



Shoreline City Hall
17500 Midvale Avenue North
Shoreline, Washington 98133
(206) 801-2230

SHORELINE CITY COUNCIL SPECIAL MEETINGS NOTICE

As required by RCW 42.30, the Open Public Meetings Act, you are hereby notified that the Shoreline City Council will hold a special meeting on Monday, September 26, 2022.

Dates and **Monday, September 26, 2022**

Times: **5:45 p.m. to 6:45 p.m.**

Meet at: **Conference Room 440 · Shoreline City Hall
17500 Midvale Avenue North
Shoreline, WA 98133**

Join Zoom Webinar:

<https://us02web.zoom.us/j/88575876709>

Call into Webinar: 253-215-8782

Webinar ID: 885 7587 6709

(long distance fees may apply)

The purpose of this meeting is for Council to discuss the upcoming City's Compensation Policy/2022 Study. The meeting agenda and materials are attached to this notice.

Dated this 21st Day of September, 2022.

Jessica Simulcik Smith
City Clerk



City of Shoreline | 17500 Midvale Avenue North | Shoreline, WA 98133
Phone 206-801-2700 | Email: clk@shorelinewa.gov | www.shorelinewa.gov

Meetings are conducted in a hybrid format with both in-person and virtual options to attend.

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	<u>Page</u>	<u>Estimated Time</u>
1. CALL TO ORDER		5:45
2. ROLL CALL		
3. COMPENSATION STUDY		
4. ADJOURN		6:45

Any person requiring a disability accommodation should contact the City Clerk's Office at 206-801-2230 in advance for more information. For TTY service, call 206-546-0457. For up-to-date information on future agendas, call 206-801-2230 or visit the City's website at shorelinewa.gov/councilmeetings.



Memorandum

DATE: September 26, 2022
TO: Shoreline City Councilmembers
FROM: Melissa Muir, Director of HR and Organizational Development
RE: 2022 Employee Compensation Study Results
CC: Debbie Tarry, City Manager
John Norris, Assistant City Manager

Tonight, the City Council will be joined by Doug Johnson from Ralph Anderson and Associates, the City's compensation consultant, to share the citywide results of the 2022 Employee Compensation Study. This memo provides some background on the City's and Mr. Johnson's work on the study, the 'high-level' results of the study, and a timeline of next steps regarding communication and implementation of the study results. Attached to this memo is Mr. Johnson's PowerPoint presentation that he will walk through with City Council at tonight's Council Dinner Meeting.

Background

On [May 23](#) of this year, the City Council discussed with staff and Mr. Johnson the proposed 2022 Employee Compensation Study. At that Council Dinner Meeting, the Council concurred with the City Manager's proposed scope of the Compensation Study. This included:

- Limiting the study to current classifications/job descriptions for non-represented staff positions.
- Surveying the City's current labor market for salary and benefits.
- Using the City's existing compensation philosophy for the study:
 - Use of the City's current 13 comparable cities as our defined labor market;
 - Setting the City's market position at the median (50th percentile or "middle point") of the defined labor market;
 - Use of the top step (Step 6 of the City's Salary Table) as the market position comparison point to other jurisdictions' comparable positions; and
 - Use of both market data and internal equity to set compensation.

Discussion

Tonight, Mr. Johnson will provide an update to the Council on the Compensation Study, including:

- Refresh of Study Context:
 - Why we do such studies and how pay plans are developed;

- Review of survey agencies used as comparable agencies; and
- City practices around market position.
- How survey data is analyzed to identify potential market deviation.
- Market survey overview – relationship to market median for benchmark jobs.
- Methodology for setting salaries and range adjustments.
- Preliminary market results at organization-wide level and next steps.

Ralph Anderson and Associates has preliminarily calculated that the City’s cumulative base compensation is 4.9% below our comparable labor market using the median as the market position in the study. After internal relationship analysis and application to positions, this results in an average 4.7% adjustment across all positions.

