



**Classification & Compensation Study**

**Executive Report**

**for**

**City of Rochester Hills**

**July 2017**



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## Study Overview

McGrath Human Resources Group, Inc., an organization that specializes in public sector consulting, was commissioned by City of Rochester Hills to conduct a Classification and Compensation Study of all AFSCME union (2491 & 1917), non-union, and regular part time City positions; and a limited study of benefits.

The purpose of this study is to:

- ✓ Guide the City in creating, clarifying or confirming your pay philosophy.
- ✓ Establish internal equity among positions within the City.
- ✓ Obtain and establish compensation within the external comparable market.
- ✓ Integrate the data from the external market, internal market, and job responsibilities to a classification and compensation system(s).
- ✓ Work with administration to plan for and support implementation of the compensation system.
- ✓ Complete a compression analysis and develop any needed strategies to address any issues.
- ✓ Provide for on-going maintenance of the system by the City including budget projections to sustain the compensation system.
- ✓ Update and/or rewrite job descriptions.

The Consultant would like to extend appreciation to the Human Resources staff for their time, cooperation, and sharing of information and perceptions with McGrath Human Resources Group.

## Definitions

In order to ensure that all parties are ‘speaking the same language’, the following are definitions that helped guide the development of the compensation system for the City of Rochester Hills.

**Added Value:** An extra step on the salary schedule – to be determined – that employees can advance to based upon criteria that enhances either the employee’s position or brings value to the department and/or organization. Once on the step, there is no additional movement until another Added Value criteria is established. Criteria to be established by the City before utilizing this step.

**Benchmark Position:** A job that is commonly found and defined, used to make pay comparisons, either within the organization or to comparable jobs outside the organization.

**Classifications:** Job titles

**Compensation System:** A system developed to compensate employees. This system includes a balance between internal equity and external competitiveness.

**Compensation Data:** Data derived from information regarding the salary range and the rate of pay of the incumbent(s) holding a benchmark position of the identified labor market.

**Comp Ratio:** The ratio of the current salary range minimum, midpoint, and maximum (numerator) to the market data (denominator). The Comp Ratio is used to measure and assess the comparability of the City's pay range in relation to the external market. Positions were evaluated based upon the 55th percentile (+/- 10% of established market average).

**Compression:** Pay differentials too small to be considered equitable. The term may apply to differences between (1) the pay of supervisors and subordinates; (2) the pay of experienced and newly hired personnel of the same job; and (3) pay range midpoints in successive job grades or related grades across pay structures; and (4) limited movement through the pay range.

**CPI-U:** Consumer Price Index – Urban: A measure of the average change over time in the prices paid by urban consumers for a market of consumer goods and services. It reflects spending pattern for two population groups: all urban consumers and urban wage earners and clerical workers. This group represents approximately 87% of the total U.S. population.

**Defined Benefit Pension Contribution:** A type of pension plan in which an employer promises a specified pension payment, lump-sum (or combination thereof) on retirement that is predetermined by a formula based on the employee's earnings history, years of service, and age.

**Defined Contribution Pension Contribution:** A type of pension plan in which an employer, employee or both make contributions toward a pension program on a regular basis. Individual accounts are set up for participants; and benefits are based on the amounts credited to these accounts plus any investment earnings on the money in the account.

**Labor Market:** A location where labor is exchanged for wages. These locations are identified and defined by a combination of the following factors: geography; industry; education, experience and licensing or certification required; and job responsibilities.

**Market Data:** The technique of creating the financial value of a position based on the 'going rate' for benchmark positions in the relevant labor markets.

**Minimum Salary Range (Minimum):** The minimum amount of compensation the organization has deemed appropriate for a position.

**Maximum Salary Range (Maximum):** The highest amount of compensation the organization has deemed appropriate for a position.

**Market Rate (Market):** The organization's best estimate of the wage rate that is prevailing in the external market for a given position.

**Market Range:** A pay range in which the minimum and maximum of the range is established around the 55th percentile.

**Opportunity Based Promotion:** Positions in which levels – or additional education, certifications, and/or responsibilities – have been added to the position, so that an employee can promote to a higher pay grade upon completion of the requirements. Movement to the next pay grade may be upon completion of the requirements or based upon an opening and posting of the position.

**Pay Grade:** The grade, or placement of a position within the salary structure.

**Pay Grade Evaluation:** The (re)assignment of a job to a higher or lower pay grade or pay range in the salary structure due to a job content (re)evaluation and/or significant change in the average market rate in the external labor market.

**Promotion:** The (re)assignment of an employee to a position in a higher pay grade or range in the organization's salary structure.

**Salary Schedule Adjustment:** An adjustment to the salary structure; the increase or decrease of a pay range, minimum – maximum. This is a method to maintain the salary range in relation to external market conditions.

**Step Schedule:** Standardized progression pay rates that are established within a pay range. To move to the next step, one must have met acceptable performance standards.

**Salary Schedule:** The hierarchy of job grades and pay ranges established within an organization.

**Spread:** The range of pay rates, from minimum to maximum, established for a pay grade. Typically used to set individual employee pay rates.

## Pay Philosophy

A pay philosophy is an organization's financial commitment to how it values its employees. The goal of a pay philosophy is to attract, retain, and motivate qualified people. A consistent philosophy provides a strong foundation in determining the type of total compensation package to offer employees.

As will be discussed throughout this report, the Consultants met with City Administration, Department Directors, supervisors and employees, and heard a common theme, that the City of Rochester Hills has a higher than normal expectation of its employees. The Mayor and City Council has a philosophy of innovation and high customer service – with limited staff. Many employees felt that comparing the salaries of the positions within Rochester Hills to external communities would not be a complete

representation due to these expectations, higher volume of work, and lower staffing levels which require employees to take on a larger scope of responsibilities.

The current Compensation System is built on the ‘average’ market rate – or the 50<sup>th</sup> percentile. However, in reviewing the benefits (see the Total Compensation Section), it appears the City has already provided some of its benefits, at a higher level than its targeted comparables. It would stand to reason, that base compensation should be set to a higher standard than average as well, to reward and incent the above average expectations.

Therefore, with data that has been analyzed – interviews with City Council, City Administration, and a total compensation review, the Consultants feel that setting the Compensation Schedule at the 55<sup>th</sup> percentile – or 10% above average, is appropriate. Thus, the compensation philosophy as well as the higher level of benefits, demonstrates the City’s commitment to employees, and its higher expectation level.

Thus, the following compensation philosophy is recommended:

***While maintaining fiscal responsibility, the City of Rochester Hills is committed to compensating in a manner that is equitable across all employee groups, reflective of the external market, and provides recognition for the achievement of individuals who achieve professional objectives or organizational goals. Specifically, our goal is to achieve the following objectives:***

- ***Achieve internal equity among union and non-union employee salary schedules,***
- ***Relieve pay compression between supervisors and subordinate employees,***
- ***Set salary schedules at 10% above the external market (55<sup>th</sup> percentile),***
- ***Provide incentives for performance and productivity,***
- ***Achieve administrative efficiency in maintaining compensation objectives.***

The basis for the 55<sup>th</sup> percentile will be justified through the data collection and total compensation analysis of this report.

