



Classification & Compensation Study

Executive Report

For

City of Lawrence, KS

February 2019



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Study Overview

McGrath Human Resources Group, Inc., an organization that specializes in public sector consulting, was commissioned by the City of Lawrence to conduct a comprehensive classification and compensation study of all positions. The City requested an evaluation of all City positions in order to update the current system.

The purpose of this study is to:

- ***Confirm and clarify the City's pay philosophy*** including your desired position in the market.
- Develop a ***cooperative plan of action*** utilizing the basic methodology outlined to the City and ***tailored to your specific project***.
- Obtain and ***establish compensation within the external market*** through a survey of comparable entities.
- Provide ***recommendations and cost analysis for range adjustments*** to the existing pay schedule.
- Provide ***recommendations and cost analysis for position adjustments within the existing pay plan(s)***.

The Consultant would like to extend appreciation to the City Manager, Assistant City Managers Human Resource personnel, and Department Directors for their time, cooperation, and sharing of information and perceptions with McGrath Human Resources Group.

Methodology

Data Collection

The project involved several steps: collection of data, interviews, and data analysis. The first step of this Study involved the gathering of data that pertains to current compensation practices within Lawrence. The Consultant received information relating to current salaries, collected market data, specific policies, and current job descriptions. This provided a basis on which to build a compensation system.

Interviews were conducted with the City's senior staff, including the City Manager, Human Resources Manager, Compensation Analyst, and Department Directors. The purpose of these meetings was to first, gain an understanding of the City'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 positions within the City that were difficult to recruit, retain, or were otherwise unique in the position's responsibilities.

To seek clarification on some positions, selected employees were asked to complete a Position Questionnaire.

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.

Thus, a compensation philosophy to guide the City of Lawrence has been developed:

The City of Lawrence considers its staff to be key assets. The salary and benefits program provided to the non-represented employees of the City is intended to attract, retain, and motivate highly qualified, enthusiastic, productive, and committed employees. The program is designed to assist the City in providing high quality services to the public. This objective is attained by providing compensation based on internal equity and external competitiveness within the City of Lawrence's fiscal capabilities and awarding employees based on performance on the job.

The objectives of the City of Lawrence's compensation program are to:

- Attract and retain highly qualified, enthusiastic, productive, and committed employees;
- Recognize the internal worth of jobs and pay accordingly;
- Meet competitive pay levels within chosen market and within our available resources;
- Ensure consistent administration and application of pay policies; and
- Ensure that pay plan administration decisions are not based upon nor influenced by an employee's sex, race, color, age, religion, or any other legally protected personal characteristic.

Compensation Section

Labor Market

To gain information from the external market, the Consultant established a list of comparables from interviews with the Department Directors and City administration. Each of the comparable organizations were contacted initially via telephone and then were provided an online questionnaire. Salary data for specific positions was solicited from the comparable organizations. The following organizations were contacted:

Table 1: Comparable Organizations

COMMUNITY/MUNICIPAL BODY (REQUESTED)	SURVEY FOCUS	PARTICIPATION
Kansas City Board of Public Utilities (BPU)	Water-wastewater only	DNP
Columbia MO	all	
Independence MO	all	DNP
Johnson County	all	
Kansas City MO	all	
Kansas City Transit Authority (KCATA)	Transportation only	DNP
Lee's Summit MO	all	DNP
Lenexa	all	
Manhattan	all	
Norman OK	all	
Oklahoma City OK	all	
Olathe	all	
Overland Park	all	
Salina	all	
Shawnee	all	
Topeka	all	
Waterone – Johnson County KS	Water-wastewater only	DNP
Wichita	all	
Unified Government of Wyandotte Co & Kansas City KS	all	

DNP = Did not participate

The Consultant was pleased with the response to the survey. All but two (2) who received the *full* survey (all positions) provided data. Three organizations that required a special survey did not respond.

The collection of this compensation data was utilized to analyze the average Market Minimum, Midpoint and Maximum Rates per defined benchmark positions, as well as a comparison of the average salary of the positions to the salary of incumbents within Lawrence. When necessary, evaluation of the comparable organization's job description, when available online, was utilized to resolve conflicts.

The labor market for Lawrence was determined based upon several factors including location, size, recruitment areas, and discussions with Department Directors. During interviews, each Department Director was asked if there were certain municipalities, they felt had similar positions. If so identified, the Consultant sought the salary and benefit data.

The Consultant surveyed 206 positions within Kansas. In addition to the current positions within Lawrence, the Consultant sought comparable data on positions that might have job responsibilities that are combined in Lawrence but might be separate in other organizations. Also, many positions within Lawrence have the same

title despite being different positions. Where possible, these positions were identified and added to the survey. In some cases, the titles were altered to better align with the industry.

Not all positions within the City are represented. The City has a total of 210 non-association job titles of which 206 were surveyed. Of the positions surveyed, usable data was obtained for approximately 123 positions – representing approximately 69% of the total job titles within the City. Therefore, when placing all City of Lawrence positions, there may be more positions out of line, or within the external market than those surveyed.

