

Compensation Planning

Non-union Compensation 2017

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 - Pay Scale consolidation
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 - Descriptions and Pay Ranges for County Attorney, Public Defender and Court employees
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Pay Scale Consolidation

- Issues with the current system
 - Overlapping grades on separate scales
 - Staff and supervisors making a similar amount even on separate scales
- Recommended as an area to correct in Fox Lawson Study from 2009

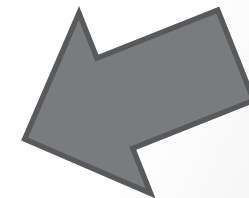
Range Grade Overlap

Less than 10%
difference

More than 10%
difference

Grade	Min	Mid	Max	% increase Min to Min	% increase Max to Max
A1 / R	99,951	133,271	166,589	11.63%	11.64%
A2 / R	89,535	119,381	149,225	11.55%	11.55%
A3 / R	80,264	107,018	133,771	3.41%	14.84%
M1M / R	77,620	97,055	116,489	7.78%	-2.95%
A4 / R	72,018	96,025	120,033	2.44%	13.88%
M2M / R	70,301	87,853	105,404	8.77%	-2.15%
A5 / R	64,635	86,181	107,725	1.58%	12.81%
M3M / R	63,631	79,563	95,495	10.50%	10.53%
M4M / R	57,585	71,993	86,401	10.40%	10.49%
M5M / R	52,162	65,179	78,196	10.35%	10.25%
M6M / R	47,268	59,097	70,925	10.31%	10.22%
M7M / R	42,852	53,602	64,351	4.62%	16.15%
G3M / R	40,958	48,180	55,401	10.92%	10.96%
G4M / R	36,926	43,429	49,931	10.56%	10.63%
G5M / R	33,400	39,266	45,132		

Grades in the
box will convert
to hourly on
12/1/16



Step Hourly Grade Overlap

Less than
10%
difference

More than
10%
difference

Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	% increase Min to Min	% increase Max to Max
M1H	32.32	33.46	34.63	36.93	39.25	41.57	43.89	46.16	48.70	10.46%	10.41%
M2H	29.26	30.31	31.36	33.43	35.51	37.63	39.68	41.79	44.11	10.42%	10.50%
M3H	26.50	27.44	28.37	30.25	32.17	34.05	35.94	37.82	39.92	10.60%	10.52%
M4H	23.96	24.81	25.70	27.39	29.08	30.83	32.52	34.25	36.12	10.41%	10.42%
M5H	21.70	22.51	23.24	24.79	26.35	27.89	29.46	31.02	32.71	3.24%	14.45%
G1H	21.02	21.58	22.11	23.15	24.22	25.29	26.34	27.39	28.58	6.86%	-3.67%
M6H	19.67	20.37	21.05	22.51	23.89	25.30	26.69	28.10	29.67	3.80%	15.27%
G2H	18.95	19.41	19.88	20.84	21.80	22.74	23.71	24.67	25.74	6.16%	-4.13%
M7H	17.85	18.48	19.12	20.38	21.67	22.95	24.22	25.46	26.85	4.75%	15.83%
G3H	17.04	17.46	17.90	18.73	19.62	20.48	21.35	22.18	23.18	10.94%	11.07%
G4H	15.36	15.79	16.14	16.92	17.68	18.47	19.25	20.02	20.87	10.74%	10.77%
G5H	13.87	14.23	14.59	15.27	15.98	16.67	17.39	18.10	18.84	10.69%	10.24%
G6H	12.53	12.88	13.20	13.82	14.49	15.09	15.71	16.37	17.09	10.20%	10.69%
G7H	11.37	11.67	11.94	12.50	13.08	13.67	14.24	14.82	15.44	10.28%	10.36%
G8H	10.31	10.56	10.78	11.34	11.85	12.40	12.89	13.43	13.99	10.74%	10.68%
G9H	9.31	9.56	9.81	10.25	10.72	11.21	11.68	12.14	12.64		

