

1 **NORTH OGDEN CITY EMPLOYEE COMPENSATION COMMITTEE**

2
3 February 21, 2013

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5 The North Ogden City Employee Compensation Committee convened in a meeting on February 21,
6 2013 at 6:35 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.

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11 PRESENT: Neal Berube Committee Chair (arrived at 6:47pm and left at 7:10pm)
12 Brett Forsberg Committee Member (arrived at 6:45pm)
13 Linda Boyer Committee Member
14 Kris Barker Committee Member
15 Brock Mortensen Committee Member
16 Thayne Shaffer Committee Member

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18 STAFF PRESENT: Bryan Steele Finance Director

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21 EXCUSED: Annette Spendlove City Recorder/HR Director
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24 Thayne Shaffer welcomed and thanked everyone for coming. Linda Boyer offered the invocation
25 and led the audience in the Pledge of Allegiance.
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28 **AGENDA**

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31 **1. REVIEW OF SALARY RANGE AND QUARTILE REPORTS PREPARED BY**
32 **BRETT FORSBERG**
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34 Thayne Shaffer stated he talked to Annette Spendlove today and asked her how appropriate it would
35 be to have a working session tonight to review the benchmark template and Annette Spendlove said
36 that was appropriate, so he proposes to pull up the template and start to enter data for each
37 Committee member so they can all ask questions along the way. He stated he would like to skip
38 agenda item one and move to agenda item two. Kris Barker stated that she thought that would be
39 very beneficial.
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42 **2. DISCUSS QUESTIONS ON BENCHMARK TEMPLATE**
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44 The Committee then started to review the report and discussed the appropriate location in the report
45 for various positions. Thayne Shaffer stated that verifying the data is a bigger job than compiling it.
46 He stated he wanted to go through some steps to validate the positions; step one is to make sure all
47 positions are accurate; step two is to make sure all salaries are accurate; step three is making sure all

48 the positions are included in Tech Net and when Tech Net is correct it will be necessary to identify
49 whether positions are premium or slotted; step four would be to identify if there is a private
50 comparison for each position. He stated that if each Committee member can get that done by this
51 Saturday he can enter all the data into the spreadsheet and provide a copy to each member by the
52 following Monday. He stated he wanted to talk about the data. He stated this is a sensitive subject
53 because Brett Forsberg is not available to participate in the discussion. He stated that he took an
54 excel data download from Tech Net and it had the minimum, maximum, and average salary for each
55 city. He explained how he imported that data into his own spreadsheet and stated that provides a
56 true minimum, true maximum, and a true weighted average for all observations – provided that all
57 cities entered their data correctly. Kris Barker asked if the outliers have been removed. Thayne
58 Shaffer answered no and stated that is something he thought the Committee could work on. He
59 stated Brett’s argument is that most of the positions have only one incumbent; therefore, the
60 maximum and minimum are the same and so taking the high and minimum averages provides the
61 same information. He stated that the Committee has to decide if they like that approach or not. He
62 stated Brett Forsberg has gone to a lot of work to create a sheet for everyone to use and he then
63 identified the four numbers that are really necessary in the report. He asked the Committee if they
64 want to include a true minimum and a true maximum after the outliers are removed or if they would
65 like to move ahead with the approach they already have. Linda Boyer stated she is not sure of the
66 difference. Thayne Shaffer provided an explanation and there was a discussion about the two
67 different potential approaches.

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69 The working portion of the meeting then began and there was discussion about the data that was
70 included in the report in order to complete the data verification process. There was a discussion
71 about whether to include the position title or the employee name in the report. Thayne Shaffer stated
72 that the actual wage is based on the employee while the range for the position is based on the
73 position title. He added that the report includes the North Ogden job title rather than the Tech Net
74 title. The Committee continued reviewing each position in the report to verify data. Linda Boyer
75 stated that at the last meeting the Committee agreed that anything outside the standard deviation
76 would be called an outlier and be removed from the report. She stated that Brett Forsberg still
77 included outliers in the data that he sent. Brett Forsberg stated he did that for jobs that have a very
78 small data set. Linda Boyer stated that the rules set by the Committee need to be used. Thayne
79 Shaffer stated the standard deviation does not have any medium when there is such a small number
80 of samples. Brett Forsberg stated that it is an additional rule that he is imposing and if the
81 Committee does not agree they can do something different. Linda Boyer stated it is not that she
82 agrees or disagrees; she is just frustrated that every week the rules change. Brett Forsberg stated
83 they are learning as they go and that is the problem. Thayne Shaffer agreed and stated that things
84 will evolve based on the data available. Neal Berube stated that the Committee needs to understand
85 that evolution so that everyone is on the same page. Brett Forsberg stated he can change the data if
86 that is what the Committee decides. Linda Boyer stated she just wants to know the rules so everyone
87 is doing the same thing with their data. Kris Barker agreed. The Committee agreed to only
88 eliminate outliers if there are more than five samples to compare to. The Committee then continued
89 reviewing the positions in the report to verify data.

