

1 **NORTH OGDEN CITY EMPLOYEE COMPENSATION COMMITTEE**

2  
3 February 13, 2013

4  
5 The North Ogden City Employee Compensation Committee convened in a meeting on February 13,  
6 2013 at 6:44 pm in the North Ogden City Council Chambers at 505 East 2600 North. Notice of  
7 time, place and agenda of the meeting was delivered to each member of the Employee Compensation  
8 Committee, posted on the bulletin board at the municipal office and posted to the Utah State Website  
9 on February 15, 2013.

10  
11 PRESENT: Neal Berube Committee Chair  
12 Brett Forsberg Committee Member (arrived at 7:17pm)  
13 Linda Boyer Committee Member  
14 Kris Barker Committee Member  
15 Brock Mortensen Committee Member (arrived at 7:14pm)  
16 Thayne Shaffer Committee Member

17  
18 STAFF PRESENT: Bryan Steele Finance Director  
19 Annette Spendlove City Recorder/HR Director  
20  
21

22 Neal Berube welcomed and thanked everyone for coming. Linda Boyer offered the invocation and  
23 led the audience in the Pledge of Allegiance.  
24

25 **CONSENT AGENDA**

26  
27 **1. CONSIDERATION AND/OR ACTION TO APPROVE THE MINUTES OF**  
28 **JANUARY 23, 2013 MEETING**

29  
30 **Thayne Shaffer moved to approve the consent agenda. Kris Barker seconded the motion.**

31  
32 **Voting on the motion:**

33  
34 **Neil Berube aye**  
35 **Kris Barker aye**  
36 **Linda Boyer aye**  
37 **Thayne Shaffer aye**

38  
39 **The motion passed unanimously.**

40  
41 **All voted aye.**  
42  
43

44 **AGENDA**  
45  
46  
47

48 **1. REVIEW OF SALARY RANGE AND QUARTILE REPORTS**

49  
50 \*\*The audio for the meeting did not start until about 7:15 p.m.; therefore, the minutes have been  
51 transcribed from that point.\*\*

52  
53 Kris Barker asked what was discussed with the Council at the budget retreat. Thayne Shaffer  
54 reviewed the information he shared with the Council and stated that there were a couple of questions  
55 and he could tell there were some concerns with his comment that there does not seem to be an  
56 overpayment problem in the City. He stated he felt the Council needed to hear that and he did not  
57 have a problem saying it.

58  
59 Neal Berube stated the interesting thing will be total compensation value (TCV). He stated initially  
60 the question was whether the City was paying too much for benefits. He stated the Committee  
61 knows the benefits are higher than those paid in the private sector, but he did not see that they were  
62 out of line with other cities or governmental agencies. Linda Boyer agreed and stated that the City's  
63 benefits are just above average when compared to what is paid in cities. Neal Berube stated that in  
64 regards to the public sector, the benefits are in line so the question will come down to the TCV so  
65 the Committee will need to give that some thought. Thayne Shaffer stated it would be nice to tie  
66 those directly to numbers, but he thinks it will be possible to extrapolate some things and say that if  
67 the City is average for benefits and below average for salaries when compared to other cities, then  
68 the salaries are low. Neal Berube clarified that is when comparing to the public sector. Thayne  
69 Shaffer agreed. Neal Berube stated questions will arise if the Committee tries to say that salaries are  
70 much lower than salaries in the private sector. He stated the Council will point out that benefits are  
71 in the 90<sup>th</sup> percentile when compared to benefits in the private sector and there will be questions  
72 about how to weigh those two factors. Thayne Shaffer stated he does not think that weighing can be  
73 done with the data that is currently available to the Committee. He stated that if the Committee  
74 really wants to do that, it will be necessary to buy some survey data. He stated that it will be  
75 possible to provide the Council with ballpark numbers. Neal Berube stated health care was the big  
76 issue when this process began. He stated he does believe the Committee has enough information  
77 about the percentage of health care costs that are paid by the City. Linda Boyer agreed and stated  
78 the Committee has percentages, but not dollar amounts. Neal Berube stated that the difficulty is that  
79 North Ogden has such a small pool of insured and comparing that to a private company that has  
80 many more employees is not a fair comparison. Linda Boyer stated she thinks it appears that North  
81 Ogden has done a good of paring down their health plan and keeping costs low. Neal Berube stated  
82 it is important to express that the deductibles are not out of line; the percentages paid may be higher  
83 than what is paid in the private sector, but the deductibles are not out of line. There was a discussion  
84 about insurance options that are available to private companies compared to the public sector and  
85 Annette Spendlove explained that cities cannot pool together to get lower insurance costs or different  
86 insurance options.

