

City of Springfield  
Work Session Meeting

MINUTES OF THE WORK SESSION MEETING OF  
THE SPRINGFIELD CITY COUNCIL HELD  
MONDAY, DECEMBER 1, 2008

The City of Springfield Council met in a work session in the Library Meeting Room, 225 Fifth Street, Springfield, Oregon, on Monday, December 1, 2008 at 6:00 p.m., with Mayor Leiken presiding.

ATTENDANCE

Present were Mayor Leiken and Councilors Lundberg, Wylie, Ballew, Woodrow and Pishioneri. Also present were City Manager Gino Grimaldi, Assistant City Manager Jeff Towery, City Attorney Bill Van Vactor, City Recorder Amy Sowa and members of the staff.

Councilor Ralston was absent (excused).

1. Status - Classification and Compensation Study.

Human Services Director Bill Spiry presented this item. In February of 2008 Council authorized the City to proceed with a comprehensive classification and compensation project to correct problems associated with the current obsolete systems. This presentation is intended to:

- Update Council regarding the status of the classification and compensation project,
- Seek Council direction regarding comparable labor market for the City, and
- Review the objectives of the study and what will be occurring in the following months.

The classification and compensation project commenced in July of this year and is anticipated to conclude with a final report and recommendations to Council in July of 2009. The goals of this study are to update and redesign the position classification system, to redesign the compensation plan to most effectively support the strategic objectives of the City, and to establish salary ranges that are appropriately competitive with our comparable and relevant labor markets.

Once the classification structure design has been completed and compensation data has been collected, Council will receive an update on the project and will be asked for policy direction on the City's targeted position to the labor market for compensation. We anticipate this will occur in Spring, 2009. The final report for this project, including implementation options, will come to Council for consideration in the Summer 2009.

In preparation for the compensation study and plan design phase, Council is being asked to establish policy regarding the appropriate labor market to be surveyed based on the recommendations discussed in this briefing. The following parameters are recommended:

- Inclusion of Oregon cities with population size ½ to one and one half Springfield's population.
- Inclusion of other local and/or regional public agencies with which Springfield routinely competes for employees.

- Inclusion of a selection of specific local private sector employers selected based upon those with which Springfield may compete for City jobs that are applicable to the private or public sectors, and consideration of published compensation surveys recommended by the consultant.

Mr. Spiry introduced Bruce Lawson, the City's principal from Fox, Lawson and Associates, the firm hired to conduct this study. He explained the process to this point. Fox, Lawson and Associates staff would go out to gather comparable information for the compensation portion of this study. After analysis of the compensation data, staff would bring recommendations to Council and options for implementation.

Councilor Ballew said the City's current classification system had about two employees per position. She asked how they were going to be able to reduce that ratio.

Mr. Spiry said Fox, Lawson and Associates had developed a draft plan which reduced our classifications from about 115 to 60. Those included all non-uniform employees, with the exception of Police Captains, Sergeants and uniformed managers in Fire and Life Safety.

Councilor Ballew asked if their early estimate of \$322,000 – \$644,000 was for full implementation.

Mr. Spiry said at the time staff provided that estimate, it was pretty much just a ball park figure, and still was. The Executive Team would try to come up with a recommendation to Council based on a budgetary standpoint and what the City could afford for next year. That figure would be the basis on which the implementation strategy would be designed.

Councilor Ballew asked if they thought that figure was close.

Mr. Spiry said he was not sure because they hadn't done the compensation portion of the study yet.

Mr. Lawson said the compensation phase was coming up quickly, and once the classification was finished, they could go forward with that phase. They now needed guidance on what type of organizations should be included in the survey and the general criteria. Over the last several months, Fox Lawson had been working with City staff to talk through the potentially different markets so they were aware that the City recruited in different parts of the state. They suggested some different approaches for the study based on how the City had done business in the past. There were also federal guidelines that needed to be followed that required a minimum number of participants or data points (five) in order to use the data. He gave background on these guidelines.

Mr. Lawson said when talking with staff about what organizations to consider for comparables, they determined that it would be best to focus on organizations in Oregon, as indicated in the materials in the agenda packet, for ease of comparability. He explained. They also tried to factor in the ability to normalize the data collected to Springfield using information from the Economic Research Institute (ERI). He discussed the jurisdictions noted in the agenda packet. There were certain jobs the City recruited for in both the private and public sector. In those cases, it was appropriate to look at that data. It was difficult at times to get participation from the local private

sector, but there was published data that could be used. Some jobs were more comparable than others, such as management. They would try to get local data that fit.

