



County of Los Alamos

Los Alamos, NM 87544
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Council Meeting Staff Report

June 6, 2017

Agenda No.: H.
Indexes (Council Goals):
Presenters: Denise Cassel
Legislative File: 9430-17

Title

FY18 Compensation & Classification Plan.

Recommended Action

I move that Council approve the FY18 Compensation & Classification Plan.

Manager's Recommendation

The County Manager recommends that Council approve the FY18 Compensation & Classification Plan as requested.

.Board Recommendation

The Personnel Board recommends that Council approve the FY18 Compensation & Classification Plan as requested.

Body

Tonight staff is requesting that Council approve the FY18 Compensation & Classification Plan (Attachment A). This document represents all of the County's job titles listed by their job families. It reflects the salary grade assignment, the minimum, midpoint and maximum of the grade, and the Fair Labor Standard Act (FLSA) designation of Exempt (EX) or Non-Exempt (NE).

The other attached documents, such as the compensation policy, are administrative in nature. As outlined in the Charter, the County Manager is responsible for their implementation. However, in order to give Council a better understanding of how the Compensation & Classification Plan is actually implemented, the staff report overview also includes the following:

Job Change Summary (Attachment B)

Salary Grade Table (for regular and limited-term positions, excluding union and contract positions; sorted by job class.) (Attachment C)

FY18 Step Plan (Attachment D)

Compensation Administration Policy (Attachment E)

The County Charter, County Code and the Personnel Rules and Regulations provide the basic framework through which the job classification and compensation system is maintained and administered. The establishment of new job classes and the abolishment of existing classes are subject to approval by Council.

Summary Changes to the FY18 Plan:

The FY18 Compensation & Classification Plan reflects the additions of the following job titles due to operational needs in various departments: Planning Manager in Community Development (Attachment F) and a Victim Assistant in the Police Department (Attachment G). In addition, per Council's direction a review of the Chief Assessor's position was conducted, resulting in an overall

grade adjustment. These changes are summarized in Attachment B.

Compensation Philosophy:

The purpose of Los Alamos County's compensation philosophy is to define a competitive, total compensation approach that enables us to achieve our overall mission, vision and goals. The County is committed to providing a compensation program that is market competitive, which provides a good balance between compensation, benefits and rewards, and enables us to recruit, retain and reward a high performing and motivated workforce that supports our commitment to serve our citizens.

In developing a Compensation & Classification Plan, the County takes into account both the external market value of benchmarked jobs and the internal value of non-benchmarked jobs within an overall structure of job families. Drilling down further regarding market competitiveness, the County considers peer employers of similar size, providing like services, and in comparable industries. Different geographic labor markets are considered based on where we tend to recruit from and are defined as follows: a) Local/Statewide: Grades 101-124; b) Statewide/Southwest Regional: Grades 125-132 and 201-214; and c) National: Grades 301 and above. In order to ensure the County is competitive the current Personnel Rules states that the Human Resources Manager is required to conduct a salary market survey for the pay plan every four (4) years.

In looking at the market data, an organization usually will determine how it would like to position itself against the competitors. In the past, the County's market position was set around 15% above market average which was a representative of the 75th percentile for positioning. This position was represented by an above market percentage that was determined during the market review and was based on budget. In lieu of the previous application as stated above and per Council's direction, as well as the recommendation of our compensation consultants, a new approach of applying a geographic cost of labor factor was applied to our salary structure to ensure the County remained competitive. Cost of labor reflects the supply and demand for employees, versus a cost of living which is a demand for goods and services. The ideal plan was to apply a cost of labor percentage to the Compensation & Classification Plan each year in order to ensure salary ranges would keep pace with the market and that the gap in between market studies would be minimal, due to the application of a cost of labor factor to the structure each year.

Council may recall the most recent market survey was completed in late 2015. The County choose to conduct a total compensation market survey which reviewed both pay and benefits. The HR staff worked with Senior Management to identify 13 peer employer groups to seek both salary and benefit information from, as a part of that market study. Out of the 231 total County positions at that time, there were 109 positions identified to be reviewed for both the general county and public safety areas. We had received response information for 97 of the requested positions. For the most part, the market study showed the County pay ranges to be market competitive, therefore the FY17 Compensation & Classification Plan, did not include the 15% above market calculation to the plan at that time. However, there were 48 positions identified by staff as a result of the market study that needed potential grade movement and those changes were included in the FY17 Compensation & Classification Plan that was adopted by Council. As a point of reference, the next market survey is planned to be completed in calendar year 2020.

Compensation Policy:

In 2015 the Human Resources Division worked with the County Manager, Senior Management Team, and elected offices to develop a new Compensation Administration Policy. Previously, the policy lacked a formal written structure, and there were many questions from employees and managers regarding the placement of employees within the approved Salary Plan. On June 9, 2015, Council

approved the FY16 Compensation & Classification Plan, and the County Manager implemented the new Compensation Administration Policy, which brought more structure to the County's pay system. The new policy seems to have answered many questions for recruitment offers and has resulted in more employee satisfaction regarding internal promotions because of the salary comparison of new hire placement or promotion, whichever is greater, for internal employees.

The Compensation Administration Policy identifies the following parameters to the Salary Grade Structure:

Grades are 5% apart at minimum.

The overall salary plan is comprised of three bands, which mirrors the areas from which we tend to recruit from. The bands are defined as the 100 series for non-exempt (Local/Statewide), the 200 series for exempt (Statewide/Southwest Region), and the 300 series for executive positions (National).

The progression through the salary range is determined by a step plan consisting of (40) one percent steps.

Represented positions within Fire, Police and Utilities are not included in the Compensation & Classification Plan due to collective bargaining agreements.

Alternatives

Council could choose not to approve the FY18 Compensation & Classification Plan or could approve the plan with amendments.

Fiscal and Staff Impact/Planned Item

The FY18 Compensation & Classification Plan is in compliance with the FY2018 Budget.

Attachments

- A - FY18 Compensation & Classification Plan
- B - FY18 Job Change Summary
- C - FY18 Salary Grade Table
- D - FY18 Step Plan
- E - Compensation Administration Policy
- F - 3522 Planning Manager Job Description
- G - 4309 Victim Assistant Job Description