



TOWN BOARD WORK SESSION

January 14, 2019 - 5:30 PM

1st Floor Conference Room, 301 Walnut Street, Windsor, CO 80550

GOAL of this Work Session is to have the Town Board receive information on topics of Town business from the Town Manager, Town Attorney and Town staff in order to exchange ideas and opinions regarding these topics.

Members of the Public in attendance are asked to be recognized by the Mayor before participating in any discussions of the Town Board

AGENDA

1. Pay Study Presentation by Candy Siderius/Compensation Studio
2. Future Meetings Agenda

The Town of Windsor will make reasonable accommodations for access to Town services, programs, and activities and will make special communication arrangements for persons with disabilities. Please call (970) 674-2400 by noon on the Thursday prior to the meeting to make arrangements.



MEMORANDUM

Date: January 14, 2019
To: Mayor and Town Board
Via: Shane Hale, Town Manager
From: Jennifer Butcher, Director of Human Resources
Re: Pay Study Presentation
Item #: 1.

ATTACHMENTS:

- ▢ Methodology Report 2018
- ▢ Compensation Project Overview
- ▢ Job Title listed by Salary Grade

Town of Windsor Compensation Project Methodology Report December 2018

Introduction

The Town of Windsor (Town) asked Candy Siderius, Principal of Compensation Studio LLC, to conduct a salary survey market analysis, develop 2019 salary ranges, and compare current rates of pay with the identified labor market for its full-time positions. This report presents the methodology followed when designing and reviewing compensation programs.

Strategic Review

Working with the Town's leadership team, we reviewed the plan objectives and discussed the importance of aligning the total compensation program with the Town's mission and values. Limited information was available about the plan's historical approach and design, so it was decided to create a new market-driven structure with input and involvement from department heads and managers. The Town intends to communicate openly with managers and employees about the compensation plan design process and will be presenting results so that the program elements are understood.

Job Matching and Market Pricing

To identify the most relevant match between the Town's positions and the survey job description, we considered duties performed and qualifications required of the job. We do not match by job title. We also reviewed factors such as the degree of knowledge/skill, job family progression, span of control, reporting relationships, scope of decision-making authority, and overall impact on the organization. We strive to match a position to the survey job if a 70 to 80 percent match exists between the incumbent's job responsibilities and the duties listed in the survey.

We met with each department head to gain input and approval on all job matches.

Salary Surveys and Data Lines

The specific surveys and data lines used in this analysis were:

- Employers Council 2018 Benchmark Compensation Survey (Denver/Boulder and Northern Colorado data lines)
- Employers Council 2018 Public Employers Compensation Survey (Denver/Boulder and Northern Colorado data lines)
- Employers Council 2018 Information Technology Compensation Survey (Denver/Boulder and Northern Colorado data lines)

After obtaining the final job match, we collected salary information. We also noted the number of incumbent pay rates reported in the sample. Data with 30 rates or more is considered to be a statistically accurate average; however, it is not always possible to find a large sample for certain positions. The survey data lines of Denver/Boulder and

Northern Colorado employers were chosen to reflect the labor markets the Town competes within. The information comprises pay rates from employers in both the public and private sectors and of organizations including the Windsor area of northern Colorado.

Adjust Survey Data

Since the effective dates of the salary survey data varied by survey, we aged the data and brought it forward to a common date of January 1, 2019. We used an adjustment factor that represents the annual percent of salary movement for public sector employers. Aging data also enables the employers to keep pace with market movement.

The U.S. Department of Labor, Bureau of Labor Statistics, compiles and publishes the Employment Cost Index (ECI) every quarter. The ECI reflects the percentage change in employer costs for employee compensation. The current ECI rate is 2.3%. We prorated this factor based on the period from each survey's information collection date to January 1, 2019.

