

# MTAS Compensation Philosophy and Plan Survey



August 2011

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## 1. What is the name of your municipality?

Item
City in Lorain County, Northeast Ohio
City of Athens, Tennessee
City of Carmel, Indiana
City of Cleveland, Tennessee
City of Dyersburg, Tennessee
City of Fort Lauderdale, Florida
City of Johnson City, Tennessee
City of Maryville, Tennessee
City of Mt. Juliet, Tennessee
City of Pigeon Forge, Tennessee
Town of Windsor
Village of Brookfield

## 2. Does your city/town have compensation philosophy?

Item	Count	Percent %
No	8	72.73%
Yes	3	27.27%

2a. If you have a compensation philosophy, would you mind attaching it here?  
Documents were provided by two respondents and can be provided upon request.

## 3. Do you have a compensation plan?

Item	Count	Percent %
Yes	9	75.00%
No	2	16.67%
We have a few departments that have Pay/Step Plans	1	8.33%

**4. Describe the structure of your compensation plan.**

Open Text Responses:

Open pay range; one pay plan from all classifications; 26 pay grades; avg percent from min of each pay grade is 5.2%; range between min and max is 62.5%; control/mid point is 21% above min on avg;

The pay plan includes the basic salary schedule and the assignment of classes to grades and ranges adopted by the Council. The salary schedule consists of steps for minimum, or beginning, and maximum rates of pay for all classes of positions, exempt or non-exempt status, and a designation of the standard hours in the workweek for each position. Salary increases within the pay range shall be based on performance.

Payscale with 3 year top out

34 paygrades, 13 steps per grade.

The pay plan consist of minimum and maximum rates of pay and intermediate steps for each pay grade.

MIN, MID, MAX Merit Pay system

Step and grade system with outomatic pay increases. Not dependent on performance.

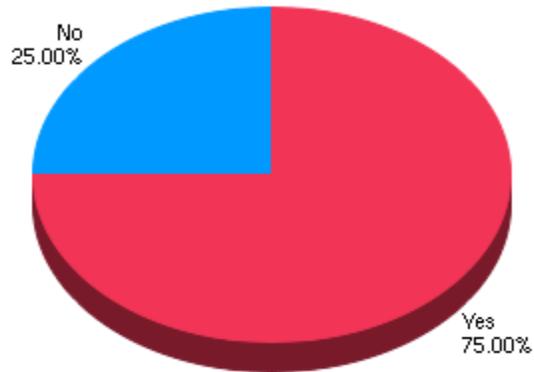
Each of our six unions have a separate, negotiated compensation plan as do our nonunion management and confidential employee groups.

Seven grades with low and high ranges

4a. Please attach Compensation Plan & Policy here, if applicable.

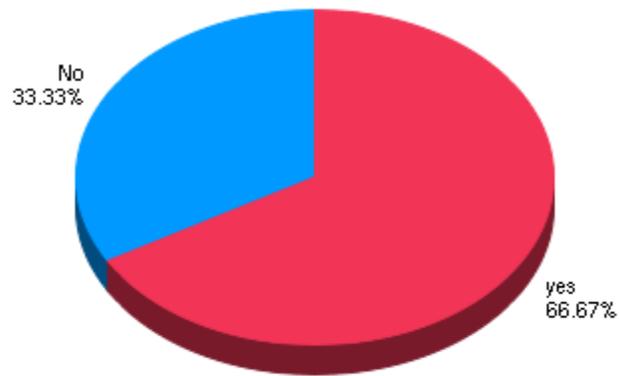
Documents were provided by two respondents and can be provided upon request.

**5. Is your pay plan & increase in salaries/ wages (in part or whole) related to performance (documented performance reviews/ APRs)?**



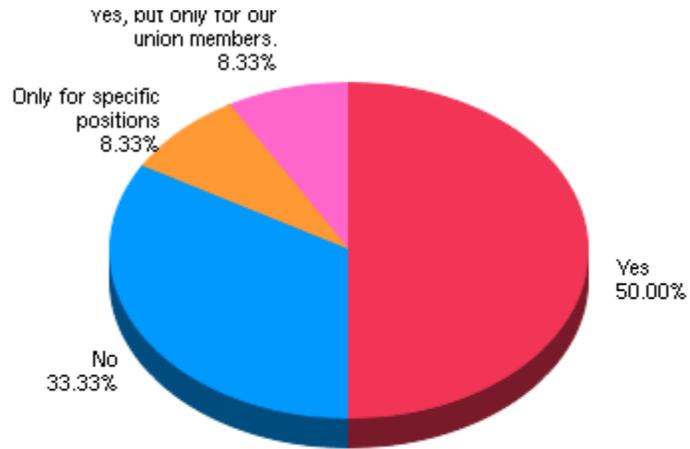
Item	Count	Percent %
Yes	9	75.00%
No	3	25.00%