Councilor Pishioneri asked if there was a part of the study that had correct information on the emerging working pool with the current economic situation. He asked which of the cities used for comparables had conducted a comparable class and comp study within the last 5 years.

Mr. Lawson said his firm just finished a study in the last year for the City of Grants Pass and Bend. They were currently in the process of working with Jackson County. They conducted a survey for Roseburg last year and two years ago they finished a study for Lane County administration. They would be getting new data because each of those organizations defined their markets a little differently and may or may not have used the same data.

Councilor Pishioneri asked if they looked at comparable title or the job done.

Mr. Lawson said they surveyed on the job description, not the title. One of the issues with the City's current system was that it was so narrow it was difficult to compare. Springfield currently had a 2 to 1 ratio, and most organizations were typically 10 to 1. He also noted that the City's pay system had a ratio of approximately 4 to 1, with the lowest paying job at approximately \$26,000/year to the average for department heads of about \$100,000. Twenty to twenty-five years ago, the pay system typically had a 10 to 1 ratio between the highest and lowest. In the public sector, pay ratios had come down substantially, causing compression within the pay scale.

Mr. Lawson referred to Councilor Pishioneri's question regarding the available labor market. They could ask questions about the jobs and what they paid, but it was more difficult to get information regarding turnover. They recognized the current labor market and could factor that in, but were seeing that there were two situations: 1) employers cutting positions due to economic circumstances; and 2) the general shift in demographics and age of the workers. By 2012, on a national basis, eighty million people would be eligible to retire, and there would only be fifty million to replace them. They needed to make certain the City could attract the people they wanted to attract and retain them given those circumstances. They would look at the City's turnover rate, any difficulties it had and what other employers were doing. This would be a snapshot in time when doing the comparables. They would look at the compensation in the aggregate.

Councilor Woodrow asked if the information for the other entities was propriety or if they could use it to augment their benchmarks if they didn't receive enough responses.

Mr. Lawson said it was not propriety data and could be used if it fit the jobs. If new data couldn't be obtained, they could use the information from the survey done last year for Grants Pass and Bend and trend it forward.

Councilor Woodrow asked about the ERI standards. He asked if it would apply to positions out of state.

Mr. Lawson said it did apply. They could take data from any zip code, run it through the ERI and adjust it regarding base pay to fit our area. The issue with out of state data was trying to compare benefits and other factors outside of the base pay.

Councilor Woodrow asked if the ERI standard weighed for benefit standards.

Mr. Lawson said the ratios would be consistent, but the difficulty was in getting comparable data. He explained.

Councilor Ballew said in the private sector, business was based on supply and demand. Public agencies, by comparing with each other, had presented an artificial comparability. She asked how that was addressed.

Mr. Lawson said they first determined how they defined their labor market. He gave an example of an entry level clerk. For other jobs, the private sector was not a player. He discussed the different jobs and how they were recruited for either regionally or statewide. When looking at private sector data, up through the level of the fair labor standard non-exempt jobs, the public sector did pay better than the private sector. At about the level of accountant, the private sector paid better. They cautioned clients about that in the upper level jobs. They needed to be careful of what information was used.

Councilor Ballew said the higher paid jobs would be fewer than the lower paid positions, costing more.

Mr. Lawson said that was a struggle of trying to determine how to get people to stay. This study only focused on the classification and compensation piece, not the total HR component regarding recruiting and training and development. Economics would ultimately be a major factor.

Councilor Wylie said there were probably a number of studies comparing public and private pay scales. She asked if they would use those studies.

Mr. Lawson said there were organizations that did large national surveys. The City could get that general information without doing a specific survey. When doing those studies, they did find that generally the public sector had treated their employees across the board better than the private sector in total compensation. Part of the problem had resulted in the compressed structure currently in place. As the population aged, getting people to accept positions with greater responsibility when they were currently making good money and overtime, was difficult as there was little incentive. The consultant's job was to collect good data and provide the information.

Councilor Wylie said they wanted to see what the corporate engineer was making versus our stormwater engineers.