As the City Council heard at your Council meeting on September 19th, the City Manager’s proposed 2023-2024 Budget includes a budgeted contingency to fund the anticipated gap between the market median and the City’s current salary schedule. This is also included in the City’s updated long-term financial forecast.

Communication/Implementation Timeline and Next Steps

The proposed communication and implementation timeline for the 2022 Compensation Study is as follows:

- ***Tonight (September 26)*** – Council Dinner Meeting to provide citywide Compensation Study results and confirm Council support for this timeline and approach.
- ***Early October*** – Share specific results of the Compensation study with Managers and Supervisors and then provide individual results of the study to each staff member.
- ***Mid October*** – Conduct employee meetings with Ralph Anderson and Associates and HR staff for staff to hear information about the study and ask questions.
- ***November 7*** - The proposed final Salary Table for non-represented staff, which will include the proposed adjustments from the Compensation Study and the City Manager’s proposed Cost of Living Adjustment (COLA) for 2023, will be included in the staff report for the Council’s Biennial Budget Public Hearing.
- ***November 21*** – Council scheduled to adopt the 2023-2024 Biennial Budget with the proposed final Salary Table.

Attachments

Attachment A: Ralph Anderson and Associates PowerPoint Presentation Providing the 2022 Compensation Study Results



City of Shoreline

2022 Compensation Study Results

Doug Johnson, Vice President

Ralph Andersen & Associates

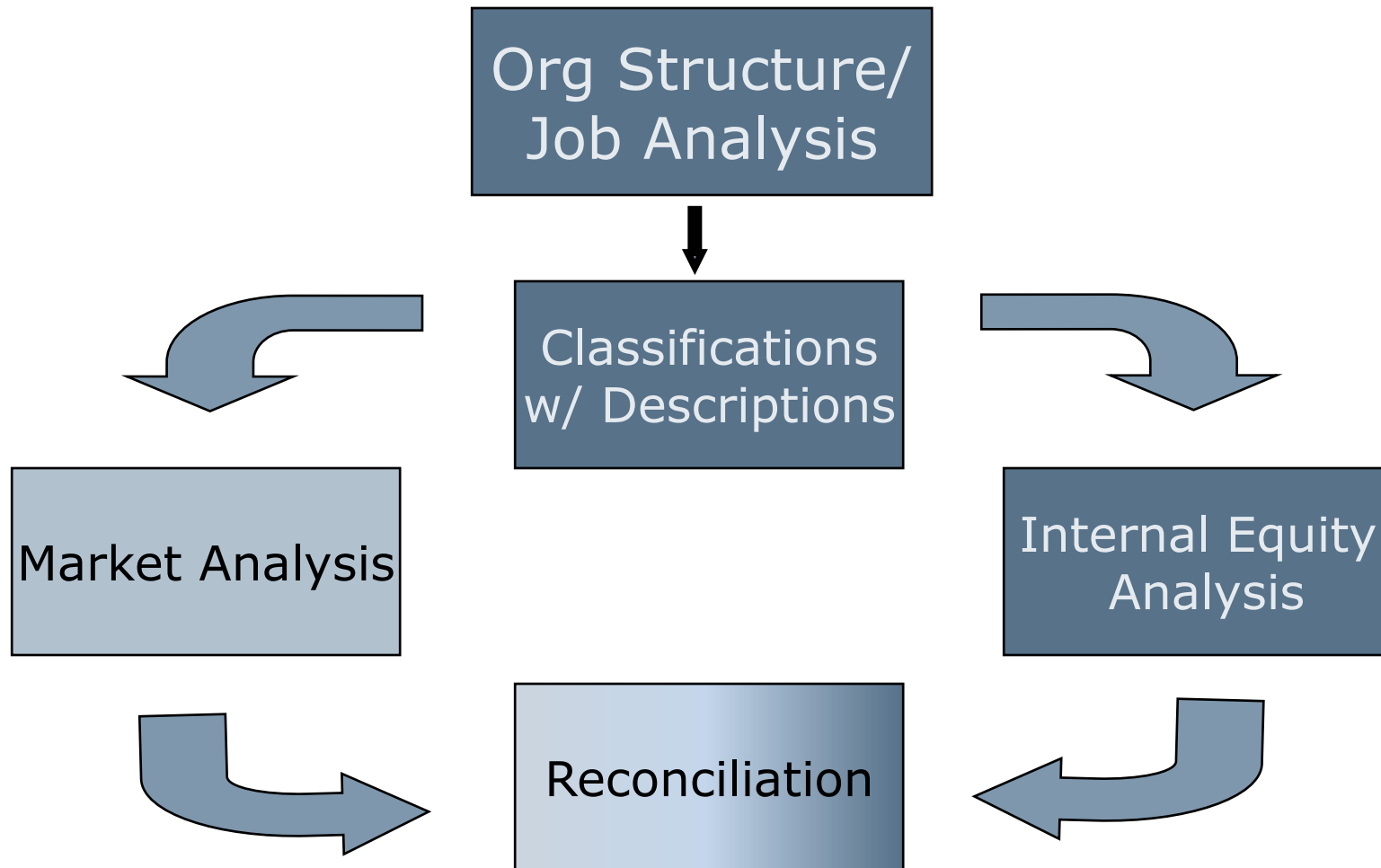
Reminder: Why Surveys Are Done

Compensation surveys are a necessary part of assessing and updating an organization's compensation plan.

- Anticipate and understand what the labor market is doing
- Survey data **informs decision makers** and provides data-driven framework for allocating resources to wages and benefits
- Provide defensibility and public accountability for employee compensation
- **Optimize the City's ability to recruit and retain employees**

Public and Private employers both use market data to assess compensation; just a difference in accessibility and transparency of data.

Pay Plan Development



Survey Agencies

Survey Agency	Population Served	Distance	ERI COL	ERI Wage	Govt Form
Shoreline	59,260	0	100.0	100.0	Council-Manager
Edmonds	42,900	5	94.2	99.9	Mayor-Council
Kenmore	24,050	5	94.7	100.1	Council-Manager
Lynnwood	38,650	6	95.8	99.8	Mayor-Council
Seattle	742,400	12	133.6	102.9	Mayor-Council
Bothell	48,330	14	102.2	99.9	Council-Manager
Bellevue	152,600	16	118.0	100.3	Council-Manager
Kirkland	92,900	17	109.1	100.0	Council-Manager
Everett	112,300	18	92.6	100.1	Mayor-Council
Redmond	73,910	21	113.8	100.3	Mayor-Council
Renton	107,100	23	95.4	100.1	Mayor-Council
Burien	52,430	23	93.1	100.0	Council-Manager
Marysville	71,250	24	85.3	99.8	Mayor-Council
Sammamish	67,940	28	102.1	100.0	Council-Manager
Median	71,250	17	95.8	100.0	