Proposed Nonunion Salary Structure

- Currently 48 pay scales
- Consolidated to 28 pay scales
 - Equivalent non exempt grades can be easily calculated if needed
- Mathematically consistent across the grades
- No choosing the correct structure that a job fits in – G, M or A
- Easy to determine if staff are close to supervisor's pay scale
- Can easily apply a market based adjustment to a job because of the linear grade structure

(Pay Scales on next slide have a 3% increase over 2016)

Grade	Min / Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Max / Step 9	Approx. Grade Equivalent
4MR	119,615				144,114				180,143	
5MR	110,754				133,439				166,799	
6MR	102,550				123,555				154,443	
7MR	94,954				114,402				143,003	A1
8MR	87,920				105,928				132,410	A2
9MR	81,408				98,082				122,602	A3
9HR	39.14				49.04				58.95	
10MR	75,468				90,816				113,520	A4
10HR	36.29				43.66				54.58	
11MS	5,770	5,974	6,183	6,593	7,007	7,422	7,836	8,241	8,695	M1
11HS	33.29	34.46	35.67	38.04	40.43	42.82	45.21	47.54	50.16	
12MS	5,224	5,411	5,599	5,968	6,340	6,718	7,084	7,461	7,875	M2
12HS	30.14	31.22	32.30	34.43	36.58	38.76	40.87	43.04	45.43	
13MS	4,731	4,899	5,065	5,401	5,743	6,079	6,416	6,752	7,127	M3
13HS	27.30	28.26	29.22	31.16	33.14	35.07	37.02	38.95	41.12	
14MS	4,278	4,429	4,588	4,890	5,192	5,504	5,806	6,115	6,449	M4
14HS	24.68	25.55	26.47	28.21	29.95	31.75	33.50	35.28	37.20	
15HS	22.35	23.19	23.94	25.53	27.14	28.73	30.34	31.95	33.69	M5/G1
16HS	20.26	20.98	21.68	23.19	24.61	26.06	27.49	28.94	30.56	M6/G2
17HS	18.39	19.03	19.69	20.99	22.32	23.64	24.95	26.22	27.66	M7/G3
18HS	16.68	17.26	17.86	19.04	20.24	21.44	22.63	23.78	25.08	G4
19HS	15.12	15.66	16.20	17.27	18.36	19.45	20.52	21.57	22.75	G5
20HS	13.72	14.20	14.69	15.66	16.65	17.64	18.61	19.57	20.63	G6
21HS	12.44	12.88	13.33	14.21	15.11	16.00	16.88	17.75	18.72	G7
22HS	11.29	11.68	12.09	12.88	13.70	14.51	15.31	16.10	16.98	G8

Pay Scale Consolation

- Cost
 - Cost to implement for 2017
- All non union positions have been regraded
 - Grades for each position have increased AND decreased
 - We won't reduce individuals pay as a result

Employee Movement Type	Cost	# of Employees	Average Increase
Range to Step	\$77,072	39	\$1,976
Step to Step	\$176,529	143	\$1,235
Range To Range	\$23,751	63	\$377
	\$277,352		

Grade Movement	Count of Jobs
Grade Increased	122
Grade Decreased	73
No Change	46

Compensation Structure for County Attorney's Office

- Draft descriptions have been updated and formatted similar to the Civil Service Descriptions
- A matrix increase proposal has been created and updated
 - County Attorney's office is reviewing materials
- Left to do
 - Determine pay ranges for the positions
 - May complete a market/comparable salary study
 - Finalize matrix increase
 - Finalize descriptions

EMPLOYEE PAY ISSUES

Over Range Maximum Employees

Current

- 18 total employees
- 16 non-union
 - Union employees are not reflected in this table
 - 4 employees have been hired above maximum because of market conditions for many years (Pharmacists – Table includes over max total of \$105,943)

Department	EE Count Over	Over Max \$
County Clerk	3	\$11,454
Election Commissioner	1	\$5,325
Engineer	1	\$4,160
Health Center	5	\$111,661
CMHC	1	\$17,927
Treasurer	1	\$4,596
Total	16	\$155,147

Over Range Maximum Employees

Using New Pay Scales

- 82 total employees
- Annual cost is \$533,842 more than if paid at the range max
 - Cost with Pharmacists removed – \$457,214
- Options for over max treatment under HR Recommendations