6. Do you have a minimum, midpoint, and maximum range for each position?



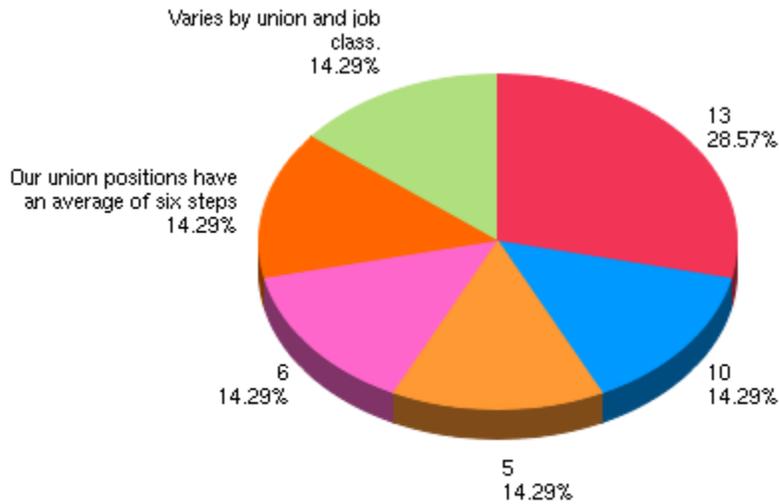
Item	Count	Percent %
yes	8	66.67%
No	4	33.33%

**7. Does your pay plan include steps?**



Item	Count	Percent %
Yes	6	50.00%
No	4	33.33%
Only for specific positions	1	8.33%
Yes, but only for our union members.	1	8.33%

**8. How many steps are there in your plan?**



Item	Count	Percent %
13	2	28.57%
10	1	14.29%
5	1	14.29%
6	1	14.29%
Our union positions have an average of six steps	1	14.29%
Varies by union and job class.	1	14.29%

**9. What is the mathematical amount / percentage between each step?**

Open Text Responses:
Varies - The plan needs a major overhaul.
3.5%
5 percent
\$912 at lowest grade \$2695 at highest grade
Most pay schedules have a 2.5% step and range structure. Some have 5% steps.
We do not have a set percentage for each step, each one is different. We range anywhere from 1% to 9%.

**10. If you have a step plan, how do employees progress to the next step?**

Open Text Responses:

By years of employment or obtaining certifications.

Automatically by time in position. 0-6mths, 6-12 mths, 1 year, 2 year, & 3 year (top out)

annually at July 1st

Employees advance one step with a satisfactory annual performance review if budget allows. Maryville has not granted merit increases since July 2009.

Absent documented performance problems, automatic increase to next step on January 1 of each year.

Based upon annual performance evaluations.

Annual hire date.

**11. How are specific skills and formal education accounted for in your compensation plan? Please explain.**

Item

by classifications. Example: Civil Eng I (EIT), Civil Eng II (PE)

DNA

If required for job, they are taken into account in job analysis. If not required, they do not affect compensation.

In the CBAs there is special compensation for education and certification.

It is not competency based, we base our job descriptions on the skills needed to do the job.

N/A

Not specifically addressed in plan; detailed in job description.

Our classification plan takes into account the skills and education. The plan consist of a grouping of classes of positions that are equivalent in difficulty and responsibility, that call for the same general qualifications and that cn be equitably paid within the same pay range.

Our point-factor job evaluation system for our nonsworn job classes assigns points based upon either formal required education and/or specific skills.

Our starting pay sometimes depends on qualifications and experience for some positions.

serve as basis for promotion.

Some are given credit for previous employment in related field.

**12. How long does it generally take for an employee to hit his or her maximum? What happens then?**

Open Text Responses:

Uncertain of the time it takes to max out. Hopefully never if the pay plan is adjusted annually. Employees that are maxed out receive a one time lump sum payment in the amount they would have received and the rate of payment remains unchanged. Example: 2% merit on \$40k salary and maxed out, the employee would receive \$800 one time lump sum and stay at \$40k.

Ten or more years as it depends on performance evaluation scores. There is a 50% spread between minimum and maximum rates; increases are based on performance scores with a maximum 5% increase. Once an employee has reached the maximum rate, their salary is frozen. Every other year an employee may be eligible for a merit increase paid in a lump sum.

18 years -- they stay there until there is a cost of living raise.

3 yrs

13 years unless adjustments are made to the grades.

Employees who remain in the same pay grade would "top out" in 12 years. No additional pay is given after an employee is topped out with the exception of any applicable city-wide COL increases. No longevity or bonus pay.

They are frozen once they hit the maximum.

5 years, then employee gets COLA only (until next salary survey, at which time pay ranges may be adjusted)

Five to seven years. Once at max., the employee is only eligible for any general, across-the-board increases that are negotiated or granted by the City Commission (for nonunion jobs).