As stated, the market surveys gathered the following information: 2018 Minimum, Midpoint, and Maximum salary for the position as well as the average salary of the incumbents. Salaries were then evaluated, and an average calculated. Upon examination, salaries were eliminated if statistically too high or too low to not skew the average. Then, a new percentile amount was calculated with the remaining salaries. A great deal of time was spent in data analysis to ensure that each position was scrutinized based on the data available, was not skewed higher/lower than average, as well as how the market data relates to the responsibilities of Lawrence positions.

Pay Range Market Analysis

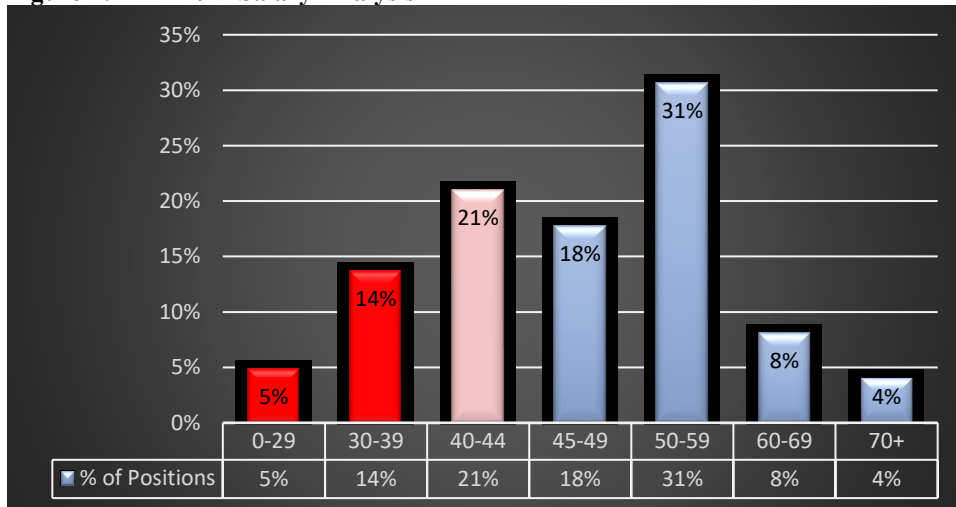
Lawrence's Minimum Salary Range was compared to the average Market Minimum salary, and the average incumbent salary of Lawrence employees was compared to the average market data for incumbents in a similar position. Further, an analysis of the City's compensation plan Midpoint to the external Market Average was conducted.

It is standard compensation practice to establish a range around the Minimum or Market Rate to determine if the employee is being compensated 'fairly.' Often, employees assume 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. 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 the initial indication that starting salaries are within an acceptable Market Range. When building a salary schedule, review of this data will ensure that the City's Minimums are within an acceptable range to the average Market Minimum; however, this analysis is only the beginning in the development of a Compensation Schedule. Positions where the minimum of the salary structure are below an acceptable minimum are highlighted.

Figure 1: Minimum Salary Analysis



Overall, approximately 19% of the current benchmark job titles are below the average Market Minimums. There are an additional 21% of benchmark positions in the lower 40% Comp Ratio that is within the acceptable range; however, these are at risk of falling below market in the near future.

Sixty percent (60%) of benchmark positions are within the acceptable average Market Minimums (45%-60% Comp Ratio). As such, with almost 40% of the positions in the lower end of acceptable, or below acceptable, the Salary Schedule Minimums, have not kept pace with the external Market. This has caused the City to have problems with recruitment of qualified applicants.

Market Rate Salary Comparison

The next step in developing a compensation structure is to compare the current incumbent's salaries to the average Market Rate. For this purpose, positions where there is more than one (1) incumbent, an *average* of the current employees is utilized.

Overall, in comparing the average incumbent(s) salary to the average Market Rate, it appears that the City’s past compensation practices have not maintained salaries with average Market Rate.