Department	EE Count Over	Amount Over
Administrative Offices	1	\$894.40
Assessor/Register of Deeds	1	\$14,393.60
Community Services	3	\$7,196.80
Correction System	1	\$894.40
County Clerk	4	\$25,086.52
Do/Co Extension Service	6	\$32,258.79
Election Commissioner	2	\$11,523.20
Engineer	10	\$167,544.00
Environmental Services	8	\$31,865.60
Geog Info Systems (GIS)	3	\$3,486.04
Health Center	17	\$144,207.80
Health Department	1	\$1,372.80
Juvenile Assessment Center	2	\$3,827.20
Long Term Mental Health	13	\$52,987.36
Public Property	1	\$6,219.20
Sheriff	6	\$22,734.40
Treasurer	1	\$5,665.20
Youth Center	2	\$1,684.80
Total	82	\$533,842.11

FLSA Changes – 12/1/16

- Lawsuit filed challenging the FLSA changes
 - HR professional organizations advise to plan to make the changes
- Memos have gone to departments affected by the change
- Plan is for change to happen on 10/23/16 for Arrears payroll and 11/6/16 for Current payroll with a pay date of 11/18/16
 - This is the latest date for the change before a December 2nd pay date

Fox Lawson

- Key Points identified in the study
 - Salary ranges overall 8.8% above market – HR recommends 5% to be competitive
 - Pay grade compression issues – HR recommendation to consolidate scales as previously outlined
 - Pay compression issues because of disparate treatment in pay practices – HR recommendation to increase range job percentages to move them within the range
 - Market premium rates for difficult to fill, specialized or market driven compensation positions
 - Formalize pay relationships between supervisors and staff – New pay scales and revised grading criteria should alleviate compression issues

Nonunion Pay Increases

- Increase percentage and individual pay rate
 - The two are connected but not necessarily dependent on the other
 - Trying to fix increase inequity with range grade employees
 - Individual pay rate is based on many factors
 - Pay scale increase is a single comparable value from union contracts
 - Nonunion scales have to be adjusted every year to keep pace with union groups

Nonunion Increase

Data for an increase utilizing the same methodology as last year

	3% Increase	1% Increase	Employee Count	Average Increase
Step Employees	\$326,435	\$112,383	209	\$2,100
Range Employees	\$318,773	\$109,423	118	\$3,629
Total	\$645,207	\$221,806	327	
	Nonunion Total	\$867,013		

	Full time	Part time	Part time < 20 hours
Step Employees	176	14	19
Range Employees	111	7	0

Legal/Court Employees

	3% Increase	1% Increase	Total	Employee Count
County Attorney	\$197,416	\$65,812	\$263,229	105
Public Defender	\$133,579	\$44,547	\$178,126	72
District Courts	\$77,709	\$25,908	\$103,617	45
Juvenile Court	\$25,680	\$8,574	\$34,253	16

- Data for an increase utilizing the same methodology as last year

Historical Increase Disparity

Group/ Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Average Union Increase	2.9%	2.9%	3.8%	1.8%	1.8%	2.1%	2.2%	2.2%	2.6%	3.0%
Non-union Increase	2.0% 5.0%	3.0% 4.0%	2.0% 3.5%	1.0% 2.0%	1.0%	1.0%	2.0%	2.5%	3.0% + 1.0%	3.0% + 1.0%
Cumulative Disparity	-0.9%	-0.8%	-2.8%	-3.7%	-4.7%	-6.0%	-6.4%	-6.2%	-4.7%	-3.6%

This chart reflects the annual salary increase amounts of the union and non-union groups and the resulting disparity that developed over time.