# Methodology

## Data Collection

The project involved multiple steps: collection of data, interviews with specific administrative and department personnel, group employee meetings, meetings with union leadership, focus groups, and data analysis. In addition, a voluntary survey was distributed to all employees to ascertain information about the current compensation plans and benefits.

The first step of this Study involved the gathering of data that pertains to current compensation practices within the City of Rochester Hills. The Consultant received information relating to current salaries, collected market data, specific policies, and current job descriptions. Employees from each job title were asked to complete a comprehensive position questionnaire. This provided a basis on which to build a Compensation System.

Interviews were conducted with Mayor and Department Directors within the City representing the various job titles within the organization. The purpose of these meetings was to first, gain an understanding of the municipality's current compensation practices and philosophy; second, solicit ideas and input from these stakeholders for future compensation methodologies and practices; and finally, determine if there were any 'problem' positions within the City that were difficult to recruit, retain, or were 'unique' in the positions responsibilities. Further, Department Directors and Administration assisted in providing a comprehensive list of municipalities in which to obtain external market data for position comparison.

During the first site visit, three (3) voluntary employee meetings were held in which the Consultants explained the process, methodology and answered employee questions. In two (2) of the meetings, the Mayor was able to attend, and was able to comment as to how the Compensation Study came about as well as the importance of the project, not only to employees – but to the City.

The Consultants also met with representatives of both unions 1917 and 2491 as well as the City's labor attorney. Finally, members of the City's elected officials were interviewed to gain their understanding

of the City's current compensation plan, thought for the future and most importantly, their compensation philosophy.

The City was extremely concerned of employee involvement, so the City developed a voluntary survey to put on the City's intranet with the assistance of the Information Systems Department. Participants of the survey were asked to volunteer for a focus group. The Consultant's held three (3) focus group sessions that expounded on the questions of the survey. Although a couple of participants felt the survey and focus group appeared repetitive – many of the focus group discussions brought new issues, insights, and ideas well beyond the survey that were beneficial to the Study.

During the second site visit, in addition to the focus groups, employees were selected to be interviewed that represented the job titles of the organization. A total of three (3) consultants met with these employees and utilized the position questionnaires completed by the employees (and reviewed by supervisory employees) to gain a better understanding of the job responsibilities, skills, and various competencies of the position. The Consultant's reviewed the questionnaires prior to this visit, so these meetings were an opportunity to expound on the questionnaires, or for the Consultants to get clarification on confusing information. During these meetings if time allowed, similar questions that were asked during the focus groups were also asked – again to provide the Consultant's with a broad spectrum of the culture of the organization and their understanding, tolerance, and perspectives on compensation within the City of Rochester Hills.

Also during this site visit, a second meeting was held with several Department Directors who were considering changes with titles and/or reorganizations within their Department. Thus, productive discussions to create promotional opportunities for employees, based upon objective criteria; or collapsing of position levels as no such criteria existed, were held, and those ideas have been incorporated into the recommended Compensation Schedule.

Finally, upon completion of the draft compensation schedule, the Consultant, along with the Human Resources Director, met with each Department Director to review the entire recommended City Compensation Schedule and the Director's respective Salary Schedule prior to finalization. Any recommendations by the Directors, were reviewed by the Consultant and taken into consideration in

both its relation to the points assigned to the position, the external market data, as well as the impact to internal equity within the entire Compensation System.

## External Market Analysis

### Labor Market

In order to gain information from the external market, the City, through interviews with City Administration and Department Directors, established a list of comparable communities. This list was compiled for the purpose of the compensation study and does not necessarily reflect comparability within the meaning of Public Act 312 of 1969.

A survey was established and sent to the following organizations. The organization either completed the survey or provided the Consultant information as to where the information could be ascertained. In those situations, McGrath Human Resources had better control of the data as it completed the survey.

The following organizations were utilized:

**Table 1: Comparable Organizations**

Bloomfield Township, MI
Canton Township, MI
Charter Township of Independence, MI
Charter Township of Shelby, MI
City of Auburn Hills, MI
City of Farmington Hills, MI
City of Livonia, MI
City of Novi, MI
City of Port Huron, MI
City of Royal Oak, MI
City of Southfield, MI
City of Sterling Heights, MI
City of Troy, MI
City of Warren, MI
Commerce Township, MI
Eaton County Parks, MI
Oakland County, MI

Orion Township
West Bloomfield Township, MI
<b>Did not Participate</b>
City of Ann Arbor, MI
City of Wyoming, MI
Huron-Clinton Metro Authority, MI
Clinton Township, MI
Oakland Township, MI

### **Market Data Solicited**

Salary data was solicited for 127 different positions. Data included the minimum, midpoint and maximum, as well as the average salary of the incumbents. Positions with less than two (2) participants were excluded since it was considered an insufficient sample size. To complete the data analysis, a statistical analysis is conducted to determine an acceptable range around the 55<sup>th</sup> percentile. Salaries are then evaluated, and are eliminated if any salary is statistically too high or too low as to not skew the average (regardless of the organization). Then, a new percentile amount is calculated with the remaining salaries. There is a great deal of time spent in the data analysis to ensure that each position is scrutinized based on the data available as well as how it relates to the responsibilities of the organization we are aligning it to within the City.

## **Pay Range Market Analysis**

The City’s Minimum Salary Range was compared to the 55<sup>th</sup> percentile of the Market Minimum Salary; and the Average Incumbent Salary of Rochester Hills employees was compared to the 55<sup>th</sup> percentile of the Market Data for incumbents in a similar position.

It is standard compensation practice to establish a range around the Market Rate to determine if the employee is being compensated ‘fairly.’ Often, employees make the assumption that if the average Market Rate is \$25,000, then they should be making \$25,000. However, compensation practices look at a range around the Average Market Rate where an employee should be by the time the employee is fully functioning within his/her position. Traditionally, organizations establish a 5-10% range around the market rate. Thus, if an employee is making between 40-60% of the Market Rate, the employee is

fairly compensated. In order to analyze the salaries, a Comp Ratio is used. This is a ratio of the City's salary in relation to the external market data. A 50% comp ratio would mean that it is in line with the external market. Again, the 10% range is utilized. Thus, if a ratio is within 40-60% the salary is within an acceptable range.

### **Minimum Salary Comparison**

The analysis of the Minimum Salary Range gives an initial indication of whether starting salaries are within an acceptable Market Range. For this purpose, the closer to 50% Comp Ratio, the closer the match of the City's Minimum to the 55<sup>th</sup> percentile of the Market Minimum.

Minimum starting salaries below the 40% Comp Ratio would require further evaluation. It could be an indication that the minimum of the Salary Range has fallen below the Market percentile. However, a starting salary below the average Market percentile may not necessarily be a problem, depending upon the speed in which an individual advance to the established Market Rate.

### **Minimum Findings**

*Overall, the City's Salary Schedules have fared well in comparison to the external Market whereas 72% of the Minimums are in line. However, there are 21% of the positions that are in need of some adjustment, which is minimal and not uncommon to find a few that may have become problematic.* Although those within the 40% Comp Ratio are considered to be within the acceptable range, it is necessary to evaluate those positions within the lower portion of that range. Positions within the 40-44% Comp Ratio were analyzed and *23% of the positions need to be considered for an adjustment now or in the near future.* These positions are on the verge of falling below the 55<sup>th</sup> percentile of the Market Rate if the City does not implement the recommended Schedule. The positions below the acceptable Comp Ratio, and those within the lower portion of the acceptable range have been placed within an acceptable Pay Grade to take into account market conditions within the recommended Compensation System.