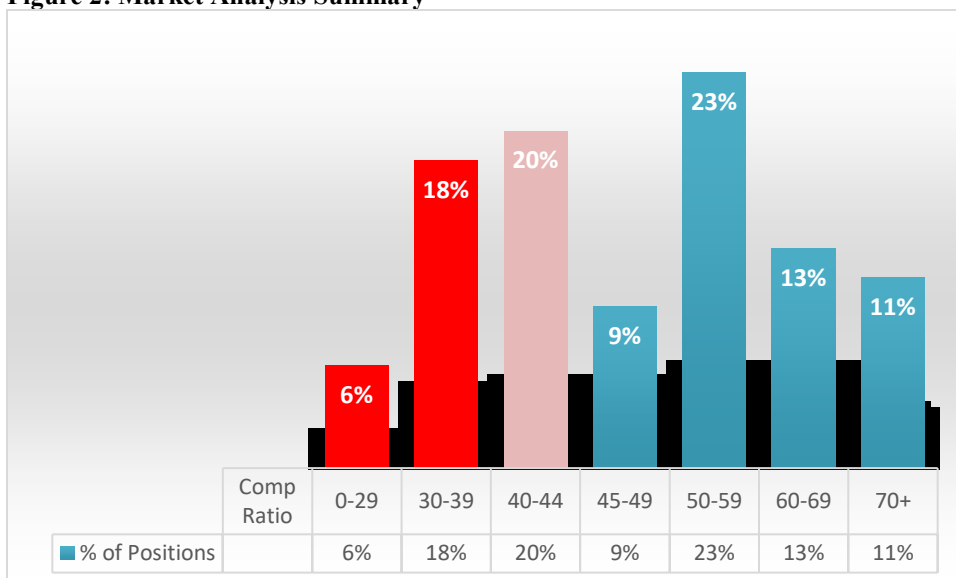
When employee salaries are compared to the average Market Rate of employee salaries, the City is again, beginning to fall below the Market. While considering the tenure of employees in single incumbent positions, 24% of the benchmark positions with the City are below the average Market Rate. There are another 20% of benchmark positions within the City in that lower 40% Comp Ratio that are in a position to fall below the average Market Rate in the near future. Were that to occur, approximately 44% of the positions within the City would fall below the average Market Rate. Fifty six percent (56%) of the positions are at or above the Market.

The Table and Figure below are a summary of the City’s standing with the external Market.

Table 2: Market Analysis Summary

COMP RATIO	PERCENTAGE
0-29%	6%
30-39%	18%
40-44%	20%
45-49%	9%
50-59%	23%
60-69%	13%
70+%	11%

Figure 2: Market Analysis Summary



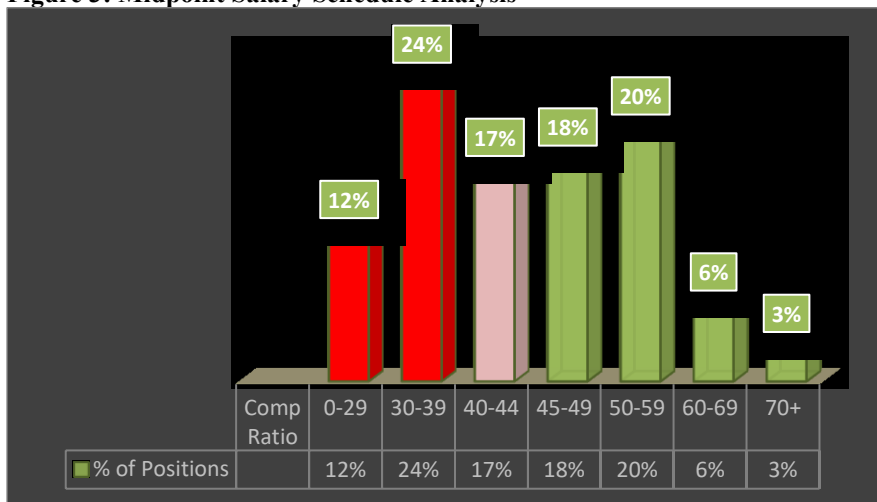
What is interesting to note is that with the tenure of employees, one would expect to see more incumbents above the 50th percentile. This would suggest that individuals may not be moving through the Salary Schedule adequately.

Midpoint Analysis

Since the City’s Salary Schedule is a quartile system, the Midpoint is typically representative of the average Market Rate. The average Market Rate indicates the salary an employee who is fully competent with the job responsibilities should be earning. This rate is usually achieved within 4-6 years of service.

As with the minimum and incumbent analysis, the Midpoint indicates the City’s Salary Schedule is falling below the Market. Thirty-six percent (36%) of the positions are below the acceptable rate. There is an additional 18% that are in the lower part of the acceptable range and will most likely fall below market very soon. There are 64% of the positions with an acceptable Midpoint; or one that is reflective of the average salary for the position. This analysis indicates the increases are insufficient to push employees through the Salary Range. With this analysis, there should be more employees at or above the 50th percentile as this is representative of the average external Market Rate. The average Market Rate should be achieved within 3 –5 years, which is typically when an employee is fully capable and competent of performing the job responsibilities.

Figure 3: Midpoint Salary Schedule Analysis



Maximum Salary Analysis

The Consultant has the information to compare the City's Salary Range Maximum to the average Market Maximum. However, due to the various types of salary range construction, the data is too dissimilar to be conclusive.

Market Data Summary

Overall, the City has not kept pace with the external Market when it comes to Market Minimums or the Midpoint of the Schedule. The current Salary Schedules are falling behind the average Market Rate, so there are a number of positions that need adjustment to align with the Market. With the number of incumbents at or below the average Market Rate, this might be an indication of not only the Salary Schedule falling behind Market, but that employees are not moving through the Salary Schedule.

