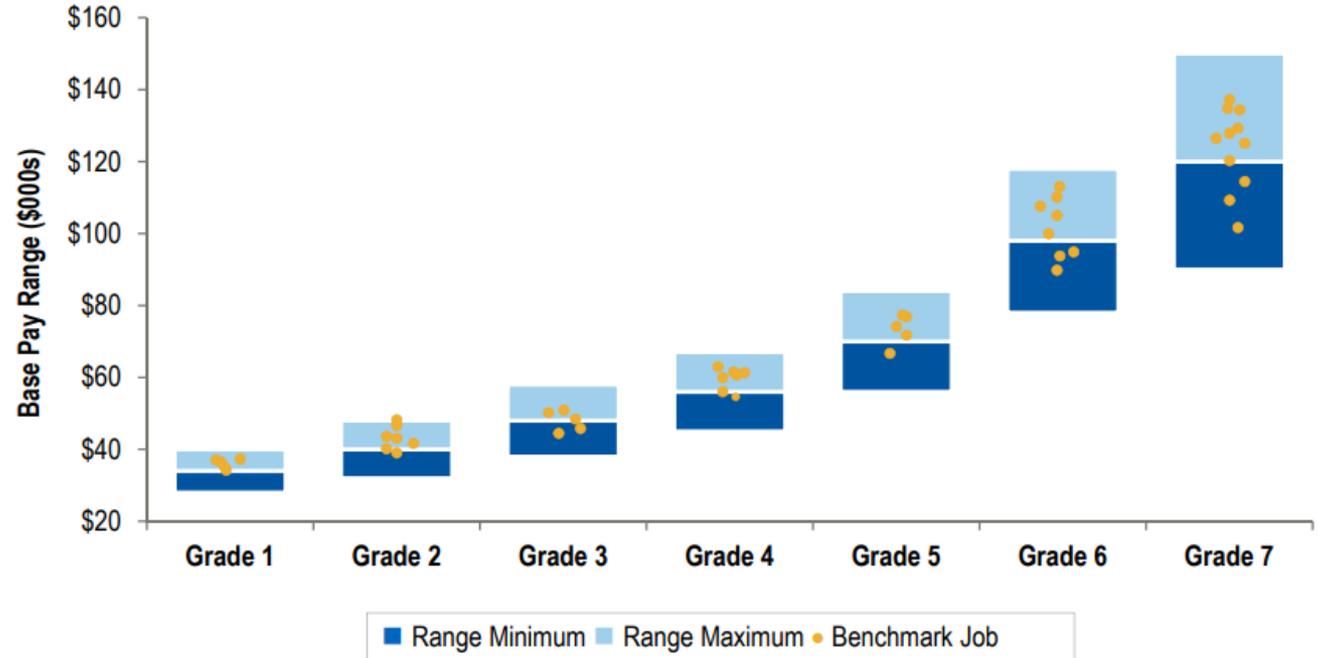


Information based on estimates provided by the United States Census Bureau for July 1, 2009.

Salary Structures

Dual Focus

- Job Values aligned with external values
- Internal equity based on relative job values
- 73% of all benefitted positions are in benchmark job classifications
- All Sworn Police and Fire positions are in benchmark job classifications



City of Greensboro Salary Structure

Grade	Range Minimum	Green ZoneMin	ControlPoint	Green Zone Max	Range Maximum
G25	95,823	114,988	127,765	140,541	159,706
G24	87,911	105,494	117,215	128,937	146,519
G23	80,653	96,783	107,537	118,291	134,421
G22	73,993	88,792	98,658	108,523	123,322
G21	67,884	81,460	90,512	99,563	113,140
G20	62,855	75,426	83,807	92,188	104,759
G19	58,199	69,839	77,599	85,359	96,999
G18	53,888	64,666	71,851	79,036	89,814
G17	49,897	59,876	66,529	73,182	83,161
G16	46,201	55,441	61,601	67,761	77,001
G15	42,778	51,334	57,038	62,741	71,297
G14	39,609	47,531	52,813	58,094	66,016
G13	37,018	44,422	49,358	54,293	61,697
G12	34,596	41,516	46,129	50,741	57,661
G11	32,333	38,800	43,111	47,422	53,889
G10	30,218	36,261	40,291	44,320	50,363
G09	28,241	33,889	37,655	41,420	47,068
G08	27,040	31,051	35,191	37,951	43,126
G07	27,040	29,020	32,889	35,468	38,693
G06	27,040	27,377	31,027	33,461	36,503

As an at-will employee, there is no guarantee of salary increases. All increases are subject to change at any time at the sole discretion of the City Manager and/or City Council, or as City compensation policies, programs, or practices are introduced, amended, or eliminated.