## Market Rate Salary Comparison

The next step in developing a compensation structure is to compare the current incumbent’s salaries to 55<sup>th</sup> percentile of market incumbents currently in the position. For this purpose, positions where there is more than one (1) incumbent, an *average* of the current City employees is utilized.

Overall, comparing the average incumbent(s) salary to the average Market Rate (Comp Ratio), it appears the City’s past compensation practices have maintained salaries within the average Market Rate.

**Table 2: Average (50<sup>th</sup> Percentile) Market Rate Comparison Summary**

Average Market Rate Comp Ratio	Number of Benchmark Positions @ 50 <sup>th</sup> Percentile	Percentage of Positions
0-29%	1	1%
30-39%	8	9%
40-49%	24	28%
50-59%	33	39%
60-69%	15	19%
70%+	4	5%

Thus, 89% of the positions are at or above the 40<sup>th</sup> percent Comp Ratio and within the acceptable range based on a 50<sup>th</sup> percentile comparison. There are 11% of positions that would be in some need of adjustment.

When analyzing the City’s Salary Schedules compared to the 55<sup>th</sup> percentile, the City’s positions are still not that far off the external Market.

**Table 3: 55<sup>th</sup> Percentile Market Rate Analysis**

Average Market Rate Comp Ratio	Number of Benchmark Positions @ 55 <sup>th</sup> Percentile	Percentage of Positions
0-29%	6	7%
30-39%	13	15%
40-49%	30	35%
50-59%	26	30%
60-69%	9	10%
70%+	2	2%

Of the benchmark positions – *22% of the positions appear to have fallen below the 55<sup>th</sup> percentile of Market Rate. Whereas, 78% of the positions are at or above the 55<sup>th</sup> percentile.* As discussed previously, *17% of the positions within the lower Comp Ratio (lower 40%) need adjustment* and without consideration, could fall below the Market in the next few years. However, with that said, overall, the City has maintained its Compensation Systems to compete at the top end of the salary scales to the 55<sup>th</sup> percentile of the external Market.

### **Total Compensation Analysis**

To determine if the 55<sup>th</sup> percentile is appropriate, or should the compensation philosophy be set higher than this, the Consultant’s performed a total compensation analysis. The Consultant ascertained from the Human Resources Director the five (5) municipalities that it strongly aligns with, as well as competes with. These communities are:

- City of Farmington
- City of Novi
- City of Sterling Heights
- City of Southfield
- City of Troy

The Consultants spent some time with the benefits personnel of each of these communities, and ascertained which benefits more closely aligned with the City of Rochester Hills. For comparison purposes, the two (2) benefits chosen (as they were those that could be aligned), were family health/dental and pension.

An average family/dental annual employer contribution was calculated not only for comparison to the City of Rochester Hills, but to calculate a total compensation amount per position. Further, an average Defined Contribution (DC) pension employer contribution was also calculated for comparison and calculation of total compensation per position.

**Table 4: Family and Pension Contribution Comparison**

<b>Average of Five Municipalities</b>	<b>Annual Family Health/Dental Employer Contributions</b>	<b>Annual DC Pension Employer Contributions</b>
Rochester Hills Employer Contribution	\$22,742.16	13.67%

Comparable Average Employer Contribution	\$18,072.90	10.00%
<b>Difference</b>	\$4,669.26	3.67%

On average, the City of Rochester contributes approximately \$4,669 more a year toward family health insurance than the closest five (5) comparable municipalities, as well as an additional 3.67% more in pension contributions. Thus, when adding these additional components to an adjusted *average* market salary (only using these five communities to obtain an average market salary), the City’s total compensation becomes higher than the external Market Rate. Ninety-one percent (91%) of the positions within this sample, are at or above the 50% Comp Ratio.

Therefore, with the external market and total compensation data, the Consultants feel that setting the compensation schedule at the 55<sup>th</sup> percentile, considering the value of its benefits in relation to the external market, is appropriate. Thus, the compensation philosophy as well as the higher level of benefits, demonstrates the City’s commitment to employees, and its higher expectation level.

## Employee Survey Results

The Consultants, as previously discussed, sent out a voluntary survey regarding the current Compensation Systems, and what employees viewed as important. In addition, the information was supplemented with focus groups and information from general employee meetings. Based upon this information, the Consultants learned that:

- 47% of the employees want a compensation system that is competitive to the Market;
- 31% of the employees are concerned with parity with similar jobs within the City;
- 23% of employees felt opportunity based pay was important.

With that said, during discussions in focus groups and employee meetings – opportunity based pay was a topic that, if done properly, would be of interest to a large majority of employees. There were concerns as to how it would be implemented; who would be making those decisions; and if it would be ‘fairly’ implemented.

The concern of the Salary Schedule is that it remains competitive and that the Schedule, in some way, reflects the external market data. Although employees do not dictate how the Schedule competes with the external Market, their opinion as to its length (number of steps), is important, especially since the compensation schedule implementation will need to be negotiated for some employees. Thus, it was interesting to note that through the employee survey and through discussions, that 41.33% of employees did not want to increase the number of steps on the Salary Schedule. Whereas, 38.67% did suggest that adding more steps to the Salary Schedule would be advantageous. Therefore, there was no real mandate one way or the other to remain with the same number of steps or add steps to the Salary Schedule. It should be noted that only 20% (or 15 respondents) suggested decreasing the number of steps on the Salary Schedule.

## **Current Compensation Systems**

The City has six (6) Compensation Systems. These are the three (3) union plans, a non-union pay plan, a part-time pay plan; and a wage for Department Directors. The Department Directors' pay plan consists of a set annual wage; thus no schedule analysis could be conducted. Note: two (2) fire union Salary Schedules were not included in the Study.

The 1917 and 2491 unions, and the non-union pay schedules are step systems that consist of four (4) or five (5) steps that range from 5.25% to 7.35% per step. Employees in 2491 positions are eligible for increases every six (6) months and can reach the top step within 18 months. Full-time Non-union and 1917 union schedules include five annual steps, with up to five years to reach the top step. In order to help solve an in-range compression problem, new employees into the 1917 union after 2011 were placed on a new scale that was reduced 5% below the pay scale of incumbents hired prior to 2011.

The biggest issue; when 1917, 2491, non-union, and director's salaries were all aligned was clearly internal equity and compression. This is not uncommon in organizations that have multiple pay scales. There were cases where supervisors made less than subordinates, or where the ranges were too close together; where promotional opportunities were diminished by the minimal distance between salary ranges; and where department director salaries were limited by the Mayor's salary and paid less than some manager positions.

The City fared well to the external Market; however, when an organization deals with only one (1) Schedule at a time – budget process for non-union; a committee for elected officials and directors; and negotiations for unions – internal compression and internal equity are not an uncommon compensation problem.

