



Management Advisory Group International, Inc.

City Council Presentation



Compensation and Classification Study

October 10, 2017

Study Goals and Objectives

- Perform a Compensation/Classification study for all City positions.
- Ensure that positions performing similar work with essentially the same level of complexity, responsibility, and knowledge, are classified together.
- Compare compensation to relevant labor markets/competitors.
- Develop a competitive classification and compensation structure.
- Review both Civil Service and General Employees

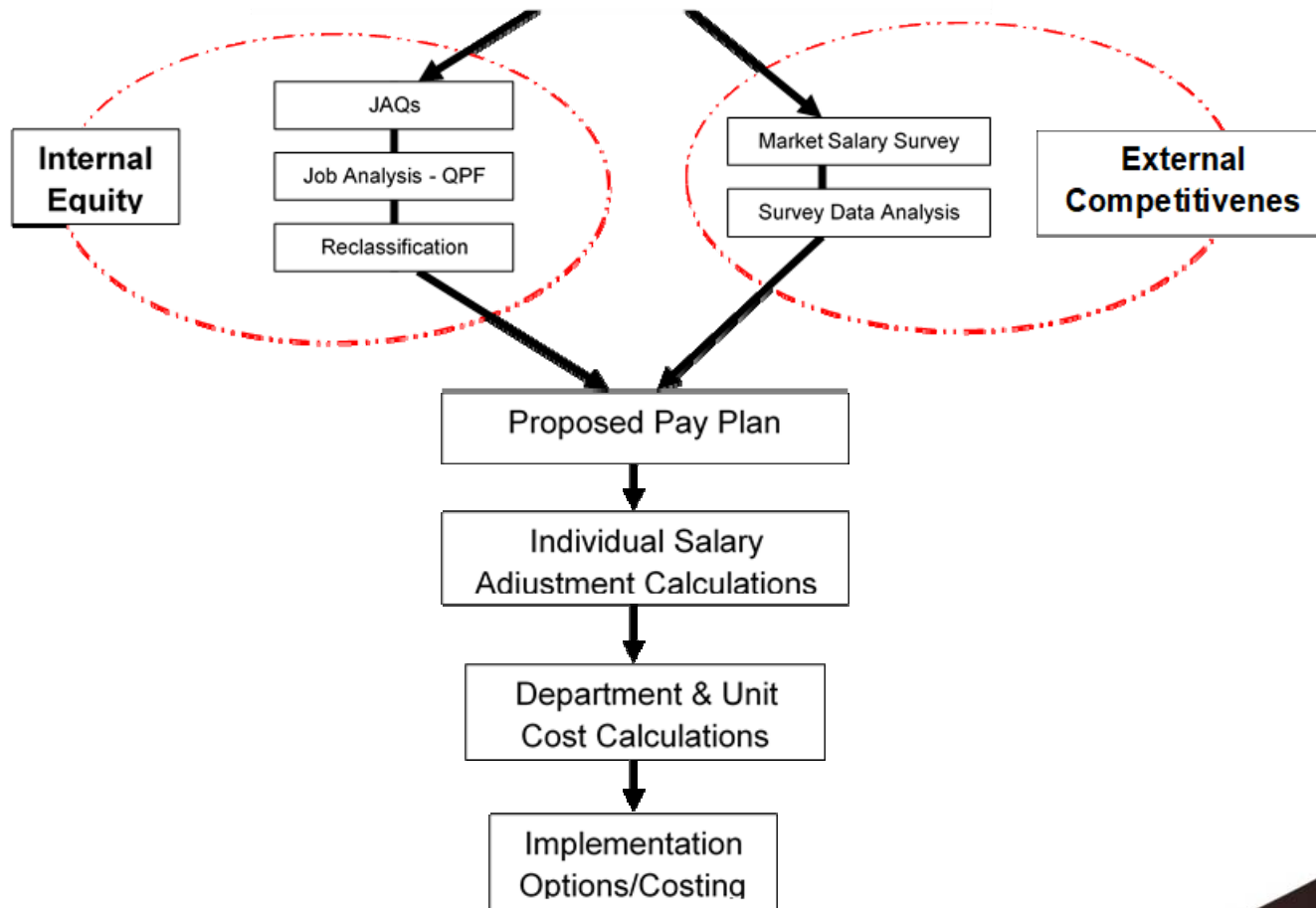


Methodology

- Captured key employee data.
- Identified jobs where recruitment and retention are concerns.
- Conducted interviews with top management and Human Resources.
- Gathered, reviewed, analyzed and evaluated Job Analysis Questionnaires from employees and their immediate supervisors.
- Gathered, reviewed and analyzed salary and compensation data from peer/competitor organizations for identified benchmark titles;
- Evaluated compensation structure and jobs.
- Developed a revised classification structure and plan.
- Updated the Civil Service plan and revised supporting Excel files.
- Recommended changes to support an internally equitable and externally competitive classification/compensation system.



