



MEMO TO: Members of the City Council

FROM: Mayor John Marchione

DATE: December 5, 2017

SUBJECT: Approval of 2018 Salary Ordinances for Employees Covered by the Following Bargaining Units: AFSCME, Police Support and Fire Support, and for Non-Union and Executive Employees, in Addition to Non-Union Pay Plan Classification Changes

I. RECOMMENDED ACTION

Approve the attached salary ordinances (Attachments A through D) and direct the City to proceed with (1) implementing an across-the-board, 2018 salary adjustment of 2.5 percent for all Non-Union, non-executive employees, and for employees covered by the AFSCME, Police Support, and Fire Support bargaining units; (2) establishing the 2018 salary ranges for Non-Union and Executive employees in Pay Plans "N" and "E", in addition to the salary ranges for employees covered by AFSCME (Pay Plan "A" and supplemental employee Pay Plan "AF-S") , Police Support (Pay Plan "PS" and supplemental employee Pay Plan "S-PS") , and Fire Support (Pay Plan "FS") bargaining units; and (3) adopting Non-Union Pay Plan (Pay Plan "N") Classification and/or pay range changes.

II. DEPARTMENT CONTACTS

Mellody Matthes, Human Resources Director

425-556-2122

III. DESCRIPTION/BACKGROUND

2018 Salary Adjustment:

In 1999, the City initiated a market-based analysis to evaluate the need for annual salary range adjustments. To calculate the adjustment, data is obtained from the following sources:

- Comparison Cities
Six cities reported their planned across-the-board increases. The average salary adjustment reported by these cities is 2.32 percent.
- Custom Survey
A custom survey was conducted of seventy-nine (79) businesses in Redmond's immediate labor market. Of the seventy-nine businesses surveyed, twenty-seven (27) responded. Eighteen (18) reported that they anticipated adjustments but were unsure of the amount OR they only provide for performance based adjustments with

no adjustments across-the-board. Nine (9) of the respondents reported plans for an across-the-board adjustment to salaries in 2018. The average adjustment for these nine (9) businesses is 2.68 percent.

- **Published Surveys**

Milliman USA, a local consulting firm, produces an annual projection regarding anticipated changes that companies in the Puget Sound Region will be making to salary ranges. For 2018, the projected average range adjustment is 2.5 percent.

The data from the comparison cities, the custom survey, and the published survey is evaluated and weighted equally. Based on the results of this analysis, the proposed increase for 2018 is 2.5 percent. Attachment E is a summary of this analysis.

To implement the market adjustment, salary ranges in the Non-Union, AFSCME, Police Support and Fire Support pay plans will be adjusted 2.5 percent. In conjunction with this adjustment, Non-Union, non-executive employees and employees in the AFSCME, Police Support and Fire Support bargaining units will receive an across-the board increase of 2.5 percent. The same percent of adjustment, 2.5 percent, is proposed for salary ranges in Pay Plan “E” for Executive positions. However, employees in Pay Plan “E” will not be eligible for an across-the-board increase. Increases received by Executive employees during 2018 are based on job performance and are at the Mayor’s discretion.

Ordinances amending the Non Union Pay Plan “N” and Executive Pay Plan “E” (Attachments A), the AFSCME Pay Plans “A” and “AF-S” (Attachment B), the Police Support Pay Plans “PS” and “S-PS (Attachment C), and Fire Support Pay Plan “FS” (Attachment D), are attached and incorporate these proposed changes.

Non-Union Pay Plan Classification Changes:

Earlier this year, the Finance, Public Works, and Technology and Information Services Departments requested assistance from the Human Resources Department in restructuring duties for positions to better meet organizational needs, provide equity between management positions within their departments, and/or to provide additional supervisory opportunities in an effort to support succession planning. The Human Resources Department worked closely with each of the departments in evaluating job duties, and conducted a thorough market analysis to determine appropriate salary ranges. The following changes are recommended as a result of this evaluation and analysis.