NOTE: Effective September 1, 2017, per Greensboro City Council resolution, all full-time and part-time benefitted City employees will be paid at a rate equal to or greater than \$13.00/hour (\$27,040 annualized) regardless of pay grade.



Compa-Ratio

- The relationship of the employee's salary to the Salary Grade Control Point
- Calculating the Compa-Ratio
 - Employee's Salary (ES)
 - Control Point (CP)
 - Compa-ratio (CR)

Grade	Range Minimum	Green ZoneMin	ControlPoint	Green Zone Max	Range Maximum
G13	37,018	44,422	49,358	54,293	61,697
G12	34,596	41,516	46,129	50,741	57,661
G11	32,333	38,800	43,111	47,422	53,889
G10	30,218	36,261	40,291	44,320	50,363
G09	28,241	33,889	37,655	41,420	47,068
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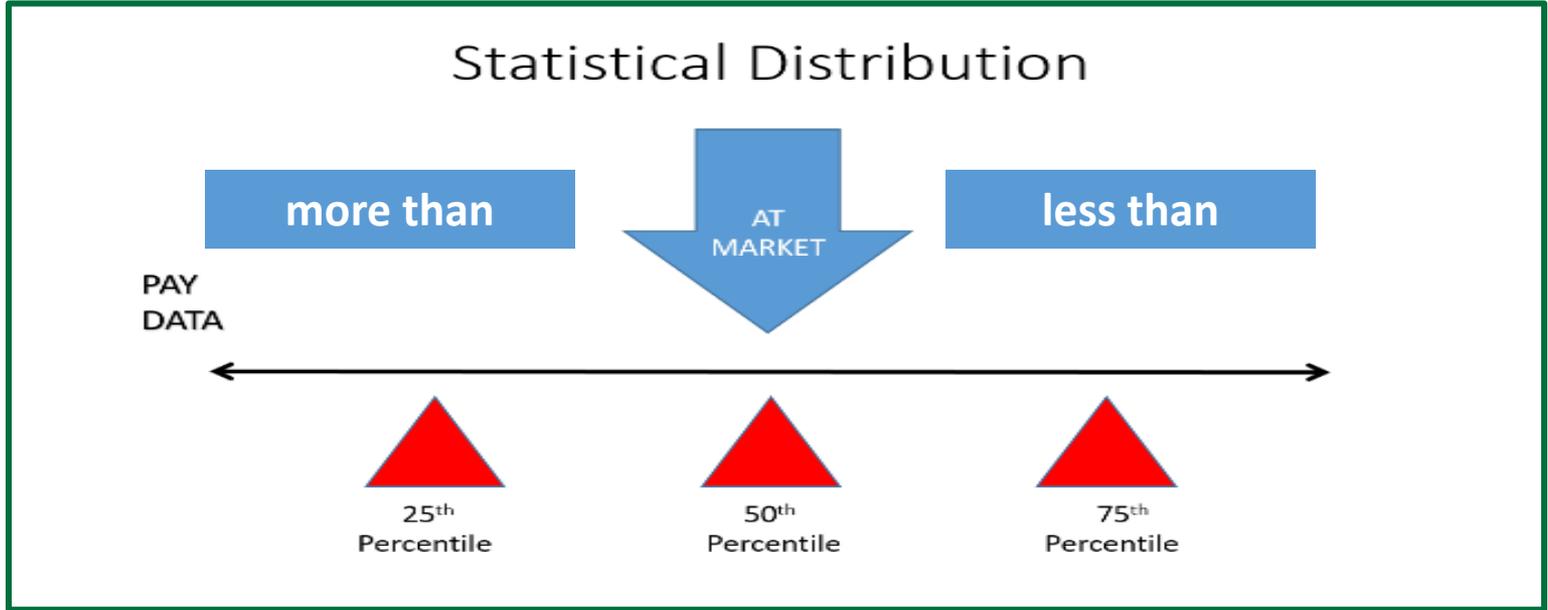
Examples:

$$\frac{\$40,000 \text{ (ES)}}{\$49,358 \text{ (CP)}} = .81 \text{ (CR)}$$

$$\frac{\$55,000 \text{ (ES)}}{\$49,358 \text{ (CP)}} = 1.11 \text{ (CR)}$$



50th Percentile



85% of companies target 50th percentile, World at Work (2015).

