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To: Board of Commissioners
From: Amy Jewell/Sarah Reeves
RE: Salary & Benefits review for CSWD
Date: Thursday, June 17, 2021

CSWD issued a Request for Proposal for a Competitive Salary and Benefits Study in March 2021. The scope of the RFP included conducting a comprehensive wage/salary and benefits market study for the purpose of ensuring that CSWD's pay plans and pay structures possess external equity and labor market competitiveness. Survey data was requested for similar public and private organizations within similar labor markets. The RFP included evaluating each job description and CSWD's current Pay Grade & Step Schedule to determine the appropriateness of the current pay ranges by comparing to similar positions and providing recommendations of any salary adjustments, if identified. CSWD's benefit package was also compared to similar organizations to outline the competitiveness and to provide recommendations for adjustments, if identified. Finally, the scope included an implementation plan for any salary adjustment impacts.

CSWD has issued similar studies in 1992, 1998, 2006, and 2012. These studies were done to ensure that CSWD was paying staff within market range, and to provide that information to our Board. Historically, recommended changes occurred with Board approval only.

Gallagher Flynn & Company, LLP (GF) was awarded the contract and their report is attached. The report presented to you includes the *Salary Review* of each of CSWD's job descriptions and a report on CSWD's *Benefit Package*. A third report, *Incentive Pay*, is not included for discussion at this time. This will be discussed further and brought to the Board at a later date.

Historically, CSWD has used a *Municipal Position Rating Manual* to evaluate each position. The rating manual includes 13 characteristics: education/basic knowledge, experience, judgement & initiative, supervision required, accountability, contacts with others, confidentiality, physical environment, manual skills, physical effort, occupational risks, character of supervision, and scope of supervision. The Manual is used to rate the position and then places it on the Pay Grade & Step Schedule. In 2012, CSWD's Pay Grade & Step Schedule was a 20 Grade 30 Step Schedule, with 1.25% between steps. Employees must receive a successful evaluation to receive the step each year. In 2013, the Board approved changing the Pay Grade & Step Schedule to 22 Grade/20 Step Schedule and changing the percentages between steps. Steps 1-6 (2.25%); Steps 7-19 (1.4%); and step 20 (1%). Employees at the end of the step range are eligible for a ½% lump sum payment.

1) **Salary Review:** In summary, the report shows that of the 40 reviewed positions most are in the competitive range. Eleven were noted as potentially low, where further discussion is recommended, including discussing a livable wage for Drop-Off Center positions. Further information on those positions will be outlined in the GF presentation.

GF is recommending that CSWD move away from the *Pay Grade & Step Schedule* structure and shift to a *Market Priced Competitive Salary Range Model* where competitive job ranges are set based on market data. The finance committee also expressed concern with the current Pay Grade structure, which includes a cost-of-living-allowance each year, and the potential for a step increase based on a successful evaluation. CSWD budgeted \$50,000 in salaries and wages to cover any possible changes.

2) **Benefits Package:** GF summarized that the contributions to insurance premiums and health savings accounts and opt-out was generous compared to other businesses and the number of paid vacation days and holidays are higher than average. It was noted that additional benefits are being considered by many employers, including education reimbursement, or childcare reimbursement. GF's recommendation is to conduct a survey, or focus group, to learn more about what our specific group may be looking for regarding offered benefits. Further proposals will be included for consideration, including options to reduce health care costs for calendar year 2022.

NEXT STEPS:

- The FY 22 Budget is approved with a 1.1% COLA and possible step increases based on successful evaluations. This will be implemented July 1, 2021, as budgeted.
- Receive feedback and comments from the Board of Commissioners regarding the report.
- Finance Committee Meeting (propose July meeting) to discuss the following:
 - a) Review the identified positions that are noted as low and provide a proposal to bring up to market range in FY 22, using the money budgeted for this purpose.
 - b) Review the recommendation to move to a *Market Priced Competitive Salary Range Model* for FY 23, which would eliminate the current Pay Grade & Step Schedule.
 - c) Review benefit options with staff by conducting surveys and/or a focus group to learn more from our employees and bring that information back to the Board to help develop the FY 23 Budget. This will include continuing to look at further opportunities to reduce health insurance costs.
 - d) Develop a Compensation Philosophy to be approved by the Board of Commissioners.
 - e) Consider adding incentive pay when developing the FY 23 Budget.

The Finance Committee/Staff recommendations will be brought back to the full board for discussion and approval. There is no action needed at this time.