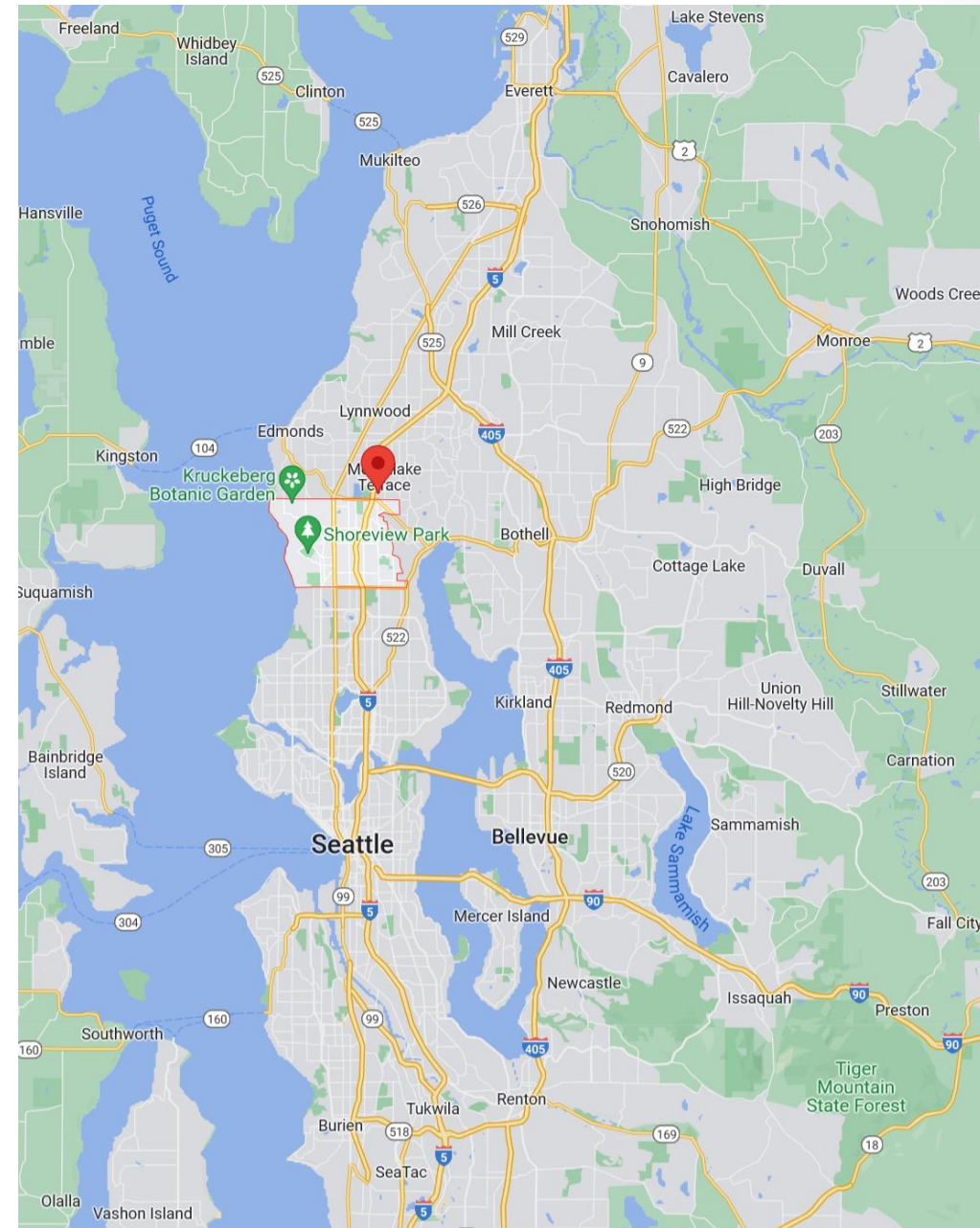
Data Sources:

