

NOTICE OF JOINT STUDY SESSION

OF THE
UNIVERSITY CITY CITY COUNCIL
AND THE CIVIL SERVICE BOARD

Public Notice is hereby given that a Joint Study Session of the City Council of University City and the Civil Service Board will be held on **Monday, October 8, 2018, at 5:30 p.m.**, at City Hall, fifth floor, 6801 Delmar, University City, MO.

AGENDA

Requested by the City Manager

1. Meeting called to order
2. Changes to Regular Council Agenda
3. Compensation and Classification Study
Presentation by CBIZ Talent and Compensation Solutions
4. Adjournment

This meeting is OPEN to the public.

Dated this 5th day of October, 2018

LaRette Reese
City Clerk

CITY OF UNIVERSITY CITY
CITY COUNCIL & CIVIL SERVICE BOARD PRESENTATION

Employee Compensation and Classification Analysis Study



Introduction



- CBIZ Talent & Compensation Solutions
 - Joe Rice
 - Compensation Consulting Manager
 - Taylor Sprague,
 - Associate Compensation Consultant

Introduction



WHAT WE WANT TO ACCOMPLISH TODAY

- CBIZ introduction
- Study methodology
- Next steps
- **Answer your questions**



CBIZ Introduction



About CBIZ

Offices in most major markets

100+ offices | 90,000+ clients
4,000+ professionals



Financial & Accounting

- Accounting & Tax
- Government Health Care Consulting
- Financial Advisory
- Valuation
- Litigation Support
- Risk & Advisory Services
- Real Estate Advisory Services

Benefits & Insurance

- Employee Benefits
- Payroll/HRIS
- Property & Casualty
- Retirement Plan Services
- Human Capital Services



Connect with us! www.cbiz.com



¹ Business Insurance magazine - September 2015

² All audit and assurance services are provided by Mayer Hoffman McCann P.C., an independent CPA Firm

³ Accounting Today - March 2016

⁴ Business Insurance magazine - July 20, 2015

⁵ PLANADVISER - February 29, 2016

#1 Largest U.S. Benefits Specialist¹

10th Largest Accounting Provider Nationally^{2,3}

18th Largest Broker of U.S. Business⁴

A Top 100 Retirement Plan Adviser⁵



56 Workplace Awards

Since 2012



Commitment to Community

including 4 Million+ Lbs. of Food Donated

Since 2009

CBIZ Compensation Consulting



- National compensation consulting practice for CBIZ
- Based in St. Louis, Missouri
- Team of compensation professionals serving clients from coast to coast



Introduction

- The City engaged CBIZ to review current practices and recommend improvements related to:
 - Job classifications
 - Current pay compared to market
 - Custom peer study
 - Internal equity and compression
 - Salary structures
 - Employee benefits
 - Update job descriptions
 - Fair Labor Standards Act overtime classification
 - Compensation policies and procedures



Objectives

- Enhance the City's ability to attract and retain qualified individuals
- Establish a structure that is flexible in order to meet changing needs
- Produce deliverables that are well-aligned with the City's broader goals and strategies



Study Methodology

What is market pricing?

VALUATION OF PAY FOR JOBS IN THE EXTERNAL LABOR MARKETS

VALUATION OF PAY

- Analyze published survey data and/or public records
- Compile statistical data

FOR JOBS

- Job-based exercise—not person-based
- Focused on scope of job: duties, responsibilities, qualifications, etc.

IN THE EXTERNAL LABOR MARKET

- Define the labor market
- Tied to compensation philosophy



Job Analysis Questionnaire (JAQ)

- CBIZ launched a web-based JAQ to employees on September 4th with a deadline of September 15th.
 - The JAQ deadline for Supervisors and the entire JAQ process was September 22nd.
- The City of University City had a 82.7% completion percentage among all employees included in the JAQ process



Job Evaluation

- Evaluate existing job descriptions and JAQs
 - Help consultants better understand the duties & responsibilities of each job
- Market influences
- Career paths
- Revise titling structure
- Update job descriptions
 - Create/modify to ensure language represents accurate and up-to-date duties and responsibilities
 - Explore possible job title consolidation



Identify Survey Sources

- Reliable Data
 - Published survey data
 - Major consulting and surveying firms
 - Statistically validated
 - Standard deviation analysis of data
- Unreliable data examples:
 - Self-reported
 - DOL
 - Most free internet data

Conduct Custom Compensation and Benefits Survey



- CBIZ conducted a survey of approved peer municipalities and government entities to collect salary information for select benchmark jobs
- Identified peers (participants listed on next slide)
 - Peers were invited to participate via questionnaire
- 75 survey jobs
 - Jobs common to peers
 - Too few and the survey is not worthwhile to participants
 - Too many and the survey is a burden to complete
- Participants match to jobs based on summary descriptions
 - Guidance is to match jobs that are at least 70% similar
- CBIZ will be launching a more in depth benefits data collection file for the participants to complete per the city's request