Addition of new classifications and salary ranges:

Classification	Minimum	Midpoint	Maximum
Financial Services Manager	\$7,622	\$8,956	\$10,289
IS Supervisor	\$7,636	\$8,972	\$10,308
Risk & Safety Program Coordinator	\$5,488	\$6,449	\$7,409
Utility Supervisor	\$7,167	\$8,422	\$9,676

Adjustment of the pay range for the IS Manager classification:

Information Services Manager	Minimum	Midpoint	Maximum
Current Range	\$9,198	\$10,809	\$12,419
Proposed Range	\$8,849	\$10,398	\$11,946

Removal of the following classifications and their corresponding pay ranges:

Classification	Minimum	Midpoint	Maximum
Accounting Manager	\$7,167	\$8,422	\$9,676
Application Services Manager	\$8,481	\$9,966	\$11,101
Infrastructure & Operations Manager	\$7,773	\$9,134	\$10,494
Revenue & Treasury Manager	\$7,285	\$8,560	\$9,834
Support Services Manager	\$8,214	\$9,653	\$11,089

In addition, earlier this year the Human Resources department conducted a position maintenance study on positions in the Police Support Bargaining Unit. The following changes are proposed to the non-union classifications of Police Crime Analyst (limited duration) and Police Program Coordinator (limited duration), to keep salary levels parallel with those regular status positions of the Police Support Bargaining Unit.

Police Crime Analyst (limited durations)	Minimum	Midpoint	Maximum
Current Range	\$5,313	\$6,030	\$6,748
Proposed Range	\$5,364	\$6,169	\$6,973
Police Program Coordinator (Limited Duration)	Minimum	Midpoint	Maximum
Current Range	\$5,079	\$5,765	\$6,449
Proposed Range	\$4,192	\$5,321	\$6,449

A proposed ordinance amending the Non-Union Pay Plan and incorporating the changes described above is included as Attachment A.

IV. PREVIOUS DISCUSSIONS HELD

2018 Salary Adjustment

The methodology and/or results of the survey were discussed with the Finance, Administration and Communications Committee on September 26, and November 28, 2017.

Non-Union Pay Plan Classification Changes:

Discussion of the new positions for the Finance, Public Works and Technology and Information Services departments came before the Finance, Administration, and Communications Committee on September 26, and November 28, 2017.

The matter of the Police Support Position Maintenance Study came before the Finance, Administration and Communications Committee on April 25, 2017, and October 24, 2017.

V. IMPACT

A. Service/Delivery:

None

B. Fiscal Note:

Funds sufficient to implement these salary increases, including the cost of salary-related retirement benefits, have been included in the 2017-2018 City Budget. The cost of the proposed 2.5 percent increase for each group will be as follows:

Non-Union	\$266,313
AFSCME	\$156,023
Police Support	\$56,193
Fire Support	\$18,132
Total Impact:	\$496,661

VI. ALTERNATIVES TO STAFF RECOMMENDATION

The Council could also choose not to approve the proposed changes to the Non-Union Pay Plan. This could create an obstacle for the Finance, Public Works and Technology and Information Services Departments in implementing their reorganizations and filling of positions.

VII. TIME CONSTRAINTS

The market-based adjustment is effective January 1, 2018. Approving this adjustment allows the City to process and implement the pay changes in a timely manner. A decision to delay adopting the proposed ordinance for the Non-Union and the Executive pay plans will impact the annual pay for all Non-Union employees.

Approving the Non-Union Pay Plan changes now would allow the Finance, Public Works, and Technology and Information Services Departments to make any necessary changes in their organizational structures and, with the help of the Human Resources Department, fill any vacant positions in a timely manner.

VIII. LIST OF ATTACHMENTS

Attachment A: Proposed Non-Union and Executive Salary Ordinance
Exhibit 1: 2018 Non-Union Salary Structure (Pay Plan "N")
Exhibit 2: 2018 Executive Salary Structure (Pay Plan "E")

Attachment B: Proposed AFSCME Salary Ordinance

Exhibit 1: 2018 AFSCME Salary Structure (Pay Plan "A")

Exhibit 2: 2018 AFSCME Supplemental Employee Salary Structure (Pay Plan "AF-S")

Attachment C: Proposed Police Support Salary Ordinance

Exhibit 1: 2018 Police Support Salary Structure (Pay Plan "PS")

Exhibit 2: 2018 Police Support Supplemental Employee Salary Structure (Pay Plan "S-PS")

Attachment D: Proposed Fire Support Salary Ordinance

Exhibit 1: 2018 Fire Support Salary Structure (Pay Plan "FS")

Attachment E: 2018 Market Adjustment Analysis Summary

M Matthes

Melody Matthes, Director of Human Resources

John Marchione

Approved for Agenda _____
John Marchione, Mayor