Mr. Lawson said they would provide that information to the Council and then it would be up to Council to determine what to do with that information and some of the issues it could bring.

Councilor Wylie said she hoped they would have a range of comparables.

Mr. Lawson said they were required to have a certain number of comparators. The private sector data would be sectioned into specific jobs.

Councilor Wylie said it was helpful to see what other people made in other markets. She noted the comment that the current system was inflexible. She assumed this new information would build a better system.

Mr. Spiry said when the system was put into place, it was probably right for the City at that time, but it didn't change and adapt. This time, they were looking at a system that was state of the art, determining how we could maintain the system and review it in a certain number of years.

Councilor Wylie said when staff presents the new system it would be helpful if they gave a couple of examples of how things were in the old system, and what could be done with the new system in those same circumstances.

Mr. Lawson said many of the current classifications existed because someone was trying to do something regarding a pay issue. The new system had a way to deal with that.

Councilor Woodrow said this would standardize a lot of job descriptions. He asked if there would be a procedure in the new system to maintain standardization to avoid turning into 115 classifications.

Mr. Spiry said this system was set up to keep that from happening and was part of the scope of work required for this project. Staff would need to manage the system.

Councilor Lundberg asked Mr. Lawson to describe some of the changes that would occur once the class and comp study was done in terms of hiring, retention and recruitment.

Councilor Ballew also asked what they would do for people in current positions that should be in a lower classification.

Mr. Lawson said they would identify the classifications based on the information available to them, and then determine their new classification, either higher or lower. The issue was what to do regarding the compensation. Most organizations would freeze an employee's salary until their salary range caught up to their current pay. If an employee was currently paid at a level less than they should, they would identify what it would cost to bring them up to that accurate range. He gave an example. With a broader classification and pay structure, there was increased flexibility for the hiring manager. The negative was that they could hire someone at a level higher than people that had been here longer. They tried to tell people that this was a new system, with some adjustments regarding they pay. What employees would gain was the room to grow. Most agencies couldn't afford to move someone up in range. Managers would have to accept the responsibility for managing the system. Under the current model, the manager would go to HR to try to get a reclassification for an employee. With the new system, if it was a pay issue, the manager would have to pay within the pay system, so there was a degree of managerial responsibility in that area.

Mr. Spiry said implementation, taking the current people and moving them into the new system, would happen over a period of time. They would also be working with the unions on that aspect.

Councilor Pishioneri asked about the jail staff once it was opened. He asked if there were plans for comparables for the staff for the jail.

Police Chief Smith said they had looked at Linn County, Benton County, Douglas County, Jackson County, and Coos County and one other. In looking at the average, Springfield was slightly higher than the average.

Mr. Spiry said the challenge was looking for systems that were not using sworn officers for jail operations. Staff would keep Councilor Pishioneri informed on that process.

Mayor Leiken asked what was included in the compensation.

Mr. Lawson said wages, insured benefits (health, life, etc.), paid time off, vacation, holidays, retirement contributions, and pension systems.

Mayor Leiken said he would caution them about using comparatives from the private sector. Staff at the City had given up the opportunity to earn much more in the private sector. He noted the incentives and other compensations in the private sector. He discussed the discrepancies that could occur when making wage comparisons between public and private because of those extra compensations. He would prefer staff look at public sector municipalities for comparables.

Mr. Lawson said if they were able to get the numbers, they would separate the private and public information. He asked if the general parameters in the public sector market were acceptable to Council.

Mayor Leiken said he was pleased and felt this was the way to go. For the future of Springfield, this was a good opportunity. He appreciated that Springfield had been fortunate with employees who had chosen to make their career here at the City.

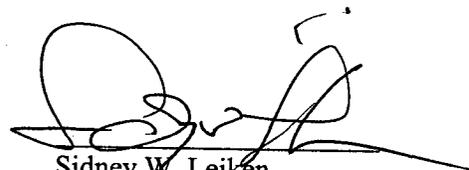
Council agreed with the recommendation as outlined in the Agenda packet.

Councilor Pishioneri said he liked what they were doing.

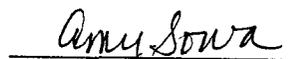
#### ADJOURNMENT

The meeting was adjourned 6:58 pm.

Minutes Recorder – Amy Sowa

  
Sidney W. Leiken  
Mayor

Attest:

  
Amy Sowa  
City Recorder