



Presentation to Board of Aldermen/
City Council
Comprehensive Classification/
Compensation Study
for
The City of



March 19, 2014



Ray Associates' Experience

- Distinguished management consulting leader since 1977.
- Specialize in work for public entities.
- Noted for custom products and for personal attention.
- Active involvement of the principals in the firm.
- History of success: More than 80% of our engagements are with repeat clients.
- Approach is practical and directed toward implementation.
- Recognize the City's challenge to provide competitive compensation while working within a budget that respects the taxpayers.





Selected Clients

Ray Associates has ***successfully completed*** similar projects for many other Texas public employers, including:

- Aransas and Nueces Counties
- Nueces County WCID #4
- City of Bastrop
- City of Boerne
- City of Brenham
- Edwards Aquifer Authority
- City of Fair Oaks Ranch
- City of Seguin
- TML Intergovernmental Risk Pool





Assignment

Ray Associates will:

- Compare the City's salaries and benefits (total compensation) with those at other similar cities;
- Analyze the internal equity relationships between and among city employees;
- Combine the internal equity and market competitiveness data to create and recommend a new compensation plan;
- Calculate the cost to the city, if any, to implement the new plan; and
- Prepare procedures for administration and maintenance of the classification and compensation plan.



What is a Classification Study?

A detailed look at the duties, responsibilities, and qualifications associated with each City of Falfurrias job to determine its proper title and its relationship to other jobs within the City. A Point Factor Job Analysis System© (industry standard) is used to determine these internal equity relationships.





*What is a
Compensation
Study?*

What is a Compensation Study?

The compensation part of the study is separate from the classification process:

- Compare most, if not all, jobs against similar jobs in the City's market.
- Approximately 35 City of Falfurrias jobs for salaries.
- Analyze benefits, also a part of the compensation package, for competitiveness.



What is the Market?

A group of up to 10-12 "benchmark" employers who:

- Have a number of characteristics in common with the City of Falfurrias,
- Have jobs that are similar to those at the City of Falfurrias, or
- With whom the City might compete, or be expected to be able to compete, for qualified employees.





Recommended Market Cities:

BASED ON A COMPARATIVE MATRIX (DISTRIBUTED TO COUNCIL) AND THE ACCOMPANYING MEMO, WE RECOMMEND THE FOLLOWING CITIES:

- ROMA
- RAYMONDVILLE
- ALICE
- MATHIS
- SAN DIEGO
- ROBSTOWN
- KINGSVILLE
- PREMONT
- INGLESIDE
- BISHOP
- BOERNE
- PORT ARANSAS



Employee Input

- Employee input is vital to success;
- Employee briefings;
- Job Analysis Questionnaires;
- Questionnaires reviewed by two levels of supervision;
- Katherine Ray will spend a full day on-site conducting interviews of Department Heads and many employees.
- We may conduct additional employee interviews by phone, if needed.

Revision Requested: Yes No

Job Analysis Questionnaire
SECTION I - IDENTIFYING INFORMATION

A. Name _____

B. Current Classification Title _____

C. Requested/Proposed Classification Title _____

D. Department _____

E. Total Length of Time with Organization: Years _____ Months _____

F. Length of Time in Current Classification: Years _____ Months _____

G. Assigned Work Hours: From _____ To _____

H. Name of Immediate Supervisor _____

I. Classification Title of Immediate Supervisor _____

J. Organization: In the space below, please draw an organizational chart showing to whom you report, and who reports to you (please include job titles)

Example:

```
graph TD
    A[John Doe  
Department Supervisor] --> B[YOU]
    B --> C[4 accounting clerks  
(employees that you supervise)]
```

Your Chart:

```
graph TD
    D[ ] --> E[YOU]
```

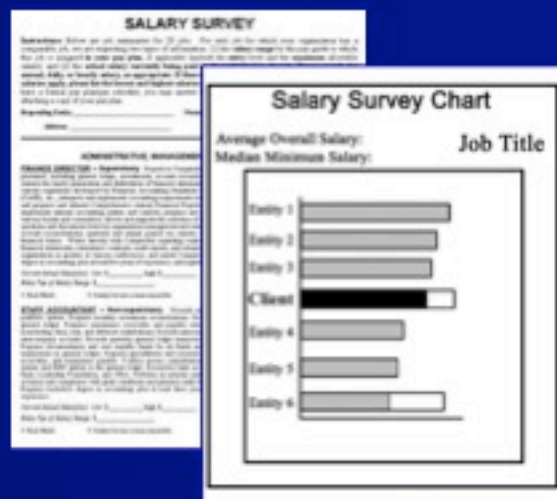
SECTION II - PURPOSE OF THE POSITION

Briefly describe the major purpose(s) or objective(s) of your position, as you understand it:



External Competitiveness/Salary Survey

- All of the City's jobs included in the market salary survey.
- Also collect, compare, and analyze data on key employee benefits.