Develop Salary Grades and Ranges

Based on the updated survey data, jobs were grouped together in grades in either a non-exempt or exempt structure. We then developed a salary range for each grade, which includes a minimum, midpoint, and maximum pay scale for the job assigned to that grade. Calculation of the midpoints for each range is typically based on the aggregate of the survey weighted averages. The minimum and maximum pay are calculated based on the range spread. Typical range spreads vary depending upon the level of position.

As market data focuses on payment for the job, the salary range provides flexibility to pay the incumbent according to criteria based on the organization's philosophy and strategy. This can include specific goal accomplishment, performance, length of service or any other criteria that is deemed important.

Review Cost to Implement

The proposed structure compares full-time employee pay rates to the salary ranges. A number of pay rates were below the proposed range minimums. In order to minimize the budget impact, it was decided to recognize this cost after applying merit increases. The cost to bring pay rates to the salary range minimums after merit is approximately \$10,317 for the non-exempt plan and \$54,502 for the exempt plan.

Cost to Range Minimum by Department

Department	Non-exempt	Exempt
Communication		\$ 7,125
Customer Service		\$19,067
Town Clerk		\$ 4,550
Economic Development		
Engineering		
Finance and IT		
Planning		
Human Resources		\$ 2,007

Police		
Parks Rec and Culture	\$ 8,477	\$18,682
Public Works	\$ 1,840	\$ 3,071
Town Attorney		

We also reviewed pay rate compression within the proposed structure. "Salary compression" exists when an employee's base wage is close to, or more than, a longer-service employee or supervisor within the same job family. Some causes include market pressures to pay more to hire qualified, talented employees, limited pay increase budgets, extended overtime, too much range overlap, or implementation of a new structure to play "catch-up" with labor market movement.

In order to have a competitive, market-driven compensation system, upward adjustment of the range structure is necessary. When a large number of incumbents fall below the new minimum, the compression problem escalates. Rarely can organizations achieve external (market), as well as internal and individual equity (compression) compensation goals. They are inherently in conflict.

We held meetings with department heads to determine if any compression existed and discussed various solutions. We have presented a scenario where time in position is the basis for applying any equity adjustment. This also presumes that the employee's performance is meeting expectations. The Town of Windsor determines this based on ratings of solid performer via the annual performance evaluation process. For every year in current role, employees received 2 percent above the range minimum up to a maximum of 20 percent. The approximate cost of applying the equity adjustments is \$38,474 for the non-exempt structure and \$150,770 for the exempt structure.

Equity costs are noted below by department and structure. Many departments did not have a need for equity adjustments.

Equity Costs by Department

Department	Non-exempt	Exempt
Communication		\$ 8,555
Customer Service	\$ 3,101	
Town Clerk	\$ 117	\$ 5,980
Finance and IT		\$26,669
Planning	\$ 161	\$ 4,239
Police	\$ 9,412	
Parks Rec and Culture	\$25,243	\$77,528
Public Works	\$ 440	\$27,799

The Town Board approved a 4 percent reserve of \$394,821 to implement the results of this compensation study. The total cost to bring employee pay rates to minimum and provide appropriate equity adjustments is approximately \$254,060; this is \$140,761 under the budgeted allowance.

Summary

Compensation is a fluid and dynamic aspect of human resources. It is important that every organization establish a clearly defined compensation strategy and philosophy which will guide the plan direction and achieve the goals of attracting and retaining qualified talent.

While salary data is a tool for helping set pay practices, operational excellence is usually driven by many variables. Balancing a variety of factors, including performance and organizational goals, along with market analysis are part of the salary decision process.

We appreciate the opportunity to work with you. Please let us know if you have any questions or concerns about this project.