Range and Step Projected Increases

Group/ Year	2017	2018	2019	2020
Average Union Pay Scale Increase	3.2%	3.0%	3.0%	3.0%
Average Union Annual Step Increase	4.3%	4.3%	4.3%	4.3%
Total Average Union Step Increase	7.5%	7.3%	7.3%	7.3%
Total Average Non-union Range Increase	4.0%	3.0%	3.0%	3.0%
Range - Union Step Grade Disparity	-3.5%	-4.3%	-4.3%	-4.3%

- Non-union range grades compared to union step grades
- The disparity is compounded annually by the increase to both the pay scale and step increases
- This increase disparity doesn't ever go away because of new people starting at the beginning of the range when others who are at the max leave

*includes departmental salary adjustments

**assumes a 3% increase to pay scales and wages

Range and Step Projected Increases

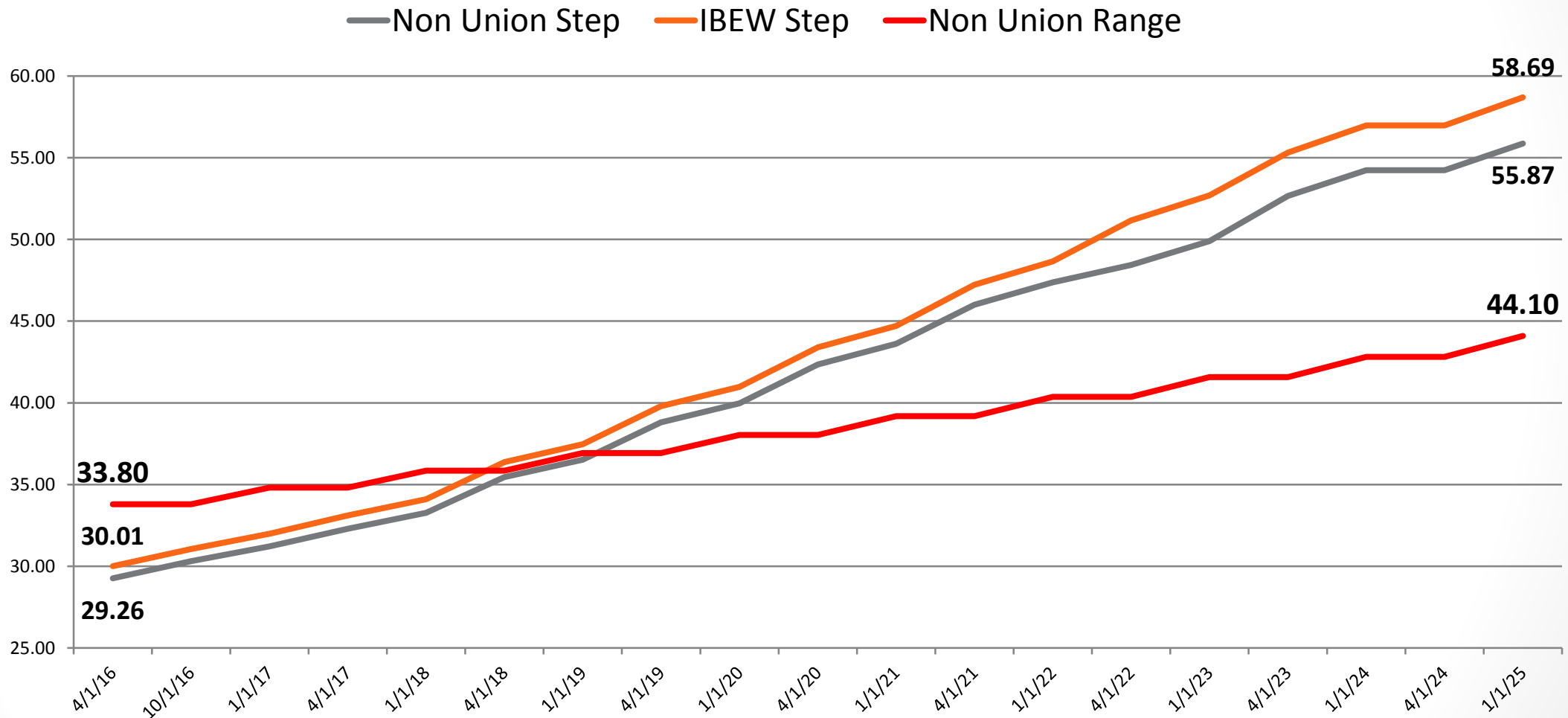
Group/ Year	2017	2018	2019	2020
Average Non-union Pay Scale Increase	4.0%	3.0%	3.0%	3.0%
Average Non-union Annual Step Increase	4.6%	4.6%	4.6%	4.6%
Total Average Non-union Step Increase	8.6%	7.6%	7.6%	7.6%
Total Average Non-union Range Increase	4.3%	3.3%	3.3%	3.3%
Range - Non-union Step Grade Disparity	-4.3%	-4.3%	-4.3%	-4.3%

