



# COMPENSATION PLAN

# Agenda



COMPENSATION  
PLAN

**COMPENSATION PLAN GUIDING  
PRINCIPLES**

- 1) Appropriate Pay Ranges
- 2) Appropriate Pay for Individual Employees
- 3) Fiscal Responsibility

- 1) Appropriate Pay Range
  - a) Market Competitiveness
  - b) Economic Indicators (e.g., Consumer Price Index, Unemployment Rate)

- 2) Appropriate Pay for Individual Employees
  - a) Paying employees appropriately for individual contribution
  - b) Progression through salary ranges
  - c) Step and Grade pay plan for Police and Fire

- 3) Fiscal Responsibility
  - a) Available revenues
  - b) Service and staffing levels
  - c) Public sentiment
  - d) Regulatory compliance (i.e., Affordable Care Act)

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“It is the policy of the Sandy City Council to establish a compensation plan to **attract and retain highly skilled and talented employees** in all positions, to motivate these employees to perform well, and to create inducements both through basic compensation and fringe benefits for these employees to remain with Sandy City for productive periods of service.”

- *City Council Policy on Compensation*



“

“Salary ranges, which are internally equitable and competitive in the job market and are structured utilizing a system of continuing job evaluation and **periodic surveys** of the entities on the comparison group. When compared to the comparison group average, Sandy City city-wide and individual pay band minimum pay and maximum pay should be **at or near 100 percent.**”

*- City Council Policy on Compensation*

**COMPENSATION  
PLAN**

**PAY PLAN COMPONENTS**

## Pay Plan Components

- Pay increases take effect July 1 each year
- Components of pay plan can include:
  - 1) On-going Pay
    - a) COLA increase using economic indicators (*as needed*)
    - b) Market increase using salary survey (*as needed*)
    - c) Performance Evaluation Increase / Step Increase
  - 2) One-time Pay
    - a) Performance Incentive
    - b) Topped Out Evaluation Incentive

**COMPENSATION  
PLAN**

**COMPENSATION STUDY**

### □ Sources of Data

- 1) Internal information
- 2) Economic data
- 3) Nation-wide public & private sector surveys
- 4) Public sector comparison group using a Utah League of Cities & Towns Cluster

## 1) Internal Information

- Employee Turnover

<b>Annual City Turnover</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Total separations for the City	27	29	59	61	35	58	86	52	55
Number of employees at year-end	481	491	484	486	494	501	489	513	515
Total percent turnover	<b>5.61%</b>	<b>5.91%</b>	<b>12.19%</b>	<b>12.55%</b>	<b>7.09%</b>	<b>11.58%</b>	<b>17.59%</b>	<b>10.14%</b>	<b>10.68%</b>

## 1) Internal Information (continued)

- Employee Turnover

<b>2020 Turnover by Reason for Leaving</b>				
	<b>Involuntary</b>	<b>Voluntary</b>	<b>Retirement</b>	<b>Total</b>
<b>Police</b>	1	6	5	<b>12</b>
<b>Public Utilities</b>	1	6	1	<b>8</b>
<b>Public Works</b>	1	4	2	<b>7</b>
<b>Parks &amp; Recreation</b>	1	2	3	<b>6</b>
<b>Fire</b>	3	1	1	<b>5</b>
<b>Administrative Services</b>	1	3	1	<b>5</b>
<b>Community Development</b>	0	1	2	<b>3</b>
<b>Justice Court</b>	0	3	0	<b>3</b>
<b>City Attorney</b>	1	1	1	<b>3</b>
<b>CAO/Mayor/Admin</b>	0	2	0	<b>2</b>
<b>City Council</b>	0	0	1	<b>1</b>
<b>RDA/Economic Development</b>	0	0	0	<b>0</b>
<b>TOTAL</b>	<b>9</b>	<b>29</b>	<b>17</b>	<b>55</b>
<b>2012-2019 AVERAGE</b>	<b>10.6</b>	<b>28.0</b>	<b>12.3</b>	<b>50.9</b>