Classification & Compensation Study Process



MAG's Review of Markets

MAG surveyed identified peer/competitor organizations. The following organizations were surveyed:

Target Organizations	
ALEXANDRIA, LA	OPELOUSAS, LA
BATON ROUGE, LA	PONCHATOULA, LA
BOSSIER CITY, LA	RUSTON, LA
COVINGTON, LA	SHREVEPORT, LA
EUNICE, LA	SLIDELL, LA
HARAHAN, LA	SE LOUISIANA UNIV
HOUMA, LA	ST CHARLES PARISH
JEFFERSON PARISH	ST JOHN THE BAPTIST PARISH
KENNER, LA	ST TAMMANY PARISH
LAFAYETTE, LA	STATE OF LA CIVIL SERVICE
LAKE CHARLES, LA	SULPHUR, LA
MONROE, LA	TANGIPAHOA PARISH
NATCHITOCHEs, LA	VILLE PLATTE, LA
NEW IBERIA, LA	WEST MONROE, LA
OAKDALE, LA	WINNFIELD, LA



Recommendations

- Create a “Unified Pay Plan” for all general employees
- The Unified Plan has 28 pay ranges and accommodates 86 current job titles.
- MAG recommends 5% between proposed grades with an approximately 69% range width. This results in substantial equivalency between the Unified Plan and the Civil Service Plan.
- The Civil Service Plan is, based on many years of precedent, built off the step plan. MAG has continued this practice. Both plans are “step” plans. While “steps” are not guaranteed, they do provide employees with a sense of stability in their compensation. All changes in compensation or individual salaries should be related to the City’s fiscal resources and no increase should be seen as a “guarantee”.



Implementation Approaches

- **The recommended implementation target date retroactive to July 1, 2017*.**
- **Civil Service Costs if adopted in one year:**
 - Adjustment to Minimum \$ 9,179
 - Equity Adjustment within Range: \$ 59,789
 - Adjustment to Step: \$ 81,423
 - Total Adjustment: \$ 150,396
- **Unified Service Costs if adopted in one year:**
 - Adjustment to Minimum \$ 92,577
 - Equity Adjustment within Range: \$ 81,737
 - Adjustment to Step: \$ 43,563
 - Total Adjustment: \$ 217,877

Total Estimated Adjustment if adopted retroactive to July 1, 2017:

\$368,273



***Numbers are approximate and subject to change**

Implementation Approaches

- **The recommended implementation target date January 1, 2018*.**
- Civil Service Costs if adopted in one year:
 - Adjustment to Minimum \$ 4,590
 - Equity Adjustment within Range: \$ 29,894
 - Adjustment to Step: \$ 40,711
 - Total Adjustment: \$ 75,195
- Unified Service Costs if adopted in one year:
 - Adjustment to Minimum \$ 46,288
 - Equity Adjustment within Range: \$ 40,868
 - Adjustment to Step: \$ 21,781
 - Total Adjustment: \$108,937

Total Estimated Adjustment if adopted January 1, 2018
\$184,132

*Numbers are approximate and subject to change; budget \$225k for contingency



Implementation Approaches

- **The recommended implementation target date March 1, 2018*.**

- Civil Service Costs if adopted in one year:

• Adjustment to Minimum	\$ 3,059
• Equity Adjustment within Range:	\$ 19,929
• Adjustment to Step:	\$ 27,141
• Total Adjustment:	\$ 50,129

- Unified Service Costs if adopted in one year:

• Adjustment to Minimum	\$ 30,859
• Equity Adjustment within Range:	\$ 27,246
• Adjustment to Step:	\$ 14,521
• Total Adjustment:	\$ 72,626

Total Estimated Adjustment if adopted March 1, 2018:
\$122,577

*Numbers are approximate and subject to change; budget \$160k for contingency



Recommendations on Policies

- **Reclassification** – based on a function of pay plan structure
 - **Promotion** – should result in a larger increase than reclassification
 - **Lateral Transfer** – should not result in salary adjustment
 - **Temporary Assignment** – to a higher grade, may include temporary assignment pay that is removed when the assignment goes away
 - **Hiring** – should provide a hiring metric that considers current salaries of incumbents in the same or similar job/pay grades and confirmed with HR prior to an offer being made
 - **Employees who “max out”** – no more salary increases above range maximum. No exceptions. Salary is frozen until a market adjustment might increase the range.
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- The suggested policies reflect best practices in the field of HR.
 - MAG recommends adoption of the new policies to ensure equitable treatment of employees



Transition Plan

Next steps include the following:

- Adopt the proposed classification and compensation plans.
- Determine an appropriate, affordable implementation strategy based on available financial resources.
- Adopt polices to guide key aspects of compensation and set equitable treatment of all employees as a City-wide policy and not subject to selective departmental decisions. All salary decisions must first be confirmed through HR before offers are made.
- Implement classification/compensation plans and selected implementation scenario and adopted new policies.