TOWN OF WINDSOR

Compensation Project Overview January 2019

OBJECTIVES

- Assess pay competitiveness with labor market
- Ensure consistent approach to pay decisions
- Align reward system with mission and values
- Design updated structure to be flexible and financially sustainable

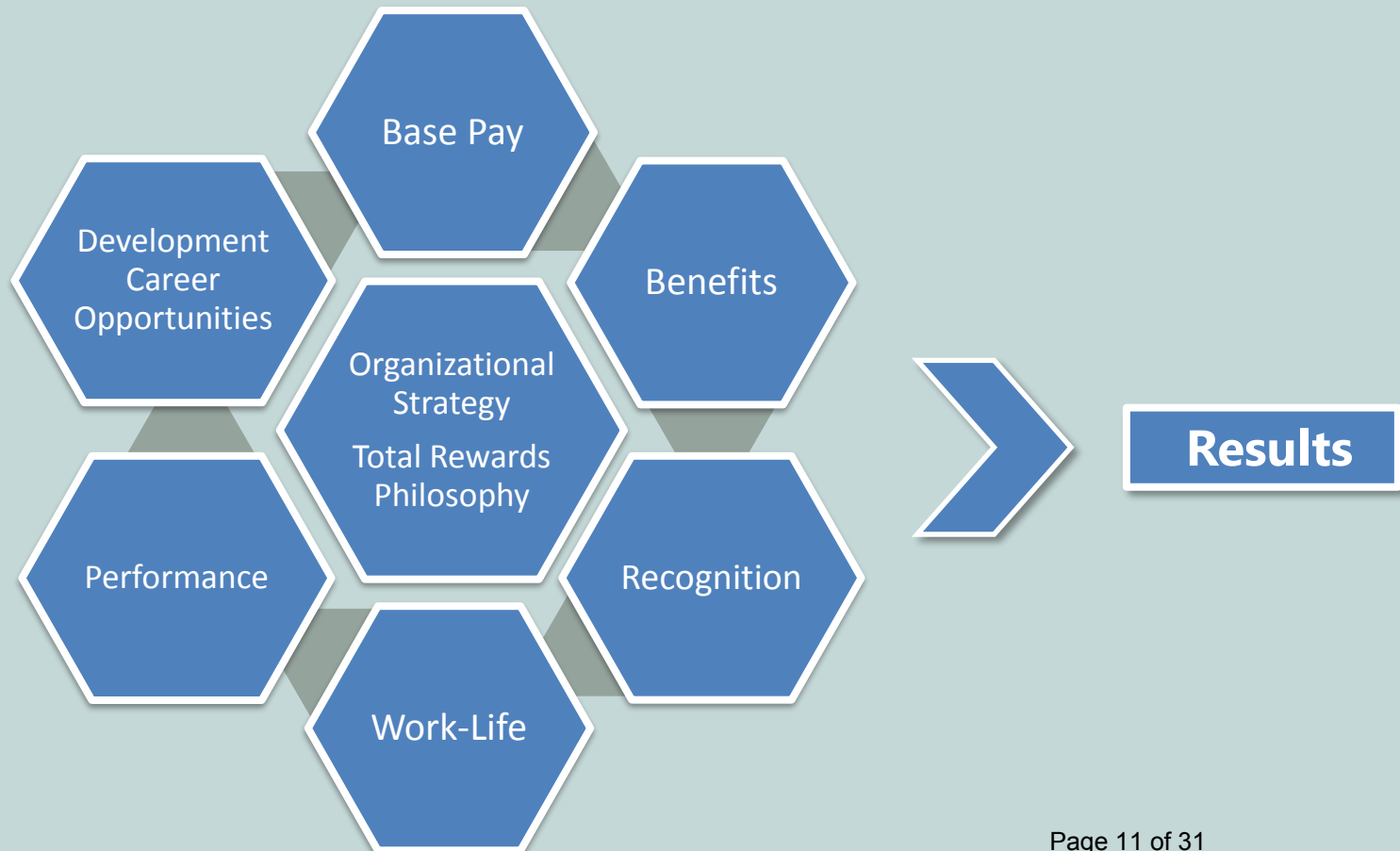
PROJECT METHODOLOGY

- Discuss strategic objectives/philosophy
- Review updated job descriptions
- Match jobs to survey description
- Obtain management approval
- Collect salary survey data
- Update salary structure/conduct cost analysis
- Implement plan
- Communicate program

