



Joint Meeting

April 23, 2018

Public Comment Period

IV. Consideration of Market Adjustment and Merit Allocation for FY 2018-19

Market Adjustment and Merit Allocation

- The City & GUC annually review the competitive pay posture of the joint pay plan.
- The objective is to maintain an effective pay system that is:
 - Internally equitable and compatible
 - Competitive in relation to the external marketplace.
- Typically review best available information in order to make an informed decision:
 1. Salary surveys
 2. Public-sector benchmarks
 3. Local private employers

1. Wage Increases Projected by Surveys

Survey	Projected Wage Increase
Aon Hewitt	3.0%
Capital Associated Industries (CAI)*	2.5%
Hay Group	3.0%
Mercer	2.9%
Towers Watson	3.0%
WorldAtWork	3.0%

* COG & GUC have traditionally used CAI as the primary benchmark

* Last year the Committee recommended a 3.2% (Public Sector Projection) in lieu of CAI which was 2.7%.

Public Sector Benchmark Organizations / Local Private Employers

2. Public Sector Benchmark Organizations:

- Includes 26 Municipalities & Utilities
- FY2017-18 Average Pay Increase: 2.9% (24 responses)
- FY2018-19 Projected Pay Increase: 2.9% (18 responses)

3. Local Private Employers:

- Includes 14 Local Businesses
- FY2018-19 Projected Pay Increase: 3.2% (13 responses)

3-Year Pay Increases Compared to Market

FY	CAI	Public Sector	Private Sector	City / GUC	Cumulative Difference (CAI)	Cumulative Difference (Public)	Cumulative Difference (Private)
15/16	3.0%	2.5%	2.0%	2.0%	-1.0%	-0.5%	0.0%
16/17	2.7%	3.2%	3.05%	2.0%	-1.7%	-1.7%	-1.05%
17/18	2.7%	2.9%	2.9%	3.2%	-1.2%	-1.4%	-0.75%
18/19	2.5%	2.9%	3.2%	TBD	TBD	TBD	TBD

- * COG & GUC have traditionally used CAI as the primary benchmark
- * Last year the Committee recommended a 3.2% (Public Sector Projection) in lieu of CAI which was 2.7%.

SUMMARY

CAI	2.5%
Public Sector	2.9%
Private Sector	3.2%
Joint Pay/Benefits Committee Recommendation	2.9%

- * COG & GUC have traditionally used CAI as the primary benchmark
- * Last year the Committee recommended a 3.2% (Public Sector Projection) in lieu of CAI which was 2.7%.

Action Requested

Consideration of the recommendation of the Joint Pay and Benefits Committee to fund an employee pay adjustment of 2.9 % for FY 2018-2019, to be applied as each entity deems appropriate, in order to maintain market competitiveness.

V. Consideration of Salary Structure Adjustment for FY 2018-19

Salary Structure Adjustment

- As part of the 5-Year True-Up, Segal Waters' recommended that our salary structure should be reviewed annually to ensure that our structure remains competitive with the market.
- WorldAtWork projects salary structures to increase by 2.1% in 2018.
- City Council and the Board of Commissioners increased the salary structures by 2.1% last year (effective July 1, 2017).

Action Requested

Consideration of the recommendation of the Joint Pay and Benefits Committee to approve a 2.1% increase to Salary Structure for FY 2018-2019.

VI. Timeline for 10-Year Compensation Study

Timeline for 10-Year Compensation Study

2018	2019	2020
<p>Sept: HR Departments begin drafting RFP for consulting services</p> <p>Nov: Proposals due from qualified consultants</p> <p>Dec: Staff begins evaluation of proposals</p>	<p>Jan/Feb: Staff completes evaluation of proposals and interviews selected consultants</p> <p>March/April: Staff recommendation of selected consultant shared with Joint Pay & Benefits Committee and then presented to City Council and GUC Board of Commissioners for approval</p> <p>July: Study kick-off</p>	<p>March/April: Recommended changes to classification and compensation system shared with Joint Pay & Benefits Committee and then presented to City Council and GUC Board of Commissioners for approval</p> <p>July: Implementation of approved changes</p>

VII. Adjournment



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