Compression Analysis

Compression is when salaries of job classifications of a higher rank or authority are paid less than positions of a lower rank or authority. This usually occurs in public safety departments where salary plus overtime of lower ranks exceeds the higher ranks. Because of this issue, the Consultant asked for salary information (base + overtime) for the entire 2017 fiscal year for all job classifications. After analysis, the Fire and Police Departments are the only ones with Compression concerns.

The work schedules and requirements of extra duties outside the normal work schedule make it impossible to eliminate Compression. Typical overtime of \$7,000 - \$10,000 can be found in most public safety departments. However, in reviewing the overtime in both Departments, amounts for certain personnel range from \$12,000 - \$60,000 just in overtime.

In many police departments, some of the overtime can be accounted for in special assignments connected to state/federal programs, or services through contracts with private organizations and/or schools; and there may be reimbursement to the City from the state, federal or private organizations. That is not necessarily the case in the Fire Department. Although the Fire Department may have a few extra assignments with local events, there is usually not the number of federal and/or state programs.

The recommended Salary Schedule takes into account a reasonable amount of overtime for non-association police and fire personnel. By the time the employee reaches the market or post market range, they earn more

than most of the subordinate employees. Unfortunately, overtime in excess of \$10,000 cannot be eliminated with a revised salary structure. Thus, internal practices for earning overtime must be examined.

Current Compensation Systems

The City currently has five (5) different compensation systems. Two of the schedules are assigned to associations and must be negotiated. The Consultant conducted an analysis of all Salary Schedules.

Overall Schedule Issues:

The City has a compensation manager who has utilized a consistent method for placing positions within the Schedules. With that oversight, the Plan has been maintained. There have been discussions of changing the method of position placement to one that is more point factor driven, as the current placement system is no longer that effective. A Point Factor System would provide a more consistent methodology for initial pay grade placement.

Not all the Salary Systems are updated annually to account for changes in the economy. As such, the non-represented system is from 2015, and through the data analysis, illustrates a number of positions are no longer competitive in the market. The same can be said for the represented positions as well. A compensation system needs to be increased annually to account for changes in the economy and external market.

With multiple systems, there can be a tendency to have internal equity issues. This is through no fault of anyone, as the City negotiates with two (2) Schedules and then handles the non-association Schedules differently. If the increases to the Schedules between association and non-association are inconsistent, then superior/subordinate relationships become compressed. Further, the differences in the compensation structures can also cause internal equity and compression problems. Therefore, an analysis of all the Salary Schedules has been completed to analyze the extent of the internal equity and compression problems.

Integrated Salary Schedule Analysis

The issue with all the Salary Schedules is internal equity. The Consultant placed all the Salary Schedules together to evaluate internal compression. It is not uncommon to overlook this as the City deals with the non-association Schedules during budget time, and the association Schedules during contract negotiations.

Appendix C is the consolidation of the Schedules.

Analyzing the integrated Schedules, there are some concerns:

- The Ranges within the Fire Department are very close and can cause compression issues.
- There are some internal equity issues with Officers (management) in the Police and Fire Department in relation to other supervisory staff in the non-represented group.
- Some Officer (management) positions within Police and Fire do not exceed the represented staff until the Midpoint or third quartile.

Some of these issues may be minimized with the update of the non-represented Salary Schedule. However, overtime and specialty pay, etc. need to be addressed through contract negotiations.

Recommended Salary Schedule

General Salary Schedule

The recommended Compensation System for positions in the Compensation Study (excluding some Police and Fire) is a range system (See Appendix A). There is a 45% range between Minimum and Maximum. The Schedule has been developed around the Market Rate (set at 50%). This will be identified for employees on the Schedule moving forward, so employees understand what their earnings are in comparison to the overall Market and can visually see the City's philosophy of compensation based upon the market.

The Range beyond the Midpoint should serve the City well for retention of personnel and aligns the City with what is offered by comparable employers, as well as recruitment and retention which will become an increasing challenge for the City as employee's turnover in the next several years.

The Schedule does have some overlap; Compression between a new supervisor to a longer tenured employees may still occur in some occupations. The recommended Schedule, however, minimizes the Compression.

Salary Schedule Adjustments

Annually, the Salary Schedule should be adjusted for economic reasons. Without maintaining the Salary Schedule, it will fall below the Market and the City will end up spending dollars to get it updated. Annual Salary Schedule adjustments will keep a competitive, fair, and fiscally sound Salary Schedule. There may be years when the economy cannot support such increases; however, that should be the exception – not the norm.

Therefore, there are two (2) increases recommended– one to the overall Salary Schedule, and the other for progression within the Salary Ranges based on performance.

Annual Performance Adjustments

The Salary Schedule is based on a premise of annual performance adjustments. Each year, employees can receive the salary increase set by the City Manager with acceptable performance unless an employee is on a Performance Improvement Plan.

