



SHORELINE CITY COUNCIL WORKSHOP DINNER MEETING

Monday, October 12, 2015
5:45 p.m.

Conference Room 104 · Shoreline City Hall
17500 Midvale Avenue North

1. Call to Order 5:45 p.m.
2. 2015 Compensation and Classification Study Update 5:46 p.m.
3. Adjournment 6:45 p.m.

The Council meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at 801-2231 in advance for more information. For TTY service, call 546-0457. For up-to-date information on future agendas, call 801-2236 or see the web page at www.shorelinewa.gov. Council meetings are shown on Comcast Cable Services Channel 21 and Verizon Cable Services Channel 37 on Tuesdays at 12 noon and 8 p.m., and Wednesday through Sunday at 6 a.m., 12 noon and 8 p.m. Online Council meetings can also be viewed on the City's Web site at <http://shorelinewa.gov>.



Memorandum

DATE: October 5, 2015
TO: Shoreline City Councilmembers
FROM: Paula Itaoka, Human Resources Director
RE: 2015 Compensation and Classification Study – Consultant Report
CC: Debbie Tarry, City Manager
John Norris, Assistant City Manager

Background:

In early 2014, the City Council directed the City Manager to conduct a holistic review of the City's compensation plan in 2015 and subsequently provided direction on the scope of the study in September of 2014. Staff then conducted a request for proposal to engage a consulting firm to conduct the study, and Ralph Andersen and Associates was selected with Doug Johnson as the project manager. On March 23, Mr. Johnson attended a Council Dinner Meeting to facilitate a labor market discussion in advance of conducting the compensation study. Mr. Johnson subsequently recommended a set of survey agencies to the City Manager. On May 18, 2015, Mr. Johnson joined the Council to review the recommended survey agencies and discuss the continuation of the City's current policy of "Y-Rating".

The memos and staff reports for these previously held discussions can be found at the following links:

- [September 8, 2014 Dinner Meeting Memo](#)
- [March 23, 2015 Dinner Meeting Memo](#)
- [May 18, 2015 Council Staff Report](#)

Discussion:

Tonight, Mr. Johnson will provide an update to the Council on the study and further discuss the compensation component of the study. Specifically, he will:

- Provide a classification plan update;
- Discuss how compensation plans are developed;
- Provide an overview of labor market surveys and compensation policies that need to be addressed;
- Review the labor market selection criteria used by the Council to determine the City's comparable agencies back in May of this year;
- Provide an overview of the preliminary market results at an organization-wide (not by position) perspective;

- Discuss how job evaluation occurs;
- Discuss how salary setting occurs based on the blending of the market survey results and job evaluation, with the starting point of the methodology being the market results;
- Discuss implementation scenarios of the study; and
- Discuss next steps of the study.

Ralph Anderson and Associates has preliminarily calculated that the City's cumulative base compensation is 2.5% below our comparable labor market if the median is used as the market position in the study. While the policy question of market position has not yet been answered (see below), Mr. Johnson is using this position as a placeholder as it is the City's current policy. Also, additional review of position comparison and job evaluation has to be completed prior to finalizing the market comparisons, but the initial information gives a baseline to compare the City's current compensation to market.

Mr. Johnson will also ask the Council policy questions regarding the market position to use in the study, and how implementation should occur. These policy questions are noted below:

- *Market Position* – What should the labor market position be that the City use in the study to determine whether the City is within the market on compensation? Currently, the City uses the median of the market as its market position. Staff recommends that the Council continue to use the median as the City's market position in the study.
- *Implementation* – When implementing the study, if a new salary range occurs for an employee, should the 'employment step' the employee is on be moved to the new step nearest to the dollar amount of the old step range, or should the step be adjusted so that it stays the same? Staff recommends that the Council use the 'nearest dollar' methodology for employment steps when implementing new salary ranges in the study.