## 2) Economic Data

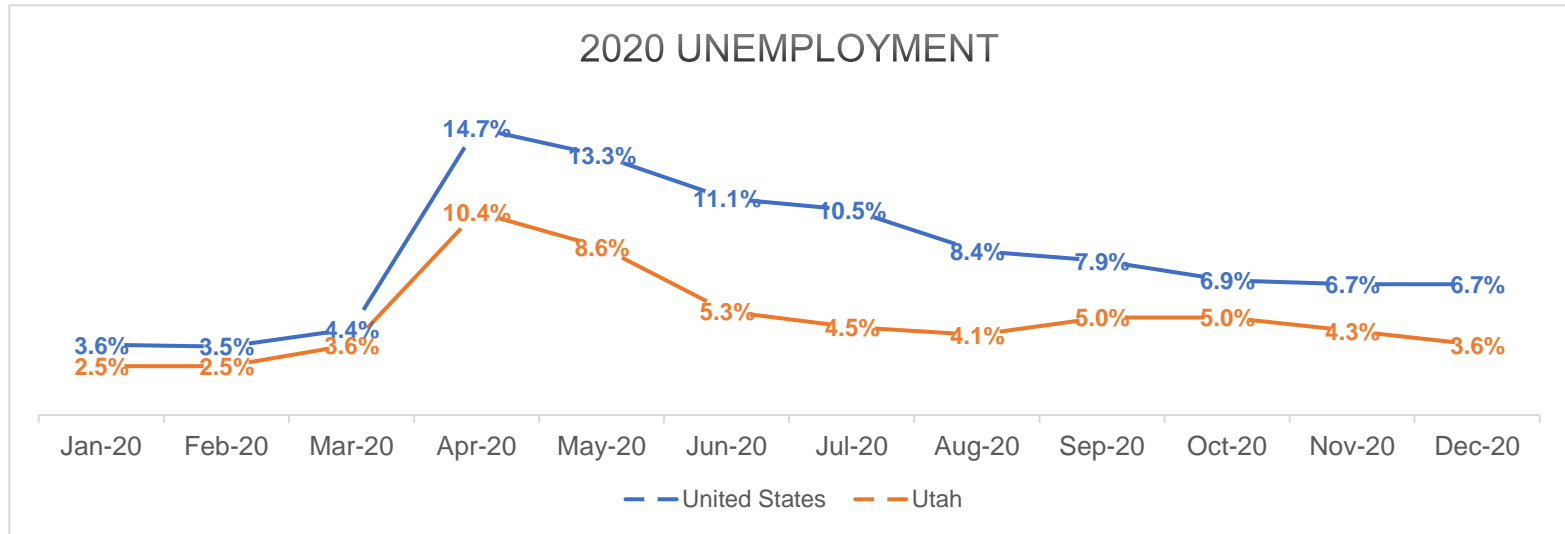
### a) Consumer Price Index (CPI)

	Salt Lake City	United States
2019	<b>2.1</b>	<b>1.8</b>
2020	<b>-0.3</b>	<b>1.2</b>
2021 (projected)	<b>1.4</b>	<b>2.0</b>
2022 (projected)	<b>2.9</b>	<b>2.5</b>

*\*Data Source: Moody's Analytics*



## □ Economic Data b) Unemployment Rate



### 3) Nation-wide Public & Private Sector Surveys

- *Salary Budgets*

- *2020 surveys show actual salary budget increases were less than what was projected at the beginning of the year due to COVID-19. Projected average salary budget increases ranged from 2.5% - 3.3%. Actual average budget increases in 2020 ranged from 2.5% - 3.0%.*
- *Expectations for 2021 salary budgets are similar to 2020 numbers. Survey responses ranged from 2.1% - 2.9%*

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“According to the survey, all employee groups other than executives are projected to receive salary increases of 2.6% in 2021. Those include management; exempt, non-management; and non-exempt salaried and hourly employees. Executives are projected to receive slightly smaller increases (2.5%) next year [2021].”

- *Willis Towers Watson*

“

“The projected recovery to an average 2.6% merit increase next year indicates that employers are optimistic about an economic recovery in 2021 and hope to restore some lost pay as a result.”