## **Recommended Salary Schedule**

In order to ensure the Salary Schedules are comparable to the 55<sup>th</sup> percentile of the external Market, and also ensure internal equity among all the Salary Schedules, the Consultant initially built the Compensation Schedule as one (1) Schedule. This way, all the positions were placed utilizing the same methodology, were analyzed in the same manner, and internal equity (superior/subordinate positions) were evaluated so sufficient space was provided in order to provide promotional opportunities. Further, the Consultant made sure supervisors earned more than the positions that they supervised, a problem under the current Compensation Systems.

The Consultant recommends a six (6) step system for non-union. Appendix A is a copy of the recommended 2018 Non-Union Salary Schedule. The steps have been decreased from the 5%–7% steps to 3%, which is more fiscally in line with the economy. Placement of positions onto the Salary Schedule is based upon several criteria:

- Point factor system
- Step 6 is the 55<sup>th</sup> percentile of the Market
- Compression analysis
- Internal equity

Thus, unlike the current System where only the point factor system is the placement mechanism, factors such as the external market and internal equity are also utilized in the placement of positions within the Salary Schedule.

### **Promotional Opportunities**

The Consultant worked with a number of Department Directors in developing promotional or career opportunities within the Salary Schedule. Most of these are designated as Level I, II, etc. positions.

Specific criteria for these positions, as well as when the employee is eligible to move to that level – will be finalized during the job description phase of the project.

### **Added Value Steps/Range**

During the employee survey, focus groups, and employee meetings, many employees felt that having an opportunity to be ‘rewarded’ for such accomplishments as earning certifications, or taking extra projects beyond those required for their position, would be beneficial for the employee as well as the City – especially since the focus of the City is on innovation. Steps AV1, AV2 (Added Value 1 – Added Value 2) have been added to the proposed Schedule for this purpose. These Steps will be made available once a process and guidelines for establishing added value criteria are in place.

Added value projects are items that are ‘above’ those required to perform the functions of the position or those to move to the newly created levels for career advancement. At this time, only a 3% step increase is recommended for Pay Grades 110 – 121. If an Added Value Step is approved, the employee moves to that Step and remains on that Step until such time as another Added Value Step is determined, approved, and completed.

For overtime exempt Pay Grades above 121, the Added Value is a range; thus, the City is not inhibited by a 3% step, but can determine a range of rewards from flat dollar amounts to a range of percentage increases, dependent upon the nature and extent of the criteria for achieving the increase.

A component to the Added Value Step/increase will be the evaluation of performance (not a merit evaluation). Currently, evaluations are generally completed for employees progressing through the step system; and are inconsistently performed in some departments – although Human Resources is working on trying to bring these into line. Many supervisors and some employees commented that the current form is complicated, old, and that they are tired of using it. Thus, this may be an opportunity for the organization to develop an updated performance evaluation system for use city-wide to be used for progression through the step system as well as in conjunction with the Added Value Steps.

Prior to the implementation of the Added Value Steps, the following must be completed:

- Completion of all job descriptions
- Development of City-wide performance evaluations
- Rules and design of the Added Value Program be developed
- Training for supervisors and employees

The Consultant suggests the non-union group pilot the program. Thus, when the unions negotiate the compensation plan and the Added Value Program, many of the issues and concerns may have already been worked out.

### **Placement**

For purposes of implementation, employees were placed to the Minimum of the Pay Range if under Step 1. If above Step 1, an employee was placed on a step closest to the current salary, regardless of tenure in the position. Employees may feel that tenure in a position they should be higher within the Salary Range. Although there is merit to this argument, placement on the Schedule by years in the position proves to be costly – something most municipalities cannot afford.

## **Other Compensation Issues**

During the course of the study, there was an opportunity to better align job titles and responsibilities. Numerous job titles were revised to either have consistency throughout the organization, or to become more current with the external market. These changes are reflected on the recommended Salary Schedule. There were a number of changes, the following highlight a few of the changes.

### **Administrative Assistants**

A comprehensive review was completed of all administrative assistant positions within the City. Four (4) levels of Administrative Associate (non-union) have been developed. The types of job responsibilities and criteria for each level will be incorporated into the job descriptions.

### **Public Services Department**

Within the Public Services Department, there have been a number of changes that have either collapsed levels, or clarified the levels. With the job description project, the Consultant will look to the DPS Department to ensure job descriptions accurately describe the positions.

### **Parks & Forestry Department**

The Parks & Forestry Department has been going through a multi-phase reorganization. Through the Compensation Study, the Consultant worked with the Director to ensure new titles and positions were integrated into the new Compensation System.

### **Mayor's Office**

Finance is currently under the Mayor's department. For greater organizational clarity, the City should consider making the Finance Department a stand-alone Department, with the Finance Director – or Chief Financial Officer reporting to the Mayor, similar to every other department director.

### **Fire Department**

The Consultant was asked to provide direction regarding the Communication Supervisor position. This position has evolved over the years, as it once was the supervisor over the 911 dispatch center. As that entity has been consolidated and is no longer a City function, the incumbent has taken on a number of responsibilities including radios in the Fire Department and Public Services Department; the City's telephone system; liaison with the County Communication Dispatch Center; the City's security system, and a number of other tasks. Presently, the incumbent reports to the Fire Chief.

The City is lucky to have such a dedicated, responsible individual, as he receives minimal direction or supervision. With that said, the City needs to start understanding all of this position's responsibilities, and developing a back-up plan in the event he is no longer available for this position; or at some point decides to retire.

## **Human Resources Department**

The Human Resources Department was going through a reorganization during the Compensation Study. Throughout this compensation process, it was evident continual communication from Human Resources to employees needs to occur. However, when the employees of this Department are stretched so thin, such communication tends to lapse as other priorities take over. Thus, in subsequent fiscal years, the Consultants recommend at least another full-time position be added to the Department.

## **Department Directors & Mayor**

Prior to the Compensation Study, the Human Resources Technical Review Committee (HRTRC) has had the responsibility of recommending the compensation of Department Directors and Elected Officials. The Human Resources Director provided external market data and with that, this Committee made a recommendation for Department Director salaries. In addition, plus or minus 5% of the current salary was utilized as the hiring salary range.

It is recommended the Department Directors and Mayor be placed onto the Salary Schedule of the Non-Union Salary Schedule. Placement has been made based on the external Market. Steps are 3% to get employees to the Market. A Range from Market (Step 6) to the Maximum is available for added value/merit increases. A comprehensive performance evaluation, one that encompasses a narrative by Department Directors listing accomplishments of the Department; professional accomplishments; and goals for the following year can be provided to the Mayor for review. This narrative would serve two (2) purposes. First, it outlines the accomplishments for the Mayor's use to communicate the accomplishments of the City; and second, serves as an evaluation of the employee.

The HRTRC's role, however, would no longer be responsible for directors' salary budget recommendations, as the adjustments to the Schedule would be governed by the budget process; step movement would be governed by the July performance step increase; and movement into the Added Value Range would be based upon the rules designed for this group and the project/assignment determined between the mayor and the employee.