The City is recommended to review its current performance evaluation process as there is insufficient dollars to be distributed to the Salary Schedule and movement through the Salary Range. To implement a merit or pay for performance compensation system, four (4) elements are essential:

- Clearly articulated performance objectives
- Defined performance measurement system
- The ability for governing officials to *financially support* the system
- The ability and support of elected or appointed officials for management to effectively hold employees accountable for performance standards

Thus, organizations that wish to implement this type of system must be willing to honestly evaluate employees and hold them accountable for performance. In a pay for performance system, not only do individuals receive extra compensation, but compensation is also withheld to those who do not perform to the anticipated level, a task that most managers find extremely difficult.

With the combination of represented and non-represented employees, the inability for the City to financially support a merit-based system, and the need for strong supervisor training, the Consultant recommends the suspension of the performance-based system.

Therefore, the Consultant recommends, if possible, two (2) increases per year. On January 1st of each year, the City should increase the Salary Schedule by some market indicator. This will maintain the Salary Schedule competitive to the Market. Employees, with acceptable performance should receive this increase. Either on the employee's anniversary date, or July of each year, performance increases should be provided. This increase is a budgeted percentage and does not vary based upon individual performance. Thus, if an employee meets acceptable performance expectations – the increase is given. If the employee is still in probation, or on a performance improvement plan the increase is withheld or denied.

In addition, the funds set aside for merit should also be utilized to move current employees through the Salary Range and to the Market Rate. For example, employees with eight (8) years of tenure within the position (and with acceptable performance), an extra increase should be provided to move these tenured employees to the Market Rate. This additional adjustment should only need to occur for a couple of years. Once employees have been moved through the System, occasional market adjustments to reach the benchmark quartiles within the Range should occur.

At such time as the City has a chance to review their performance evaluation process, has the funds to provide a distinguishable merit increase, job descriptions are updated, and supervisory personnel are trained in performance management, the City can then consider reinstatement of a performance-based system.

Position Placement

Placement onto the respective Salary Schedule is based upon several criteria:

- Job Description analysis
- Market analysis
- Compression analysis
- Internal equity

After considering all these elements, placement of some positions on the Salary Schedules have changed, with some positions now being placed in lower or higher pay grades than on the previous Schedules. This is not an indication that any given position has more or less value, or that a specific position is even to be compared with the other positions in that respective pay grade, so employees are advised not to compare themselves with other positions given the complexity of the factors that are considered during placement of positions. Similarly, this is not a “reclassification” process, where a position is being evaluated on changes in responsibility, authority, or decision making that may place the position in a higher or lower pay grade etc. This process is a complete reset of the Compensation System. This is sometimes difficult for employees, because they look only at where their position is placed on the Schedule and compare themselves to positions that have been placed higher. When this occurs, employees begin to compare their perception of the value of positions within the organization, and do not know, or disregard, the factors the Consultants considered when placing all the positions onto the Schedules.

Employee Placement

For purposes of implementation, employees on the Salary Schedule were placed to the Minimum of the Pay Range if under the new Minimum Rate. Employees already within the Range will see no immediate change. The City is recommended to allow tenured employees who may be below the previously established Benchmarks to progress further into the Schedule to alleviate in-range Compression over time. The City has been briefed on this and will look to rectify this in future budget years, as funds become available.

Other Compensation Issues

During the course of the Compensation Study, the Public Works and Utilities Departments began a merger. Upon submission of the Draft Schedule, the Consultant along with members of the Human Resource Department and Administration of the new MSO Department met to revamp many of the positions within the Department. This included analysis of current and future position progressions; titles; internal equity; and proposed changes caused by this reorganization. Due to the large number of changes, another site visit was planned to review these changes again. Thus, during the Compensation Study, not only with the MSO Department, but with several other Departments, titles have been changed; progression to higher level positions have been clarified and/or deleted. Criteria for the positions has been delineated and should be incorporated into updated job descriptions.

Schedule Implementation

In January of 2019, the City intends to implement merit in its usually format. The City will adjust current salaries and a re-calculation of the placement will occur. Implementation costs involve moving employees within the new Salary Range. This is typically a costly venture. Thus, the Consultant recommends the following implementation steps:

- January 2019 – Merit increases
- June or September 2019 – implement recommended Salary Schedule
 - Move employees below the Minimum Rate to the new Minimum Rate, if under
 - No other increases awarded at that time
- January 2020 – Salary Schedule adjustment
 - All employees receive a market adjustment by an amount close to CPI
- July 2020 – Performance increase

- Limit the merit pool in 2020 and if needed in 2021 to focus on getting employees further toward the Market Range.
- If possible, provide employees with 8 years of service or more, who are below the Market Range, with an additional increase.
- January 2021
 - Increase the Schedule by an amount close to CPI
 - Complete any in-range adjustments
 - Employee market increase
- July 2021
 - Performance increase (updated performance system)

Note: Any employee on a performance improvement plan should be denied a performance increase.