Depends on the initial pay to start. If starting from the bottom, it would take five-ten years or more to reach the maximum in some cases because of the wide ranges (in some cases, too wide - we are currently working on this).

We do not have per say max out, but if someone is top out as to one of the step plans then he or she may only be entitled to C.O.L.A. increase, if approved.

**13. How do employees advance through your compensation plan?**

Open Text Responses:

By merit as part of the pay for performance. COLAs don't allow employees to advance through the comp plan. Merits are determined based on a percent of payroll as approved by commissioners. Then the individual merit increase is determined by Dept Heads (and their supervision).

Merit increases (performance scores) and promotions.

years of service

If within their pay grade, it's automatic by time of service, otherwise to move up it's promotional.

annually at July 1st

Advances are achieved through promotions and merit increases.

Merit increases and range change adjustments.

See #11 above

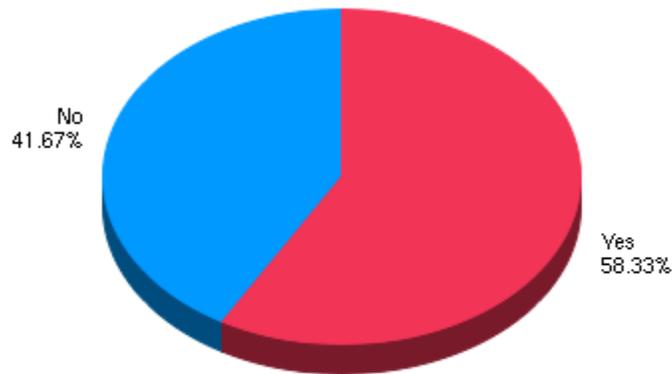
Based upon annual performance evaluations.

Generally, pay raises have equated to anywhere from 2% to 5% - however, this year the CBAs have dictated a 2% increase and we are currently discussing a temporary freeze on increases across the board for non-bargaining unit staff.

No Compensation Pay Plan In Place

Annual COL increase.

**14. Do you offer any specific compensation or incentives for certifications that employees receive that benefit the City?**



Item	Count	Percent %
Yes	7	58.33%
No	5	41.67%

**15. What is the criteria for receiving the incentive?**

Open Text Responses:

Police - special duties such as Bomb tech, K-9, SWAT

Fire - Paramedic, RN, HAZmat, EMT

For public safety only. Must meet certain training requirements.

Limited certification incentives include a water or wastewater plant operator that receives a higher-level State of Florida certification in their work area. Some employees receive biweekly certification incentive pay.

Under the CBAs certain educational statuses and certifications receive an additional allowance per hour.

Applies in Police Department when Police Officers become Certified and move up one year at a time over 4 year step pay plan.

Applies in Fire Department when Ranking Firefighters successively complete each year of service over a 5 year period.

Our public works employees can obtain an incentive if they obtain certain licenses or certificates. They include ASE certification, spraying licenses, becoming a class D water operator, or a certified arborist.

**16. How much flexibility does the City/ management have in individual compensation issues such as negotiating a new hire salary, going outside general pay plan parameters, or providing a raise?**

Open Text Responses:

New hires: HR staff determines rate of pay based on experience, skills, etc. and incumbent salaries. Example: Incumbent secretaries make between 12.50 and 15.00 per hour, the new hire secretary with a lot of experience will make above the min of the pay grade but not more or too close to the incumbents.

Pay raises; we have a promotional policy that provides 10% or the min of the higher pay grade whichever is greater for employees promoted and getting a pay raise. General pay raises for employees doing the same job in the same classification are not considered. If an employee is performing well, the dept head should consider pay raises through the merit program.

Department Head may make recommendations outside the pay scale, however, the recommendation must be justified and the City Manager must give approval.

In rare cases, merit increases can be given, but most progress through the normal ranks by years of service.

Limited to budgeted amounts and pay scale.

Flexibility is allowed per policy but does not occur very often except in negotiating with new hires at management level.

Any department director desiring to appoint a new hire at a higher rate than the established minimum must get the approval of the city manager.

Very little in going outside of general pay plan. We will negotiate if it does not cause any internal pay inequities.

Complete flexibility within minimum and midpoint--no flexibility outside those parameters.