Participating Peer Group

- Ballwin
- Chesterfield
- Clayton
- Creve Coeur
- Fenton
- Florissant
- Frontenac
- Glendale
- Kirkwood
- Ladue
- Manchester
- Maryland Heights
- Overland
- Richmond Heights
- Shrewsbury
- St. Charles
- St. Peters
- Webster Groves
- Wildwood

Identify labor market characteristics



LOCATION

- Local
- Statewide
- Regional
- National



INDUSTRY

- Government
- Broader labor market



SIZE

- Operating budget
- City population
- Number of employees

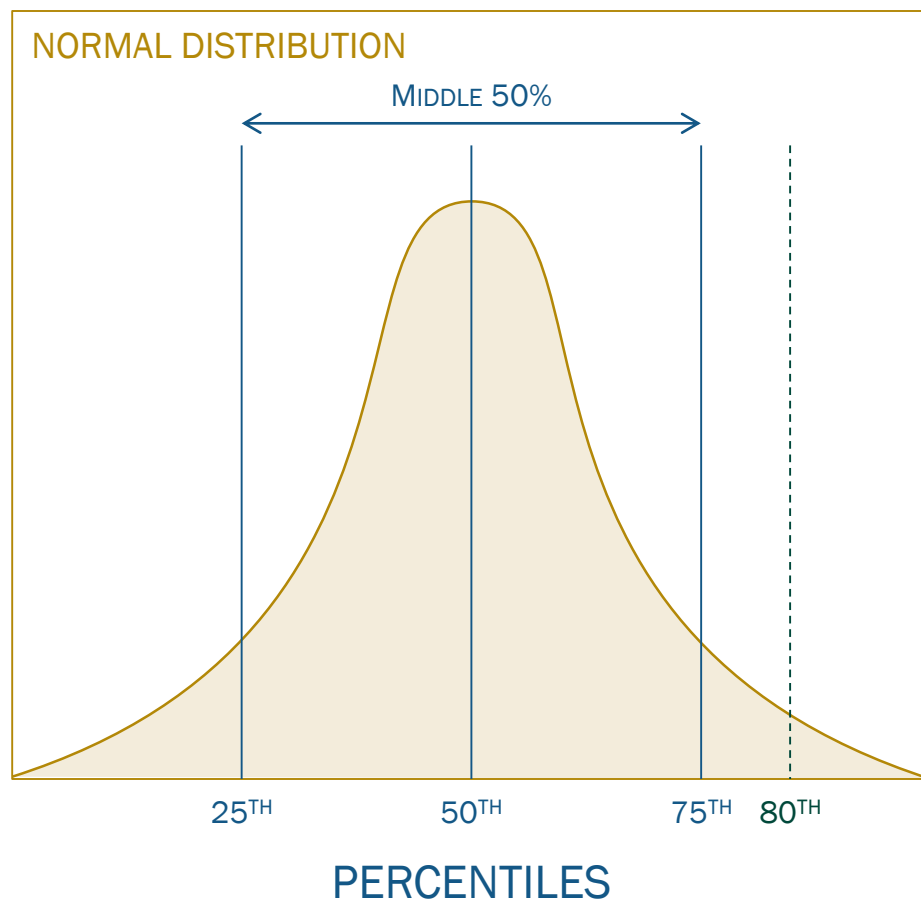


Job Matching

- Surveys provide summary job descriptions
- Job content, not titles, will be used to identify the best matches to the survey data
- JAQs and job descriptions will be evaluated to identify:
 - Essential Functions
 - Duties and Responsibilities
 - Required Qualifications

Incorporate survey data

- Gather the market by job—pulling data for similar positions in comparable organizations paying employees to perform similar functions
- Capture base salary and total cash compensation data by the 25th, 50th, and 75th percentiles





Determine the Market Comparison Point

- The City stated that it intends to be competitive with its level of pay, which generally corresponds to building the pay structure off the market 50th percentile.
 - According to a recent WorldatWork survey, approximately 85% of organizations set their structure off the market median.
 - This approach is considered matching the market.
 - With the pay range, provides flexibility to pay above or below based on experience and performance.

Aging Data



- Survey data must be adjusted to account for market pay movement between the time of publication and when the data are to be used.
- All salary data will be aged to reflect estimated market pay as of January 1, 2019.