General Operational Guidelines

It is important for the City to have a standardized procedure to adjust the general Salary Schedule for consistency and for budgetary forecasting. It is the Consultant's recommendation that on January 1st of each year, the Salary Schedule be increased by the national CPI -U percentage or by another predetermined economic indicator. The City indicated that 'several' indicators might be utilized, which is fine, then the same set of indicators should be utilized. What can happen, is that an organization 'selects' the indicator that best serves its purpose rather than maintain consistency. For example, since budgeting is done at approximately the same time each year, the City should establish a specific month in which to capture the average of the previous twelve (12) months of the selected economic indicator(s) for a recommended adjustment. The City will still maintain control if conditions and finances fluctuate in a specific year. It is recommended the adjustment to the Salary Schedule be done on a date other than salary increases, so employees understand there are two (2) separate adjustments per year.

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.

The Salary Schedule was increased slightly for a 2019 implementation. However, to keep the implementation costs down, the amount of the increase was below the projected CPI-U at the time. Thus, the Consultant highly recommends that in 2020 at least 2%-2.5% be added to the Salary Schedule. This will cause those at the Minimum of the Pay Range to be below the updated Minimum and require funds to move employees to the minimum again. However, if the economy continues to trend upward, the Salary Schedule will be behind the external market without such adjustments.

Life Cycle of Salary Schedule

One of the main concerns of any salary schedule is the ability to keep it current. Often, an organization spends a lot of time and resources to review and re-evaluate their Salary Schedule, resulting in significant increases to employees or Pay Grades because either the position or the Schedule was not in line with the external Market. To avoid this, public sector organizations 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 necessitate a review. The City can strive to prolong the life of the Schedule if it commits to maintaining the Schedule to retain its competitiveness with the external Market. Thus, depending upon external market conditions, the Consultant recommends a review of the schedule every three (3) to five (5) years.

In addition, the City has an old Point Factor System, which is no longer useful. The Consultant recommends the City budget in 2019 for the re-development of the Point Factor System as an objective means to place positions within the Salary Schedule. This can be developed to fit into the revised recommended compensation Plan. In addition, the process to accomplish this requires the completion of Position Questionnaires. These Questionnaires can also be utilized to assist the City in updating its job descriptions.

Benefit Statements

Employees, especially in government where benefits are typically more generous than those in the private sector, do not realize the true cost to the municipality for providing benefits. The Consultant recommends the City *continue* to create an annual benefit statement that details the total cost of compensation for an 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.

Compensation Summary

Overall the Salary Schedule needs adjustment to remain competitive. Lack of maintaining the Compensation Schedule on an annual basis has caused the Schedule to fall below the Market. The salary structure itself has some issues as the City has grown and positions have had to be squeezed in, causing some Compression issues between superior and subordinate personnel. Finally, the City abandoned its Point Factor System years ago, and an emphasis on external competitiveness rather than a combination of internal and external has led to some positions placed in Pay Grades that are questionable with regards to internal equity.

Finally, it is admirable the City has moved toward a performance-based compensation system; however, there is insufficient funding to make it meaningful and move employees through the Salary Range.

While maintaining a structure similar to the current System, it is recommended to adjust the Salary Schedule to reflect attainment of the average Market Rate. The System has placed positions onto the Schedule using a combination of external market, internal equity, and minimizing compression. It is strongly recommended that a Point Factor System be reinstated, and all positions undergo this analysis. This provides an initial objective evaluation of each position. After the point factor analysis, consideration of external market and compression can be used to fine tune the position placement.

The Consultant recommends a suspension of the merit program until such time as the program can be re-evaluated, and sufficient funds can be dedicated to the program. Under current Kansas tax restraints, efforts should be made to ensure an adequate base compensation system – especially with a labor shortage and rising competition for employees. With that said in the interim, a simple evaluation form can be utilized to ensure employees with performance concerns do not receive an annual increase.

Since the City has expended funds to update the Compensation System, annual maintenance of the system through annual increases to the Schedule need to occur. Otherwise, all efforts to get the System aligned to the external market will be needed to be completed again - at a large cost to the City.

Definitions

The following are definitions that helped guide the development of the Compensation System for Lawrence.

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 an actual pay range to the established position point (or average market rate). The Comp Ratio is used to measure and monitor an individual's actual rate of pay to the Position Point of the established pay range. In Lawrence, a 50% comp ratio (+/- 10%) indicates an individual is being paid approximate to the established position point (or average market rate).

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.

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 the spending pattern for three population groups: all urban consumers, urban wage earners, and clerical workers. This group represents approximately 87% of the total U.S. population.

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

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 Average: The ‘average’ market rate; or the ‘average’ prevailing wage rate in the external market.

Market Average Range: A pay range in which the minimum and maximum of the range is established around the Average Market Rate.

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.

Performance Increase: An adjustment to an individual’s base pay rate based on performance or some other individual measure.

Post Market Range: The range beyond the average market rate and below the maximum. Indicates compensation above the average market rate.

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.