Benefits and Other Information

1. Please explain the organization's health insurance or self-insurance program:

A. What type(s) of medical program are offered by your organization? (check all that apply)
HMO _____ Self-insurance _____
PPO _____ Indemnity plan _____

B. Cost to the organization per employee for the health program per month? \$ _____

C. Employee premiums (if not fully paid by organization)?
Dependent premiums? (Please indicate the premium amount for children, spouses, and families, if applicable, and the portion paid by the employee and the organization.)

D. Deductible? (per year) \$ _____ per person
How much is the employer's co-pay? \$ _____ per visit
Maximum lifetime benefit? _____



External Competitiveness/Salary Survey, Cont'd.

Ray Associates will:

- Request both actual salary and salary range data for each benchmark job:
- Request additional or clarifying information about how closely Falfurrias's job compares with their own job.
- Receive and analyze the data and generate charts, calculating and displaying:
 - ✓ Average and how City's salary compares to it;
 - ✓ Median (Both Entry & Maximum) and how City's salary compares to both; and
 - ✓ Target Market Position, if the City chooses a market position other than median (50th percentile) as well as how the City's salary compares to the target market percentile.

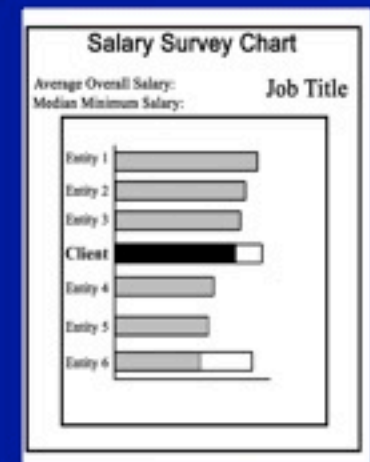
SALARY SURVEY

Instructions: Please fill out this questionnaire for 20 jobs. For each job, list each position for a 12-month period, as an existing position or anticipated. If the salary range for any job is not listed, list the minimum, maximum, and grade. If applicable, indicate the salary level and the maximum percentage of the salary range that is currently being paid in the job. Please provide the actual date of the salary survey, as well as the date of the survey. If the survey is for a specific date, please provide the date. If the survey is for a range of dates, please provide the range. If you have any questions, please contact the survey administrator at the address below. If you have any questions, please contact the survey administrator at the address below.

Surveying Entity: _____ Surveying Entity Address: _____
City: _____ State: _____
Surveying Entity Title: _____ Surveying Entity Position: _____
Surveying Entity Grade: _____ Surveying Entity Salary: _____
Surveying Entity Range: _____ Surveying Entity Range: _____

ADMINISTRATIVE, MANAGEMENT AND TECHNICAL JOBS

Job Title: _____
Job Description: _____
Job Grade: _____
Job Salary: _____
Job Range: _____





Classifications and Internal Equity

Ray Associates will score all of the City's jobs according to a variety of factors (Point Factor Job Analysis—industry standard):

- Knowledge, Skills, and Abilities
- Education and Training
- Independence and Judgment
- Initiative and Ingenuity
- Supervisory Responsibility
- Financial Responsibility
- Level and Frequency of Outside Contacts
- Physical Demands
- Responsibility for Equipment and Property
- Working Conditions



POINT FACTOR JOB ANALYSIS

Job Title	EDuc	EDTrn	Indep	Init	Sup	Fin	Outside Cont	Phys	Equip	Working Conditions	Market	TOTAL
Accountant												



Job Placement Recommendations

Very market-based system (11th Factor):

- Both *actual* salary data and salary *range* data used for placement of each job on pay schedule.
- Point factor scores will be adjusted to accommodate market.
- Scores of other jobs in same "job family" for which we were unable to obtain at least three matches are then adjusted proportionately. Result:
 - ✓ ENSURES INTERNAL EQUITY AS WELL AS MARKET COMPETITIVENESS FOR ALL JOBS IN THE JOB FAMILIES INCLUDED IN THE SURVEY.
 - ✓ ALL JOBS TIED TO MARKET (EITHER BECAUSE COMPARABLE DATA WAS OBTAINED IN SURVEY OR IN A "JOB FAMILY" WITH ONE OR MORE JOBS IN SURVEY)



Pay Range	Base	Midpoint	Maximum
1	10,712.00	12,854.40	14,996.80
2	11,247.00	13,487.12	15,546.84
3	11,809.00	14,171.00	16,313.00
4	12,400.00	14,900.00	17,200.00
5	13,020.00	15,674.40	18,228.00
6	13,670.00	16,495.00	19,400.00
7	14,350.00	17,365.00	20,800.00
8	15,070.00	18,287.00	22,350.00
9	15,830.00	19,262.00	24,050.00
10	16,630.00	20,290.00	25,900.00
11	17,470.00	21,372.00	27,900.00



Job Placement Recommendations, Cont'd.

WHAT ARE "JOB FAMILIES"?

Logical groupings of jobs that have some relationship to one another in the market, such as:

➤ Police



➤ Administrative/Clerical



➤ Information Technology



➤ Skilled Trades



➤ Labor



➤ Etc., Etc.



Job Placement Recommendations, Cont'd.