- Non-union range grades compared to non-union step grades
- The disparity is compounded annually by the increase to both the pay scale and step increases
- This increase disparity doesn't ever go away because of new people starting at the beginning of the range when others who are at the max leave

*includes departmental salary adjustments

**assumes a 3% increase to pay scales and wages

Range – Step Disparity Illustrated



Range – Step Disparity Illustrated

Date	Non Union Step M2H/S	Non Union Range M2M/R	Annual Difference Range/Step	Cumulative
4/1/16	\$29.26	\$33.80	\$9,443	\$9,443
10/1/16	\$30.31	\$33.80	\$7,259	\$16,702
1/1/17	\$31.22	\$34.81	\$7,467	\$24,170
4/1/17	\$32.30	\$34.81	\$5,221	\$29,390
1/1/18	\$33.27	\$35.85	\$5,366	\$34,757
4/1/18	\$35.46	\$35.85	\$811	\$35,568
1/1/19	\$36.52	\$36.93	\$853	\$36,421
4/1/19	\$38.81	\$36.93	-\$3,910	\$32,510
1/1/20	\$39.97	\$38.04	-\$4,014	\$28,496
4/1/20	\$42.35	\$38.04	-\$8,965	\$19,531
1/1/21	\$43.62	\$39.18	-\$9,235	\$10,296
4/1/21	\$46.00	\$39.18	-\$14,186	-\$3,890
1/1/22	\$47.38	\$40.36	-\$14,602	-\$18,491
4/1/22	\$48.44	\$40.36	-\$16,806	-\$35,298
1/1/23	\$49.89	\$41.57	-\$17,306	-\$52,603
4/1/23	\$52.66	\$41.57	-\$23,067	-\$75,670
1/1/24	\$54.24	\$42.82	-\$23,754	-\$99,424
4/1/24	\$54.24	\$42.82	-\$23,754	-\$123,178
1/1/25	\$55.87	\$44.10	-\$24,482	-\$147,659

Range – Step Disparity Illustrated

Date	IBEW Step S2H	Non Union Range M2M/R	Annual Difference Range/IBEW Step	Cumulative
4/1/16	\$30.01	\$33.80	\$7,883	\$9,443
10/1/16	\$31.06	\$33.80	\$5,699	\$15,142
1/1/17	\$31.99	\$34.81	\$5,866	\$21,008
4/1/17	\$33.11	\$34.81	\$3,536	\$24,544
1/1/18	\$34.10	\$35.85	\$3,640	\$28,184
4/1/18	\$36.37	\$35.85	-\$1,082	\$27,102
1/1/19	\$37.46	\$36.93	-\$1,102	\$26,000
4/1/19	\$39.79	\$36.93	-\$5,949	\$20,051
1/1/20	\$40.98	\$38.04	-\$6,115	\$13,936
4/1/20	\$43.40	\$38.04	-\$11,149	\$2,787
1/1/21	\$44.70	\$39.18	-\$11,482	-\$8,694
4/1/21	\$47.23	\$39.18	-\$16,744	-\$25,438
1/1/22	\$48.65	\$40.36	-\$17,243	-\$42,682
4/1/22	\$51.16	\$40.36	-\$22,464	-\$65,146
1/1/23	\$52.69	\$41.57	-\$23,130	-\$88,275
4/1/23	\$55.32	\$41.57	-\$28,600	-\$116,875
1/1/24	\$56.98	\$42.82	-\$29,453	-\$146,328
4/1/24	\$56.98	\$42.82	-\$29,453	-\$175,781
1/1/25	\$58.69	\$44.10	-\$30,347	-\$206,128