- *Salary.com*

“

*“The survey also found two in three employers (66%) are planning to award annual performance bonuses next year [2021] while less than one in 10 (8%) don't expect to do so. The remaining 26% are undecided.”*

*- Willis Towers Watson*

## 4) Public sector comparison group using a Utah League of Cities & Towns Cluster



	Cluster Name	Description	No. of Cities	Example City
A	Major Cities	Largest population base, minimal growth, established communities, large commercial centers	10	Provo, St. George
B	Commercial Centers	Larger population, significant commercial and industrial regional centers, growing communities,	22	Cedar City, Taylorsville
C	High Growth Communities	Communities with highest growth rates, high household income, low commercial	9	Saratoga Springs, Bluffdale
D	Residential Transitioning	Modest commercial property, increasing growth, many transitioning communities	31	Nibley, Santaquin
E	High Income Residential	Highest median household income, moderate growth, low commercial	18	Highland, Fruit Heights
F	Urban Edge Cities	High per capita commercial and industrial property, moderate population size and population growth	15	North Logan, South Ogden
G	Resort Communities	Low population, high commercial property, high per capita revenue	7	Park City, Alta
H	NR/Mining Based	Older, low growth rural communities, small commercial property	23	Duchesne, Price
I	Old Established Communities	Older communities, low or declining population, some commercial component	19	Lewiston, Manti
J	Traditional Agricultural	Traditional agricultural communities, primarily residential with increasing population, some growing commercial element	30	Ephraim, Nephi
K	Small Towns	Smallest population, older established communities with low or declining growth, low commercial property	66	Hatch, Scofield
L	Capital City	Economic center of the state	1	Salt Lake City

# Compensation Study

	Cluster Name	Description	No. of Cities	Example City
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Sandy City's Comparison Group	
<b>Cluster A: Major Cities</b>	Draper
	Layton
	Murray
	Ogden
	Orem
	Provo
	<b>Sandy</b>
	St. George
	West Jordan
	West Valley City
<b>Additional Entities</b>	Salt Lake City (Cluster L)
	Unified Fire Authority
	Unified Police Department

# Compensation Study

## Sandy City FY 2021 Total Compensation Study Summary of MIN, MAX, & ACT. AVG.

Percent difference for total compensation value of comparison group

<u>No.</u>	<u>Position Title</u>	<u>Band</u>	<u>Min</u>	<u>Max</u>	<u>Act. Avg.</u>
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- ✓ Salary survey includes a sampling of 44 positions
- ✓ 62% of employees are represented
- ✓ All departments are represented
- ✓ All pay bands are represented



# Compensation Study

## Sandy City FY 2021 Total Compensation Study Summary of MIN, MAX, & ACT. AVG.

Percent difference for total compensation value of comparison group

No.	Position Title	Band
		2 Clerical & Laborer
		3 Crew Leader, Admin Support & Technician
		4 Supervisor, Professional, First Response & Public Safety
		5 Manager
		6 Department Director & CAO



# Compensation Study

## Sandy City FY 2021 Total Compensation Study Summary of MIN, MAX, & ACT. AVG.

Percent difference for total compensation value of comparison group

<u>No.</u>	<u>Position Title</u>	<u>Band</u>	<u>Min</u>	<u>Max</u>	<u>Act. Avg.</u>
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**Min** = Bottom of the pay range

**Max** = Top of the pay range

**Act. Avg.** = Average pay of all employees in that position



# Compensation Study

## Sandy City FY 2021 Total Compensation Study Summary of MIN, MAX, & ACT. AVG.

Percent difference for total compensation value of comparison group

No.	Position Title	Band	Min	Max	Act. Avg.
1	DEPUTY FIRE CHIEF	5	45.75%	3.82%	11.30%
2	BATTALION CHIEF	5	28.06%	7.90%	13.40%
3	FIRE CAPTAIN	5	19.70%	12.72%	15.41%
4	FIRE ENGINEER	4	-5.80%	4.11%	5.34%
5	PARAMEDIC	4	0.65%	7.38%	1.76%
6	FIREFIGHTER/EMT	4	4.46%	13.08%	5.13%



# Compensation Study

## Sandy City FY 2021 Total Compensation Study Summary of MIN, MAX, & ACT. AVG.

Percent difference for total compensation value of comparison group

No.	Position Title	Band	Min	Max	Act. Avg.
7	POLICE CAPTAIN	5	14.10%	-2.57%	3.75%
8	POLICE LIEUTENANT	5	14.46%	-1.72%	2.82%
9	POLICE SERGEANT	5	11.23%	2.91%	4.27%
10	POLICE OFFICER	4	2.49%	0.00%	-0.64%