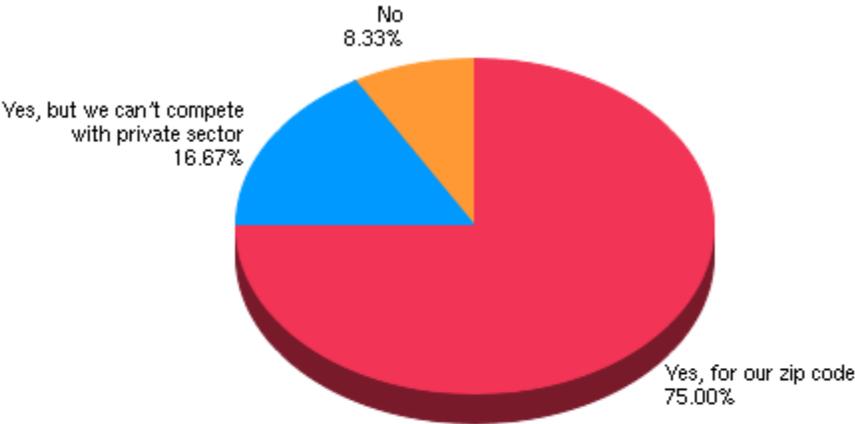
We are flexible regarding hiring salaries. If a candidate requests a higher starting salary based upon his/her experience, education, etc. the department director can recommend approval or negotiate a higher starting salary with the prospective employee - must be approved by HR and the City Manager or his designee. We cannot go outside the pay structure to give raises.

Full flexibility within reason.

Our City Manager is authorized to handle all pay/salary issues in accordance with City Charter.

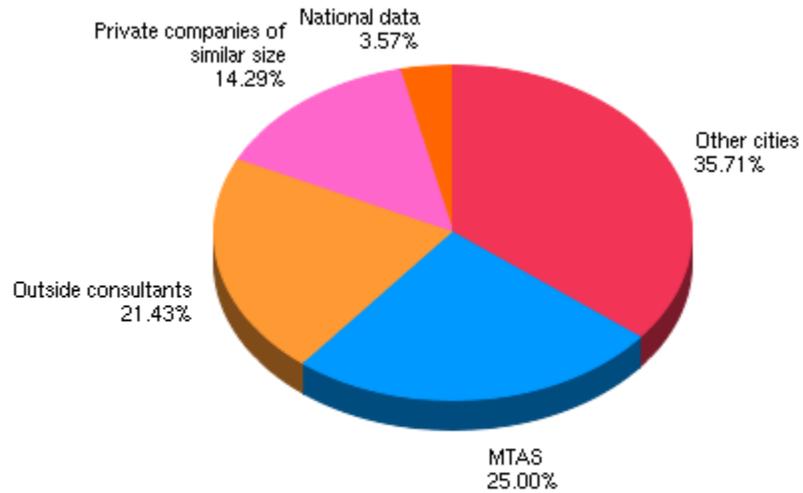
Since we do not have a salary schedule or a compensation plan, we usually just use neighboring towns as a guideline to come up with a price.

**17. Do you consider your compensation plan competitive?**



Item	Count	Percent %
Yes, for our zip code	9	75.00%
Yes, but we can't compete with private sector	2	16.67%
No	1	8.33%

**18. What do you use when evaluating your pay plan? Please check all that apply.**



Item	Count	Percent %
Other cities	10	83.33%
MTAS	7	58.33%
Outside consultants	6	50.00%
Private companies of similar size	4	33.33%
National data	1	8.33%

**19. What are the pros and cons to the plan(s) you have in place?**

Open Text Responses:

Pros: Professional and other classifications (accountant, engineer, equipment operators, police and fire, etc.) are competitive with other municipalities.

Pros: Employees maxed still receive money for any merit they receive.

Cons: Director level positions are not too competitive with other municipalities and private sector.

Cons: Difficult to fully get the benefit of a pay for performance when max merit increases are equal to or less than 4%

Promotes fairness among employees and provides an incentive to perform above expectations to receive the highest merit increase. Negative is the compression issues

18 years seem like a long time to get to the top rate.

Most employees progress; sometimes not justified.

The plan is very antiquated and in need of a major overhaul, but we have been unable to get this issue pushed through our city commission.

No merit based raises

Con - With the current economy, granting any amount of increase can be difficult, however, the five percent increment between our steps makes it extremely difficult, if not impossible, to fund.

Lack of understanding as to how pay is calculated, evaluated, what pay survey information means, lack of understanding around market and what it means, basic pay principles.

pros: easy to plan, easy to manage

cons: doesn't recognize differences in performance, doesn't reward top performers

Con - we do not reward long time employees that are topped out in their salary range with any kind of performance based increase.

Pro - our salary structures have remained competitive over the years.

Do not currently have a pay plan in place.

It's terrible not having a salary schedule or compensation plan.

## 20. What is something you would like to know about how other cities manage compensation?

Open Text Responses:

How they manage employee pay advancement through the pay plan? Do other municipalities know how many years it will take an employee to get to mid or max? If so, how do they get employees to that level by the specified number of years? Do others have multiple pay plans by classifications (i.e., general, executive or management, police and fire)?

How often are classification/compensation studies performed?

How they manage pay-for-performance systems when there is little/no money for raises.

Merit increase policy and has it changed in recent years due to economic issues. If so, how?

## Contact Information

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