PHILOSOPHY/STRATEGY

- Examine organizational mission & culture
- Consider business climate / labor markets
- Identify skill sets/behaviors to reward
- Leverage total compensation elements

TOTAL COMPENSATION MODEL



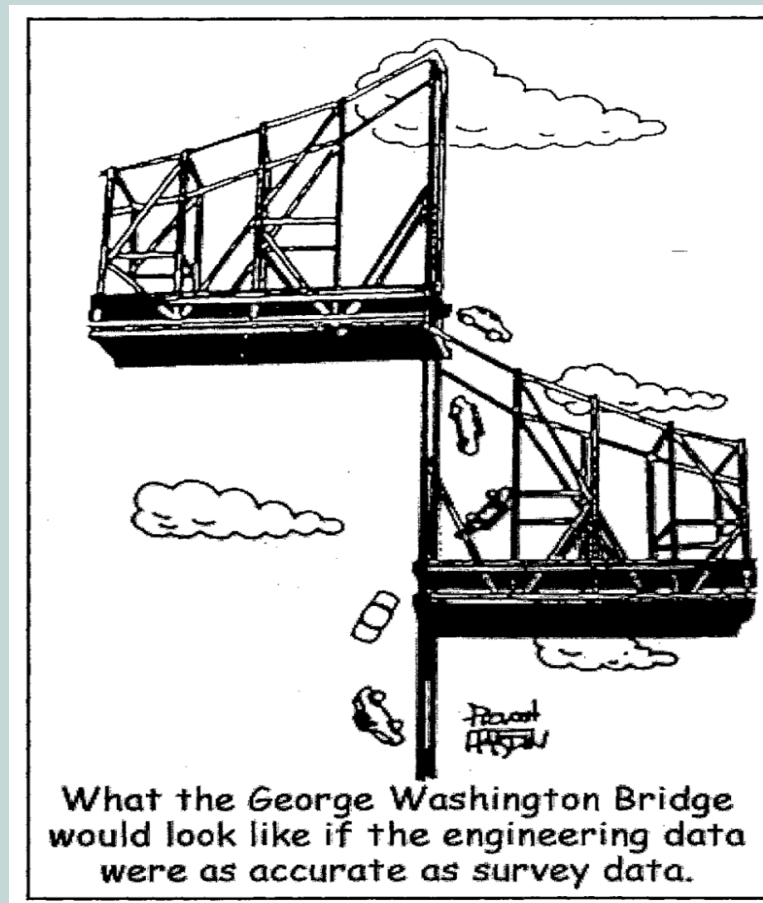
JOB MATCHING PROCESS

- Compare internal job data/descriptions to survey documentation
- Require at least 70% to 80% match of duties and qualifications
- Select match by responsibilities - not title
- Meet with department heads to gain input and approval on match

EXTERNAL EQUITY

- Determines relative value of jobs by what a defined labor market pays
- Considers how well organization pays in relation to other employers
- Used by almost all organizations

SALARY SURVEY CONSIDERATIONS



CREDIBLE SURVEY DATA INCLUDES...

- Methodology
 - Definition of terms
 - Verification/validation procedures
 - Timeliness
 - Presentation of data/statistics
- Job Descriptions
- Participants
- Employer reported pay rates
- Sample size

SURVEYS USED

- **Employers Council 2018 Colorado Benchmark Compensation Survey** (Denver/Boulder and Northern Colorado data lines)
- **Employers Council 2018 Public Employer Compensation Survey** (Denver/Boulder and Northern Colorado data lines)
- **Employers Council 2018 Information Technology Compensation Survey** (Denver/Boulder and Northern Colorado data lines)

INTERNAL EQUITY

- Determines the relative value of jobs within an organization
- Considers compensable factors
 - Knowledge
 - Decision-making
 - Accountability
- Balances external equity

