Memorandum 10-104 In House Salary and Benefits Study

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TO: Walt Wrede, City Manager
FROM: Sheri Hobbs, Personnel
DATE: July 14, 2010
RE: Salary and Benefit Study

Section 4.2.2 of the City Personnel Regulations states the Personnel Director shall review the Position Classification System no less than every five years and report the findings to the City Manager for review. The City Manager shall provide a report and recommendation to the City Council. The last salary study was completed in 2005 and updated at Council request in 2006. During the 2010 budget process City Council discussed having an outside firm complete the next study. In March 2010 a memorandum was presented to Council for discussion. At Council's request I researched having a study completed by AML or UAA or working with another city. AML and UAA do not provide individual studies and Kodiak who was considering a study felt it was too complicated to partner with Homer.
Unalaska was in the middle of a study when I began my review. I recently contacted their HR department to obtain information on the cost and results. They were not happy with the study, they did not feel it was very "Alaskanized" or used enough local government comparisons. The consulting group used 14.5 geographical differential areas and compared jobs in the public, private and non-profit sectors. They had difficulty benchmarking jobs such as City Manager, Assistant City Manager and City Clerk. Unalaska is still reviewing the results for inconsistencies and intends to review other studies. The cost for a wage and job description study was $30,000. Unalaska did not include benefits as it would have resulted in additional costs.
Due to the cost of utilizing an outside firm I would recommend the study be completed by staff. A survey would be sent to other cities and the private sector allowing them to match job descriptions and list their benefits. Once the survey is returned information is compiled and recommendations are made to the City Manager. The City Manager reviews the study and recommendations and provides a report to the City Council. Normally a study will take 3-4 months depending on how quickly respondents return information. Pages from the last survey have been included for reference.

RECOMMENDATION: Approve Resolution 10- directing city staff to complete a salary and benefit study.
FISCAL IMPACT: The 2005 salary study required 156 hours of staff time. No additional fiscal impact is anticipated for 2010 budget.

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