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91 Linda Boyer stated she has completed her information regarding benefits and she asked Thayne
92 Shaffer if he would be willing to proofread that. Thayne Shaffer answered yes. Linda Boyer asked
93 if all the recommendations regarding benefits will be coming from her. Thayne Shaffer stated that

94 he has been more focused on salary data so he has not been thinking about benefits. He asked Linda
95 Boyer to send the benefit information to all Committee members. Kris Barker stated she would be
96 happy to talk about the benefit information tonight. Linda Boyer reviewed the write-up she had
97 prepared regarding benefits. She stated her data is based on monthly costs. She stated that when
98 comparing to the private sector she was not able to get detailed information, but the indication is that
99 the majority of employers in the private sector require employees to pay at least 15 percent of the
100 premium. Thayne Shaffer stated there was a page in the data provided by First West that compared
101 the private sector to the government sector and the Committee determined in a previous meeting that
102 they can safely say the City is in line with the government sector, but in the First West study the
103 government sector was above the private sector in almost every category. He stated he thought Neal
104 Berube wanted to use the conclusion drawn by that page of the First West study. Linda Boyer stated
105 she will include that in her section of the report. There was then a discussion about how the City
106 compares to other cities in terms of benefit costs. Linda Boyer then reviewed her section of the
107 report regarding vacation leave accrual rates. She stated that her conclusion is that North Ogden
108 City employees have been given additional vacation accrual and had their benefits maintained at a
109 higher level in exchange for no or minimum salary increases. She continued to review her report
110 regarding sick leave and life insurance benefits. She stated she has included a total compensation
111 value (TCV) summary in her report and, with benefits included, the City's TCV is not far above the
112 average. Thayne Shaffer stated he thinks the report is great and he asked Bryan Steele if he thought
113 the Council would like additional information. Bryan Steele stated he thought the Council would
114 like some information regarding retirement benefits. Linda Boyer reviewed the section of her report
115 regarding retirement benefits. She stated she will send a copy of her section of the report to all
116 Committee members. Thayne Shaffer reiterated he thinks the report is great and added he thinks it
117 might be good to note that traditionally the reason governments pay richer benefits is to attract
118 people and that must be considered in connection with the strategy regarding salaries. He stated that
119 benefits is different than salaries because they cannot be tailored by specific employee in order to
120 retain good employees. Linda Boyer stated she can include a statement regarding that philosophy in
121 her report.

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123 Kris Barker stated that she wanted to make on additional point. She stated the City's Police Chief is
124 the lowest paid Chief in Utah and the day will come when he wants to retire and the City needs to be
125 able to attract a good employee to replace him. She stated that with what the City is paying for
126 employees in that Department, it will be difficult to attract people.

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129 **3. REVIEW REPORT ASSIGNMENTS & PREPARATION**

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131 Brock Mortensen asked if the section of the peer groups should list every city in Utah. Thayne
132 Shaffer stated he only envisioned using the actual super set of cities that were used. He stated he
133 wants to try to keep it simple.

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136 **4. OPEN DISCUSSION.**

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138 Thayne Shaffer asked if everyone is available to meet February 28 at 6:30pm. All Committee
139 members answered yes. Linda Boyer stated that is the last meeting before the Committee presents to
140 the Council so it is important to get all assignments completed.

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143 **5. ADJOURNMENT.**

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145 **Brock Mortensen moved to adjourn the meeting. Kris Barker seconded the motion.**

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147 **Voting on the motion:**

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149 **Kris Barker aye**

150 **Brett Forsberg aye**

151 **Linda Boyer aye**

152 **Brock Mortensen aye**

153 **Thayne Shaffer aye**

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155 **The motion passed unanimously.**

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157 **All voted aye.**

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160 The meeting adjourned at 8:23 pm.

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Neal Berube, Chairman

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S. Annette Spendlove, MMC

168 City Recorder

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Date Approved

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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.