50th Percentile

What it IS NOT

Based on a single value

50% of the value of a job

Value of individual or
organizational performance

A qualitative measure
an option

What it IS

Based on a range of values

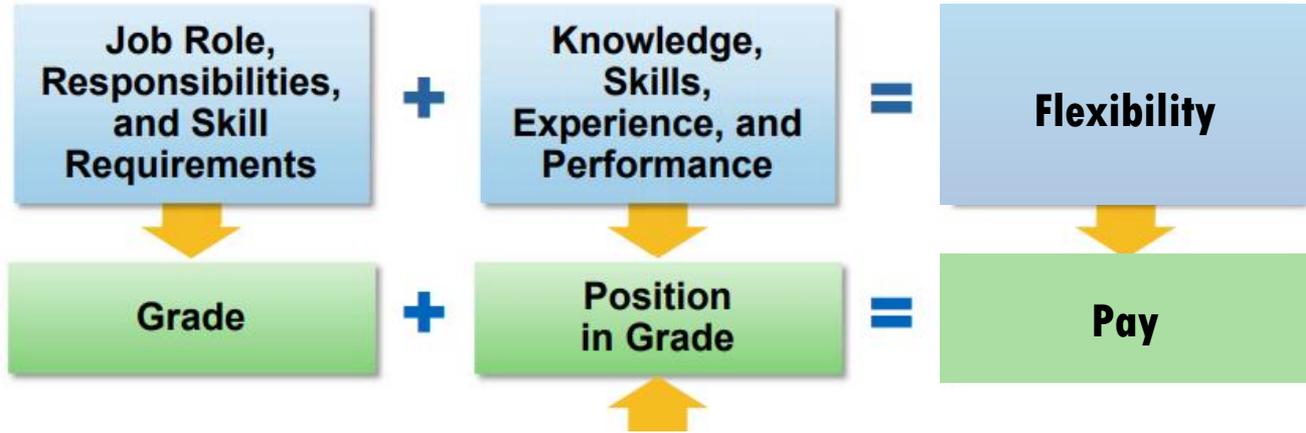
The “middle” of all the
possible pay values for a job

Value of job the City is willing
and able to pay

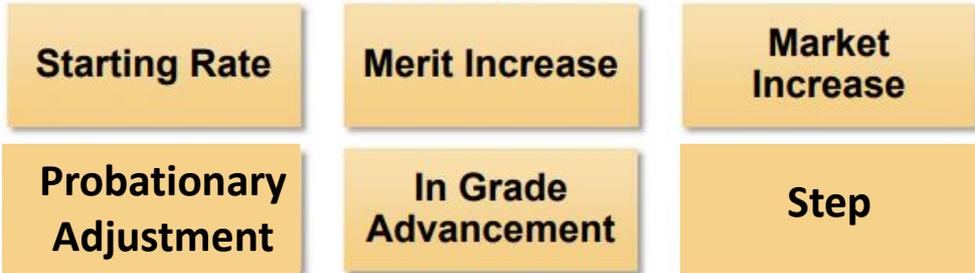
A quantitative measure
data based



Managing Pay for the Job & Individual



PAY DETERMINATES



How We're Doing

Our Compensation Philosophy:

- Provides opportunities to earn competitive pay (or higher) based on employee performance
- Attracts and retains the best employees
- Actions to stay competitive

Turnover

Municipality	2013	2014	2015	2016
Burlington	9.6%	14.2%	16.2%	18.9%
Charlotte	6.4%	7.3%	8.4%	7.9%
Durham	7.9%	na	11.0%	na
Greensboro	7.7%	8.5%	8.0%	6.5%
High Point	6.1%	7.9%	8.6%	8.3%
Winston-Salem	11.2%	9.0%	10.4%	9.6%
Average	8.2%	9.4%	10.4%	10.2%

Source: UNC Sch. Of Govt.

Total number of applications received FY16-17 (includes all Public Safety Departments)