JOB HIERARCHY

- Determine market-based job values (survey data)
- Assess jobs through internal lens
 - (location, industry, size, culture, critical skills, job family progression, reporting relationships, other)
- Consider current structure
- Resolve anomalies

SALARY GRADE

A grouping or clustering of jobs with similar duties and qualifications

All jobs in the grade have the same range minimum, midpoint, and maximum

SALARY RANGE

Used to establish the limits of value or payment for jobs

Minimum Lowest pay rate in a salary grade

Midpoint Market average

Maximum Highest pay rate in a salary grade

EVALUATE STRUCTURE

Review individual pay rates relative to position in range

- Considerations:
 - Performance
 - Budget (ability to pay)
 - Internal equity
 - External equity
 - Individual equity

IMPLEMENTATION

Approval

Implementation timelines

Communication

- Audience – employees, managers
- Purpose – transparency, engagement

SUCCESSFUL PLANS

- Credible, consistent and data-driven
- Defensible methodology
- Sustainable over time
- Well understood
- Aligned with organizational strategy

QUESTIONS?

Candy Siderius
Compensation Studio LLC
candy@compensation.studio

Town of Windsor
Job Title listed by Salary Grade
January 2018 DRAFT

Salary Grade	Job Title	Range Minimum	Range Midpoint	Range Maximum
NON-EXEMPT				
10		\$27,200	\$32,000	\$36,800
	Custodian	\$13.08	\$15.38	\$17.69
	Facilities Specialist			
15		\$30,800	\$37,000	\$43,200
	Guest Service Coordinator	\$14.81	\$17.79	\$20.77
	Parks Maintenance Operator			
20		\$35,800	\$43,000	\$50,200
	Administrative Assistant - CS	\$17.21	\$20.67	\$24.13
	Administrative Assistant - PW			
	Administrative Specialist - PRC			
	Human Resources Administrative Specialist			
	Lead Custodian			
25		\$40,400	\$48,500	\$56,600
	Administrative/Licensing Technician	\$19.42	\$23.32	\$27.21
	Administrative Specialist (Utility)			
	Aquatics Specialist			
	Equipment Operator			
	Facility Maintenance Technician			
	Forestry Maintenance Technician			
	Horticulture Technician			
	Manager on Duty			
	Municipal Court Clerk			
	Parks Maintenance Technician			
	Payroll Accounting Coordinator			
	Pool & Facility Maintenance Technician			
	Records Specialist/Technician			
	Sales Tax Technician			
	Wastewater Collections Operator			
	Wastewater Collections Treatment C			
30		\$45,000	\$54,000	\$63,000
	Code Enforcement Officer	\$21.63	\$25.96	\$30.29
	Communications Coordinator			
	Community Service Officer			
	Deputy Town Clerk			
	Fleet Mechanic			
	Heavy Equipment Operator			
	IT Analyst			
	Permit Technician			
	Police Officer Recruit			
	Property and Evidence Technician			
	Utility Technician - Sewer			
	Utility Technician - Water			
	Wastewater Collections Treatment B			

**Town of Windsor
Job Title listed by Salary Grade
January 2018 DRAFT**

Salary Grade	Job Title	Range Minimum	Range Midpoint	Range Maximum
NON-EXEMPT				
35		\$50,600	\$62,000	\$73,400
	Construction Inspector	\$24.33	\$29.81	\$35.29
40		\$54,700	\$67,000	\$79,300
	Streets Lead	\$26.30	\$32.21	\$38.13
	Utilities Lead			