87  
88 Neal Berube welcomed Brock Mortensen and Brett Forsberg to the meeting and he and Thayne  
89 Shaffer informed them of what the Committee had discussed before their arrival.

90  
91 Neal Berube stated that one of Brett Forsberg's concerns regarding gathering data has been that for  
92 numerous jobs there is not enough data to give a quartile analysis. He stated they thought they could  
93 fix that problem with a solution provided by Thayne Shaffer. Thayne Shaffer stated that due to the

94 small population in some of the comparisons he adjusted the formulas in the report that was prepared  
95 by Brett Forsberg. He reviewed the actual changes to the report and the formulas and stated that the  
96 change will ultimately provide the mean for each peer group for each position and calculate a ratio  
97 of where an employee is compared to that mean. He stated the assumption he is making is that the  
98 committee has to agree with is that because a mean is automatically weighted, he would make the  
99 argument that is the market rate for that position. He stated people that are above that average are  
100 above it for a reason and the same is true for people below the average. Brett Forsberg stated the  
101 data is pretty scarce in some areas and he would not draw a statistical inference from it. Thayne  
102 Shaffer stated that if the Committee does not have better data they have to provide a benchmark.  
103 Brett Forsberg stated that he would take the data for each position and look at it on a case by case  
104 basis and if he had 15 or 20 samples he would feel good about it, but if he did not he would look at  
105 the data skeptically and think to himself that he would need to evaluate it on a lot of different levels.  
106 Thayne Shaffer stated that he will include a sheet similar to that prepared by Brett Forsberg, with  
107 some modified math so the Council can turn to that and see the number of cities that were available  
108 for comparison. He stated he likes the way that Brett Forsberg has listed the cities because that  
109 provides very good information to the managers reviewing the data. He stated that if there are only  
110 five cities available for comparison, the manager will need to take that with a grain of salt. He stated  
111 that if the Committee has no more than five to compare to, it is not possible to supplement the  
112 qualitative factors. Brett Forsberg stated all the Committee can do is give the Council the  
113 information and explain it is based on the data that was available.

114  
115 Neal Berube stated that the employer council will explain how many respondents they had by job;  
116 they are doing that for a reason. He stated it is obvious that more statistical validity is present with a  
117 higher sample, but the information available 'is what it is' and he agrees with Thayne Shaffer's  
118 approach of providing an average. He added the statistical support can be included in the appendix  
119 of the report. Brett Forsberg stated the one thing he might add is a median and mode because both  
120 are often more telling than the average. Thayne Shaffer asked for an explanation of that; he stated  
121 that not having the average weighted seems to detract from its usefulness. There was a discussion  
122 about the difference between mean, median, and mode. Thayne Shaffer suggested that using too  
123 much data may be confusing and difficult to understand for some.

124  
125 Neal Berube called for a motion.

126  
127 **Thayne Shaffer moved to use the format suggested by him with the note that detailed**  
128 **information will be included in the appendix. Kris Barker seconded the motion.**

129  
130 **Voting on the motion:**

131  
132 **Neil Berube**            **aye**  
133 **Kris Barker**           **aye**  
134 **Brett Forsberg**       **aye**  
135 **Linda Boyer**           **aye**  
136 **Brock Mortensen**    **aye**  
137 **Thayne Shaffer**       **aye**

138  
139 **The motion passed unanimously.**

140  
141  
142  
143  
144  
145  
146  
147  
148  
149  
150  
151  
152  
153  
154  
155  
156  
157  
158  
159  
160  
161  
162  
163  
164  
165  
166  
167  
168  
169  
170  
171  
172  
173  
174  
175  
176  
177  
178  
179  
180  
181  
182  
183  
184  
185

**2. REVIEW CITY COUNCIL REPORT**

The Committee then reviewed the template prepared by Thayne Shaffer, with data included. Thayne Shaffer reviewed examples of how different positions will look in the report, pointing out the difference between slotted positions and premium positions. He added that he will make the changes recommended by the Committee and email it to everyone tomorrow so that they can key in their own information.

Linda Boyer asked about data on the benefits side. She explained what benefit information she was going to use from the Tech Net website and, where she can, she will include a high, low, and average. Neal Berube stated he would anticipate using a separate page that would summarize the data. He stated he believes that at some point in time the Council will ask them to tie the private and public data together. Linda Boyer stated that for the private data the numbers are not available. Thayne Shaffer stated that he told the Council that during the retreat. Brett Forsberg stated the health data is very convoluted and difficult to compare, but comparing retirement plans may be easier.

The Committee then reviewed the data and template prepared by Brett Forsberg and they concluded that anything outside of the standard deviation should be removed from the report.