Population - State of Washington, City and Town Profiles

Distance - Google Maps

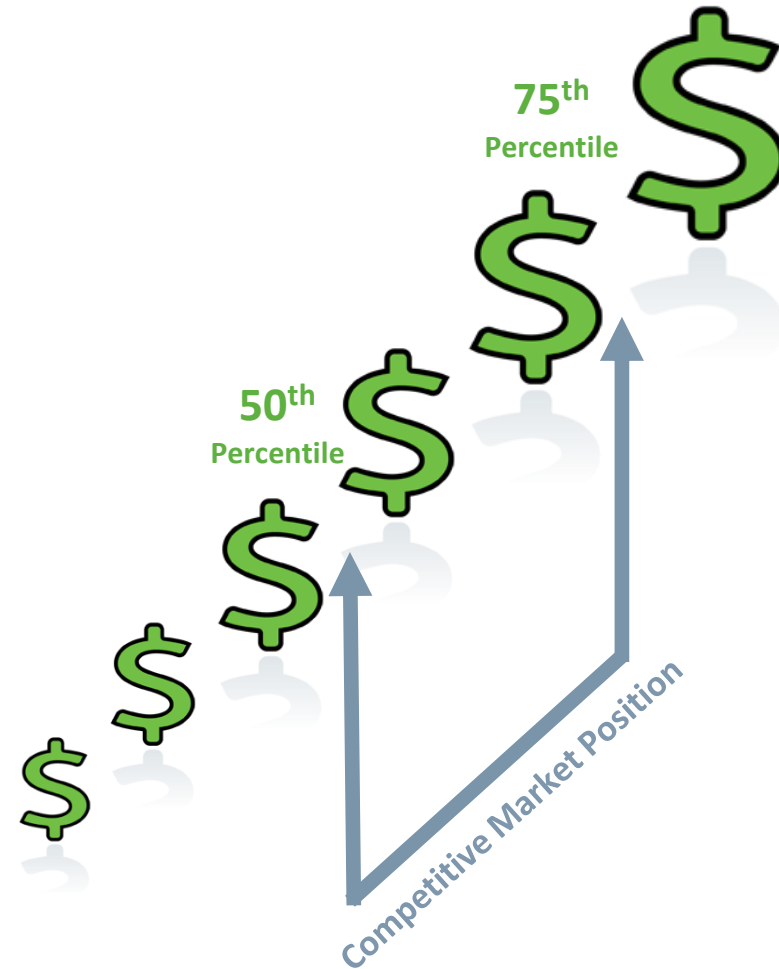
Cost of Living Index - Economic Research Institute Relocation Assessor; April 2022

Wage Index - Economic Research Institute Geographic Assessor; April 2022



Market Position

- Establishes competitive position
- Historical practices is an important consideration; change in practice requires explanation
- Recruitment and retention goals
- Percentiles are a rank-based statistic



Sample Survey Data

- Base Salary
- Salary Range Spread
 - % Progression
- Statistical Analysis
 - Based on range maximum
 - Several market position statistics for reference
 - Reliability/variability analysis
- Identifies potential market deviation for benchmark and related jobs