- EACH JOB IN THE CITY WILL BE PLACED ON THE NEW PAY SCHEDULE OR PAY SCHEDULES;
- TAKE INTO ACCOUNT BOTH INTERNAL EQUITY (POINT FACTOR SCORES) AND MARKET COMPETITIVENESS; AND
- CALCULATE THE COST TO THE CITY, BY EMPLOYEE, BY DEPARTMENT, AND CITYWIDE.



Job Placement Recommendations, Cont'd.

WHAT HAPPENS IF SOMEONE'S SALARY IS (1) BELOW MARKET, (2) ABOVE MARKET, OR (3) WITHIN THE MARKET RANGE BUT NOT APPROPRIATE FOR THE EMPLOYEE'S BACKGROUND, CREDENTIALS, TENURE, AND PERFORMANCE? **(All upward adjustments are subject to funding availability.)**

1. Below market (paid less than what should be the **entry** salary of the pay range in which the job is placed):
 - ADJUST SALARY UPWARD TO ENTRY LEVEL OF THE PAY RANGE
2. Above market (paid more than what should be the **maximum** salary of the pay range in which the job is placed):
 - "Red circle" or freeze the employee's salary until pay schedule adjustments place the salary once again within the range
3. Within range but not appropriate for the specific employee:
 - Consider adjusting salary to correct an internal equity issue.



Comprehensive Benefits Study

Ray Associates will provide the City with its standard benefits survey; City can add/subtract to customize; then we'll distribute the customized comprehensive benefits survey, which includes:

- Detailed questions about the specific benefits provided by the surveyed cities (leave time, retirement, health/medical benefits, etc.).
- Information about each surveyed city's specific pay practices, including:
 - How standby, on-call, work is paid and departmental variances.
 - Certification and education pay.
 - Any other special incentive pay.

Benefits and Other Information

1. Please explain the organization's health insurance or self-insurance program:
 - A. What type(s) of medical program are offered by your organization? (check all that apply)
HMO _____ Self-insurance _____
FFO _____ Indemnity plan _____
 - B. Cost to the organization per employee for the health program per month? \$ _____
 - C. Employee premium (if not fully paid by organization)?
Dependent premium? (Please indicate the premium amount for children, spouses, and families, if applicable, and the portion paid by the employee and the organization.)
 - D. Deductible? (per year) \$ _____ per person
How much is the employee's co-pay? \$ _____ per visit
Maximum lifetime benefit?



Comprehensive Benefits Study, Cont'd.

- We will prepare a detailed table that:
 - Compares the city's benefits package with the market, and
 - Identifies any gaps between the market and Falfurrias's benefits plan.
- We will identify trends and make recommendations
 - Overall competitiveness of the City's benefits package;
 - How each benefits offering stacks up against the market; and
 - Consideration of future changes in the City's benefits.





Classification and Compensation Procedures

- We will also provide the city with policies and procedures for implementing the classification and compensation plan and for maintaining the plan after implementation.

Project Overview



Evaluation of Duties and Responsibilities

Summary

Market Data

A detailed questionnaire for job descriptions, including sections for 'SUMMARY OF POSITION', 'ORGANIZATIONAL RELATIONSHIPS', and 'EXAMPLE OF WORK'.A salary survey form with sections for 'Benefits and Other Information' and 'SALARY SURVEY'.

POINT FACTOR JOB ANALYSIS

Job Title	ES10	ES15	ES20	ES25	ES30	ES35	ES40	ES45	ES50	ES55	ES60	ES65	ES70	ES75	ES80	ES85	ES90	ES95	ES100	Total	
Executive																					

Job Placements

SAMPLE PAY SCHEDULE

Pay Range	Base	Midpoint	Maximum
1	10,712.00	12,054.40	14,916.00
2	11,247.60	12,697.12	15,746.64
3	11,809.90	13,437.18	16,653.93
4	12,400.40	14,180.57	17,650.67
5	13,020.50	15,024.60	18,729.70
6	13,671.53	15,965.83	19,894.14
7	14,355.10	17,006.13	21,157.15
8	15,072.00	18,150.40	22,520.00
9	15,826.50	19,402.50	24,007.10
10	16,617.80	20,767.56	25,633.96
11	17,448.72	22,250.46	27,407.21

A 'Salary Survey Chart' showing salary bands for different job titles. The chart includes 'Average Overall Salary', 'Median Minimum Salary', and 'Job Title'. The 'Client' job title is highlighted with a thick black bar. Below the chart, there is a list of 'Market Data' for various job titles and their corresponding salaries.



Project Timeline



The following is a general timeline for the project:

- March
 - Employee Briefings
- Mid- to Late April
 - Employee Interviews
 - Prepare job summaries for salary survey,
& Ray Associates reviews and finalizes
the benefits survey
- Late April
 - Salary and Benefits Surveys Out
 - Ray Associates Completes Point Factor Job



Project Timeline, Continued



- May
 - Create Pay Schedules & Place Jobs on New
 - Transition Schedule/Calculate Cost;
- Late May
 - Red Flag Review with Key City Management
- June
 - Draft Final Report
 - Present Findings and

Recommendations on
Compensation System (Total

Classification and
Compensation)

Questions?



Thank You!

