

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF WORKSHOP DINNER MEETING

Monday, October 12, 2015

Conference Room 104 - Shoreline City Hall
17500 Midvale Avenue North

5:45 p.m.

PRESENT: Deputy Mayor Eggen, Councilmembers McGlashan, Hall, McConnell, Salomon, and Roberts

ABSENT: Mayor Winstead

STAFF: Debbie Tarry, City Manager; John Norris, Assistant City Manager; Bonita Roznos, Deputy City Clerk

GUESTS: Doug Johnson, Vice President, Ralph Andersen & Associates

At 5:51 p.m., the meeting was called to order by Deputy Mayor Eggen.

Doug Johnson, Vice President of Ralph Andersen & Associates, shared that the formal review of the Classification Study is complete. He stated that there were some job title changes requested by employees and that they will be reviewed by Senior Leadership. He said he will be providing a Classification and Compensation Study Update to employees tomorrow and that he anticipates having the final draft report completed by the end of the month or early November.

Mr. Johnson described Pay Plan Development components and said the next steps in the process include a Market Comparative Analysis and an Internal Equity Analysis. He said that the Internal Equity Review consist of job evaluation, and salary setting methodology. He recalled the Labor Market Selection Criteria and Surveyed Agencies, and provided a Market Summary for 67 positions. He advised Council that the Survey was adjusted for the roles and responsibilities for the City of Shoreline's management positions. He reported that the City's cumulative base compensation is roughly 2.7% below Shoreline's comparable labor market.

Mr. Johnson requested Council's direction regarding the labor market position the City should use in the analysis to determine whether the City is within the market on compensation. Ms. Tarry shared that the City currently uses the median as its market position and recommended that the Council continue to use it in the Study.

Mr. Johnson requested direction regarding implementation policy for the new salary range, and asked if the employment step should be the new step nearest to the dollar amount of the old range, or if it should be adjusted so that it stays the same. He then provided a Total Compensation Summary and said that the overall loss in cash benefits is less than 3%, and therefore not significant. They mentioned the 2% Well City Benefit for Health insurance and

commented that it is not captured in the data. Ms. Tarry responded that other comparable Cities also receive this benefit. She reminded Council that the Association of Washington Cities will be evaluating insurance benefits in 2018 due to the Cadillac Tax to be imposed in 2018 and anticipates an increase in the cost of benefits for employees and employers. She said there will be an explanation regarding the 3% differential between base salary and base + cash + insurance. She explained that she wants to avoid minimalizing the feeling of the employees about this issue. Mr. Norris added that the employees were involved in previous benefit discussions and said he does not anticipate this to be a big problem.

Councilmembers discussed the merits of longevity pay and the City's Y Rating Policy. Mr. Johnson responded that most cities do not offer longevity pay and that the Y Rating was used in the Study. Ms. Tarry commented that longevity pay is typically provided in unionized settings and to meet growth needs of the organization. She recognized that, given the size of Shoreline, some employees may have to go elsewhere to pursue their long range career goals. Mr. Norris emphasized the importance of creating a culture where employees want to come to work. Councilmembers asked about measuring work intangibles not captured by the data and adjusting compensation accordingly. Mr. Johnson shared that the intangibles showed through in the interviews and said employees expressed that they want to come to work.

Councilmembers asked about the difference between private and public labor markets. Mr. Johnson responded that the private market allows for individualized personal wages. Councilmembers commented on their fiscal responsibility to Shoreline taxpayers and being unable to justify recommending a market position higher than the median. They commented that previous Compensation Policy adjusts for salaries in the range of +5% or -5%.

Councilmembers generally supported using the median as the City's market position in the Study, but also requested that the 45th percentile and 55th percentile also be studied. They asked what the potential cost to the City is to accommodate a new salary schedule and questioned the ability to financially maintain a new classification structure. They discussed the need to implement a revenue stream to support it and the 10 Year Financial Sustainability Plan. Ms. Tarry responded that a \$200,000 budget contingency has been included in the 2016 Budget and stated that she is not sure if is too much or too little.

At 6:53 p.m. the meeting was adjourned.

Bonita Roznos, Deputy City Clerk