**Thayne Shaffer moved to classify an outlier as anything beyond the standard deviation. Brock Mortensen seconded the motion.**

**Voting on the motion:**

<b>Neil Berube</b>	<b>aye</b>
<b>Kris Barker</b>	<b>aye</b>
<b>Brett Forsberg</b>	<b>aye</b>
<b>Linda Boyer</b>	<b>aye</b>
<b>Brock Mortensen</b>	<b>aye</b>
<b>Thayne Shaffer</b>	<b>aye</b>

**The motion passed unanimously.**

Thayne Shaffer stated he will send more information to Brett Forsberg tomorrow for inclusion in the report. Linda Boyer stated she wanted each Committee member to review the report separately. Thayne Shaffer stated he will consolidate the data entered by each member.

The Committee then discussed the executive summary to be included in the report. Thayne Shaffer stated it will be a summary of what the Committee found as well as the philosophy. He stated that it will be a quick summary of all the data and the other things that have been compiled. Neal Berube stated that he likes the outline, but he would like more detail in the executive summary and he wanted to make sure everyone understands their assignments relative to the executive summary. Thayne Shaffer stated that he has not put too much thought into the executive summary yet, because

186 he would prefer to get the body of the report done before working on it. Neal Berube stated that  
187 someone else will need to write the executive summary because he will be out of town for a couple  
188 of weeks. Thayne Shaffer stated he can write it.

189  
190 There was a discussion about the rest of the sections of the report and assignments were made to  
191 each Committee member relative to which sections of the report they will be responsible for.

192  
193

194 **3. OPEN DISCUSSION**

195  
196 There was a discussion about what agenda items will be on the agenda for the next meeting. Thayne  
197 Shaffer asked everyone to bring their templates with them to the meeting, including the data that  
198 Brett Forsberg has provided.

199  
200

201 **4. ADJOURNMENT**

202  
203 **Thayne Shaffer moved to adjourn the meeting. Brock Mortensen seconded the motion.**

204  
205

**Voting on the motion:**

206  
207

**Neil Berube aye**

208  
209

**Kris Barker aye**

210  
211

**Brett Forsberg aye**

212  
213

**Linda Boyer aye**

**Brock Mortensen aye**

**Thayne Shaffer aye**

214  
215

**The motion passed unanimously.**

216  
217

The meeting adjourned at 9:00pm.

218  
219

220  
221

---

Neal Berube, Chairman

222  
223

224  
225

---

S. Annette Spendlove, MMC

City Recorder

226  
227

228  
229

---

Date Approved

230  
231

232  
233  
234  
235  
236  
237  
238  
239  
240  
241  
242  
243  
244  
245  
246  
247  
248

NOT APPROVED

**Methodology:**

The committee understands the importance of being objective and independent in their assessment of salaries and benefits of the employees of North Ogden City. It also is aware of the limitations involved in accomplishing the assignments given by the Mayor based upon timeframes and resource availability. In an attempt to be efficient and effective in accomplishing their tasks, the committee requested North Ogden City staff to provide information regarding their job classification placement in the Technology Net Compensation Survey System ("System"). The committee used this information as their basis to determine proper classification of each respective employee in the System. Verification of placement involved comparing job audits to job description responsibilities, as provided by the city, for comparability and in some cases performing interviews with department heads to determine the accuracy of the respective job audits and responsibilities. After determining the accuracy of each employee's job responsibilities, committee members compared such responsibilities to job titles in the Technology Net Compensation Study Benchmark listing ("Benchmark") for proper placement in the System. The threshold for proper placement was based upon each employee's responsibilities, as described in the North Ogden City's job descriptions, matching 75% of those contained in the Benchmark. In some cases responsibilities did not match at the 75% level because some city employees have multiple responsibilities. In such cases the committee created a new job classification in the System that matched job responsibilities listed in several job classifications in the Benchmark. The committee believes this process provided independent verification and validated proper classification for each employee in the System, which was then used to determine appropriate salary ranges for city employees when compared to the public sector market ranges contained in the System.

As part of the committee's charter, a comparison to private sector salaries and benefits was also completed. Data for this comparison was obtained from several sources including studies performed by the Employer's Council, The Hay Group and First West Benefits. These studies were referenced after obtaining written permission from each author. The studies contained data acquired from over 200 employers in the State of Utah located in various geographic regions and varying in the number of individuals they employ. The committee believes the above referenced studies provided adequate data to determine appropriate salary ranges and benefit comparison for the private sector. It should be noted that many of North Ogden City's jobs do not have a comparable private sector job match. The determination of job classification for the private sector salary comparison, for those jobs that had a match, was based upon job descriptions and audits provided by the city and verified by the committee as described above.