The Mayor's Salary Range has 'greyed' out Steps. It is not uncommon for either the HRTRC, the City Council, or State Statute to govern the salary of an Elected Official. Thus, the Steps could be irrelevant for the Mayor's position. The Steps may be used as a guide for the HRTRC, or utilized as part of the Compensation System. The Minimum, Market (Step 6), and Maximum will serve as the overall Salary Range.

### **Exempt/Non-Exempt**

The Consultant's reviewed all the submitted position questionnaires and made recommendations to maintain or change positions from exempt (salaried) or non-exempt (hourly). The Fair Labor Standards Act checklists for the exemption categories of Administrative, Computer, Executive, and Professional were utilized depending upon the specific position. A caution should be taken that the information provided by the employee, and reviewed by the supervisor was the basis utilized by the Consultant.

An issue the City should address is that 1917 is a supervisory union and the vast preponderance of positions within that union qualify as exempt position, thus, should not receive overtime. The recommended Compensation System now brings a system that ties to the 55<sup>th</sup> percentile of the external Market. The Market comparables to which they were compared were exempt positions. Thus, if 1917 adopts the Salary Schedule in contract negotiations, these positions should be considered exempt and not eligible for overtime.

### **Part-time Employee Placement**

Some of the largest employee increases are for part-time employees. These positions have not been evaluated on the point factoring system and have been paid significantly less than full-time positions. Part-time positions that are equivalent to full-time 2491 positions have been paid 5% below the minimum pay of the full-time position.

A change in philosophy for part-time positions is recommended. Part-time positions that fulfill responsibilities that are similar to full-time positions are now being pay graded similar to the full-time position. The main difference in the position is the number of hours – not the level of responsibility. Thus, for some, this is a significant increase. There are still some part-time positions within the lower Pay Grades in the Salary Schedule for positions that have less responsibilities; temporary assignments; etc.

### **Staffing Concerns**

The Compensation Study was not a staffing study; however, all the Consultants assigned to the Study noted that the City of Rochester Hills, for the expectations required, is staffed thin in a number of areas. During discussions with Consultants, many employees took the position that additional compensation is needed, not due to inability to compete within the Market, but to make up for the perceived ‘unrealistic expectations’ of continually being asked to do more with less staff. No one has the expectation that staffing levels will increase to what they were 5-10 years ago; however, adding a part-time employee or full-time employee in a couple key areas, would provide some needed relief.

## **General Operational Guidelines**

### **Annual Adjustments**

It is imperative the City have a standardized procedure to adjust the Salary Schedule for consistency and for budgetary forecasting. It is the Consultant’s recommendation that on January 1<sup>st</sup> of each year, the Salary Schedule be increased by the national CPI -U percentage or by another predetermined economic indicator.

It is prudent to increase the Schedule by the CPI-U or some predetermined economic indicator. It is not wise to consistently increase the Schedule by less than the CPI-U (or a market related indicator), because over time, the Salary Schedule will fall behind the external Market, and the Schedule becomes obsolete, requiring more financial resources to put it back in line with the external Market.

### **Step Movement**

The Consultant recommends that the step movement in the Salary Schedule occur around July 1<sup>st</sup> of each year; moving performance evaluations to sometime around May – June. This would allow individuals who wish to have any Added Value opportunities be tied into the evaluation process as well as the City’s budget process. Added Value projects from the previous year could then be awarded along with the step increase in July; and any approved projects submitted in the next year’s budget process – if applicable.

### **Pay Grade Appeal**

Initial Appeal Process at time of implementation of the new Compensation System (Non-Union Positions only)

Employees within this new Compensation System may appeal their Pay Grade in writing and request review of their initial placement to the Human Resources Director within 14 days of the approval of the Compensation System. Employees and/or supervisors can appeal the Job Title or Pay Grade. Placement within the Pay Grade (step) cannot be appealed as that is a fiscal decision. The appealing person completes an appeal form. (Appendix B). The person’s supervisor and/or Department Director need to review and agree and/or disagree with the appeal and submit to Human Resources for collection.

The Consultant will review all appeal requests, and provide a recommendation to the City for any necessary adjustments. In the event a Pay Grade change is warranted, the employee’s current salary should be considered in relation to the new Salary Range and adjusted if necessary.

### **Life Cycle of Salary Schedule**

One of the main concerns in any salary schedule is the ability to keep it current. Often, an organization spends a lot of time and money to review and re-evaluate their Salary Schedule, resulting in giving individuals or Pay Grades significant increases because either the position or the Schedule is out of sync with the external Market. Therefore, when developing a Salary Schedule, one must build in some mechanism for maintaining the System with the average cost-of-living increases.

A Salary Schedule has a typical life span of five (5) years, at which time market conditions typically dictate a review. The City can attempt to prolong the life of the Schedule if it commits to maintaining its competitiveness with the external Market.

### **Benefit Statements**

Employees, especially in government where salaries and/or benefits have traditionally been above those in the private sector, may not realize the true cost to the municipality for providing benefits. It is suggested that the City provide benefit statements to employees that details the total cost of compensation for an employee and confirm it includes all the following benefit information:

- Gross Salary
- +Employer cost of FICA, FUTA
- +Employer cost of federal and state taxes
- +Employer cost of insurances (health, STD, LTD, etc.)
- +Employer cost for employees to participate in a sponsored EAP, Wellness
- +Employer cost of unemployment
- +Employer cost of worker's compensation
- +Employer cost of pension fund(s)
- +Employer cost of other benefits provided
- =Total compensation for the employee

This often has a dramatic effect on employees who only see their net pay, rather than the total cost an employer actually pays for an employee.

## **Benefit Analysis – Future Consideration**

In addition to compensation, the City asked that a comparison of other benefits also be conducted. This included the following: health insurance, retiree health insurance, vacation and annual leave, longevity, and tuition reimbursement. Other benefits such as part time benefits and payout alternatives were included after employee meetings were conducted. The following is a summary of these comparisons. Eighteen municipalities responded to parts of the benefits survey.

It should be noted these recommendations are separate from the Compensation Study and should not be tied together. The recommendations contained in the Benefit Analysis will take time to evaluate and/or negotiate and most, cannot be quickly changed.

### **Health Insurance**

It is normally extremely difficult to compare health insurance, as the number of plans and the plan designs are significantly different among organizations. In addition, the State of Michigan's Publicly Funded Health Insurance Contribution Act, otherwise referred to as P.A. 152 is a law that was created to limit the amount public employers pay toward employee health insurance plans. In order to comply with P.A. 152, employers are required to select one (1) of three (3) options:

1. "Hard Caps" Option - limits a public employer's total annual health care costs for employees based on coverage levels, as defined in the Act;
2. "80%/20%" Option - limits a public employer's share of total annual health care costs to not more than 80%. This option requires an annual majority vote of the governing body;
3. "Exemption" Option - a local unit of government, as defined in the Act, may exempt itself from the requirements of the Act by an annual 2/3 vote of the governing body.

The City of Rochester Hills has, on an annual basis, opted for the Exemption Option. As a result, employees are provided a core High Deductible Health Plan HMO (including a basic dental plan and vision plan) with a city funded Health Savings Account (HSA) contribution from the City with no premium cost to employees, regardless of the number of dependents added to their policy. The City then offers three (3) additional buy up health plan options that will cost employees between 6%-35% in premium contribution for the buy up provision. Of the comparable organizations, only three (3) self-

identified as using the Exemption Option. All other comparables use the Hard Cap or 80%/20% Options.