Market Pricing Methodology

SALARY STRUCTURE DESIGN

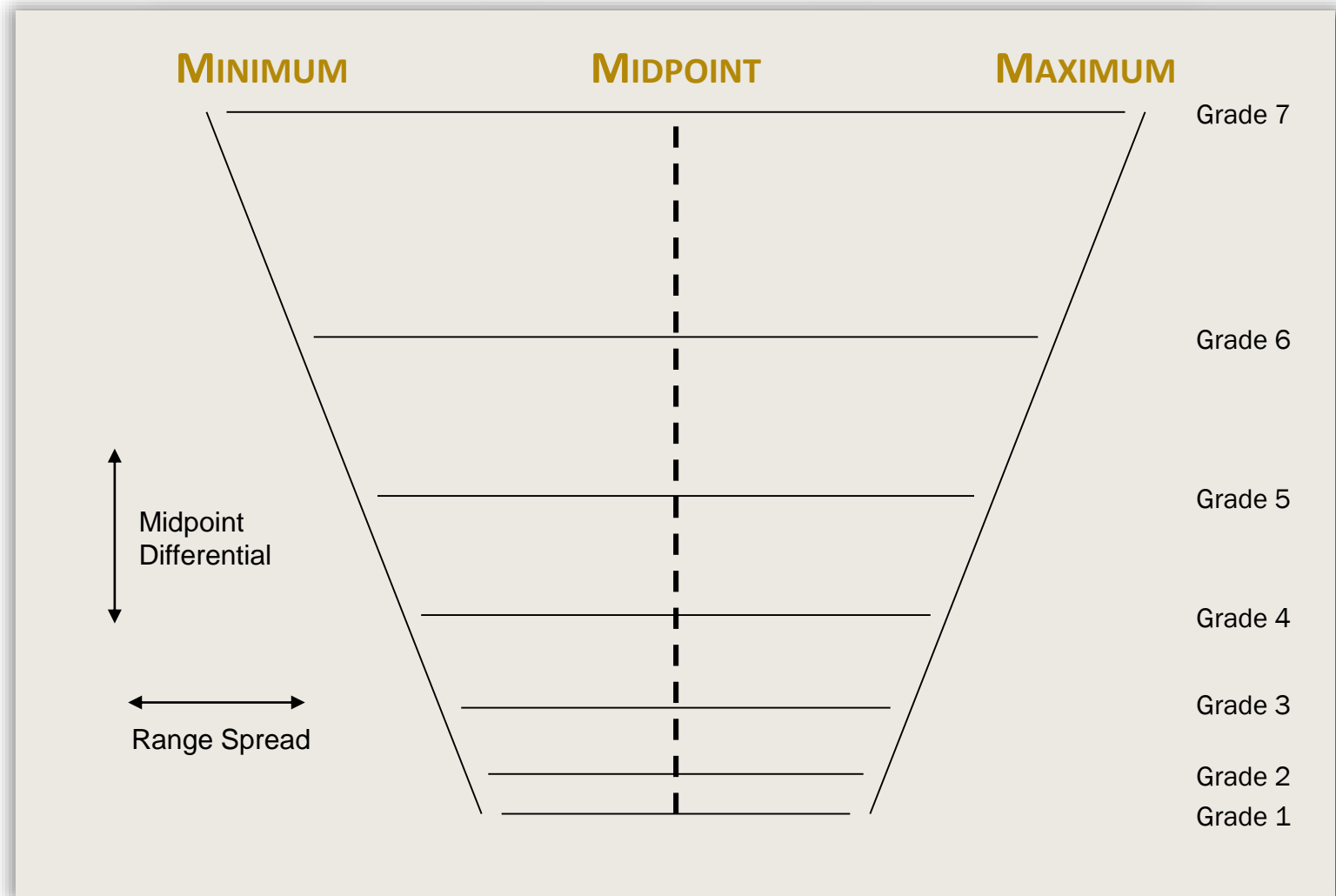
Title: Job XYZ

Market Benchmark: **\$35,455**

<u>Grade</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
1	\$24,778	\$30,972	\$37,166
2	\$27,398	\$35,618	\$43,837
3	\$31,508	\$40,960	\$50,413


Illustrative Purposes Only

Designing Salary Structures




Benefits Analysis

- Gather plan specific details from custom survey peer group
- Determined the market-competitive benefits value per job and employee

 **FIXED COST**

Organization spend not dependent on salary

- Medical
- Dental
- Vision

 **VARIABLE COST**

Organization spend correlated to salary

- Retirement
- Paid Time Off
- Other



Compensation Policies and Procedures

- Evaluate compensation administration policies and procedures
 - Annual compensation planning
 - Pay increase recommendations
 - Hiring pay
 - Promotions/demotions
 - Job classification/reclassification
 - Assigning new jobs to the pay structure
 - Policy exceptions



Draft Job Descriptions

- Recommend job description format
- Draft updated job descriptions
 - Incorporate data gather from JAQ process
 - Support Americans with Disabilities Act (ADA) reasonable accommodation review
 - Document details relevant to the Fair Labor Standards Act (FLSA) overtime classification



Fair Labor Standards Act (FLSA) Classification

- Determine whether a job is exempt from the overtime provisions of the FLSA
- Evaluate job-related information
 - Current job and classification documentation
 - Organizational charts
 - Newly created job descriptions
- Apply the FLSA exemption tests
 - Executive
 - Administrative
 - Professional
 - Computer Professional
- Document the appropriate classification and the applicable exemption for all exempt classifications.



Next Steps

Next Steps



1. Continue working through project steps
2. Deliver draft results and gather feedback
3. Finalize results and implementation



QUESTIONS