**Town of Windsor
Job Title listed by Salary Grade
January 2018 DRAFT**

Salary Grade	Job Title	Range Minimum	Range Midpoint	Range Maximum
EXEMPT				
100		\$45,500	\$55,700	\$65,900
	Museum Curator Planner I			
110		\$51,400	\$63,000	\$74,600
	Administrative Analyst Economic Development Specialist Executive Analyst			
120		\$56,800	\$69,600	\$82,400
	Culture Supervisor Customer Service Supervisor - PRC Fleet Manager Parks Maintenance Supervisor PW Supervisor, Utilities Recreation Supervisor, Athletics Recreation Supervisor, Aquatics Recreation Supervisor Town Forester			
130		\$64,000	\$78,400	\$92,800
	Budget Analyst Facilities Manager GIS Coordinator Network Administrator Risk Manager Senior Planner Stormwater Coordinator			
140		\$71,500	\$89,400	\$107,300
	Chief Planner Civil Engineer Communications Manager Customer Service Manager Human Resources Manager Streets Manager Town Clerk			
150		\$82,400	\$103,000	\$123,600
	Accounting Manager Assistant Town Attorney IT Manager Open Space and Trails Manager Operations and Facilities Manager Parks Operations Manager Public Works Division Manager Recreation Manager Water Resources Manager Wastewater Services Superintendent			

**Town of Windsor
Job Title listed by Salary Grade
January 2018 DRAFT**

Salary Grade	Job Title	Range Minimum	Range Midpoint	Range Maximum
EXEMPT				
160		\$94,400	\$118,000	\$141,600
	Director of Economic Development			
	Director of Engineering			
	Director of Parks, Recreation, Culture			
	Director of Public Works			
	Human Resources Director			
	Planning Director			
	Police Lieutenant			
170		\$108,800	\$136,000	\$163,200
	Administrative Services Director			
	Chief of Police			
	Community Development Director			
	Director of Finance and IT			
	Public Services Director			
180		\$150,000	\$186,000	\$222,000
	Town Attorney			
	Town Manager			



MEMORANDUM

Date: January 14, 2019
To: Mayor and Town Board
Via: Shane Hale, Town Manager
From: Shane Hale, Town Manager
Re: Future Meetings Agenda
Item #: 2.

ATTACHMENTS:

- ▢ Future Meetings Agenda



FUTURE TOWN BOARD MEETINGS

January 21, 2019 6:00 p.m.	Town Board Work Session Parks Facility Update Windsor Housing Authority Funding Follow-up
January 28, 2019 5:30 p.m.	Town Board Work Session Adoption of 2018 International Fire Code and Land for Station #4 – Sandi Friedrichsen
January 28, 2019 7:00 p.m.	Town Board Regular Meeting
February 4, 2019 6:00 p.m.	Town Board Work Session Advisory Board Review Cemetery Update
February 11, 2019 5:30 p.m.	Board/Manager/Attorney Monthly Meeting Colorado State University Historic Homes Presentation
February 11, 2019 7:00 p.m.	Town Board Regular Meeting
February 18, 2019 6:00 p.m.	Work Session Cancelled – President’s Day
February 25, 2019 6:00 p.m.	Town Board Work Session MS4 Permit Ordinance
February 25, 2019 7:00 p.m.	Town Board Regular Meeting
March 4, 2019 6:00 p.m.	Town Board Work Session Weld RE-4 cash-in-lieu fee increase proposal
March 11, 2019 5:30 p.m.	Board/Manager/Attorney Monthly Meeting Colorado River Compact Presentation – Northern Water District
March 11, 2019 7:00 p.m.	Town Board Regular Meeting Kern Board
March 18, 2019 6:00 p.m.	Town Board Work Session
March 25, 2019 6:00 p.m.	Town Board Work Session
March 25, 2019	Town Board Regular Meeting

7:00 p.m.

Additional Events

January 30, 2019

Economic Forecast, Embassy Suites, Loveland

Future Work Session Topics

- Investment Strategy Discussion
- Economic Development/business incentive review
- Sign Code Update meeting with Planning Commission (next code section in series) – Planning
- Residential buildout at 60,000 population
- Economic development/retail needs at 60,000 population
- Transportation—20 year projection
- 2018 Building Code Updates/Contractor licensing
- Smoking in Parks