The Exemption Option is a significant annual commitment to the employee health insurance plan. According to the City's health insurance broker, the City's commitment to the Exemption Option cost an additional \$480,000 for 2017 towards the benefit than if the City went with the Hard Cap Option. In terms of actual cost, the City's health plan averages range between \$8,952.12 for single, up to \$22,742.16 for family. The average employer cost of health plans with comparable organizations was \$6,234.36 for single, and \$18,072.90 for family.

The City's four (4) plans include two (2) high deductible health plans (HDHP), referred to as the "Core Plan" and "Option 2", plus two (2) low or no deductible plans with higher out of pocket maximums, referred to as "Option 1" and "Option 3". Option 3 is offered to accommodate specific provider needs by participants that cannot be realized under Option 1.

In summary, Option 3 costs a family \$963 per month (35%); thus, this plan is so cost prohibitive, less than 1% of employees utilize this option. The City should work to find an alternative solution with the Insurance Broker so Option 3 can be eliminated. If any savings are realized from eliminating this Plan, those savings should then be shifted to Option 2, to reduce premiums for the second HDHP. Finally, the City should also increase the premiums for Option 1, which has no deductible.

It is common for municipalities to have lower employer contribution amounts for plans that have lower out of pocket expenses for employees, to help shift costs back to employees. Employees are often financially better off enrolling in a HDHP to save on monthly premium costs, which then shifts their financial responsibilities from that of a guaranteed monthly premium deduction, to an actual expense should they need to use the health plan while being good consumers of health care. HDHP's can often times be unnerving for employees because they have to be better consumers of their health care, and manage the expenses as they occur, but the City is also offering HSA contributions to provide a financial cushion to the employee.

With an education program, employees would, over time, see the value in the HDHP with HSA; and Option 1 as well as Option 3 can be phased out altogether. Until that time, because Option 1 currently has no deductible, the plan design should be altered to include a deductible and raise the total out of pocket expenses. In the immediate future, it is recommended to the City that an intense education program be developed so employees understand the direct link between utilization of the Plans and the correlation to annual premiums. Often times, because a \$15 or \$35 copay is inexpensive, consumers do not think twice about visiting medical providers unnecessarily.

Most organizations across the nation have added higher deductibles and coinsurance limits, which push costs back onto the healthcare consumers. This forces better and more active consumerism by those who utilize the health plan. Rochester Hills is following this trend, as needed.

The City also provides for a “Buy Out” Program, in which employees are paid to opt out of the City’s health insurance if they are covered elsewhere. This buy-out is worth \$2,580 per employee participant, per year. The City should review this program with their health insurance broker to determine the overall cost per year against the forecast of the number of employees and qualified dependents that may be added to the Plan if this option were to be eliminated. Benefits should not be viewed in terms of wages, because a perception of permanency of the benefit over a long period of time makes it difficult for the City to make necessary changes in the future.

### **Wellness Program**

The City participates in a health promotions program. This program provides for such items as wellness challenges, webinars, education, assessments, and planning tools. While these are great resources for employees, and the personal incentive for individual employee/dependent participation is up to \$300. A Wellness Program is an effective method to promote health and wellness amongst employees and spouse/dependents. Programs can be developed to encourage awareness of health-related issues, improve productivity and morale, decrease absenteeism and injury, and often times reduce cost of healthcare. However, employees often will only participate for a reward or outcome that has an impact to them. The City should consider offering the option of an additional HSA deposit in lieu of the \$300 payment (for those with an HSA). During employee meetings, employees have indicated setting the future for themselves in terms of health care is a major concern for them, and

although this is a small change, it can be impactful for participating employees. This is an area the Third-Party Administrators (TPA) can assist to develop a plan specific to the needs of the City.

### **Retiree Health Insurance Benefit**

The City currently offers retiree health insurance to those who meet retirement eligibility. These employees may elect a health plan, offered by the City, with the retiree paying 100% of the premium. The City offers a Retiree Health Care Funding Plan, in which the City contributes a percentage of gross earnings, and the employee also has a mandated percentage contribution. Employer contributions are 100% vested after 5 years. The employee dictates the investment of these funds into the market, so there is a level of risk associated with these funds. There is a program still in place that closed to employees hired after March 2001. This was a Health Benefit Trust. Employees provided feedback on this benefit during employee meetings. The largest concern is risk of the fund, because of the investment options. Employees would prefer to see some other safer options for funding. Although Human Resources expressed the level of risk was significantly minimized, employees may not have understood this; therefore, the need for employee education.

Comparables show this benefit is offered in a variety of ways. The majority of comparables continue to offer paid or partially paid retiree coverage, based on years of service, or contribute a portion toward a retirement financial program for health care coverage. This is somewhat of a unique benefit, as many public-sector employers are not able to offer this type of benefit due to rising costs, so benefit programs are being frozen, or employers are finding creative ways to establish funds for employee to grow themselves.

The City should engage employees in this area of benefit, because currently, the approximately 50% of the workforce in Rochester Hills is age eligible to retire, and employees are looking for market stability and guarantees with their funds. The City could consider an alternative program, and/or consider more education programs as to the funding mechanisms of the City to ensure employee understanding.

## **Pension Program**

The City currently offers a Defined Contribution Pension. The City asked the Consultant to survey comparables. There are currently three (3) organizations that offer a Defined Benefit program to current new hires. All other programs are closed, and have been replaced with Defined Contribution programs. In reviewing the contribution levels for the Defined Contribution Plans, the City's 13%-14% contribution rates exceed the comparables at 10%-12%. This is a benefit employees also brought up during employee meetings. Employees would be more comfortable with a Defined Benefit program. However, the cost difference for such a program would be significant for the City. The City offers a Deferred Compensation 457(b) program, so employees may defer additional pre-tax contributions up to IRS maximums to assist with their retirement planning. The City again is commended for identifying the need to provide options to employees for their future retirement planning. Most Third Party Administrators will provide multiples resources and education opportunities for employees. Given the high percentage of eligible employees for retirement, the City should develop an ongoing plan for workshops and education opportunities for employees.

## **Paid Time Policies**

The City currently has traditional annual leave (sick & personal time) and vacation programs, as well as holiday, bereavement, jury, and military leave, in which there are various rules for the use of each type of leave category. Having that many variations may be confusing and frustrating for employees and managers, and it is very likely a significant administrative burden to the administrative staff who setup and monitor the use of these forms of leave. In a union environment however, because this type of benefit is negotiated, the City may have some variations in these benefits, but it appears the City has tried to maintain consistency in this area across employee groups. It is understood that any changes to paid time policies are subject to bargaining, and quid quo pro likely applies to any changes. The recommendations of the Consultant are not intended to disrupt the overall negotiating strategy for the City, but is intended simply to provide a comparison of the City against other municipalities. There may be many other negotiated factors which ultimately led to the paid time benefit levels the City has today. This report does not consider those factors.

