

# *2020 Compensation and Benefits Recommendations Review*

---

KATHLEEN JOHNSTON, MBA, SPHR, SHRM-SCP  
DIRECTOR, HUMAN RESOURCES  
OCTOBER 22, 2019, COUNCIL OF THE WHOLE



# County Total Rewards Philosophy

---

## Total Compensation Philosophy

Salt Lake County's Total Compensation Philosophy ***is to attract, motivate and retain quality employees*** who support the County mission of providing high-quality, cost-effective public services. We believe in a transparent, performance-based approach to compensation.

Our goal is to compete in comparable markets for high performing employees and recognize that public service has rewards beyond a base salary. We strive to provide employees with ***competitive compensation, benefits and retirement programs that reflect current market practices and are fiscally responsible.***

Our employees enjoy ***a superior work culture, career development and growth opportunities and the satisfaction of serving the public.***

# County Total Rewards Philosophy

---

## Guiding Principles

- Salt Lake County competes with ***a mix of public and private sector organizations*** and recognizes that geographic wage differentials and areas of expertise may impact the market for talent.
- Salt Lake County's total compensation program is ***performance based and incorporates civil service protections*** as defined by state statute.
- A ***transparent approach*** to compensation will help us achieve a culture of excellence.
- Rewarding employee achievements, developing employee talent and fostering career progression reinforces a productive work climate and the County's core values.

# Recap of 2018 and 2019 Compensation and Benefits Actions

---

## 2018

- 2.5% pay increases were allocated across the Annual Base Pay Increase (1.5%) and the Salary Structures Adjustments (1%).
- \$3M was budgeted for Compression Project payments.
- No significant Benefits plan changes, minimal health premium increases experienced.

## 2019

- 3% Annual Base Pay Increase was awarded. A separate pay adjustment was not allocated for the 2% General Salary Structure Adjustment.
- \$3M was budgeted for Compression Project payments.
- No significant Benefits plan changes, minimal health premium increases experienced.

*Annual pay increases included all Benefitted Employees, except Temporary and Sworn personnel.*

# 2020 Compensation & Benefits Budget Recommendation Backdrop

---

- County responding to population growth and demand for services, legislative/regulatory mandates, aging infrastructure, increasing talent costs
- Continued low unemployment in Utah – 2.7% *(September 2019, Bureau of Labor Statistics)*
- High market competition for talent
- Wage escalation:
  - As of September 2019, the SLCO General Salary Structure has fallen behind the market by 2%, the Trade/Technical Salary Structure by 3%
  - Average of all market salary structure comparators project a 2020 increase of 2%
  - Local government agencies project a 3-3.5% salary structure adjustment for 2020
- Continued pressure on health care costs
- Evolving Total Rewards expectations of contemporary workforce
- Tax revenue imbalance

# Key Indicators

---

Average Compa-ratios (Employee's salary as a percentage of salary grade midpoint)

- General Salary Structure - .94
- Trade/Technical Structure - .96

Salary Range Quartile Placement

- General Salary Grades – 1Q: 32.1% of Employees, 2Q: 29%, 3Q: 28.8%, 4Q: 9.6%
- Trade/Technical Grades - 1Q: 21.9% of Employees, 2Q: 23.6%, 3Q: 39.5%, 4Q: 13.7%

Gender and Minority Pay Equity

- Countrywide Gender and Minority Employee representation is consistent with available workforce population
- No statistically-significant differences in pay between females/males and minority/non-minority Employees in the same pay grades
- Recommend further examination of representations within individual General and Trade/Technical grades. If variances exist, may indicate a talent acquisition and Employee development opportunity.

Total Rewards:

Salary

Benefits, Perks

Employment Experience

# 2020 Compensation Budget Recommendations

---

## *Annual Pay Adjustment 2.75%*

- Employee must receive a Meets Expectations or better on 2020 Annual Performance Evaluation
- Increase will be pro-rated for partial-year service
- Employees over of the maximum of their salary grade (“redlined”) will receive a 1% lump sum payment
- *Excludes Sworn, Temporary and Provisional personnel*

## *Market Structure Adjustment and Increase to Minimum*

- Increase General Salary Structure by 2%, Trades/Technical by 3%
- Adjust Employees that fall below the salary grade to minimum of the range (after Annual Pay Adjustment is applied)
- *Excludes Elected, Appointed, Sworn, Temporary and Provisional personnel*

## *Countywide Living Wage*

- Establish a minimum Living Wage of \$12/hour
- Impacts General Salary Grades 7 and 8
- Adjust Employees that fall below \$12 (after Annual Pay Adjustment and Market Structure adjustment to minimum is applied)
- *Applies to Benefitted, Merit Employees*

*Mid-year Review of budget capacity to support 2020 Compression Project iteration or other pay inequities*

# 2020 Benefits Budget Recommendations

---

## *Health and Dental Plans:*

- *No Employee premium increases to the 2020 health and dental plans are recommended.*
- *County to absorb the projected 0-4% premium increase.*

## *Continue:*

- *High Deductible Health Plan (HDHP) at no cost for full-time benefitted Employees.*
- *HSA Employer contribution (Individual - \$600.00 and Family - \$1,200)*
- *Wellness incentive includes \$25: flu shot, \$100: Personal Health Assessment, and \$150: Annual Preventative Exam*
- *County Facilities 20% Employee Discount Card for eligible Employees is recommended.*
- *Tier II Long-term Disability Benefit protection (Employees approved for LTD continue to receive service credits through URS) coverage*

## *Retirement:*

- *Tier I employer contribution rates remain the same for Employees and Public Safety in 2020, while Tier II Public Safety employer rates will increase on July 1, 2020 (the State's fiscal year) from 23.83% to 25.83%.*

## *On-site Child Care:*

- *Creative Learning Academy (on-site daycare provider) has requested a participant fee increase of 3%, effective January 1, 2020.*



# Other Recommendations

---

Agency-specific headcount and compensation recommendations will be addressed by Elected Official, Department Director:

- Additions to staff
- Pay-rate increases
- Salary adjustments
- Pay differentials

# Feedback, Questions

---