26,979



Departmental Turnover FY16-17

Department	Voluntary-Resignation	Voluntary-Retirement	Total Voluntary	Involuntary	Total
Legislative	12.50%	12.50%	25.00%	0.00%	25.00%
Executive	0.00%	0.00%	0.00%	0.00%	0.00%
Human Relations	0.00%	0.00%	0.00%	0.00%	0.00%
Communications	0.00%	3.33%	3.33%	0.00%	3.33%
Human Resources	2.08%	0.00%	2.08%	0.00%	2.08%
Budget & Evaluation	0.00%	14.29%	14.29%	0.00%	14.29%
Information Technology	2.22%	0.00%	2.22%	0.00%	2.22%
Finance	3.33%	0.00%	3.33%	0.00%	3.33%
Office of Workforce Development	0.00%	50.00%	50.00%	0.00%	50.00%
Law	6.25%	6.25%	12.50%	6.25%	18.75%
Planning	0.00%	7.69%	7.69%	3.85%	11.54%
Neighborhood Development	0.00%	7.69%	7.69%	3.85%	11.54%
Police	5.80%	1.89%	7.69%	0.88%	8.58%
Guilford Metro 9-1-1	0.92%	0.00%	0.92%	1.83%	2.75%
Fire	0.52%	3.85%	4.37%	0.35%	4.72%
Field Operations	6.27%	0.90%	7.16%	4.18%	11.34%
Transportation	2.50%	3.75%	6.25%	1.25%	7.50%
Parks & Recreation	8.28%	6.21%	14.48%	2.07%	16.55%
Libraries	9.65%	3.51%	13.16%	0.88%	14.04%
Engineering & Inspections	8.92%	2.55%	11.46%	0.00%	11.46%
Water Resources	3.06%	3.36%	6.42%	2.45%	8.87%
War Memorial Coliseum Complex	1.39%	2.78%	4.17%	2.78%	6.94%
Total	4.26%	2.67%	6.93%	1.39%	8.31%

COG Compensation Goes Beyond Pay

Current cost of Benefits in addition to base pay is ~ 40%

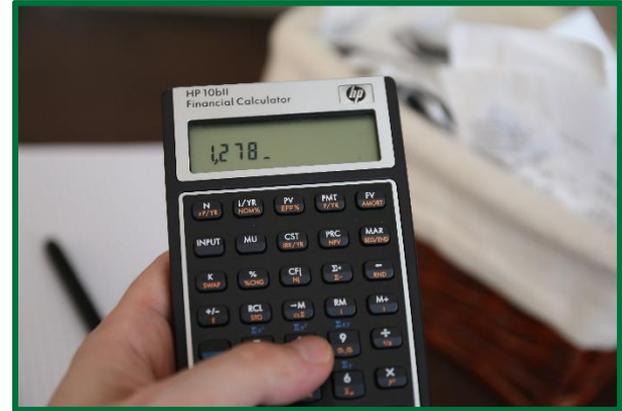
- Health & Dental Insurance Contribution
- Pension payment to NCLGERS & Deferred Compensation
- FICA (except GPD)
- Long Term Disability Basic Plan
- Life Insurance (Basic & Supplemental Dependent, if applicable)
- Above Market Leave Policies (Parental, Manager's)
- Service Bonus based on length of service– Budget Permitting
- Employee Referral Bonus – (GPD)
- Educational Incentives up to \$5k (GPD and GFD)
- Holiday Parity – 12 holidays per year



City's Total Comp Strategy Future

Continue to base strategy on industry standards and internal organizational objectives

- Continued Communications
- Reward Performance and Support Career Growth
- Review the Markets
- Review Possible Scenarios
 - Pay Philosophy Changes
 - Revisit Pay Structures (Merit & Step)
 - Revisit Market Selection
 - Revisit Market Placement for COG
 - Align Funding with Goals



50th Percentile & Its Application

However, the distribution of actual values isn't "even" from quartile to quartile....

Title	Avg Salary	Survey 25th	Survey 50th	Survey 75th	% Difference between 50 th and 75 th
Example A	\$79,501	\$73,887	\$79,375	\$94,316	18.82%
Example B	\$52,399	\$48,283	\$51,370	\$56,371	9.74%
Example C	\$45,329	\$44,886	\$45,387	\$46,848	3.22%



The Future of the City's Total Comp Philosophy

- Targeting salaries at the 50th percentile results in an annual payroll of \$139,045,144.
- Moving to the 75th percentile will increase the annual payroll by approximately \$15,166,785.



The Future of the City's Total Comp Philosophy

Moving to \$15 per hour minimum wage:

Employee Type	Effective Date	Hourly Rate	No. of Employees	Annualized Costs	FY Cost Impact
Roster	9.1.18	\$12.50	304	\$246,554	\$205,462
Roster	9.1.19	\$13.50	329	\$295,654	\$246,378
Roster	9.1.20	\$15.00	343	\$464,723	\$387,269
Full/Part-time Benefited	9.1.18	\$13.50	70	\$32,387	\$26,989
Full/Part-time Benefited	9.1.19	\$14.00	156	\$105,419	\$87,849.17
Full/Part-time Benefited	9.1.20	\$15.00	303	\$437,979	\$364,982.50
Roster	7.1.18	\$15.00	343	\$1,006,931	\$1,006,931
Full/Part-time Benefited	7.1.18	\$15.00	303	\$575,785	\$575,785



Questions ????