Appendix A: Recommended 2019 Non-Association Salary Schedule

PG	NEW TITLE	SALARY RANGE			
		Starting Range	Market Range	Post Market Range	Maximum Range
A	Custodial Technician	\$14.62	\$16.08	\$18.64	\$21.20
A	Nature Programmer Assistant	\$30,409.60	\$33,450.56	\$38,772.24	\$44,093.92
A	Parking Control Technician				
B	Administrative Assistant	\$15.79	\$17.37	\$20.13	\$22.89
B	Parking Control Officer	\$32,842.37	\$36,126.60	\$41,874.02	\$47,621.43
C	Administrative Technician	\$17.37	\$19.11	\$22.14	\$25.18
C	Animal Control Officer	\$36,126.60	\$39,739.27	\$46,061.42	\$52,383.58
C	Financial Technician				
C	Inventory Assistant				
C	Parks & Facilities Maintenance Technician				
C	Solid Waste Loader				
D	Administrative Specialist	\$19.11	\$21.02	\$24.36	\$27.70
D	Civilian Teleserve Technician	\$39,739.27	\$43,713.19	\$50,667.56	\$57,621.93
D	Code Enforcement Officer				
D	Court Clerk				
D	Evidence Technician				
D	Financial Specialist				
D	Legal Assistant				
D	Mechanic I				
D	Medical Billing Technician				
D	MSO Maintenance Technician				
D	MSO Operator - Field				
D	MSO Operator - Maintenance				
D	MSO Operator - Treatment				
D	Permit Technician				
D	Police Records Clerk				
D	Probation Officer				
D	Solid Waste Maintenance Technician				
D	Solid Waste Operator				
D	Sr Parking Control Officer				
D	Sr Parks & Facilities Maintenance Technician				
D	Street Maintenance Operator				
D	Tire Technician				
D	Utility Field Representatives				
D	Warrant & Probation Specialist				
E	Court Security Officer	\$21.02	\$23.12	\$26.80	\$30.47
E	Crime Scene Technician	\$43,713.19	\$48,084.51	\$55,734.32	\$63,384.13
E	Deputy City Clerk				
E	Engineering Technician				
E	Forester				
E	Golf Course Assistant Pro				

PG	NEW TITLE	SALARY RANGE			
E	Horticulturist				
E	Human Resource Benefit Technician				
E	Human Resource Payroll Technician				
E	Management Assistant				
E	MSO Information Technology Specialist				
E	MSO Technician - Programs				
E	MSO Technician - Treatment				
E	MSO Technician - Water Quality				
E	Nature Programmer				
E	Recreation Programmer				
E	Recreation Programmer - Center				
E	Recreation Programmer-Aquatic				
E	Sr Administrative Specialist				
E	Sr Administrative Specialist				
E	Sr Financial Specialist				
E	Sr Financial Specialist				
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F	Aquatics Assistant Supervisor	\$23.12	\$25.43	\$29.47	\$33.52
F	Building Inspector	\$48,084.51	\$52,892.96	\$61,307.75	\$69,722.54
F	Crime Analyst				
F	Human Resource Advisor - Recruitment				
F	Human Resource Analyst - Compensation				
F	Medical Claims Supervisor				
F	MSO Inventory Administrator				
F	MSO Supervisor - Meters				
F	Planner I				
F	Water Quality Lab Technician				
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G	Aquatic Facilities Technician	\$25.43	\$27.97	\$32.42	\$36.87
G	Building Inspector Specialist	\$52,892.96	\$58,182.26	\$67,438.53	\$76,694.80
G	Electrician				
G	Fleet Application Specialist				
G	Forestry Supervisor				
G	GIS Analyst - IT				
G	GIS Analyst - MSO				
G	Golf Course Professional				
G	Golf Course Supervisor				
G	Horticulture Supervisor				
G	HVAC Technician				
G	Information Technology Technician				
G	Marketing Specialist				
G	Mechanic II				
G	MSO Field Technician				
G	MSO Field Technologist				
G	MSO Program Administrator				
G	MSO Specialist				
G	MSO Specialist - Public Information				
G	MSO Technologist				
G	Nature Center Supervisor				
G	Operational Technician Specialist				
G	Plans Examiner				