# Compensation Study

## Sandy City FY 2021 Total Compensation Study Summary of MIN, MAX, & ACT. AVG.

Percent difference for total compensation value of comparison group

No.	Position Title	Band	Min	Max	Act. Avg.
11	CHIEF ADMINISTRATIVE OFFICER	6	-10.52%	-8.83%	-0.71%
12	DEPARTMENT HEAD AVERAGE	6	7.28%	1.28%	10.72%
13	SENIOR CIVIL ATTORNEY	5	-1.23%	-0.44%	5.92%
14	CITY ENGINEER	5	-1.40%	-7.47%	-9.64%
15	JUSTICE COURT ADMINISTRATOR	5	0.58%	-2.21%	-13.11%
16	CITY TREASURER	5	8.50%	6.82%	15.69%
17	PLANNING DIRECTOR	5	0.40%	0.25%	4.78%
18	CHIEF BUILDING OFFICIAL	5	3.10%	1.14%	-6.33%



## Compensation Study

No.	Position Title	Band	Min	Max	Act. Avg.
19	SENIOR PROSECUTOR	5	3.39%	1.27%	14.83%
20	LONG RANGE PLANNING MANAGER	5	7.40%	4.68%	2.31%
21	FIELD OPERATIONS MANAGER	5	9.09%	5.76%	17.90%
22	PARKS DIVISION MGR/SUPERINTENDENT	5	-3.58%	-5.74%	-2.71%
23	NETWORK ADMINISTRATOR	5	-1.75%	-6.30%	-9.18%
24	PW STAFF ENGINEER III	4	-9.31%	-7.79%	-13.35%
25	ACCOUNTANT II	4	-0.47%	-2.01%	-4.33%
26	PURCHASING AGENT	4	0.36%	-3.07%	-2.08%
27	HR ANALYST	4	3.01%	-0.50%	-9.55%
28	PLANS EXAMINER	4	-1.62%	-6.65%	2.41%
29	PLANNER	4	3.52%	1.27%	-0.51%
30	PARK GROUNDS AREA SUPERVISOR	4	0.68%	-0.80%	-6.34%

## Compensation Study

No.	Position Title	Band	Min	Max	Act. Avg.
31	PROFESSIONAL BUILDING INSPECTOR	4	-1.19%	0.33%	-0.59%
32	PARALEGAL II	4	3.66%	3.42%	19.63%
33	FLEET TECHNICIAN	3	-1.99%	-4.05%	-2.41%
34	WATER OPERATOR	3	-2.85%	-1.24%	0.99%
35	MAINT. CREW LEADER (CITY WIDE)	3	-3.21%	-6.54%	-9.55%
36	EXECUTIVE ASSISTANT	3	-1.94%	-2.17%	10.62%
37	ANIMAL SERVICES OFFICER	3	3.83%	-1.30%	7.25%
38	STREET MAINTENANCE WORKER I & II	3	-2.60%	-2.36%	0.25%
39	PARKS MAINTENANCE WORKER I & II	3	3.05%	0.00%	5.78%

## Compensation Study

No.	Position Title	Band	Min	Max	Act. Avg.
40	UTILITY BILLING CLERK	2	-0.89%	-3.49%	-6.56%
41	METER TECHNICIAN	2	-0.47%	-1.51%	-1.29%
42	RECORDS SPECIALIST (POLICE)	2	1.79%	-0.86%	4.15%
43	JUSTICE COURT CLERK	2	-6.37%	-6.06%	-4.72%
44	ADMINISTRATIVE ASSISTANT	2	-1.91%	-2.21%	7.29%



# Compensation Study

## Sandy City, Utah Pay Scale - Budget FY 2021 Executive Summary

Comparison cities include Ogden, Orem, Provo, West Valley, Murray, Salt Lake City,  
St. George, West Jordan, Draper, Layton, Unified Fire & Unified Police

\* Unified Fire and Police are only used in comparisons for sworn positions

\*\* Information is based on data reported to the Wasatch Compensation Group

### City to Market Ratio

Band	% of Min, Max & Act. Avg. Below Group Average	% of Min, Max & Act. Avg. At or Above Group Average	Positions
2	80%	20%	Clerical & Laborer
3	62%	38%	Crew Leader, Admin Support & Technician
4	49%	51%	Supervisor, Professional, First Response & Public Safety
5	31%	69%	Manager
6	50%	50%	Department Director & CAO
Total	48%	52%	