Conclusion

- Union contracted employees are receiving
 - Step 4.2% average
 - Scale adjustments 3% average
- Nonunion step employees
 - Step 4.6%
 - Scale adjustment 3%
 - Have received additional 1% equity adjustment the last 2 years
- Nonunion Range employee
 - Step 0%
 - Scale adjustment 3%
 - Have received additional 1% equity adjustment the last 2 years

Comparable Jobs Analysis

- Review of common jobs with other comparable counties
- The same methodology as is used for union groups
- Counties Used
 - Jackson, MO
 - Davidson, TN
 - Ramsey, MN
 - Johnson, KS
 - Sedgwick, KS

Comparable Range Jobs Analysis

Douglas CO Title	Average Midpoint	Current Midpoint	Difference	Proposed Midpoint	Proposed Difference
Benefits Administration Manager	\$77,563	\$79,563	2.6%	\$86,789	11.9%
Chief Administrative Officer (CAO)	\$150,973	\$133,270	-11.7%	\$149,879	-0.7%
Deputy County Administrator	\$137,009	\$119,380	-12.9%	\$138,777	1.3%
Director CMHC	\$122,033	\$96,026	-21.3%	\$128,497	5.3%
Director Corrections	\$117,293	\$119,380	1.8%	\$138,777	18.3%
Director Emergency Communications	\$113,914	\$119,380	4.8%	\$144,970	27.3%
Director of Budget and Finance	\$124,336	\$96,026	-22.8%	\$118,979	-4.3%

Comparable Range Jobs Analysis

Douglas CO Title	Average Midpoint	Current Midpoint	Difference	Proposed Midpoint	Proposed Difference
Director Public Property	\$93,846	\$96,026	2.3%	\$118,979	26.8%
Emergency Management Director	\$80,756	\$96,026	18.9%	\$110,165	36.4%
GIS Coordinator	\$95,872	\$97,055	1.2%	\$110,165	14.9%
Health Department Director	\$102,854	\$119,380	16.1%	\$138,777	34.9%
Human Resources Director	\$121,207	\$119,380	-1.5%	\$128,497	6.0%
Payroll Admin	\$66,301	\$87,853	32.5%	\$86,789	30.9%
Purchasing Agent	\$98,282	\$96,026	-2.3%	\$128,497	30.7%
Youth Center Superintendent	\$96,400	\$107,018	11.0%	\$128,497	33.3%

HR Recommendations

- Mechanism to progress employees through range grades
- Salary Increases
- Pay Scale Consolidation as part of Strategic Planning
- Salary treatment for those above the range max

HR Recommendations

- Establish a mechanism to move Range employees through the pay scale
 - Initially can be based on Compa-ratio
 - Increase amount is reduced as progression through pay scale
 - Long term solution is Pay for Performance
 - Start with departments under the purview of the County Commissioners
 - Future matrix would have a larger increase percentage

Proposed Initial Increase Matrix

Compa-ratio		Percentage Increase
0.70	0.79	1.25%
0.80	0.89	1.00%
0.90	0.99	0.75%
1.00	1.09	0.50%
1.10	1.25	0.25%
1.25	and above	0.00%

7 employees between .70 & .79

Human Resources Recommendations

Pay Scale Consolidation Cost

Employee Group	Total
Move employees to new scales	\$277,352
Increase those on a Range grade 3%	\$193,683*
Matrix increase for Range grade	\$48,915
Increase those on a Step grade 3%	\$301,386*
Total	\$821,336
1% Lump Sum for over range max	\$50,174
Total with Lump Sum	\$871,510

3% + 1% Non-union increase

Nonunion Total with flat 3% + 1% increase for all non-union employees	\$867,013
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* “Fixed” cost of 3% increase

Human Resources Recommendations

Over Max Employees

- Lump sum payment (1% - 3% of annual salary is typical) in lieu of a pay rate increase
 - 1% Lump Sum = \$50,173
 - 2% Lump Sum = \$100,347
 - 3% Lump Sum = \$150,250
- 2 other options
 - No increase until pay scale catches up with pay rate
 - Apply same increase as others with them continually above the range max

QUESTIONS?