

FY2021 COMPENSATION BUDGET

BRIEFING FOR SALT LAKE CITY COUNCIL

MAY 19, 2020



FY2021 Compensation Budget Overview

Total general fund budget cost is \$204.1 million for employee compensation in FY2021.

- FY2021 costs represent an 1.1% increase over FY2020.
 - Higher costs due to new positions, planned merit step increases for represented employees, and insurance costs.
- Recommended FY2021 compensation package for city employees totals approximately \$2.2 million for the general fund (compared to \$4.4 million recommended for FY20).
- No general employee increases are recommended due to the current economic situation.



FY2021 Compensation Budget Overview

Market Pay Adjustments

- Past budget recommendations have included market pay adjustments based on cost of labor for employees in benchmarked jobs shown to lag market either slightly or significantly.
- Due to the current economic situation, no market adjustments are proposed.
- Job benchmarks identified as lagging will be re-evaluated for potential adjustment when revenues and other indicators reflect a growing economy.
- Projected general fund costs for significantly lagging benchmarked jobs is \$50,000. Similar general fund costs for slightly lagging benchmarked jobs is \$360,000.

FY2021 Compensation Budget Overview

Medical and Retirement Benefits Costs

- Costs for the city's high-deductible Summit STAR health plan includes a small premium increase of 4.5% to the plan.
- Two medical premium holidays add a \$1.8 million transfer to the General Fund.
- Utah Retirement System (URS) did not require increases for employer pension contribution rates for FY21.
- State legislature required increases for police and fire Tier 2 pension systems with cost to the City of \$544,981.

2019 Benefits Study

Results of the study find overall City benefits exceed the average value of benefits.

Additional economic value—

- Compared to other Public Sector organizations = \$3,152.37
- Compared to Private Sector organizations = \$3,568.41
- For Public Safety compared to Public Sector organizations = \$4,694.33
- For Public Safety compared to Private Sector organizations = \$5,110.37
- Benefit that detracted in value was the dental plan, which is valued at \$593.37 less across all groups.

Benefits Strategy

High Deductible Health Care Plan

- One medical plan offering for all employees.
- Negotiated discounts with hospitals and networks.
- City's commitment to HSA front load.
- Continued assurance City's benefits package continues to be competitive.

Non- Represented Employee Salaries & Wages



Recommended FY2021 budget proposes no general increase. Base salaries for non-represented employees, including all of the following, remain flat.

- Elected officials
- Appointed department directors
- Appointed staff
- Non-represented professional and paraprofessional employees

AFSCME Employee Wages



Negotiations with AFSCME are on-going at this time.

FY2021 budget includes costs required to honor merit increases for eligible 100, 200 & 330 series employees throughout FY2021.

- 100 Series step increases range between 13% and 17%
- 200 Series step increases range between 6% and 17%
- 330 Series step increases range between 6% and 11%

SLPA Police Officer Wages



Negotiations with SLPA are on-going at this time.

FY2021 budget includes costs required to honor merit increases for eligible Police Officers.

- Eligible 500 Series Police Officers will receive merit step increases, which range between 6% and 17.5%.

Local 81 Firefighter Wages



Negotiations with Firefighters Local 81 are on-going at this time.

Budget request includes costs required to honor merit increases for eligible 400 Series Firefighters throughout FY2021.

- Step increases for Firefighters range between 6% and 23.5%.

Paramedic incentive bonus plan.

- Total FY20 budget appropriation for \$16,000 allowed the Fire department to provide \$4,000 to each of four candidates to attend paramedic training.

National AFSCME Compensation Survey

A national survey including U.S. cities considered comparable to Salt Lake City was completed by Mercer in late 2019, including 42 job titles from AFSCME's three different bargaining units.

Survey results and report were presented as a written briefing to city council on March 24, 2020.

COMPENSATION SUMMARY ALL JOBS

- The following Compensation Detail sections provide detailed analysis of the custom survey data for each of the 42 selected jobs.
- The table below shows SLC's aggregate variance to the market median for each of the compensation elements across all jobs and for jobs within each bargaining unit.
- Mercer considers +/- 15% of the market median to be market competitive. Across all jobs, SLC is well-aligned to market, though competitiveness varies by position.
 - Trade & Craft, Semi-Skilled, and Non-Skilled:** SLC is aligned to market median for each of the compensation elements.
 - Clerical & Operations Support:** SLC's pay scale minimums are below market median, while pay scale midpoints and maximums as well as actual incumbent pay are aligned to market.
 - Paraprofessional & Technical:** SLC's pay scale maximums are below market median. Pay scale minimums, pay scale midpoints, and actual incumbent pay are aligned to market.

| Bargaining Unit | Job Count | Minimum of Base Pay Scale | Midpoint of Base Pay Scale | Maximum of Base Pay Scale | Actual Median Pay of Incumbents in Job |
|--|-----------|---------------------------|----------------------------|---------------------------|--|
| All Jobs | 42 | -4.30% | -6.05% | -7.56% | -1.31% |
| Trade & Craft, Semi-Skilled, and Non-Skilled | 22 | -2.52% | -5.15% | -5.79% | 3.16% |
| Clerical & Operations Support | 11 | -13.12% | -8.66% | -6.58% | -5.43% |
| Paraprofessional & Technical | 9 | 0.96% | -5.16% | -11.89% | -6.64% |



2020 Annual Report

Salt Lake City Citizens' Compensation
Advisory Committee (CCAC)

City Council letter to Citizens' Compensation Advisory Committee (CCAC) dated 2/7/19

Full response from the CCAC incorporated into the committee's 2020 Annual Report.

- Three topics include:
 - Pay administration and potential for adjustments for public safety personnel compared to market;
 - Balancing costs of retaining employees vs. training new employees; and,
 - Assessment of the city's longstanding compensation philosophy and employee benefits.

FY2021

ANNUAL
COMPENSATION PLAN
for Non-Represented
Employees

SALT LAKE CITY CORPORATION
HUMAN RESOURCES DEPARTMENT

Updated Compensation Philosophy

As recommended by the CCAC, the Administration proposes adding the following language to reflect the City's new compensation philosophy in the **Annual Compensation Plan for Non-Represented Employees**.

"The city shall consider itself competitive when data indicates actual median employee pay rates plus the overall additional economic value of benefits equals at least 100% compared to market."



Additional Questions/Discussion