# Compensation Study

## Sandy City, Utah Pay Scale - Budget FY 2021 Executive Summary

Comparison cities include Ogden, Orem, Provo, West Valley, Murray, Salt Lake City, St. George, West Jordan, Draper, Layton, Unified Fire & Unified Police

\* Unified Fire and Police are only used in comparisons for sworn positions

\*\* Information is based on data reported to the Wasatch Compensation Group

### City to Market Ratio

BAND	MIN.	MAX.	ACT. AVG.	POSITIONS
2	0.98	0.95	0.99	Clerical & Laborer
3	0.98	0.96	0.99	Crew Leader, Admin Support & Technician
4	1.02	1.03	1.01	Supervisor, Professional, First Response & Public Safety
5	1.13	1.04	1.07	Manager
6	1.00	0.99	1.06	Department Director & CAO
City-Wide Weighted Avg.	1.03	1.01	1.01	



# Compensation Study

## Sandy City, Utah Pay Scale - Budget FY 2021 Executive Summary - All Positions

### City to Market Ratio

BAND	MIN.	MAX.	ACT. AVG.
2	0.98	0.95	0.99
3	0.98	0.96	0.99
4	1.02	1.03	1.01
5	1.13	1.04	1.07
6	1.00	0.99	1.06
<b>City-Wide Weighted Avg.</b>	1.03	1.01	1.01

## Sandy City, Utah Pay Scale - Budget FY 2021 Executive Summary - Non-Sworn Positions

### City to Market Ratio

BAND	MIN.	MAX.	ACT. AVG.
2	0.98	0.95	0.99
3	0.98	0.96	0.98
4	1.00	0.99	0.98
5	1.01	1.00	1.01
6	1.00	0.99	1.06
<b>City-Wide Weighted Avg.</b>	0.99	0.97	0.99



# Compensation Study

## Sandy City, Utah Pay Scale - Budget FY 2021

### Executive Summary - All Positions

#### City to Market Ratio

BAND	MIN.	MAX.	ACT. AVG.
2	0.98	0.95	0.99
3	0.98	0.96	0.99
4	1.02	1.03	1.01
5	1.13	1.04	1.07
6	1.00	0.99	1.06
City-Wide Weighted Avg.	1.03	1.01	1.01

## Sandy City, Utah Pay Scale - Budget FY 2021

### Executive Summary - Non-Sworn Positions

#### City to Market Ratio

BAND	MIN.	MAX.	ACT. AVG.
2	0.98	0.95	0.99
3	0.98	0.96	0.98
4	1.00	0.99	0.98
5	1.01	1.00	1.01
6	1.00	0.99	1.06
City-Wide Weighted Avg.	0.99	0.97	0.99

**COMPENSATION  
PLAN**

**BENEFIT PROJECTIONS**

### Health Plan

- The City's health insurance provider is PEHP. The FY 2022 renewal is expected to be 4% - 5% which equates to a \$240,000 - \$300,000 premium increase.
- The SCOPE Clinic provider is Onsite Care. We anticipate a 7% increase to clinic costs in FY 2022 which equates to a \$36,000 increase.

### Dental Plan

- The City's dental insurance provider is Ameritas. The dental plan is self-funded. In FY 2022, we anticipate an \$80,000 increase.

### Retirement Plan

- There are no anticipated rate increases for Utah Retirement Systems.

### Other Benefits

- Workers Compensation: Anticipate a small increase.
- Employee Assistance Program: Anticipate a small increase.



COMPENSATION  
PLAN

**FY 2022 COMPENSATION PLAN  
KEY ISSUES**

## Key Compensation Plan Issues

### Benefits

- We are working on finalizing renewals. Projected health plan renewal anticipated at 4%-5% which equates to a \$240,000 - \$300,000 premium increase.

## Key Compensation Plan Issues

### Pay Plan

- Fiscal year-to-date turnover and other savings equates to a 0.88% savings over the current year's personnel budget. This savings will net against any increases. Additional turnover savings may occur.
- Estimate to fund the police and fire step and grade pay plan is \$710,000.
- Salary survey data indicates market increases will be needed for some non-sworn bands to be competitive with comparison cities.

THANKS!

Any questions?