PG		NEW TITLE	SALARY RANGE			
G		Police Records Manager				
G		Professional Standards Coordinator				
G		Project Inspector				
G		Public Affairs Specialist				
G		Recreation Program Supervisor				
G		Solid Waste Supervisor - Field				
G		Sr Maintenance Technician				
G		Streets Supervisor				
G		Traffic Signal Technician				
H		Accountant	\$28.48	\$31.33	\$36.31	\$41.30
H		Aquatic Supervisor	\$59,240.12	\$65,164.13	\$75,531.15	\$85,898.17
H		City Surveyor				
H		Community Development Analyst				
H		Facility Operations Supervisor				
H		Financial Supervisor				
H		Housing Administrator				
H		Human Resource Analyst - Benefits				
H		Human Resource Analyst - Compensation				
H		Human Resource Analyst - Development				
H		Human Resource Analyst - Payroll/Information Systems				
H		Legal Analyst				
H		MSO Analyst				
H		MSO Supervisor - Field				
H		MSO Supervisor - Fleet				
H		MSO Supervisor - Inspections				
H		MSO Supervisor - Maintenance				
H		MSO Supervisor - Projects				
H		MSO Supervisor - Technology				
H		MSO Supervisor - Treatment				
H		Network Technician				
H		Park District Supervisor				
H		Parking Supervisor				
H		Parks & Maintenance Supervisor				
H		Planner II				
H		Planning & Development Analyst				
H		Police Analyst				
H		Project Engineer (EIT)				
H		Project Specialist -Community Development				
H		Solid Waste Operations Supervisor				
H		Sr Plans Examiner				
H		Strategic Projects Manager				
H		Park & Recreation Analyst				
H		Traffic Supervisor				
H		Transportation Specialist				
I		Building Codes Manager	\$31.90	\$35.09	\$40.67	\$46.25
I		Buildings & Structure Manager	\$66,348.93	\$72,983.82	\$84,594.89	\$96,205.95
I		Business Systems Analyst				
I		City Prosecutor				
I		Code Enforcement Manager				

PG	NEW TITLE	SALARY RANGE			
I	Fleet Manager				
I	GIS Manager				
I	Horticulture Manager				
I	IT System Administrator				
I	MSO Manager - Treatment				
I	Municipal Court Manager				
I	Network Administrator				
I	Park Operations Manager				
I	Project Engineer				
I	Recreation Operation Manager				
I	Science & Technology Manager				
I	Sr Accountant				
I	Street Division Manager				
I	Water Quality Laboratory Manager				
I	Web Content Administrator				
 					
J	Accounting Supervisor	\$35.73	\$39.30	\$45.55	\$51.80
J	Assistant City Attorney	\$74,310.80	\$81,741.88	\$94,746.27	\$107,750.66
J	Assistant to the City Manager				
J	Budget & Strategic Initiatives Administrator				
J	City Clerk				
J	Community Development Manager				
J	Economic Development Administrator				
J	IT Database Administrator				
J	Network Architect				
J	Planning Manager				
J	Public Transit Manager				
J	Risk Management Specialist				
J	Risk Manager				
J	Sr Project Engineer				
J	Transportation Planning Manager				
 					
K	Communications & Creative Resources Manager	\$40.01	\$44.01	\$51.02	\$58.02
K	Engineering Program Manager	\$83,228.10	\$91,550.91	\$106,115.83	\$120,680.74
KK	Fire Captain	\$28.58	\$31.44	\$36.44	\$41.44
K	Municipal Court Judge				
K	Network Manager				
KK	Police Sergeant				
K	Solid Waste Division Manager				
K	Supervising City Prosecutor				
K	Technical Services Manager				
K	Treatment Division Manager				
 					
L	Assistant Parks & Rec Director - Parks	\$45.62	\$50.18	\$58.16	\$66.14
L	Assistant Parks & Rec Director - Recreation	\$94,880.03	\$104,368.04	\$120,972.04	\$137,576.05
L	Assistant Planning & Services Director - Planning	\$32.58	\$35.84	\$41.54	\$47.24
L	Deputy City Attorney				
LL	Division Chief				
L	MSO Section Manager - Administration				
L	MSO Section Manager - EST				
L	MSO Section Manager - FOI				

PG	NEW TITLE	SALARY RANGE			
L	MSO Section Manager - FOMA				
LL	Police Captain				
M	Assistant Director MSO	\$49.26	\$54.19	\$62.81	\$71.43
M	City Engineer	\$102,470.44	\$112,717.48	\$130,649.81	\$148,582.13
N	Deputy Director MSO	\$53.21	\$58.53	\$67.84	\$77.15
N	Human Resources Manager	\$110,668.07	\$121,734.88	\$141,101.79	\$160,468.70
N	Information Technology Director				
O	Parks & Recreation Director	\$58.53	\$64.38	\$73.16	\$81.94
O	Planning & Development Services Director	\$121,734.88	\$133,908.37	\$152,168.60	\$170,428.83
P	Finance Director	\$63.21	\$69.53	\$79.01	\$88.49
P	Fire Chief	\$131,473.67	\$144,621.04	\$164,342.09	\$184,063.14
P	Police Chief				
Q	Assistant City Manager	\$69.53	\$76.48	\$86.91	\$97.34
Q	City Attorney	\$144,621.04	\$159,083.14	\$180,776.29	\$202,469.45
Q	Municipal Services Director				
R	Deputy City Manager	\$75.09	\$82.60	\$93.86	\$105.13
		\$156,190.72	\$171,809.79	\$195,238.40	\$218,667.01
Z	City Manager	\$93.86	\$101.37	\$116.39	\$131.41
		\$195,238.40	\$210,857.47	\$242,095.61	\$273,333.76

Red hourly rates are based on annual hours of 2912

*Discussed salary range with recruiter