## **Vacation**

The current vacation schedule for all employees who qualify for vacation is four (4) or five (5) levels of accrual (the difference is dependent upon the employee's day of hire). Employees will reach the maximum accrual level at 15 years of service, with a maximum of 20 days of vacation per year. There are some grandfathered employees that will reach the maximum level by 18 years, with 25 vacation days per year, but that will go away with attrition. The change in vacation effective January 2012 was an area of benefits discussed during several employee meetings, because new employees receive less than grandfathered employee, and there is a disappointment in the amount of time it takes to reach three (3) weeks of vacation. In addition, employees may begin using vacation only after they have completed their probationary period. Use of vacation should start immediately once accrued, and not be subject to the current waiting period. This is a small but impactful change identifying the City as a more flexible employer.

Based on reporting municipalities, the City is not in alignment with other organizations, because there is only one (1) other comparable with a 20-day vacation maximum. So even though the City's current schedule will allow an employee to reach the maximum faster than many other comparables (15 years compared to 18-20 years), when an employee reaches that level, the amount they earn is less than other municipalities.

The City is recommended to modify the schedule to add additional levels to provide for higher maximum accruals at higher years of service. In addition, it is not uncommon for Department Directors to receive additional vacation at a higher amount than all other positions, although this would be an enhancement based upon what the comparables currently offer in this area. This is often the single difference in benefit offered to these high-level positions. As a result, each Department Director should be provided an additional five (5) days of vacation annually. The new schedule proposed is as follows:

**Table 5: Proposed Vacation Schedule for Non-Union Employees and Department Directors**

<b>YEARS OF SERVICE</b>	<b>VACATION HOURS</b>	<b>DEPT DIR VACATION HOURS</b>
< 4 years	10 days	15 days
4 – <8 years	13 days	18 days
8 - <12 years	16 days	21 days
12 -<16 years	19 days	24 days
16 -<20 years	22 days	27 days
20+ years	25 days	30 days

Vacation is ultimately a benefit employees should take advantage of to have uninterrupted time away from work, and allow themselves the opportunity to “recharge”. Given the high level of expectations in this organization, the vacation benefit is extremely important. The Consultant acknowledges that adding vacation to the overall vacation schedule may create staffing challenges for certain Departments, especially given the lean staffing some Departments currently experience. This will need to be considered when the City evaluates this recommendation.

### **Annual Leave**

At Rochester Hills, an employee earns 13 days of annual leave. This is comparable to other municipality accrual rates, whose maximum rate ranges between 4-12 days per year, with the majority at 12 days. (This was compared to sick leave in other locations)

The current provision for payout of this leave is to pay out any time remaining over 56 hours after the June 1<sup>st</sup> payroll each year, plus 100% at time of separation from employment. No changes to this benefit are recommended other than providing for an alternative method of payout, which will be discussed in Payout Provisions section.

### **Longevity**

Longevity is a traditional and tenured benefit found in public sector that has not proven to be effective toward promoting efficient and effective services. Only six (6) municipalities provide some type of longevity payment for current new hires. Several more programs exist that are closed, and will end

with attrition. The Consultant recommends the City eliminate Longevity. Financial resources would be better served providing employees market compensation, or enhancing a specific benefit available to all employees. Since the Salary Schedule goes beyond the Average Market Rate, longevity is built into the Salary Schedule. If the City decides to maintain Longevity, the benefit should cease for all future hires, and current beneficiaries of the benefit should be frozen at their current rate.

### **Tuition Reimbursement**

Currently, the City offers up to \$2,500 tuition reimbursement and \$300 for textbooks per year, for qualified courses. All but one (1) municipality provides for some form of tuition reimbursement. Most organizations provide for a flat annual dollar cap, between \$500-\$4,000, although there are some organizations that reimburse based on a number of credits per year. The City is comparable to the market, so no changes to this area are recommended.

### **Payout Provisions**

Currently, the City's payout provisions for vacation and annual leave are in the form of cash. This payment is then considered taxable to the employee, and the City pays related employment taxes on these amounts. Further, these payments need to be recorded as liabilities on the City's financial statements. The City could consider enhancing the payout provisions in a way that will assist employees with their future health care needs since the main reason employees choose not to retire is because they financially are not able to, or cannot afford to continue health care coverage. A medical trust program can be developed in which individual accounts are created for employees, payouts are deposited tax free for both the employee and employer, is not considered income to the employee, and is to be used for medical expenses by the employee/qualified beneficiaries. The City could also continue to use a deferred compensation 457(b) program, in which the payouts are placed into a qualified tax deferred retirement plan for the employee, as offered now. The Consultant cautions this last option may be restrictive since the IRS provides for annual contribution limits on individual deferred compensation accounts, and large payouts may exceed annual IRS limits.

### **Part Time Benefits**

Part time positions are utilized by several Departments across the City. These positions supplement the work of full time staff, have their own assigned work, work regular schedules, and are critical to daily

operations. Currently, part time employees have limited benefit opportunities. This was an area discussed at employee meeting by both part time and full-time employees. Regular status part time staff should be provided prorated paid time and holidays. Often times, when these employees need time off, or if the holiday falls on their scheduled day, they must take this time unpaid, and rearrange their schedule to get their hours. This isn't always possible with child care or secondary jobs. An example of how the prorated time could be set up is as follows:

**Table 6: Part-Time Benefit Example**

Annual Budgeted Hours	Holiday	Vacation	Annual Leave
1,000-1,250	4.0 hours per holiday	50% of full time	50% of full time
1,251-1,500	6.0 hours per holiday	75% of full time	75% of full time

Holiday time could also be restricted to holidays when the employee was scheduled to work; thus, the employee does not 'lose' pay.

## Summary of Recommendations

From a compensation perspective, the City needs to adjust its Salary Schedules in some areas to obtain a compensation philosophy of a 55<sup>th</sup> percentile of the external Market. Through this alignment, along with the level of benefits – the City will place itself in a highly competitive place within the Market. Further, employees have a perception that there are higher expectations placed on them than in traditional municipalities. Again, a higher total compensation mix will reward this expectation level.

The area of concern in the internal equity of the multiple Salary Schedules. Thus, the recommendation is to standardize the Salary Schedules to a six (6) step system, using the same methodology for all three (3) Schedules. The recommended Schedules were originally designed as one (1) Schedule to ensure internal equity. Placement is based on a point factor system, external market analysis and internal equity evaluation. As a result, the City has only three (3) Compensation Systems: Non-union system (Part-time, non-union & directors); 2491 and 1917. (Schedules for 2491 and 1917 are subject to contract negotiations.)

Finally, a number of recommendations have been given for title changes, career progression, and other miscellaneous changes. The Compensation System has a future step/range for movement beyond the

market for individual who take initiative and take on a project or enhance their skills that 'add value' to the Department/City/or to their position.

Overall, the benefits offered by the City are in line with the Market, with the exception of part time benefits and vacation, which should be adjusted to be brought up to Market. The City has recognized the needs of employees, and has set up programs to assist employees accordingly. Given the turnover the City should anticipate over the next decade due to retirement, with the minor adjustments recommended, the City is postured to recruit and retain the level of talent they City is known for.