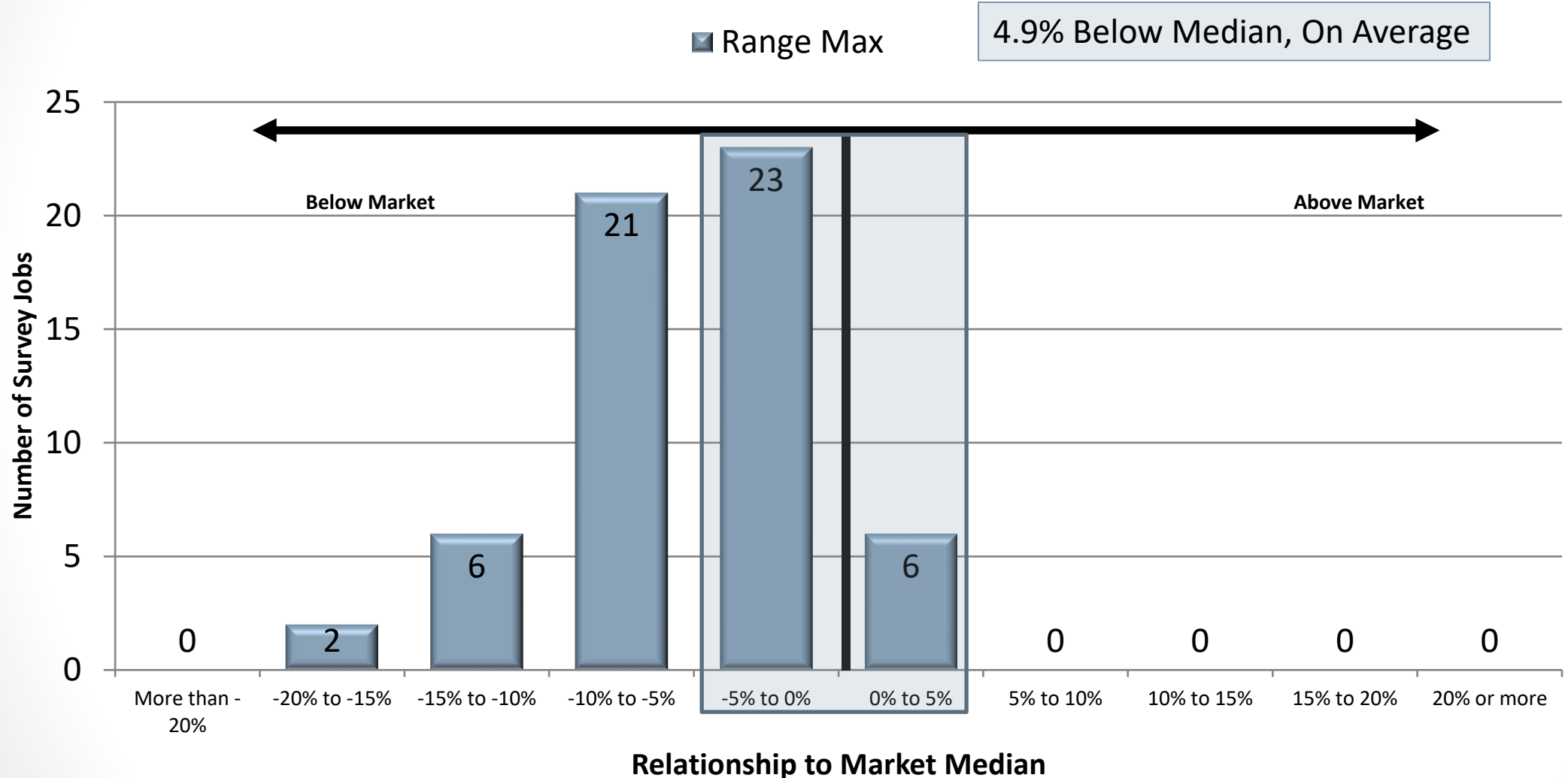
SHORELINE LABOR MARKET SALARY SURVEY

Statistics computed using range Control Point/Max

Administrative Assistant III

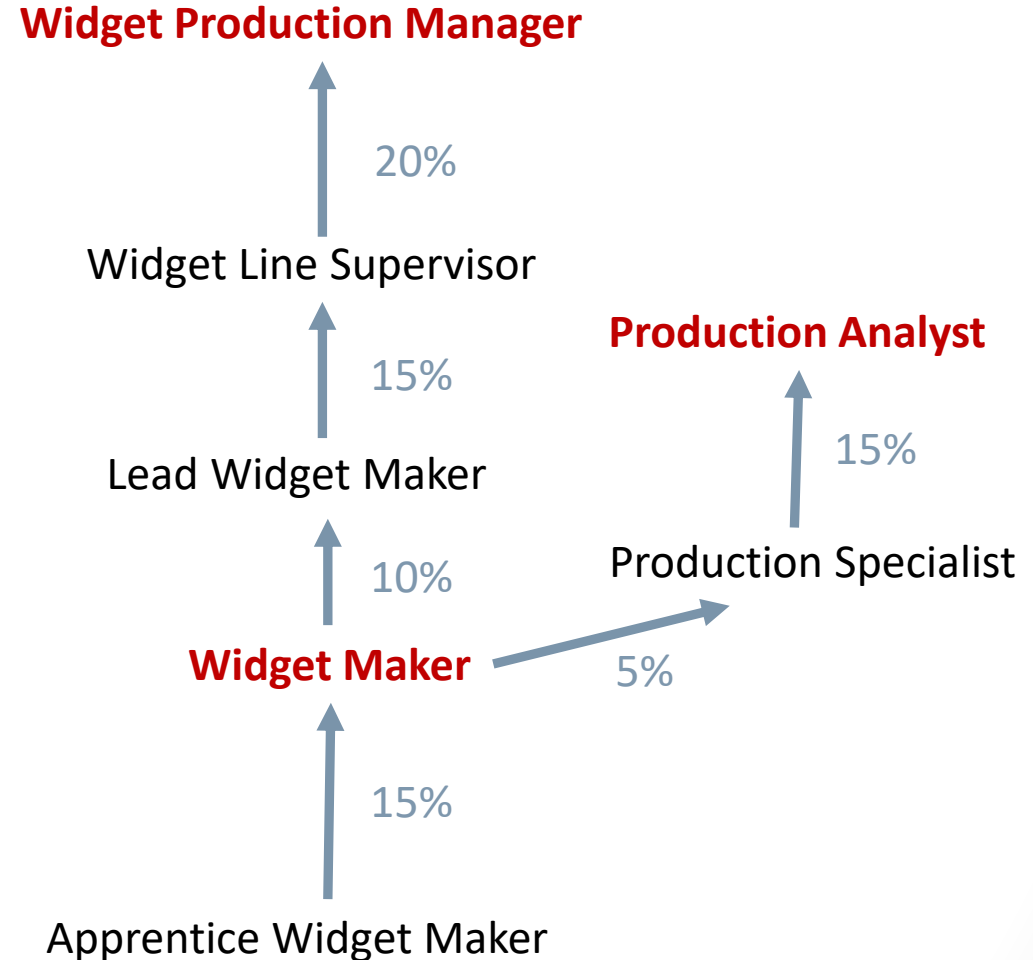
Agency	Comparable Class Title	Minimum	C.P./Max	Spread
Seattle	Senior Executive Assistant	\$ 8,578	\$ 9,975	16.3%
Redmond	Department Administrative Coor	\$ 5,590	\$ 7,547	35.0%
Everett	Administrative Coordinator	\$ 5,681	\$ 7,392	30.1%
Bellevue	Senior Administrative Assistant	\$ 5,101	\$ 7,041	38.0%
Renton	Administrative Assistant	\$ 5,778	\$ 7,029	21.7%
Bothell	Administrative Assistant, Lead	\$ 5,476	\$ 6,961	27.1%
Kirkland	Administrative Assistant	\$ 5,713	\$ 6,721	17.6%
Shoreline	Administrative Assistant III	\$ 5,480	\$ 6,668	21.7%
Sammamish	Administrative Assistant	\$ 4,847	\$ 6,633	36.9%
Edmonds	Executive Assistant	\$ 5,215	\$ 6,471	24.1%
Lynnwood	Administrative Assistant - Human Resources	\$ 4,902	\$ 6,335	29.2%
Burien	No Comparable Class			
Kenmore	No Comparable Class			
Marysville	No Comparable Class			
Shoreline Rank		8/11		
Coefficient of Variance		14%		
Number of Observations		10		
Labor Market Mean			\$ 7,211	-8.15%
Labor Market Median			\$ 6,995	-4.91%
25th Percentile			\$ 6,655	0.19%
75th Percentile			\$ 7,304	-9.55%
Percentile Rank			27	

Market Summary – 58 Benchmark Jobs



Salary Setting Methodology

- Establish benchmarks
- Analyze internal relationship
- Establish % differentials
- Supported by analysis of compensable factors
 - Role/Responsibility
 - Qualifications/Expertise
 - Decision Making/Autonomy
 - Resource Responsibility
 - Contacts/Working Relations



Sample Salary Range Analysis

Classification Job Title	Market Deviation	Internal Alignment/Salary Setting Rationale
Senior Management Analyst Management Analyst		Approx. 10% above Management Analyst Same as Budget Analyst
Administrative Assistant III Administrative Assistant II Administrative Assistant I	-4.9%	Benchmark; set to market Approx. 10% below Administrative Assistant III Approx. 10% below Administrative Assistant II

- Benchmarks based on “best” market data (sufficient reliable matches)
 - 58 job classifications are benchmarks
- Internal relationships based on historical relationships and analysis of internal equity
 - 62 job classifications are internal equity ties
- Balance of market data and internal organization and classification structures unique to the City of Shoreline
- On average, ranges adjustments equal 4.7%

Next Steps

- Presentation to managers and employees
- Research and review of questions and comments
- Finalization of compensation adjustments
- Development of implementation plan (timing of range adjustments)
- Presentation/adoption of final report, as needed