



CITY COUNCIL AGENDA ITEM STAFF REPORT

MEETING DATE:	July 24, 2017
TITLE:	Positional Classifications and Salary Ranges
DEPARTMENT:	Administration
PROJECT MANAGER:	Stacey O'Brien, Human Resources Coordinator, Mitchell Bair, AICP, City Manager/Economic Development Director
REQUESTED ACTION:	Discussion
STRATEGIC PLAN GOAL(S):	Goal 6: "Customer Focused Superior Services", and Goal #7: "Financial Stewardship & Sustainability"
ATTACHMENTS:	Proposed Positional Classifications and Salary Range Exhibit

EXECUTIVE SUMMARY:

The City of Collinsville's Classification and Compensation Program will apply to all City employees, except those employees governed by a valid collective bargaining agreement. Implementation of this system allows the City to:

- ✓ Assure internally equitable and externally competitive rates of pay to employees
- ✓ Provide a means for planning and controlling direct payroll costs
- ✓ Maintain efficient administrative procedures
- ✓ Ensure compliance with applicable laws and regulations

BACKGROUND & HISTORY:

Currently the City implements a very specific salary ordinance that permits zero flexibility regarding compensation. This ordinance hampers the professional and contemporary management of operations and unnecessarily adds needless and inefficient steps to the recruitment and hiring process. The current approach offers little flexibility when adjusting salary's in consideration of experience. The perceived impacts result in both under and over compensation; there are instances where the salary is set too high for someone absent inexperience and set too low based on experience. It can be set too high as it reflects the current salary of the person in that specific position which when considering a tenured employee may be too high for a potential employee absent a commensurate level of experience. Further the amendment of this ordinance requires consideration and adoption of the City Council which delays the hiring process as potential employees delay giving notice to their current employer until ordinance passage by the City Council.

The City until 2013 functioned under a salary range system that eliminated these issues. In 2013 an antiquated system was adopted which limited operations and restricted the ability to attract and retain talent under a regressive city management system. After reorganizational efforts spanning from 2015 to date (which is still ongoing and evolving) changing this system to reflect a professional and progressive approach is warranted.

STAFF REVIEW & ANALYSIS:

A system that professionally classifies positions as well as provides a compensation range is necessary and needed to both attract and retain talent. This is critical for the City to be a competitive and preferred place to work. This approach identifies

and defines positions and classifies them into groupings based on common roles and responsibilities. The ranges for a salary is based upon a survey of data obtained from the Bureau of Labor Relations (BLR) and are correlated to the St. Louis Metropolitan Statistical Area (MSA). It is recommended that these ranges be reviewed and amended on an annual basis to maintain market competitiveness. As a result of these reviews, the ranges may be adjusted; however, employees will not receive individual pay increases as a result of salary range adjustments.

Staff is recommending that the City's compensation plan have fewer layers and range structures than a traditional structure – no typical governmental multi-grades or steps – with seven levels. Level one is considered Entry Level. We recommend that the salary ranges are from 30% to 45%, based on the level. It is common that top salary grades have a wider range and that the lowest salary grades have the narrowest ranges. The recommended ranges are as follows:

30% range for level one:

- ✓ Maximum = Midpoint x 1.15
- ✓ Minimum = Midpoint x 0.85

35% range for levels two and three:

- ✓ Maximum = Midpoint x 1.20
- ✓ Minimum = Midpoint x 0.85

40% range for levels four through seven:

- ✓ Maximum = Midpoint x 1.25
- ✓ Minimum = Midpoint x 0.85

Pay ranges will usually overlap. The more overlap, the more cost-effective it will be for career progression; less overlap will require a larger pay increase for promotions. A new employee with no experience is typically hired at the job range minimum. However, new hires often have experience performing the same or similar duties at other organizations and need to be paid more than the range minimum, both for competitive and pay equity reasons. Managers determine individual employee salaries within these ranges, based on experience and performance, with final approval of the City Manager. We recommend establishing a hiring range from the minimum up to 75% of the salary range for the job as being within the discretionary powers of the City Manager. Any employee hired in at a higher level than 75% of the range would require City Council authorization.

Classification standards separate job classifications from each other. Classification is based on the primary duties and responsibilities of a position that an employee normally performs on a daily basis. Classification is not based on incidental duties, an employee's qualifications or performance, or temporary assignments. The following standards will be used in consideration of assigning a position to classification level:

- ✓ Autonomy: The degree to which management defines assignments to the employee.
- ✓ Complexity: The level of necessary skill, competence, or proficiency to perform the essential functions of the position.
- ✓ Discretion: The degree to which the position utilizes standard guidelines.
- ✓ Education: The knowledge acquired by an individual after studying particular subject matters.
- ✓ Experience: The familiarity with a skill or field of knowledge acquired over months or years of actual practice.
- ✓ Impact of Action: The degree to which the position exercises latitude for independent action.
- ✓ Problem Resolution: The degree to which the position analyzes a situation and forms a solution.
- ✓ Security: The degree to which the position has primary duties that identify and protect information, personnel, property, facilities, operations, or material.
- ✓ Supervisory Authority: The degree to which the position is entrusted with authority over staff and budgets.

When referring to the draft Positional Classification and Salary Ranges the level increases (the number gets larger) in a manner commensurate with the higher level of the above mentioned criterion. The higher the number the greater the responsibilities and expectations for the position.

FINANCIAL IMPACT:

It is estimated that this impact is financially neutral as no salaries are recommended to be adjusted at this time based on adoption and implementation of this system. Future actions would fall within the approved budget and should have minimal, if any, implications.

ALTERNATIVES:

The alternative is to maintain the current salary ordinance that limits flexibility and is regressive by nature.

PROS & CONS:

Failure to enact this system limits the ability of staff to conduct operations effectively and efficiently. Adopting this recommended approach improves the effectiveness and efficiency of City operations and enhances the recruitment abilities of the City as a preferred place to work.

RECOMMENDATION:

Discussion and direction from the City Council.

CONCLUSION:

Staff is recommending discussion of the proposed positional classification system and associated salary ranges and requests direction in moving advancing this item as an item to be carried under "New Business" at the August 14th City Council meeting.