New Pay Grade	Union	Recommended Title	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6M	AV1	AV2	Max
N115	PT	Museum Archivist (PT)	\$24.30	\$25.03	\$25.78	\$26.55	\$27.35	\$28.17	\$29.01	\$29.88	
N115	PT	Museum Event Associate (PT)	\$50,541	\$52,057	\$53,619	\$55,227	\$56,884	\$58,591	\$60,348	\$62,159	
N116	Non	Human Resource Generalist	\$26.24	\$27.03	\$27.84	\$28.68	\$29.54	\$30.42	\$31.33	\$32.27	
N116	PT	Inspector I (PT)	\$54,584	\$56,221	\$57,908	\$59,645	\$61,435	\$63,278	\$65,176	\$67,131	
N116	Non	Media Production Technician									
N117	Non	Administrative Associate IV - Fire	\$28.60	\$29.46	\$30.35	\$31.26	\$32.19	\$33.16	\$34.15	\$35.18	
N117	Non	Executive Assistant	\$59,497	\$61,281	\$63,120	\$65,013	\$66,964	\$68,973	\$71,042	\$73,173	
N117	Non	Financial Analyst									
N117	Non	Fire & Life Safety Educator									
N117	Non	Purchasing Analyst									
N118	Non	Accountant	\$31.46	\$32.41	\$33.38	\$34.38	\$35.41	\$36.48	\$37.57	\$38.70	
N118	2491	Admin Specialist - DPS	\$65,446	\$67,410	\$69,432	\$71,515	\$73,660	\$75,870	\$78,146	\$80,491	
N118	PT	Building Inspector III (PT)									
N118	Non	Executive Communications Specialist									
N118	Non	IS Systems Administrator I									
N119	Non	Application User Support Liaison	\$33.73	\$34.74	\$35.78	\$36.86	\$37.96	\$39.10	\$40.28	\$41.48	
N119	Non	Communication System Specialist	\$70,158	\$72,263	\$74,431	\$76,664	\$78,964	\$81,333	\$83,773	\$86,286	
N119	Non	GIS/Data Base Administrator									
N119	Non	HR Benefits/Safety Advisor									
N119	Non	Human Resource Advisor									
N119	PT	Inspector III (PT) - Electrical/Fire Alarm									
N119	Non	IS Computer System Administrator II									
N119	Non	Media Communications Supervisor					***				
N119	Non	Sr Purchasing Analyst									

New Pay Grade	Union	Recommended Title	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6M	AV1	AV2	Max
N120	Non	Sr Financial Analyst	\$36.09	\$37.17	\$38.29	\$39.44	\$40.62	\$41.84	\$43.09	\$44.39	
			\$75,069	\$77,321	\$79,641	\$82,030	\$84,491	\$87,026	\$89,637	\$92,326	
N121	Non	Chief of Staff	\$39.70	\$40.89	\$42.12	\$43.38	\$44.68	\$46.02	\$47.40	\$48.83	
			\$82,576	\$85,054	\$87,605	\$90,233	\$92,940	\$95,729	\$98,600	\$101,558	
N122	Non	Accounting Manager	\$42.48	\$43.75	\$45.07	\$46.42	\$47.81	\$49.24			\$61.59
N122	Non	Deputy Assessor Director	\$88,357	\$91,007	\$93,738	\$96,550	\$99,446	\$102,430			\$128,117
N122	Non	Deputy Build/Ord/Fac Director									
N122	Non	Deputy City Clerk									
N122	Non	Deputy Treasurer									
N122	Non	Economic Development Manager									
N122	Non	Deputy IS Director									
N122	Non	Planning Manager									
N122	Non	Public Utilities Engineer									
N122	Non	Purchasing Manager									
N122	Non	Transportation Engineer									
N123	Non	Deputy Fire Chief	\$45.88	\$47.25	\$48.67	\$50.13	\$51.64	\$53.18			\$66.52
N123	Non	Deputy DPS Director/City Engineer	\$95,425	\$98,288	\$101,237	\$104,274	\$107,402	\$110,624			\$138,367
N124	DIR	Assessing Director	\$49.09	\$50.56	\$52.08	\$53.64	\$55.25	\$56.91			\$71.18
N124	DIR	Building/Ordinance/Facility Director	\$102,105	\$105,168	\$108,323	\$111,573	\$114,920	\$118,368			\$148,052
N124	DIR	City Clerk									
N124	DIR	Human Resources Director									
N124	DIR	IS Director									
N124	DIR	Parks & Forestry Director									

New Pay Grade	Union	Recommended Title	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6M	AV1	AV2	Max
N124	DIR	Planning & Economic Development Director									
N125	DIR	Fire & Emergency Services Chief	\$51.54	\$53.09	\$54.68	\$56.32	\$58.01	\$59.75			\$74.74
N125	DIR	Finance Director	\$107,210	\$110,427	\$113,739	\$117,151	\$120,666	\$124,286			\$155,455
N125	DIR	Public Services Director									
N128	DIR	Mayor	\$59.27	\$61.05	\$62.88	\$64.77	\$66.71	\$68.72			\$85.95
			\$123,292	\$126,990	\$130,800	\$134,724	\$138,766	\$142,929			\$178,773

Positions highlighted in salmon are part of the 2018 budget and subject to approval

# Appendix B: Pay Grade Appeal Form

## City of Rochester Hills – Non Union Compensation Study Appeal Form

This form must be filled out completely, and must have all required signatures prior to submittal. This form, along with any supporting documentation, must be submitted to the Human Resources Director by \_\_\_\_\_ for consideration.

I. Employee Information		
Employee Name:	Employee Signature:	Date:
Department (& Division, if applicable):	New Classification Title and Pay Grade:	
Supervisor's Name:	Department Head's Name:	

### II. Type of Appeal (Please mark what is being appealed)

- Title Change Appeal (Complete Sections I, II, & III and Submit to Supervisor for completion of Section V)
- Pay Grade Appeal (Complete Sections I, II, & IV and Submit to Supervisor for completion of Section V)

### III. Title Change Appeal (All areas must be thoroughly completed)

Job Title Prior to Compensation Study:
Newly Recommended Job Title:
Explain Reason for Recommended Title Change:

### IV. Pay Grade Appeal (Attach Documents as Necessary)

New Pay Grade Placement:	Proposed Pay Grade Placement (Must be Completed):
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**IV. Pay Grade Appeal (Attach Documents as Necessary)**

Explain Reason for Recommended Pay Grade Change (Include if the employee's job has changed significantly since the original Position Description Questionnaire (PDQ) was completed, or if the employee left out critical information in their Position Description Questionnaire):

Other Internal Positions You Believe Perform the Same or Similar Work as the Proposed Position:

List any Other Municipalities You Believe Perform Similar Functions to the Proposed Position, and Known Job Title (You Do Not Need to Perform an External Market Analysis. This is Only if You Know of Other Positions):

Other Information that May Be Helpful to Determine Position Responsibilities and Pay Grade Placement:

**I. Supervisor (and Department Head, if applicable) Review**

Supervisor's Comments (Including Agreement/Disagreement and Why):

Supervisor Signature:

Date:

Department Head's Comments (Including Agreement/Disagreement and Why):

Department Head Signature:

Date:

**II. Human Resources Review**

Human Resources Comments (Include any Additional Information or Explanation):

Human Resources Signature:

Date: