

**CITY OF LA VISTA  
MAYOR AND CITY COUNCIL REPORT  
JULY 2, 2024 AGENDA**

| <b>Subject:</b>                          | <b>Type:</b>                              | <b>Submitted By:</b>                     |
|--|---|--|
| CLASSIFICATION AND COMPENSATION<br>STUDY | RESOLUTION<br>ORDINANCE<br>◆ RECEIVE/FILE | WENDY LOWERY<br>HUMAN RESOURCES DIRECTOR |

**SYNOPSIS**

A Classification, Compensation, and Benefits study has been completed in accordance with the Pay for Performance Compensation policy. The council is being asked to accept the study by a simple motion.

**FISCAL IMPACT**

The FY25-FY26 proposed biennial budget includes funding of \$320,000 which has a fiscal impact in the General Fund of \$305,000 and in the Sewer Fund of \$15,000 for the recommended full-time salary structure. The council would need to take additional action to implement the salary recommendations at a future date.

**RECOMMENDATION**

Acceptance.

**BACKGROUND**

On March 21, 2023, the City Council awarded a contract to McGrath Human Resources Group to conduct a Classification, Compensation, and Benefits Study. The City's Pay for Performance Compensation Policy establishes that these studies be conducted on a regular basis in order to maintain an equitable, comparable and non-discriminatory wage and salary structure.

An internal team worked with McGrath to establish the general process for the study which included:

- Review of all job descriptions.
- Employee interviews for each current job title.
- Salary and benefits survey.
  - Recommendations for salary ranges and position placement within the ranges based on both the job rating and the market data.
  - The salary ranges for some positions were impacted by special circumstances or market conditions and those are identified in the final report.

The findings of the market study reveal that a significant majority — (*approximately 75%*) of La Vista's current salary ranges fall below average market minimums, with 65% below market maximums. This situation isn't completely unexpected, given our ongoing challenges to recruit and retain employees.

The recommended salary structure closely aligns with market rates, positioning salary ranges at the 50th percentile. McGrath's comprehensive report, which includes detailed data and analysis, has been provided for

review and discussion. While there are currently no proposed changes to employee benefits, the findings will inform future discussion and recommendations.

Implementation of the new salary structure is recommended to begin in October 2024.



# Classification, Compensation, and Benefits Study Final Report

for



June 2024



McGrath Consulting Group, Inc.  
P.O. Box 865  
James County, TN 38556  
Office (815) 728-9111  
[www.mcgrathconsulting.com](http://www.mcgrathconsulting.com)

©Copyright 2024 McGrath Human Resources Group. All rights reserved.  
No part of this document may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopy, recording or otherwise without the expressed written permission of McGrath Consulting Group, Inc.

## Table of Contents

|   |           |
|---|-----------|
| <b>Project Summary .....</b>  | <b>5</b>  |
| Compensation Recommendations.....   | 6         |
| Classification Structure Recommendations .....                                | 7         |
| System Maintenance Recommendations.....                                       | 7         |
| Compensation Policy Recommendations.....                                      | 7         |
| Benefits Opportunities.....   | 8         |
| <b>Methodology .....</b>  | <b>9</b>  |
| Data Collection .....   | 9         |
| Labor Market.....   | 9         |
| Market Data Solicited .....   | 11        |
| <b>Market Analysis.....</b>   | <b>11</b> |
| Minimum Salary Comparison.....  | 11        |
| Midpoint Salary Analysis.....   | 12        |
| Maximum Salary Analysis.....  | 13        |
| Incumbent Salary Analysis .....   | 13        |
| <b>Current Compensation System .....</b>                                      | <b>14</b> |
| Full-Time Schedule .....  | 14        |
| Part-Time Schedule .....  | 14        |
| Union Schedule Compression.....   | 14        |
| <b>Classification System.....</b>   | <b>15</b> |
| Position Analysis .....   | 15        |
| <b>Compensation Philosophy.....</b>   | <b>16</b> |
| Employee Demographics .....   | 17        |
| The Evolution of Recruitment and Retention with Compensation Since 2020 ..... | 18        |
| The Great Resignation and Private Sector Influence.....                       | 20        |
| Inflationary Impact on Employees.....   | 20        |
| State Minimum Wage.....   | 20        |
| <b>Recommendations .....</b>  | <b>21</b> |
| Compensation Structure .....  | 21        |
| Part-Time and Seasonal Positions.....   | 21        |
| Classification Structure.....   | 21        |
| Management and Director Classifications .....                                 | 21        |
| Job Levels.....   | 23        |
| Recommended Classification Changes.....                                       | 23        |
| Position Placement.....   | 24        |
| Employee Placement.....   | 24        |
| Command Staff .....   | 25        |
| <b>General Operational Guidelines.....</b>                                    | <b>25</b> |
| Maintenance of Salary Schedule.....   | 25        |
| Salary Schedule Adjustments.....  | 25        |
| Annual Performance Adjustments.....   | 26        |
| Minimum Wage Adjustments.....   | 26        |
| Compensation Policy Recommendations.....                                      | 26        |
| Metrics .....   | 26        |
| Market Updates.....   | 27        |
| <b>Total Rewards Perspective .....</b>  | <b>27</b> |
| <b>Benefits .....</b>   | <b>30</b> |
| Health Insurance .....  | 30        |
| Plan Design Overview .....  | 30        |
| Premiums .....  | 31        |
| Expected Employee Cost.....   | 31        |

|   |           |
|---|-----------|
| Maximum Employee Cost .....   | 31        |
| Insurance Summary .....   | 32        |
| Time Off Benefits .....   | 32        |
| Holiday .....   | 32        |
| Vacation .....  | 32        |
| Sick Leave .....  | 33        |
| Paid Time-Off .....   | 34        |
| Retirement Plan .....   | 34        |
| Ancillary Benefits .....  | 35        |
| Life Insurance and Accidental Death and Dismemberment (AD&D) .....                    | 35        |
| Long Term Disability (LTD) and Short-Term Disability (STD) .....                      | 35        |
| Employee Assistance Program (EAP) .....   | 36        |
| Tuition Assistance .....  | 36        |
| Additional Opportunities .....  | 36        |
| Childcare Assistance .....  | 36        |
| Long-Term Care Insurance .....  | 37        |
| 529 College Savings Plan .....  | 37        |
| Flexible Work Options .....   | 37        |
| Paid Parental and Elder Care Leave .....  | 38        |
| Volunteering Time-Off .....   | 38        |
| Talent Development .....  | 38        |
| Employee Recognition .....  | 39        |
| <b>Appendix A: Recommended Salary Schedule .....</b>                                  | <b>41</b> |
| <b>Appendix B: Recommended Compensation Policy Guidelines .....</b>                   | <b>44</b> |
| <b>Figure 1: Minimum Analysis Summary .....</b>                                       | <b>12</b> |
| <b>Figure 2: Midpoint Analysis Summary .....</b>                                      | <b>12</b> |
| <b>Figure 3: Maximum Analysis Summary .....</b>                                       | <b>13</b> |
| <b>Figure 4: Incumbent Analysis Summary .....</b>                                     | <b>14</b> |
| <b>Figure 5: Employee Demographics by Years of Service .....</b>                      | <b>17</b> |
| <b>Figure 6: Employee Demographics by Age Group .....</b>                             | <b>17</b> |
| <b>Figure 7: Percentage of Applications for Government Employment 2016-2022 .....</b> | <b>19</b> |
| <b>Figure 8: Total Rewards Visual .....</b>   | <b>28</b> |
| <b>Table 1: Comparable Organizations .....</b>  | <b>10</b> |
| <b>Table 2: Recommended Classification Changes .....</b>                              | <b>23</b> |
| <b>Table 3: Metrics Recommendations .....</b>   | <b>27</b> |
| <b>Table 4: Health Plan Summary .....</b>   | <b>30</b> |
| <b>Table 5: Vacation Schedule .....</b>   | <b>33</b> |
| <b>Table 6: Comparable Retirement Programs Summary .....</b>                          | <b>34</b> |

## Project Summary

The intent of the Project Summary is to provide an overview of the most important issues and opportunities identified by the Consulting team during the Study. Recipients of this Report are highly encouraged to read the document in its entirety to gain an understanding of the recommendations presented within the Report. This introduction alone does not provide enough context or information upon which to base decisions or to evaluate the recommendations provided.

McGrath Human Resources Group, Inc., an organization that specializes in public sector consulting, was commissioned by the City of La Vista, Nebraska to conduct a comprehensive Classification and Compensation Study. The Consultants utilized the following steps to make these compensation recommendations:

- Discussions with the Internal Advisory Group and Department Directors and Managers.
- Analysis of the current salary schedule, compression, and current compensation policies.
- External market data was solicited from 23 comparable public organizations, selected jointly between the Consulting team and the City.
- Position analysis based upon extensive information provided by incumbent employees describing job responsibilities, skills, and various competencies of the position in addition to a review of job descriptions.
- Internal position analysis based upon all information collected and analyzed and meetings with each Department Director.
- Feedback on recommendations by the Internal Advisory Group and Department Directors.

The Consultants wish to extend appreciation to the City Administrator Brenda Gunn, Assistant City Administrator Rita Ramirez, Director of Administrative Services Kevin Pokorny, Finance Director Meg Harris, Human Resources Director Wendy Lowery, Police Captain Todd Armbrust, Deputy Director of Public Works Jeff Calentine, and the Human Resources Generalist Katie Spencer. The individuals who hold these positions make up the City's Internal Advisory Group. It was this Group that worked with the Consultant to review, discuss, and provide insight on the Consultant recommendations.

The following recommendations have been developed as a result of the Study.

## **Compensation Recommendations**

1. In order for La Vista to gain a competitive edge with recruitment and retention, it is recommended the City establish its compensation philosophy to align to the average market of its comparables so it is understood in policy, and Human Resources is able to bring recommendations forward in the future to maintain this policy, or compensation philosophy. Compensation philosophy can also be described as a compensation strategy. This strategy may increase the supply of candidates, increase selection rates of qualified applicants, maintain productivity, and decrease unwanted employee turnover. This type of strategy is appropriate for an organization like La Vista, because it is located in close proximity to a highly competitive labor market.
2. The City should continue utilizing a range model compensation system for flexibility in recruitment and continuation of market competitive compensation adjustments for performance, while having a defined maximum limit on wages for each salary range.
3. The City should adopt the 2024 range model developed for the City for flexibility in recruitment and continuation of its performance program for employees. The Control Point is aligned to the market. The minimum rate of each pay range is set at 15% below that rate so an employee can attain the average market within a reasonable period. Each pay range is currently held to a 30% spread to maintain financial sustainability while supporting retention through performance management efforts. This range model, coupled with the City's performance management program, should be a performance motivator and a tool for professional growth and development, and allows the City to explore and develop succession opportunities.
4. The City should retain the 7%-10% built between pay ranges to help alleviate compression between career levels and doing so also provides flexibility to address minimum wages adjustments without impact to the remainder of the salary schedule for the next several years.
5. The Ranges were built based upon market and separate from the collective bargaining agreements. This separation should be reviewed annually to ensure proper separation of base wages is retained for compression between subordinate to supervisory roles.



## **Classification Structure Recommendations**

1. The City's classification system has been re-aligned to better follow the hierarchy within the organization and align titles to better recognize the importance of duties and responsibilities for each position and the value each position brings to the organization. Some industry titles were retained, which may deviate from the classification structure, but are understood. The City is recommended to adopt the classifications as outlined on pages 21-24 of this Report.
2. The City is recommended to rely on a position analysis process (point factoring) to evaluate the internal equity of positions within the City in the future, and to develop pay ranges where there is insufficient or no market data.

## **System Maintenance Recommendations**

1. It is recommended that on a set date each year, the Salary Schedule be adjusted by the Consumer Price Index – Urban (CPI-U) percentage or by a local economic indicator, if preferred. Since budgeting is done at approximately the same time each year, the City should establish a specific month in which to capture the average of the previous twelve (12) months of the selected economic indicator for a recommended adjustment.
2. The City is recommended to ensure that employee progression through the salary ranges will cover both cost-of-living economic adjustment and performance, so its high performing work force does not fall behind within their respective ranges. This can happen once per year or it can be split to two (2) dates within a year.
3. The City is recommended to conduct a market update in three (3) years. Analyzing turnover and other human resource-type metrics should help indicate if an external market update is required sooner or can be pushed back a year.
4. The City is recommended to maintain human resource-type metrics to monitor recruitment, retention, and turnover trends.

## **Compensation Policy Recommendations**

1. Compensation policy recommendations have been provided and it is recommended these be reviewed by Human Resources for recommendation to the City Administrator for incorporation into the City's policies.

## **Benefits Opportunities**

The benefits section will identify options and recommendations to consider as the City develops its long-term Total Rewards Strategy to be an employer of choice in the region. The feasibility of feedback and options offered must be analyzed by the City in addition to the City's specialized benefit advisors and are not immediate recommendations.

1. The City would benefit from exploring multiple plan designs, including a High Deductible Health Plan with a HSA contribution, which could make the HDHP more enticing because the HSA is portable. This is typically cost effective to the employer and helps position the City in a more competitive market.
2. The Consultants recommend discussions with their benefits broker to explore if other insurance plan design options could put the City in a more competitive angle regarding health insurance.
3. The City should start all vacation accrual at 80 hours per year, with additional accrual for management and director level positions. The six (6) month waiting period to use vacation should also be eliminated.
4. The City should explore a vacation buy-back program.
5. The City is recommended to explore a Paid Time-Off (PTO) model in the future. This would allow the City to offer more flexibility within their benefit structure for the current and future workforce.
6. The City is recommended to consult with its retirement plan advisor for recommendations on the City's current vesting period.
7. The City should consider offering short-term disability coverage.
8. The City should consider a more enriched tuition reimbursement program.
9. The City has been offered other total reward opportunities to be reviewed for future consideration.

# **Methodology**

## **Data Collection**

The project involved several steps: collection of data, interviews, and data analysis. The first step of this Study involved gathering data that pertains to current compensation practices within the City. The Consultants received information relating to current salaries, specific policies, collected market data, and current job descriptions.

Interviews were conducted with the Internal Advisory Group and Department Directors and other management personnel within each Department. The purpose of these meetings was to first, gain an understanding of the City's current compensation practices and philosophy; second, to solicit ideas and input from these stakeholders for future compensation methodologies and practices; and finally, to determine if there were any positions within the City that were difficult to recruit, retain, or were otherwise unique in the position's responsibilities.

Employees from each Job Classification were then asked to complete a Position Questionnaire (PQ) which provided extensive information about the positions. The Consultants utilized the Position Questionnaires completed by the employees, which had been reviewed by supervisory employees, to gain a better understanding of the job responsibilities, skills, and various competencies of the position.

During the second virtual visit, the Consultants met with the Internal Advisory Group to provide a summary of the City against the comparable market and discuss the type of compensation model that would be most successful, in addition to the expected placement within the comparable market.

Upon completion of the draft compensation schedule, the Consultants met with the Internal Advisory Group and Department Directors separately to review the recommended Salary Schedule and gain their perspective. Any recommendations and feedback provided was reviewed by the Consultants and taken into consideration in both its relation to the position analysis, the external market data, as well as the impact on internal equity within the entire Compensation System.

## **Labor Market**

Through interviews with the Department Directors and Internal Advisory Group, a list of comparable organizations was established, in order to gain information from the external market. Determining the external market is based upon who the organization loses human capital to, where to draw human capital from, comparables used in collective bargaining,

communities within the region surrounding La Vista, and communities that have similar programs/services in similar markets. Focus was put on Omaha, Nebraska with additional comparables in Iowa, Kansas and Missouri that are part of the Des Moines and Kansas City markets.

Each of the comparable organizations were contacted to request current salary schedules and incumbent data. The following comparable organizations were used:

**Table 1: Comparable Organizations**

| COMPARABLE ORGANIZATIONS                   | POPULATION* | METRO STATISTICAL AREA              |
|--|-------------|-------------------------------------|
| Bellevue, NE                               | 63,922      | Omaha-Council Bluffs NE-IA          |
| Douglas County, NE                         | 589,540     | Omaha-Council Bluffs NE-IA          |
| Gretna, NE                                 | 9,054       | Omaha-Council Bluffs NE-IA          |
| Kearney, NE                                | 34,362      | South Nebraska Nonmetropolitan Area |
| Lincoln, NE                                | 294,757     | Lincoln NE                          |
| Omaha, NE                                  | 483,335     | Omaha-Council Bluffs NE-IA          |
| Papillion, NE                              | 23,791      | Omaha-Council Bluffs NE-IA          |
| Ralston, NE **                             | 6,401       | Omaha-Council Bluffs NE-IA          |
| Sarpy County, NE                           | 199,886     | Omaha-Council Bluffs NE-IA          |
| Altoona, IA                                | 21,698      | Des Moines-West Des Moines IA       |
| Ankeny, IA                                 | 74,458      | Des Moines-West Des Moines IA       |
| Clive, IA                                  | 19,005      | Des Moines-West Des Moines IA       |
| Council Bluffs, IA                         | 62,399      | Omaha-Council Bluffs NE-IA          |
| Grimes, IA                                 | 16,362      | Des Moines-West Des Moines IA       |
| Johnston, IA                               | 24,640      | Des Moines-West Des Moines IA       |
| Urbandale, IA                              | 46,729      | Des Moines-West Des Moines IA       |
| Waukee, IA                                 | 31,645      | Des Moines-West Des Moines IA       |
| West Des Moines, IA                        | 72,205      | Des Moines-West Des Moines IA       |
| Lenexa, KS                                 | 58,536      | Kansas City KS-MO                   |
| Prairie Village, KS                        | 22,900      | Kansas City KS-MO                   |
| Shawnee, KS                                | 69,417      | Kansas City KS-MO                   |
| Lee's Summit, MO                           | 104,184     | Kansas City KS-MO                   |
| Omaha Public Power District (Public Works) |             |                                     |
| Omaha Airport Authority (Public Works)     |             |                                     |
| Metro Utility District (Public Works)      |             |                                     |
| Omaha Police Academy (Police)              |             |                                     |
| Nebraska State Patrol (Police)             |             |                                     |
| Lincoln Police Academy (Police)            |             |                                     |

\*Based on US Census Bureau QuickFacts July 1,2023 Estimates

\*\*Did not provide data

A metropolitan statistical area (MSA) is a geographical region with a relatively high population density and close economic ties throughout that region.

Local private comparable data was also collected, when provided. The collection of this compensation data was utilized to analyze the average Market Minimum, Midpoint and Maximum Rates per defined benchmark positions. A comparison of the average salary of the positions to the salary of incumbents within the City was also performed.

In addition to current positions within the City, the Consultants sought comparable data on future positions/career ladders, and positions with job responsibilities that are combined in La Vista but might be separate in other organizations. In some cases, titles were altered to better align with the industry. Not all positions are reflected in the following data analysis. In some situations, data was not available in the external market, data was insufficient, or there were no internal matches at the time of the Study.

### **Market Data Solicited**

To ascertain if the City's Salary Schedule has remained within market parameters, several analyses were performed including a review of the Salary Schedule Minimum, Midpoint, and Maximum to the average Minimum, Midpoint, and Maximum of the external market.

The market survey gathered the following 2024 information: Minimum, Midpoint, and Maximum salary for the positions as well as the average salary of the incumbents. There was a great deal of time spent on the data analysis to ensure that each position was examined based on the data available and how the responsibilities of each position align within the City.

## **Market Analysis**

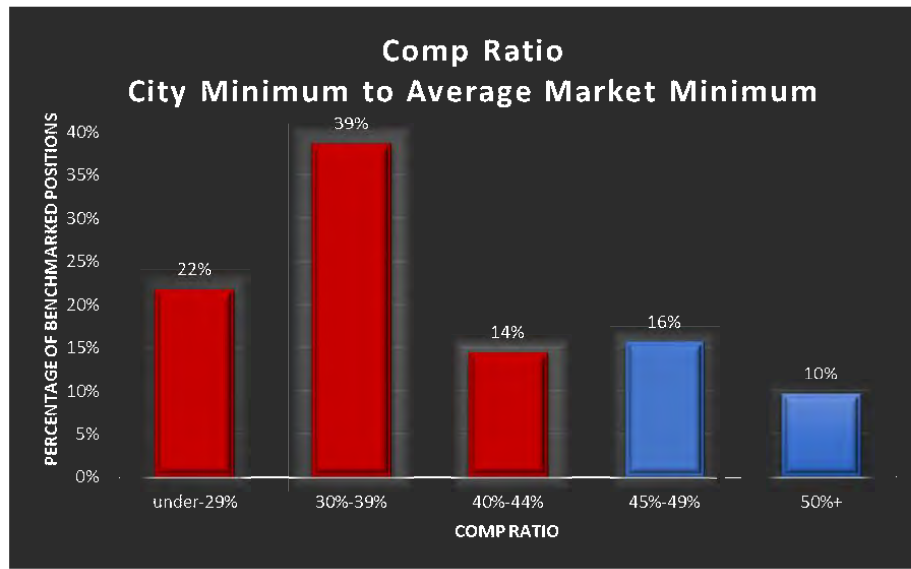
In order to analyze the ranges, a Comp Ratio is used. This is a ratio of the City's salary in relation to the external market data. A 50% Comp Ratio would mean that the salary is in line with the external Market while utilizing +/-5% range around each data point. Thus, if a position has a Comp Ratio of 45% or greater, the employee is considered aligned to the current market.

### **Minimum Salary Comparison**

The analysis of the Minimum Salary Range gives the initial indication if starting salaries are within an acceptable Market Range. When building a salary schedule, consideration of this information will ensure the City's Minimums are within an acceptable range to the average Market Minimum; however, this analysis is only the beginning in the development of a Compensation Schedule.

Approximately 75% of the benchmarked job titles are below the average market for minimums, and 25% of the positions are within the acceptable average market minimum. The following Figure provides a summary of findings.

**Figure 1: Minimum Analysis Summary**

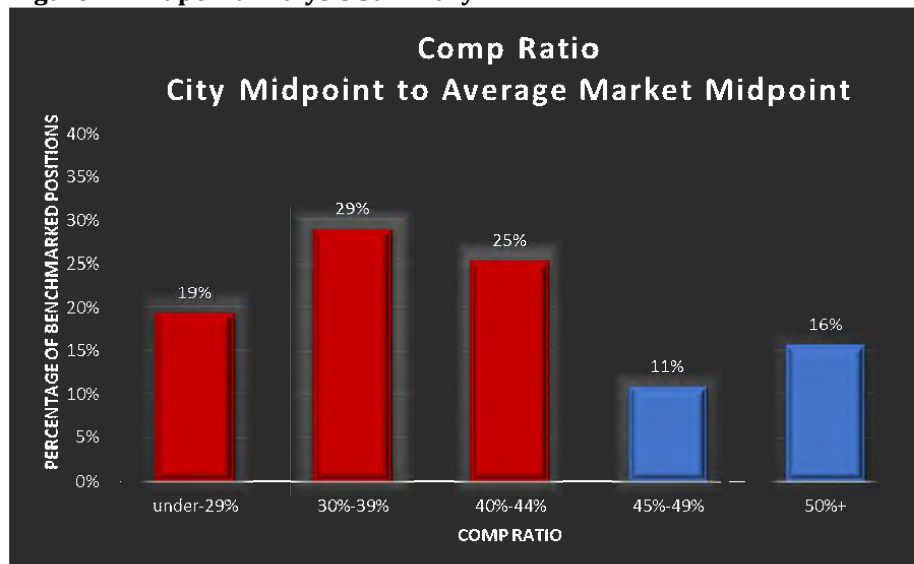


\*May not result in 100% due to rounding

### **Midpoint Salary Analysis**

The Consultants wanted to know if the City's Midpoint was aligned with Market Midpoint. Therefore, a Midpoint analysis was conducted. Again, a Comp Ratio less than 45% would indicate the Salary Ranges may not be aligned to the market. Approximately 73% of the midpoint of benchmarked positions are lower than the average market, and 27% of the positions are within the acceptable average market at midpoint. The following is a summary of findings.

**Figure 2: Midpoint Analysis Summary**



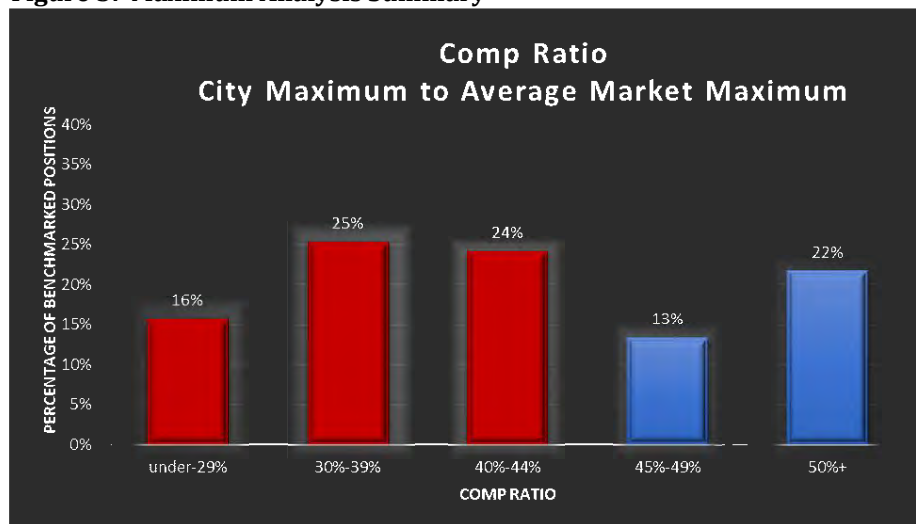
\*May not result in 100% due to rounding

## Maximum Salary Analysis

The Consultants compared the Salary Range Maximum to the average Market Maximum. However, due to various types of salary range construction, one must always consider this may not be an exact comparison.

With that said, the City's salary range maximum is at or above the average Market Maximum for 35% of positions. This is problematic because it shows a consistent pattern that the current schedule has fallen out of a competitive market range. As a result, the City may be challenged with the retention of current staff, which can lead to those staff leaving to work for other organizations in the area for more pay.

**Figure 3: Maximum Analysis Summary**

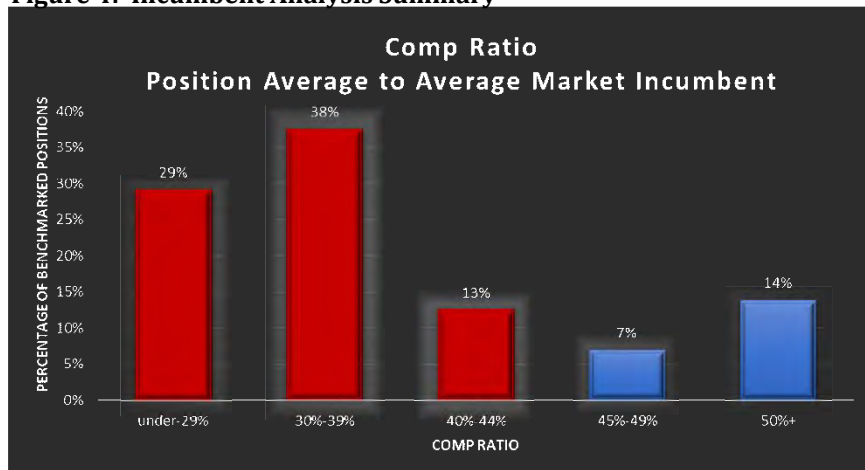


\*May not result in 100% due to rounding

## Incumbent Salary Analysis

The next step is to compare the City's current incumbent salaries to the average Market Rate to assess how competitive incumbent wages are within the market. For this purpose, positions where there are more than one (1) incumbent, an *average* of the current employees is utilized. Overall, 79% of the positions on average are below the average market with 21% of positions in alignment to the average, although one needs to consider tenure of employees, which is discussed in the Employee Demographics section. The following Figure provides a summary of findings.

**Figure 4: Incumbent Analysis Summary**



\*May not result in 100% due to rounding

## **Current Compensation System**

### **Full-Time Schedule**

The City currently has a range model for its non-represented full-time employees. The Salary Structure is made up of 28 Pay Grades or Salary Ranges. Each Pay Grade has an identified Minimum, Midpoint, and Maximum. The difference between Pay Grades vary between 4%-7%. The total spread per range is 40%.

### **Part-Time Schedule**

The Part-Time Schedule is comprised of eight (8) Pay Grades or Salary Ranges with the same 40% structure as the full-time ranges, with the exception of one range that is 42%. The separation between pay grades, however, ranges between 1%-29%.

### **Union Schedule Compression**

What does not often occur within an organization is the evaluation of how various compensation sources interrelate to one another. When administration must negotiate with one group, the concentration is on that group, not necessarily on how the changes to their total compensation affects the compensation of others, including non-union personnel. This impact should not be ignored when determining the Salary Ranges of management personnel in these departments, as it results in insufficient distance between supervisor/subordinate positions. This can also dissuade employees from seeking promotional



opportunities if pay increases are minimal or non-existent. Overall, this was considered when placing command positions in the Police Department. This will be discussed again in the recommendations.

## **Classification System**

A job classification is a system for objectively and accurately defining and evaluating the duties, responsibilities, tasks, and authority level of a position, among other characteristics. It is developed from a job analysis process without regard to the knowledge, skills, experience, and education of the *individuals* currently performing the job; and can also identify hierarchy and career progression opportunities.

Job classifications help determine the specifications and standards needed for each position. The systematic process of evaluating the scope and intricacies of a position is called position analysis.

### **Position Analysis**

Position analysis objectively evaluates the duties, responsibilities, tasks, and authority level of each position and identifies the hierarchy, career path, and position levels.

Position analysis is conducted through the completion of a Position Questionnaire (PQ), which is a standardized tool used to analyze each position on identified factors, called a point factor system. The point factor system analyzes each position based on 13 areas. Information in these categories is obtained through the completion of a PQ completed by employees and reviewed by the supervisor. The McGrath system evaluates a position on the following areas:

- Education
- Licenses/Certifications
- Procedures/Guidelines
- Job Complexity
- Consequence of Errors
- Confidential Information
- Internal/External Contact with Others
- Equipment, Machinery, Tools
- Use/Type of Technology
- Financial
- Leadership/Supervision
- Work Environment
- Physical Requirements

Position Analysis is simply one (1) factor when looking at position placement on the salary structure. It is essential for the City to understand that a combination of market indicators, position analysis, internal equity, and compression should have a role in the placement of positions.

## **Compensation Philosophy**

A compensation philosophy is an organization's financial commitment to how it values its employees. The goal of this philosophy is to attract, retain, and motivate qualified people. A consistent philosophy provides a strong foundation in determining the type of total compensation package to offer employees.

There are foundational aspects of compensation to assist with the development of a compensation philosophy to ensure the goals of compensation align with the goals of the organization. First, there are basic questions to consider:

1. What is considered a fair wage?
2. Are wages too high for the financial health of the organization?
3. Does the compensation system reflect the value of positions within the organization?
4. Is your compensation strong enough to retain employees?
5. Do you currently have a defined compensation philosophy?
6. If so, is your compensation philosophy keeping in line with labor market change, industry change, and organizational change?

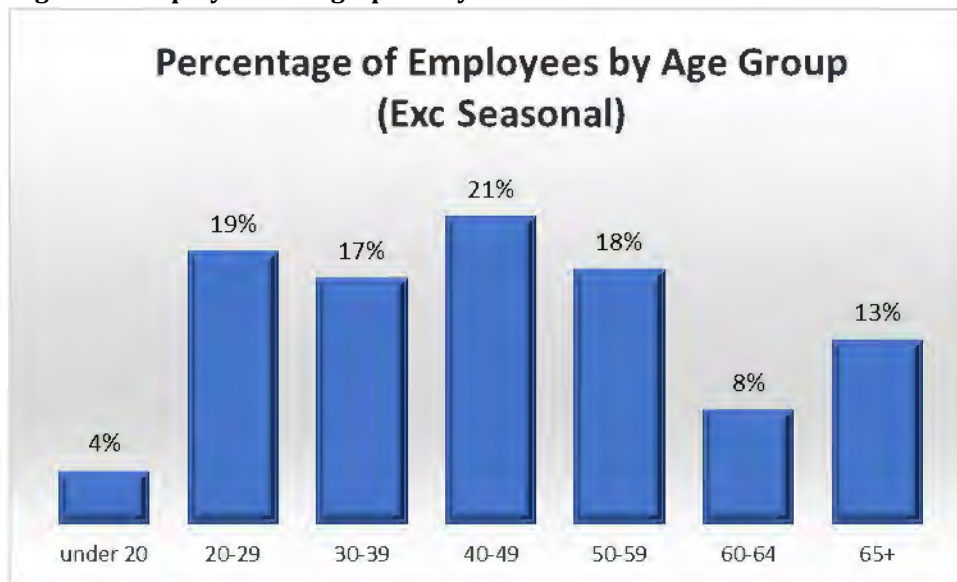
The City is in business to provide services to the citizens, businesses, and visitors of the community. It does that through hiring qualified employees who lend their skills and talents to various positions within the organization. Without those individuals, the City would cease to provide public infrastructure, safety, and other essential services and to process the necessary functions to keep those systems in place. Employees expect a compensation system that pays a competitive wage for the skills, education, and responsibilities of the position, and the City is in close proximity to communities and organizations that lead the market's wages.

In order to be competitive for the retention of existing personnel and have successful recruitment efforts to replace future turnover, the City needs to establish a position within the market. It is recommended the City set a compensation philosophy aligning competitively with the market average. The following sections support that recommendation.

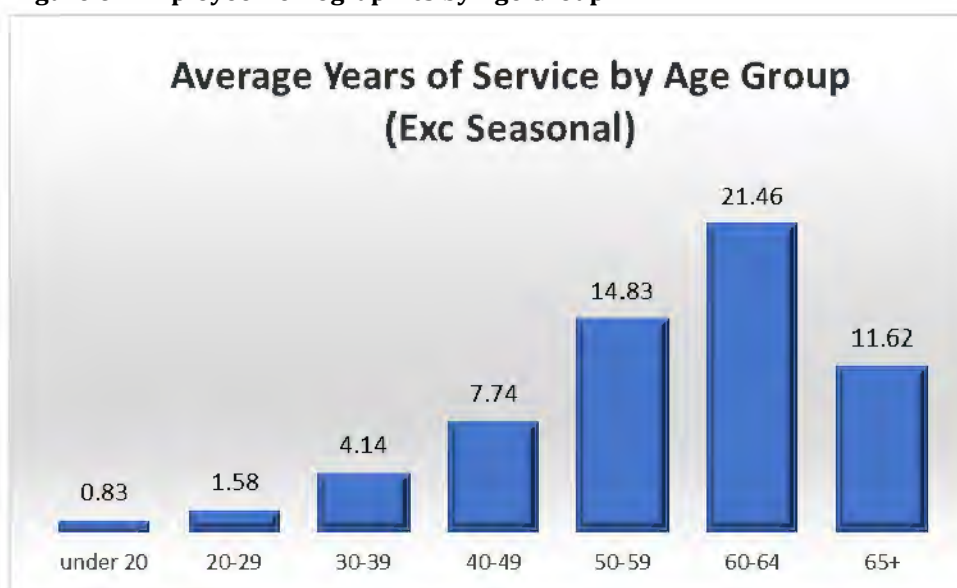
## Employee Demographics

In reviewing the City's employee demographics for positions covered in the Study, the tenure of the organization ranges from new hire – 44 years. The overall tenure average of the employees is 8.6 years. The national average in the public sector is currently 6.9 years (*Local Government-Bureau of Labor Statistics, September 2022*), showing the City is above average in overall tenure, which is positive. In order to have a full picture of the City, one needs to explore these demographics further. These findings are in the following Figures.

**Figure 5: Employee Demographics by Years of Service**



**Figure 6: Employee Demographics by Age Group**



The previous Figures show those in age groups 50 and over have the longest tenure and represent 39% of all employees. This is the group of personnel that will be considering retirement over the next decade. The City should expect ongoing steady turnover simply due to retirements over the next decade and beyond. When these employees leave the City, the average tenure of the organization is likely going to decrease. A turnover 'spike' may be an indication of a decline in job satisfaction, or a wage/benefit issue, so this data should be monitored at least annually.

Another significant finding is the City's demographics illustrate that 40% of the workforce is between the ages 20-39, and this is likely the cross-section of employees who are seen as more mobile in today's workforce, focus heavily on work/life balance, and consider non-compensatory benefits for the purposes of retention. This group also changes jobs quickly because it results in earning higher wages as opposed to remaining with one organization for a longer period of time, which is notable as average tenure in these age groups range from 0.83 - 4.14 years of service. Experienced professionals within the age 40-49 band are also critical, as their level of experience and skill makes many of them uniquely qualified to have multiple job opportunities, so having a competitive wage and benefit package will be critical to facilitate retention.

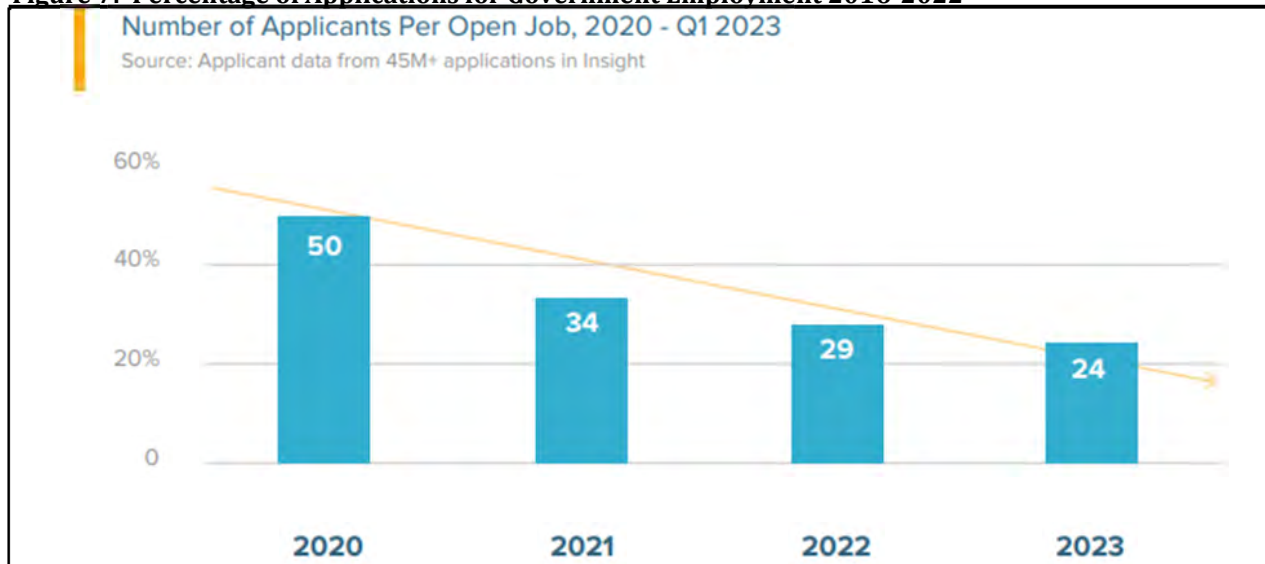
The City is recommended to monitor its demographics periodically to properly respond to shifts within the organization as needed. Although the Consultants acknowledge compensation is not the only reason for unwanted turnover, it is a consideration of the larger picture. In order to ensure competitive recruitment/retention, the City is recommended to follow the compensation philosophy of average market compensation to ensure the City can stay competitive to support retaining its qualified personnel as long as possible.

### **The Evolution of Recruitment and Retention with Compensation Since 2020**

According to human resources professionals across the United States, it is becoming progressively harder to hire qualified personnel. Looking at a tight labor market, recruitment and retention of qualified personnel with the necessary skills for public service has topped the list of workforce challenges for the last several years, and nearly all human resources professionals reported moderate to significant increases in vacancies within their organizations.

The Public Sector is described as being caught in a cycle between turnover and burnout because employees work harder and longer to compensate for staff shortages. Over time they burn out and leave their organization often earlier than planned. HR tries to fill critical roles but there are not enough qualified applicants to compensate for the turnover rates. Public sector applicant tracking over a four (4) year timeframe is provided.

**Figure 7: Percentage of Applications for Government Employment 2016-2022**



(Source: The Quiet Crisis in the Public Sector, Neogov, 2023.)

This is not necessarily a new issue, but some employers do state it has become increasingly problematic for operations. Public employers have been experiencing ongoing challenges of this nature for almost a decade. Governments historically have had a compelling proposition to offer workers with secure lifetime employment and generous health benefits followed by a robust pension for retirement, which is no longer the case. Public employers are battling for their talent because:

- The “Silver Tsunami” identifies between 30%-40% of local government workers eligible to retire, and there is a workforce gap.
- Long-term employment has less appeal for the younger workforce.
- There is a real or perceived decline in public support for government workers.
- Public employers do not feel they can compete with salaries and benefits as benefits erode and the private sector is more competitive.
- There is a growing skills gap. Many government jobs now require specialized education or training. Fewer positions are ‘learn on the job.’
- Public employers are not able to offer the same level of flexible work arrangements to all employees.
- Limitations in technologies prevent efficiency and automation.
- There are limited financial resources.
- Not all work cultures are satisfying and supportive.
- Public sectors does not usually market themselves as a career industry.

### **The Great Resignation and Private Sector Influence**

In addition, compounding the public sector recruitment challenges, the country has experienced continued private industry prosperity, record inflation, record retirements, and record turnover from an otherwise qualified workforce, causing all industries, both public and private, to be competing for already limited human resources. This has led employers to increase wages for all positions to help recruit and retain their talent. The effect has been substantial, and nearly every employer is experiencing recruitment and retention challenges. Many businesses report the lack of available workers and have curtailed their ability to meet current work demands, while raising wages.

### **Inflationary Impact on Employees**

Inflation may be showing signs its slightly cooling in 2024 over 2023, but unrelenting high costs is not lessening. Persistent inflation has pushed many in today's workforce to live paycheck to paycheck, cut back on expenses, dip into their savings and stop contributing to their retirement accounts etc. It is also becoming an issue for mental health, because there is no sense of control over the issue. Because inflation continues to grow, the "dollar" for employees does not stretch as far. Competitive wage ranges are critical for employees to facilitate retention with their employer, so they do not feel they have to leave simply because they cannot afford to stay.

### **State Minimum Wage**

According to the Nebraska Department of Labor, Nebraska's minimum wage is set at \$12.00 as of January 1, 2024. The state also has a mandated annual increment of \$1.50 per hour until 2026, at which time the state's minimum wage will be \$15.00 per hour, followed by a yearly adjustment for the cost of living starting in 2027.

The City may need to make different wage adjustments on the lower portion of the Salary Schedule for legal compliance each year. This does not mean all positions will increase with annual Minimum Wage increases, as these flat rate changes result in significant percentage adjustments, which is not fiscally sustainable. Instead, the City is recommended to annually monitor the amount of separation between positions on the lower portions of the Salary Schedule, and if compression begins, this may necessitate an adjustment to some higher Pay Ranges to keep separation between positions. The Minimum Wage increase will also impact the City in that in order to stay competitive against private sector restaurant/retail positions for lower paying jobs such as within Recreation, the City may need to establish rates above the already increasing salary ranges in order to retain these personnel.

# Recommendations

## Compensation Structure

The recommended 2024 Compensation System is a range system, provided in Appendix A. Embedded within the System are 23 different pay grades with a 7%-10% spread between pay grades. There is a 15% range between the Minimum and the Control Point within each pay grade. The total spread from Minimum to Maximum is 30% for Grades A-R and a Total spread of 40% for Grades QQ-UU. The Schedule has been developed around the Control Point of the Schedule, which is set at average Market. The Schedule does have some overlap in ranks in some occupations, which is common. The recommended Salary Schedule, however, will help minimize compression between ranks and levels within departments and allows for growth of positions into the future with the additional pay grades.

## Part-Time and Seasonal Positions

Part-time and Seasonal positions have been added to the Compensation and Classification structure. These positions provide an important role to the operations, program, and services provided by the City, and salary adjustments should be consistent, regardless of full-time or less than full-time status. Positions have been placed onto the salary schedule with the same methodology as all other positions. The Consultants recommend the employees who hold these positions progress through the salary ranges as any other position on the structure, based on dates, not hours worked.

## Classification Structure

### Management and Director Classifications

During the course of the Study, there was an opportunity to better align job titles with responsibilities. Some job titles were revised for consistency based on their duties or to become more current with the external market. The City's current classifications are generally speaking well developed, although there are recommended changes for consistency and clarity, within the management and leadership levels of the organization. The City may allow working titles in certain classifications. It should be noted that not all titles will follow the new classification structure if the title needs to be specific for statutory/funding/regulatory reasons, or simply due to local government industry practices. The new Job Classification System for management level positions has been developed as follows, followed by a brief non-inclusive summary for each:

- Deputy City Administrator (future) - Second position in the hierarchy of the organization and assumes overall responsibility in the absence of the City Administrator; and is authorized administrator functions on behalf of the City Administrator to assist with span of control given the major complexities and nuances of municipal government.

This differs from an Assistant Administrator classification, which is an advanced level MBA/Public Administration position that assumes complex projects, policy development, research, and level management responsibilities as an opportunity to development professional skills. It is recommended the City move toward a dedicated Deputy Administrator position and classification, which will allow the City to utilize the Assistant Administrator classification in a different manner than is currently being utilized today.

- Managing Director – This level is held for executive administration levels and reports to the City Administrator/Deputy City Administrator. Direct and routine contact with council/elected officials and City Administrator; recommends strategic direction; recommends policies, including budget. Accountable for the department(s) in their scope with significant consequence of error. These positions may still be referred internally as ‘Directors’ for brevity.
- Director – Responsibility over a department within the organization. This is a direct report to the Managing Director. Develops programs and policies related to carrying out the strategic direction of the organization. Often provides input into the strategic planning of the organization. Has a high level of authority and autonomy. Has direct reports and has responsibility for the supervision and performance of subordinates, with or without the assistance of other management personnel. Responsible for monitoring and recommendations of budgetary matters.
- Deputy Director – This is a direct report to a department Director and is the second in command at a department level. The City currently utilizes Assistant Director and Deputy Director classification interchangeably. The City is recommended to migrate these titles to a Deputy Director designation at such time the departments are prepared for this to have consistency that a ‘deputy’ equates to the second in command.
- Manager/Superintendent – Second level of management within a specialized area or for larger divisions/departments within the organization. This position may be responsible for a subsection or assists the director with the overall management of the division/department. This position has at least two (2) direct reports and has supervisory responsibilities that includes hiring, performance management, and a defined level of discipline. Has input into the budget and may have budget monitoring responsibilities. This position does not typically have substantial input into strategic planning.



### **Job Levels**

Levels have been confirmed within the job classification concerning the type of work and job complexity, as well as outlined career levels. Levels are categorized by the type and complexity of responsibilities of the position, including the amount of accountability, judgment, discretion and expertise needed to perform the duties of the position. As the complexity of the position increases, so does the pay grade. The PQ and corresponding point factor system has been utilized to confirm the levels.

Separation between job levels has been reviewed and is incorporated into the final recommendations. Proper pay grade separation helps to reduce compression because overlap of pay ranges between promotional positions does occur on the recommended salary schedule and is an acceptable compensation practice. Having sufficient separation between pay grades will help to keep compression at a manageable level.

### **Recommended Classification Changes**

There are modest adjustments recommended, as follows:

**Table 2: Recommended Classification Changes**

| <b>Current Title</b>  | <b>Recommended Title</b>     | <b>Summary</b>   |
|---|------------------------------|--|
| Circulation Clerk I   | Circulation Assistant        | This is not due to responsibilities but is for the perceived value to the organization and better description of the function of the role. |
| Admin Assistant/Receptionist                                | Administrative Assistant     | This is not due to responsibilities but is for the perceived value to the organization and better description of the function of the role. |
| Circulation Clerk II  | Circulation Specialist       | This is not due to responsibilities but is for the perceived value to the organization and better description of the function of the role. |
| Events - Recreation Attendant                               | Assistant Events Coordinator | This is not due to responsibilities but is a better description of the function of the role.   |
| Administrative Assistant II<br>Administrative Assistant III | Administrative Specialist    | Differences between the existing levels are insignificant and allow the city to collapse these levels                                      |
| Police Data Entry Clerk                                     | Police Records Specialist    | This is not due to responsibilities but is for the perceived value to the organization and better description of the function of the role. |
| Special Services Driver                                     | Driver I<br>Driver II        | Level II driver may take on additional lead, scheduling, or  |

|                              |                         |  |
|------------------------------|-------------------------|--|
|                              |                         | administrative duties beyond driving duties.   |
| Administrative Assistant III | Account Specialist      | This is not due to responsibilities but is a better description of the function of the role. |
| Circulation Clerk II         | GED Instructor          | This is not due to responsibilities but is a better description of the function of the role. |
| Foreman                      | Public Works Supervisor | This is not due to responsibilities but is a better description of the function of the role. |

### **Position Placement**

Placement onto the respective Salary Schedule is based upon several criteria:

- Job Analysis
- Market analysis
- Compression analysis
- Internal equity

After considering all these elements, placement of some positions on the Salary Schedule has changed. This is not an indication that any given position has more or less value, or that a specific position is even to be compared with the other positions in that respective pay grade, so employees are advised not to compare themselves with other positions given the complexity of the factors that are considered during placement of positions. Similarly, this is not a “reclassification” process, where a position is being evaluated on changes in responsibility, authority, or decision making that may place the position in a higher or lower pay grade, etc. This process is a complete reset of the Compensation System.

### **Employee Placement**

For purposes of implementation, employees were placed to the Minimum of the Pay Range if currently under the new Rate. Employees already within the Range require no ‘implementation’ changes but because retention is a long-term goal for the City, placement of employees within their new salary range should occur based on objective adjustments commensurate with performance or time in their current position, although based on the City’s value of performance, an objective placement process based on historical performance can occur. It is recommended that employees be placed above the Minimum of the Pay Range based upon their previous performance to offset compression issues. This is a one-time in-range adjustment for employees. This will also help provide separation between existing employees and future hires. The City is recommended to provide for a one-time in-range adjustment. Future movement within the ranges will then occur based on the City’s annual pay for performance program.

## **Command Staff**

Like other positions, the placement of the command positions considers the market, internal comparability, and compression. Overlap of pay ranges between promotional positions does occur on the recommended salary schedule and is an acceptable compensation practice. However, the salary ranges for union ranks are determined in a different manner than those non-represented ranks. As the union salary schedules adjust, the City will need to evaluate the pay ranges for the non-represented command position for adjustments needed to correct compression. The City is recommended to review incumbent rates for command positions to help alleviate compression between ranks, following completion of a bargaining process.

## **General Operational Guidelines**

### **Maintenance of Salary Schedule**

It is important for the City to have a standardized procedure to adjust the Salary Schedules for consistency and for budgetary forecasting. It is the Consultant's recommendation that on a set date each year, the Salary Schedule be adjusted by the Consumer Price Index – Urban (CPI-U) percentage or by a local economic indicator. For example, since budgeting is done at approximately the same time each year, the City should establish a specific month in which to capture the average of the previous twelve (12) months of the selected economic indicator for a recommended adjustment. The City will still maintain control if conditions and finances fluctuate in a specific year. The following are the types of adjustments recommended:

### **Salary Schedule Adjustments**

Annually, the Salary Schedule should be adjusted for economic reasons. Without maintaining the Salary Schedule, it will fall below the Market and the City will end up spending dollars to get it updated. Annual Salary Schedule adjustments will keep a competitive Salary Schedule. It is important the City budgets dollars for increases to the overall Schedule each year. There may be years when the economy cannot support such increases; however, that should be the exception, not the norm.

### **Annual Performance Adjustments**

The Salary Schedule is based on a premise of an annual performance adjustment. Each year, employees can receive the salary increase set by the City Administration for pay for performance, unless an employee is on a Performance Improvement Plan.

### **Minimum Wage Adjustments**

The City will need to evaluate Pay Grades A-C each year to accommodate wage challenges resulting from Minimum Wage laws. Additional separation has been built into the model starting at Pay Grade D to accommodate modest differences that may be needed in lower pay grades in future budget cycles. The City is recommended to re-evaluate the Market in 2026 to determine if sufficient separation continues to exist at this part of the Salary Schedule, if more range adjustments are needed, or if pay grades need to be consolidated to address Minimum Wage changes beyond 2026.

### **Compensation Policy Recommendations**

A comprehensive summary of recommended compensation guidelines has been provided in Appendix B. The City's Administration is recommended to consider these established guidelines and update the City's compensation policy accordingly.

### **Metrics**

Salary Schedules need to be balanced between what is competitive for recruitment/retention, as well as what is affordable and financially sustainable long term. The City should monitor metrics as an internal indicator to identify if there is a possible concern with the City's placement in the market. Internally, metrics are standards of measurement used to assess what is occurring within an organization. Metrics tell an organization how well or poorly they are doing, allowing an organization to review, assess, problem solve, and adjust processes, as well as identify challenges or stressors to the organization that may be having a negative impact. Specific metrics may help identify where dollars are being expended that can be costly, including turnover. Although the Consultants acknowledge compensation is not the only reason for unwanted turnover, it is a consideration of the larger picture. In order to ensure competitive recruitment/retention, the City is advised to follow the recommended compensation philosophy to ensure it can stay competitive to support retaining its personnel. Metrics will help identify that success. Human Resources already maintains many of these metrics, and it is recommended this continue, and be analyzed regularly.

**Table 3: Metrics Recommendations**

| <b>METRIC</b>           | <b>FORMULA TO CALCULATE</b>  | <b>PURPOSE</b>   |
|-------------------------|--|--|
| Applicant Tracking      | Total number of applications received  | Assessing for reduced application stream   |
| Turnover                | Number of separations ÷ Number of approved FTE   | Effectiveness of compensation and benefits; may identify trends that need further analysis within departments                |
| Early Turnover          | Number of employees leaving the job in the first 12 months of employment ÷ average actual # of employees in the job for same time period | Effectiveness of compensation and benefits; may identify trends that need further analysis within departments                |
| Offer Acceptance        | The number of employment offers accepted ÷ number of employment offers made  | Effectiveness of compensation package  |
| Employee Demographics   | Percentage of employees in age categories and years of service categories  | Assess work demographic for trends in lower tenure and higher percentage of employees in mobile generation groups (under 40) |
| Exit Interviews Metrics | NA   | Documenting reasons for turnover for trends in compensation package  |

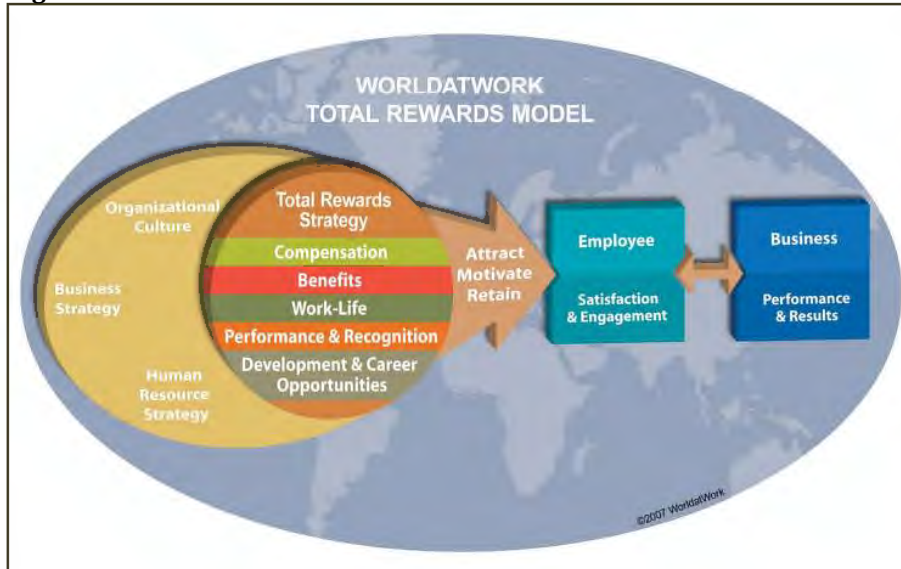
## Market Updates

One of the main concerns in any Salary Schedule is the ability to keep it current. Often, an organization spends time and resources to review and reevaluate their Salary Schedule, resulting in providing employees or Pay Grades significant increases because either the positions or the Schedule is not in line with the external market. A Salary Schedule has a typical life span of three (3) to five (5) years, at which time market conditions typically necessitate a review. The City can strive to prolong the life of their Schedule if it continues to commit to maintaining its competitiveness with the external market by ensuring market updates occur. Given the current competitive market, the City is recommended to initially conduct a market update in three (3) years. Analyzing turnover and other human resource type metrics should help indicate if an external market update is required sooner or can be pushed back a year.

## Total Rewards Perspective

Attraction, motivation, engagement and retention are critical issues facing all employers. Successfully addressing these issues begins with, at a minimum, having a strategy that aligns certain elements of the employment experience with the goals and objectives of the employer. A Total Rewards model encompasses specific employment elements to drive performance and a positive employment experience, which should promote retention. A Total Rewards model considers the following:

**Figure 8: Total Rewards Visual**



(Source: WorldatWork)

A total rewards model provides a framework for designing, implementing, and assessing the rewards packages offered throughout the organization. Organizations should always consider various influences, both internal and external, that help shape an organization's unique culture, business strategy, and human resources strategy. It will be important that the organization continue to focus on that balance going forward with the current labor market conditions, and acknowledging what is valued and important to various generations that make up current and future employees.

The following is an inventory of the City's current compensation, benefits, and related opportunities it provides its employees, based on the Total Rewards Model:

**Wages (Base Pay and Variable Pay).** Pay provided by an employer for services rendered. This includes both fixed pay and variable pay tied to performance.

- Base Wages
- Overtime Pay
- On-Call (Standby) Pay
- Call-In Pay

**Benefits.** Programs an employer uses to supplement the cash compensation that employees receive. These include health, income protection, and retirement programs that provide security for employees and their families, etc.

- Social Security – mandatory
- Medicare – mandatory
- Workers Compensation – mandatory

- Unemployment compensation – mandatory
- Health insurance
- Vision insurance
- Dental insurance
- Life insurance
- Accident Insurance
- Long-Term and Short-Term Disability
- 401(a) Retirement Plan
- Deferred Compensation Plan
- Roth IRA
- Flexible Spending Accounts
- Health Savings Account/Health Reimbursement Account
- Sick and Vacation Leave
- Compensatory Time
- Bereavement, civic duty, and military leaves
- Family and Medical Leave (federal and state)
- Paid time donation program
- Personal Leave
- Parental Leave
- Observed holidays and floating holiday
- Uniform Allowances for specific positions
- Tool/Safety Equipment reimbursement
- Volunteer Time Off

**Well-being.** Organizational practices, policies and programs that help employees achieve success both at work and outside of work.

- Equity, Diversity, and Inclusion Policies
- Employee Assistance Program
- Wellness Program
- Varied work schedules by department
- Supportive nursing mothers workplace

**Talent Development.** Provides the opportunity and tools for employees to advance their skills and competencies in both short- and long-term careers.

- Training and development courses
- On-the-job training
- Education Leave
- Performance Management Feedback
- Tuition Reimbursement

**Recognition.** Acknowledgement of employee behaviors/outcomes that support the organization's success. Recognition programs can be formal or informal and do not need to have a financial component.

- Longevity Pay (Police only)

This visual should help the City as it considers new Total Reward opportunities for employees, to provide a balanced and engaging employment experience to its employees when it is not able to provide the highest wages in the region. Compensation is not the only driving factor for recruitment and retention. Benefits and salary continue to be the top two (2) factors for job selection and retention, although with recent inflation, wages are becoming a renewed focus over benefits.

## Benefits

In addition to compensation, the City asked that a comparison of major benefits be completed. The following is a summary of these comparisons. It should be noted the recommendations contained in the benefit analysis will take time to evaluate with a benefits broker, and most cannot be quickly changed. This allows the City to understand their benefits among the comparable market and is independent of the compensation recommendations. The feasibility of feedback and options offered must be analyzed by the City in addition to the City's specialized benefit advisors and are not immediate recommendations.

### Health Insurance

#### Plan Design Overview

The City offers one plan design with two (2) provider networks, summarized below:

**Table 4: Health Plan Summary**

| DESCRIPTION | DEDUCTIBLE AMOUNTS | MONTHLY EMPLOYEE CONTRIBUTION (S/F) |
|-------------|--------------------|-------------------------------------|
| CHI         | \$1,000/ \$2,000   | \$76.12 /\$441.56                   |
| National    | \$1,000/ \$2,000   | \$148.04 /\$694.14                  |

Most organizations have been forced to add higher deductibles and coinsurance limits onto health plans to push costs back onto the end users/consumers, which is now a standard across the nation. The City of La Vista has not yet done this. Offering multiple plan options would give employees the opportunity to select the coverage that best matches their personal and financial situation, which is a positive to the City benefits package. A second



plan design could include a high deductible health plan with a Health Savings Account (HSA) option as a means to help the employee build a portable medical account. If the City chose to go this route, they should note that other employers make a contribution to an employee HSA accounts to provide more relief from health care expenses. For future consideration, the comparables that provided their health insurance benefit information contribute, on average, \$1,128 for single coverage and \$2,775 for family coverage. It should be noted the City funds an HRA benefit, which pays an additional co-insurance amount for employees, which is not included in the following tables.

### **Premiums**

It is extremely difficult to compare health insurance, as the number of plans and the plan designs are significantly different among organizations. What can be compared is the amount the employee contributes toward the cost of that insurance. As the City is aware, the cost of health insurance is a large budget item for any organization. Health insurance is also often the single largest benefit looked at by potential new hires with the City, so a review of employee contributions to this benefit is imperative for offering a comprehensive benefit package. The Consultants compared La Vista's 2023 health plan with the comparable organization's health plans for a more accurate reflection of insurance to its specific comparables. Because some of the comparables had multiple network options the Consultant included the highest premium and the lowest premium for comparison. It was found that the CHI Network employee premiums are average to the market, but the National Network premiums are among the highest rates found in the comparable market for single coverage. Premiums for family coverage for both networks are among the highest rates found for employees in the comparable market. The City is in a position to work with an insurance broker to identify new options as the City is not poised competitively with this very costly and necessary benefit. However, that is not a comprehensive picture because employees will assume actual claim costs as well.

### **Expected Employee Cost**

Because premiums and deductibles are varied in the region, the cost of the monthly premium plus the deductible provides a truer look at the expected employee cost. It was found that both network's annual premium costs with deductible expenses are average to the comparable market for single coverage, but family coverage is among some of the highest reported costs. Alternative plan designs with differing deductibles may be beneficial to the City.

### **Maximum Employee Cost**

Employees that experience a major medical event that exceeds the deductible costs will have a higher financial risk than in other comparable organizations when considering the maximum out of pocket expenses, therefore a review with premiums *and* out of pocket maximums was run. It was found that employee's financial risk will be average to higher for single coverage, and higher than average for family coverage.

### **Insurance Summary**

Overall, the City has multiple network options, which is favorable to the employees. However, the City only offers one (1) plan design. The City would benefit from exploring multiple plan designs, including a High Deductible Health Plan with a HSA contribution, which could make the HDHP more enticing because the HSA is portable. This is typically cost effective to the employer and helps position the City in a more competitive market.

The Consultants recommend discussions with their benefits broker to explore if other insurance plan design options could put the City in a more competitive angle regarding health insurance.

Although some of the newer workforce does not always appreciate the value of a health insurance benefit, most existing employees and more mature applicants do. The City is recommended to ensure future plan design and premium changes to continue to poise the City competitively. This will present a total wage and benefit package that aligns with the market average.

## **Time Off Benefits**

Time off and work life balance continue to be top areas candidates (and employees) look at when considering employment and retention. Therefore, the City's paid time benefits were also reviewed.

### **Holiday**

Currently the City offers 11 observed holidays and two (2) personal days. The comparables that provided holiday information reported between 8-14 observed days, with three (3) reporting eight (8) days and three (3) reporting 14 days. Most comparable organizations reported 9-10 days.

The comparables also offer personal or floating holidays. When combined, the total number of days range between 8.5-14 days with most at between 11-13 days. The holidays observed that La Vista does not currently recognize are Christmas Eve, Arbor Day, Patriot's Day, and Veteran's Day. There are no recommended changes at this time.

### **Vacation**

The City has two (2) vacation models as of 02/16/2021 summarized as follows:

**Table 5: Vacation Schedule**

| <b>Vacation Description</b> | <b>Levels of Accrual</b> | <b>Minimum Annual Accrual</b> | <b>Maximum Annual Accrual</b> | <b>Years to Reach Maximum Annual Accrual</b> | <b>Maximum Accrual</b> |
|-----------------------------|--------------------------|-------------------------------|-------------------------------|--|------------------------|
| Vacation Leave – Exempt     | 17                       | 80 hours                      | 208 hours                     | 17 years                                     | 220 hours              |
| Vacation Leave – Non-exempt | 14                       | 64 hours                      | 184 hours                     | 14 years                                     | 220 hours              |

Comparable organizations that report vacation offer 40-120 hours in the first year, so all positions should be starting at least at a minimum accrual of 80 hours in the first year. The maximum vacation accrual was reported between 160-256 hours, compared to the City at 184-208 hours, so the city is in-line with the maximum accrual. The comparable market reported maximum hours on the books between 200-240 hours, as compared to La Vista at 220 hours, so the City is in line with the market. All organizations have a full payout program, although four (4) entities have a minimum years of service qualification for the payout. That payout requirement is between 1-20 years.

The City also has a six (6) month waiting period for use of vacation time earned. The City is recommended to drop this provision to be a more flexible employer.

It is not uncommon for management level positions to receive additional vacation at a higher amount than all other positions, and the City has done this by splitting out exempt from non-exempt. This is often the single difference in benefit offered to these high-level positions. As a result, the City should consider additional vacation accruals for management and director level positions.

#### **Vacation Buy-Back Program**

The City should also consider an annual opportunity to buy back vacation if employees or the City are faced with extraordinary circumstances and are unable to use the time. This will allow the employees to receive financial benefits if they are unable to use the time without creating individual agreements. The City Administration will need to analyze this option further and consider any budgetary impacts this option may have. Most buy-back programs occur annually, are not reversible, have a maximum payout option, and must have a minimum vacation balance remaining for use.

#### **Sick Leave**

The City offers 15 sick days per year which results in 120 hours per year. Employees retiring may be eligible for a portion, or all, of accumulated sick leave to be paid out after 10 years of employment with the City. The reporting comparables provide similar sick leave accruals from 88-144 hours per year, with most at 96 hours. No changes to sick leave accruals are recommended at this time.

### **Paid Time-Off**

Work-life balance, flexibility, and paid time-off topics are very important to the total compensation package. Having the rules and variations for each of the traditional methods of time-off may be confusing and frustrating for employees and managers, and it is likely a significant administrative burden to the administrative staff who setup and monitor the use of these forms of leave. Many organizations add stringent rules for the use of benefits to help the employees manage their personal situations, but that often makes programs more difficult to manage, so considering an alternative time-off program option may be beneficial to the City. This may also be very advantageous for future recruitment, when candidates are looking for increased flexibility with time off.

Paid Time-Off (PTO) is a single bank of time-off, which is then used for sick, vacation, and possibly bereavement time, instead of having different banks of time for different purposes. The benefit has administrative ease, simplification, and new flexibility for employees. Although few comparable organizations identify PTO as a program they offer, the City could consider the concept of PTO to offer more flexibility within their benefits in the future. In lieu of making additional vacation changes, the City is recommended to consider a PTO model in the future.

## **Retirement Plan**

The City currently offers a 401(a) defined contribution retirement plan with a 6% matching contribution for eligible employees. In addition, the City also offers an opportunity for employees to contribute to a 457 Deferred Compensation and Roth IRA plan without any employer contribution. Participation is voluntary. These benefits are a major recruitment and retention tool.

After a review of the comparables, the employer match ranges between 0.50% and 9% with most contributing to a retirement plan at 6%. The table below shows how the City compares in terms of employer contributions and vesting, if information was provided. There is variation in the contribution and vesting period. The City is recommended to consult with its retirement plan advisor for recommendations on this benefit.

**Table 6: Comparable Retirement Programs Summary**

| <b>Comparable</b>    | <b>Description</b> |  | <b>Employer Contribution</b> | <b>Defined Benefit Vesting</b> |
|----------------------|--------------------|--|------------------------------|--------------------------------|
| City of Bellevue, NE | 414 (h)            |  | 6.00%                        | 7 years                        |
| City of Bellevue, NE | 457                | Deferred Compensation                          |                              |                                |
| City of Gretna, NE   | 457                | Deferred Compensation                          | 6.00%                        |                                |
| City of Kearney, NE  | Pension            | Union Bank and Trust - Defined Benefit Pension | 6.00%                        |                                |
| City of Kearney, NE  | 457                | Deferred Compensation                          |                              |                                |
| City of Lincoln, NE  | 457                | Deferred Compensation                          | 0.50%                        |                                |

|                             |         |   |                     |          |
|-----------------------------|---------|---|---------------------|----------|
| City of Lincoln, NE         | Pension | City of Lincoln Retirement Plan             | 6.00%-9.00%         | 3 years  |
| City of Omaha, NE           | Pension | City of Omaha Employee Retirement System    | 18.78%              | 5 years  |
| City of Papillion, NE       | 457(b)  | Deferred Compensation                       | 8.00%               |          |
| Douglas County, NE          | Pension | Defined Benefit Pension Plan                | 8.50%               | 10 years |
| Douglas County, NE          | 457     | Deferred Compensation                       |                     |          |
| City of La Vista, NE        | 401(a)  | 401a Defined Contributions                  | 6.00%               | 7 years  |
| City of La Vista, NE        | 457     | Deferred Compensation & IRA                 |                     |          |
| Sarpy County, NE            | 457(b)  | Deferred Compensation & IRA                 | \$1,040 to a 401(a) |          |
| Sarpy County, NE            | 457     | Roth  |                     |          |
| Sarpy County, NE            | Pension | Nebraska Public Employees Retirement System | 6.75%               | 3 years  |
| Sarpy County, NE - sworn    | Pension | Nebraska Public Employees Retirement System | 8.75%               | 3 years  |
| Omaha Airport Authority, NE | 401(K)  | Traditional                                 | 50% up to 6%        |          |
| Omaha Airport Authority, NE | 457     | Roth - Deferred compensation                |                     |          |

## Ancillary Benefits

The City also requested the Consultants examine the additional benefits offered by comparables beyond the standard health, dental, vision and paid time-off benefits. The following is a brief summary and analysis of some of the supplementary benefits being provided.

### **Life Insurance and Accidental Death and Dismemberment (AD&D)**

Fourteen comparables offer life insurance and/or AD&D insurance, with most offering only life insurance and four (4) offering a combination. Coverage ranges from \$10,000 to 1.5 times an annual salary, with the City offering \$50,000 coverage for both life and AD&D, comparable to others.

### **Long Term Disability (LTD) and Short-Term Disability (STD)**

Sixteen (16) comparables offer LTD, STD, or a combination, with most offering LTD and seven (7) offering STD. All but two (2) comparables cover this benefit, with coverage ranging between 60%-70%. The City could enhance this benefit by providing City-paid STD or a combined City paid STD and LTD to attract a workforce seeking more financial security. The City could consider offering voluntary STD without any City contribution as long as the City covers LTD premiums. All but two (2) comparable organizations cover the cost of all disability coverage. The City may wish to consider short-term disability coverage.

### **Employee Assistance Program (EAP)**

Mental health has been brought to the limelight of the all-encompassing employee wellness concept over the last few years, specifically with the COVID-19 pandemic in the forefront and the psychological well-being of all. Employee assistance programs are becoming more and more needed and wanted in order to best serve employees and their complexities. Over half of the comparables are offering EAP services at no cost to the employee, with free visits ranging from three (3) sessions to unlimited. The City provides six (6) free sessions, aligning with the industry standard.

### **Tuition Assistance**

Tuition reimbursement is an arrangement between an employer and employee in which an employer will cover a certain percentage of an employee's tuition for a study program, college degree or another form of education, and is often a substantial tool for employee engagement and retention. Twelve comparable organizations provided information on their tuition programs. Tuition assistance amounts ranged from \$600-\$5,250 per year in tuition reimbursement with variation in how the programs are structured. One organization reported a lifetime maximum of \$18,000. The City currently offers up to \$1,500 annually. The IRS allows employers to provide up to \$5,250 per year as a tax-free fringe benefit. The City is recommended to enrich their tuition reimbursement program.

## **Additional Opportunities**

The following are considerations to enhance the City's current program to support employees at different phases of their life. The feasibility of the options must be analyzed by the City as a whole and are not immediate recommendations.

### **Childcare Assistance**

Childcare is one of the most expensive household expenses, and often is a barrier to employment for that reason. Offering a childcare discount can increase employee satisfaction and engagement and can be a major recruitment tool. The City could consider a percentage, flat rate, or scholarship program to subsidize this expense. An on-site childcare facility with discounted tuition would also be a highly welcomed benefit for working parents. Although this was not a benefit found in the comparable market, this is a benefit some employers are considering on a national level.

### **Long-Term Care Insurance**

Long-term care (LTC) is different from traditional medical care. Long-term care goes beyond medical treatment and nursing care to helping people cope in the face of a chronic illness or disability. Long-term care provides support in performing everyday tasks. People need long-term care for a number of reasons, but often it is simply for the process of getting older. Long-term care services are typically needed by individuals unable to perform activities of daily living or who become cognitively impaired. As the City's workforce matures, there is a greater need for long-term care services which can be a significant financial burden without proper insurance coverage. Because this is a critical component to retirement planning, more employers nationally are offering LTC insurance programs and education.

### **529 College Savings Plan**

A 529 plan is a tax-advantaged savings plan designed to help families save for college and a range of other qualified education expenses which is outlined in Section 529 of the Internal Revenue Code. This is a voluntary benefit option for the City to include in its benefits portfolio, while the preferred vendor works directly with the employee for enrollment and fund management.

### **Flexible Work Options**

The early period of the COVID pandemic forced every employer to develop alternative service delivery models, when possible, to keep operations going, while balancing the need for safety and human separation. Employers primarily utilized remote work options and flexible work options. Remote work is working in a location other than a traditional brick and mortar location. Flexible work involves scheduled work that may be outside normal business hours to accomplish the work, but not necessarily during normal business hours. Now over three (3) years later, although the traditional brick and mortar workplace has returned to pre-pandemic levels, the concept of remote work and flexible work options remains. Employees have been able to show that productivity can still occur in alternative work programs, and many desire this as a major benefit to help them maintain their work/life balance. This workplace impact is not temporary, and organizations that take this opportunity to change how they work should experience better employee engagement and retention than organizations that do not consider alternatives.

This is not to say that all positions can work from home. Remote work should continue to be determined on a position-by-position basis. Public-facing positions that serve constituents may feel they have fewer options, but the City could consider flexible work options for staff that would not need to decrease the level of service to constituents. After the City assesses the jobs that can feasibly work under a flexible work program, and what the criterion for coverage entails, the City can offer employees the opportunity to select a work schedule that works best for them, provided it continues to meet the needs of the organization. This could

mean employees work a traditional 5x8 schedule, 4x10 schedule, or 4.5 days provided the coverage in each office is met so constituents have access to resources during normal business hours. A flexible work policy should outline the types of jobs eligible, performance eligibility, duration of time each work schedule is reviewed (so there is no assumption this is permanent), circumstances when adjustments may be required, and maintaining constituent satisfaction.

### **Paid Parental and Elder Care Leave**

Paid leave for employees who are new parents or will become parents is becoming a more common benefit that is also growing to include employees who need support in other facets of life including providing care and support to aging parents. These paid benefits are not required in Nebraska; however, other states are adopting mandatory benefits of this nature, which is gaining support nationwide. Offering a paid leave benefit aligned to Family Medical Leave qualifying events for a duration of between 2-6 weeks should be considered by the City. Four (4) comparators currently offer paid parental leave.

### **Volunteering Time-Off**

Volunteer time-off is a paid leave system that allows employees to donate their time to local nonprofit organizations. Volunteer leave policies make an organization appealing to potential and existing employees who have a strong desire to give back to their community. In addition, this type of program allows employers to give back to their communities and nonprofits. Volunteer leave is when workers devote their leave period to charitable or community service activities. Some employers give their employees the freedom to choose where they want to spend their volunteer leave time, while others limit it to pre-approved locations. Volunteer time-off is typically no more than 1-2 days per year.

Two (2) cities identified that they offer volunteer time off in addition to their other leaves. Both police departments can have four (4) hours of volunteer time off during a work shift as long as business needs can accommodate.

### **Talent Development**

Training and professional development are critical elements that support sustaining a highly talented workforce. Offering ongoing training and professional development opportunities for all employees is critical so they may advance their skills and competencies in both their short- and long-term careers.

Talent development should be a shared responsibility by the City and employees. As an employer, the City must anticipate future workforce needs and provide training and learning



opportunities to prepare employees for these roles. Employees should proactively take ownership of the development of their careers by knowing what skills and competencies are needed for advancement and actively seek out opportunities to gain them.

Strategically, each Department, with the support of Human Resources, should be identifying the skills, expertise, and competencies required for its current and future organizational needs so it can create training and development plans to prepare employees for higher level responsibilities and positions. Lack of career advancement opportunities or even training opportunities is often a consideration for recruitment and retention.

Because the City has training opportunities and education reimbursement opportunities established, the City's primary opportunity is to identify and deploy training and development opportunities for employees to participate in on major topics that will mutually benefit multiple departments. An example is as follows:

1. Employee Track– topics relevant to all employees, including ethics, safety/defense topics, customer service, sexual harassment, discrimination, ADA, First Amendment with public employees, new software training, etc. These topics may rotate and evolve over time. Future topics desired by a Department can be submitted for consideration/development.
2. Supervisory Management Track- basic employment law topics as previously identified plus FMLA, performance management, workplace documentation, resolution dispute, motivating employees, diversity training, effective communication, having difficult conversations, goal setting, team building, etc. Although the employment law topics should be updated annually, all other topics may rotate and evolve over time. Future topics desired by a Department can be submitted for consideration/development.
3. City Administrative Processes Track- budget development and monitoring, purchasing, recruitment process, records management, in-house software, etc.

In order to accomplish a comprehensive Citywide training program, sufficient staffing must exist within Human Resources. The best practices staffing ratio for HR to employee is 1.4 HR professionals for every 100 employees. A training program would need to have a dedicated HR professional assigned with additional responsibilities to supplement.

### **Employee Recognition**

When employees feel valued at work, it typically increases engagement, satisfaction, and productivity. Recognition shows employees that they are valued by the organization. In

order for that to be successful, recognition has to be done properly, and there isn't a one-size-fits-all approach. The City should look at its recognition programs to enhance this area. Some items for the City to consider when developing the program include:

- Be genuine and authentic.
- Make it personal.
- Recognize behavior and effort as well as achievement.
- Allow for peer recognition as well as supervisor recognition.
- Recognize employees in the way that they prefer to be recognized.

The purpose of a recognition program acknowledges the exceptional work of employees who are striving to exceed their employment goals by accomplishing assignments that go above and beyond their traditional work efforts. Recognition can be at the Committee or City Council level and can be recognized on the City website. Recognition does not need to be tied to compensation.

As an example, a recognition program can include (but not be limited to):

1. Demonstrated completion of innovative activities that result in economic savings for the Department/City.
2. Customer service enhancement, and/or elimination of duplicative or redundant manual service efforts.
3. Demonstrated customer service on a continual basis that exceeds City standards resulting in communication from community members acknowledging the employee's exceptional outreach and support.
4. Demonstrated commitment to the City's values.
5. Demonstrated acceptance of additional work assignments above and beyond the standard range of assigned duties, especially as the City experiences challenges and changing expectations of the community.
6. Demonstrated innovation in the use of technology/artificial intelligence and advanced resources to complete projects and services.

## Appendix A: Recommended Salary Schedule

| Pay Grade | Title  | SALARY RANGE   |                |                |
|-----------|--|----------------|----------------|----------------|
|           |  | Minimum        | Control Point  | Maximum        |
| <b>A</b>  |  |                |                |                |
| <b>B</b>  |  | <b>\$15.97</b> | <b>\$18.37</b> | <b>\$20.76</b> |
|           |  | \$33,217.60    | \$38,209.60    | \$43,180.80    |
|           | Recreation Attendant<br>Circulation Assistant<br>Lifeguard   |                |                |                |
| <b>C</b>  |  | <b>\$17.10</b> | <b>\$19.66</b> | <b>\$22.23</b> |
|           |  | \$35,568.00    | \$40,892.80    | \$46,238.40    |
|           | Assistant Pool Manager   |                |                |                |
| <b>D</b>  |  | <b>\$19.49</b> | <b>\$22.41</b> | <b>\$25.34</b> |
|           |  | \$40,539.20    | \$46,612.80    | \$52,707.20    |
|           | Administrative Assistant<br>Circulation Specialist<br>Custodian<br>Driver I<br>Laborer (Seasonal)<br>Pool Manager<br>Shop Assistant          |                |                |                |
| <b>E</b>  |  | <b>\$21.04</b> | <b>\$24.20</b> | <b>\$27.35</b> |
|           |  | \$43,763.20    | \$50,336.00    | \$56,888.00    |
|           | Administrative Specialist<br>Driver II<br>Permit Technician  |                |                |                |
| <b>F</b>  |  | <b>\$22.73</b> | <b>\$26.14</b> | <b>\$29.55</b> |
|           |  | \$47,278.40    | \$54,371.20    | \$61,464.00    |
|           | Account Specialist<br>Assistant Events Coordinator<br>Evidence Technician<br>GED Instructor<br>Maintenance Worker I<br>Office Coordinator    |                |                |                |
| <b>G</b>  |  | <b>\$24.55</b> | <b>\$28.23</b> | <b>\$31.92</b> |
|           |  | \$51,064.00    | \$58,718.40    | \$66,393.60    |
|           | Landscape Gardener<br>Maintenance Worker II  |                |                |                |
| <b>H</b>  |  | <b>\$26.51</b> | <b>\$30.49</b> | <b>\$34.46</b> |
|           |  | \$55,140.80    | \$63,419.20    | \$71,676.80    |
|           | Executive Assistant<br>Maintenance Worker III<br>Mechanic  |                |                |                |
| <b>I</b>  |  | <b>\$28.63</b> | <b>\$32.93</b> | <b>\$37.22</b> |
|           |  | \$59,550.40    | \$68,494.40    | \$77,417.60    |
|           | Assistant Planner<br>Building Inspector I<br>Building Maintenance Technician<br>Code Enforcement Officer<br>Librarian I<br>Signal Technician |                |                |                |
| <b>J</b>  |  | <b>\$30.92</b> | <b>\$35.56</b> | <b>\$40.20</b> |
|           |  | \$64,313.60    | \$73,964.80    | \$83,616.00    |
|           | Accountant<br>Administrative Services Manager<br>Deputy City Clerk   |                |                |                |

|   |                |                |                |
|---|----------------|----------------|----------------|
| Engineer Assistant<br>IT Police/Radio Technology Specialist<br>Librarian II<br>Public Works Supervisor  |                |                |                |
| <b>K</b>  | <b>\$33.39</b> | <b>\$38.40</b> | <b>\$43.41</b> |
|   | \$69,451.20    | \$79,872.00    | \$90,292.80    |
| Building Inspector II<br>Planner<br>Recreation Manager<br>Senior Human Resources Generalist<br>Turf Supervisor  |                |                |                |
| <b>L</b>  | <b>\$36.06</b> | <b>\$41.47</b> | <b>\$46.88</b> |
|   | \$75,004.80    | \$86,257.60    | \$97,510.40    |
| Civil Engineer<br>Communications and Marketing Specialist<br>Events Coordinator<br>Senior Accountant  |                |                |                |
| <b>M</b>  | <b>\$38.95</b> | <b>\$44.79</b> | <b>\$50.64</b> |
|   | \$81,016.00    | \$93,163.20    | \$105,331.20   |
| Assistant Recreation Director<br>Deputy Library Director<br>Public Works Superintendent<br>Senior Planner   |                |                |                |
| <b>N</b>  | <b>\$42.06</b> | <b>\$48.37</b> | <b>\$54.68</b> |
|   | \$87,484.80    | \$100,609.60   | \$113,734.40   |
| Assistant to the City Administrator<br>Chief Building Official<br>Communications and Marketing Manager<br>Information Technology Manager  |                |                |                |
| <b>O</b>  | <b>\$45.43</b> | <b>\$52.24</b> | <b>\$59.06</b> |
|   | \$94,494.40    | \$108,659.20   | \$122,844.80   |
| Deputy Community Development Director<br>Deputy Finance Director  |                |                |                |
| <b>P</b>  | <b>\$49.06</b> | <b>\$56.42</b> | <b>\$63.78</b> |
|   | \$102,044.80   | \$117,353.60   | \$132,662.40   |
|   |                |                |                |
| <b>Q</b>  | <b>\$53.97</b> | <b>\$62.06</b> | <b>\$70.16</b> |
|   | \$112,257.60   | \$129,084.80   | \$145,932.80   |
| Deputy Director of Public Works<br>Police Captain   |                |                |                |
| <b>R</b>  | <b>\$59.37</b> | <b>\$68.27</b> | <b>\$77.18</b> |
|   | \$123,489.60   | \$142,001.60   | \$160,534.40   |
| City Engineer   |                |                |                |
| <b>DEPARTMENT HEAD/ADMINISTRATION SERVICE</b>   |                |                |                |
| <b>QQ</b>   | <b>\$51.72</b> | <b>\$62.06</b> | <b>\$72.41</b> |
|   | \$107,577.60   | \$129,084.80   | \$150,612.80   |
| City Clerk<br>Library Director<br>Recreation Director   |                |                |                |
| <b>RR</b>   | <b>\$56.89</b> | <b>\$68.27</b> | <b>\$79.65</b> |
|   | \$118,331.20   | \$142,001.60   | \$165,672.00   |
| Community Development Director<br>Finance Director<br>Human Resources Director  |                |                |                |
| <b>SS</b>   | <b>\$62.58</b> | <b>\$75.10</b> | <b>\$87.61</b> |
|   | \$130,166.40   | \$156,208.00   | \$182,228.80   |
| Asst City Admin/Managing Director of Community Services<br>Managing Director of Administrative Services<br>Managing Director of Public Safety/Police Chief<br>Managing Director of Public Works |                |                |                |

|           |                |                |                 |
|-----------|----------------|----------------|-----------------|
| <b>TT</b> | <b>\$68.84</b> | <b>\$82.61</b> | <b>\$96.38</b>  |
|           | \$143,187.20   | \$171,828.80   | \$200,470.40    |
| <b>UU</b> | <b>\$82.61</b> | <b>\$99.13</b> | <b>\$115.65</b> |
|           | \$171,828.80   | \$206,190.40   | \$240,552.00    |

## **Appendix B: Recommended Compensation Policy Guidelines**

These guidelines are provided to the City to utilize in conjunction with the new compensation system. The City is recommended to assess these guideline recommendations.

### **New Hires**

Employees start at the Minimum Rate of the Pay Grade if the employee has the minimum skills and abilities required in the job description. The hiring supervisor, with the approval of the Human Resources Director, can start experienced individuals up to the Control Point.

### **Cost of Living Adjustment**

On October 1<sup>st</sup> of each year (or alternative date identified by the City), employees should receive cost of living adjustment equivalent to the percentage adjustment of the Salary Schedule.

### **Annual Performance Adjustment**

On October 1<sup>st</sup> of each year, employees should receive an incremental performance increase based on the City's pay for performance program. Employees on a Performance Improvement Plan will have their annual increase held until such time as performance improves, or when approved by the City Administrator.

### **Market Adjustments**

Each budget cycle, the Administration should evaluate the placement of current employees. If there is a shift in the market for a specific position, a Market Adjustment to those incumbent employees could be given, which would be an adjustment to the range. A market adjustment requires:

1. A documented and verified review of local comparables by the Human Resources Director or third-party consultant.
2. A consistent pattern of recruitment/retention concerns with isolated classifications, as verified by the Human Resources Director or designee.

### **Promotions**

An individual who moves to a position with a higher Pay Grade, will be placed at the Minimum Rate of the new salary range; OR the rate closest that provides a 5% increase, if over the Minimum Rate.

## **Demotions**

There are a number of situations that can occur resulting in an employee's pay being lowered and the pay may not be within the established Salary Range. Dependent upon the circumstances, an individual's pay can be handled differently. It will be the responsibility of the Human Resources Director to determine the pay implications due to employee demotions. The following are suggested guidelines:

- A. Demotions that occur because of position changes and/or position consolidations (not based on the performance of the employee), the salary can be "red circled" and frozen at that level until the Salary Range of the new Pay Grade catches up to the employee's salary.
- B. Demotions that occur because the employee voluntarily applied for and accepted a position in a lower Pay Grade, the salary will be reduced within the new Salary Range as close to the current salary as possible. If the salary is above the new salary range, then treatment will be as described in "A" above.
- C. Demotion that is a result of the employee's performance, the employee's salary is decreased to a placement within the Salary Range of the new Pay Grade, as determined by the Human Resources Director. Demotions of this nature are rare circumstances.

## **Top of the Range**

When an employee reaches the Maximum of their Pay Grade, they will be eligible only for the cost-of-living Salary Schedule adjustments. Some employers see this as deterrent for tenured employees to continue to perform at the City's level of expectation. Therefore, the City may consider the option for employees who reach the Maximum to receive the equivalent annual increase in the form of a lump-sum non-base building payment. This method of payment still provides additional compensation to an employee but does not compromise the Schedule.

## **Red Circle**

When an employee has exceeded the Maximum of their Pay Grade, they will not be eligible for any base building adjustments. The City may provide the employee with an equivalent lump-sum payment.

## **Position Pay Grade Changes**

Pay Grades may change under the following circumstances:

A. Management request for a Pay Grade Evaluation

A Department Head may request a Pay Grade evaluation for any position in their Department, via procedures identified by the Human Resources Director. The request should be in writing, including job duty changes or other circumstances that have precipitated the evaluation. This should include the old job description along with either a new job description or a document that illustrates the changes. It will be the responsibility of the Human Resources Director to determine if the position should be sent to the Consultants for evaluation. It should be noted that significant changes to a position's responsibility that could prompt reclassification should receive prior approval from the Human Resources Director in order to avoid unapproved position creep.

B. Administration Initiation of a Pay Grade Evaluation

City Administration may determine a position needs to be evaluated as a result of a City-initiated position and/or program changes, organizational structure changes, recurring minimal modifications to positions that over time may result in substantive change in a position, and recruitment or retention challenges.

If after a Pay Grade Evaluation, it is determined the employee's current salary is below the Minimum Rate of the new Pay Grade, the employee should be placed at the Minimum Rate of the new Pay Grade. If the current salary is within the new Salary Range, the City Council will determine whether any further adjustment occurs.



## City of La Vista

Proposed  
Pay  
Grades

## CURRENT RANGE

## PROPOSED SALARY RANGE

|          | Current Title                | Recommended Title         | Department                  | Minimum | Midpoint | Maximum | Minimum        | Control Point  | Maximum        |
|----------|------------------------------|---------------------------|-----------------------------|---------|----------|---------|----------------|----------------|----------------|
| <b>A</b> |                              |                           |                             |         |          |         |                |                |                |
| <b>B</b> |                              |                           |                             |         |          |         | <b>\$15.97</b> | <b>\$18.37</b> | <b>\$20.76</b> |
|          |                              |                           |                             |         |          |         | \$33,217.60    | \$38,209.60    | \$43,180.80    |
|          | Recreation Attendant         | Recreation Attendant      | Recreation                  | \$11.53 | \$13.83  | \$16.13 |                |                |                |
|          | Circulation Clerk I          | Circulation Assistant     | Library                     | \$11.53 | \$13.83  | \$16.13 |                |                |                |
|          | Lifeguard                    | Lifeguard                 | Pool                        | \$13.23 | \$15.87  | \$18.52 |                |                |                |
| <b>C</b> |                              |                           |                             |         |          |         | <b>\$17.10</b> | <b>\$19.66</b> | <b>\$22.23</b> |
|          |                              |                           |                             |         |          |         | \$35,568.00    | \$40,892.80    | \$46,238.40    |
|          | Assistant Pool Manager       | Assistant Pool Manager    | Pool                        | \$14.39 | \$17.25  | \$20.12 |                |                |                |
| <b>D</b> |                              |                           |                             |         |          |         | <b>\$19.49</b> | <b>\$22.41</b> | <b>\$25.34</b> |
|          |                              |                           |                             |         |          |         | \$40,539.20    | \$46,612.80    | \$52,707.20    |
|          | Admin Assistant/Receptionist | Administrative Assistant  | City Clerk's Department     | \$14.39 | \$17.25  | \$20.12 |                |                |                |
|          | Pool Manager                 | Pool Manager              | Pool                        | \$17.17 | \$20.64  | \$24.10 |                |                |                |
|          | Seasonal - Parks             | Laborer (Seasonal)        | Public Works - Park Maint   | \$14.32 | \$17.14  | \$19.97 |                |                |                |
|          | Custodian                    | Custodian                 | Recreation                  | \$14.32 | \$17.14  | \$19.97 |                |                |                |
|          | Special Services Driver      | Driver I                  | Special Services Bus        | \$14.32 | \$17.14  | \$19.97 |                |                |                |
|          | Shop Assistant               | Shop Assistant            | Public Works - Street Op    | \$14.32 | \$17.14  | \$19.97 |                |                |                |
|          | Circulation Clerk II         | Circulation Specialist    | Library                     | \$14.39 | \$17.25  | \$20.12 |                |                |                |
| <b>E</b> |                              |                           |                             |         |          |         | <b>\$21.04</b> | <b>\$24.20</b> | <b>\$27.35</b> |
|          |                              |                           |                             |         |          |         | \$43,763.20    | \$50,336.00    | \$56,888.00    |
|          | Administrative Assistant II  | Administrative Specialist | City Clerk's Department     | \$18.35 | \$22.03  | \$25.70 |                |                |                |
|          | Permit Technician            | Permit Technician         | Community Development       | \$18.35 | \$22.03  | \$25.70 |                |                |                |
|          | Admin Assistant II           | Administrative Specialist | Library                     | \$18.35 | \$22.03  | \$25.70 |                |                |                |
|          | Admin Assistant II           | Administrative Specialist | Police                      | \$18.35 | \$22.03  | \$25.70 |                |                |                |
|          | Police Data Entry Clerk      | Police Records Specialist | Police                      | \$16.87 | \$20.25  | \$23.63 |                |                |                |
|          | Administrative Assistant III | Administrative Specialist | Public Works - Street Admin | \$20.08 | \$24.10  | \$28.13 |                |                |                |
|          | Administrative Assistant II  | Administrative Specialist | Recreation                  | \$18.35 | \$22.03  | \$25.70 |                |                |                |
|          | Special Services Driver      | Driver II                 | Special Services Bus        | \$14.32 | \$17.14  | \$19.97 |                |                |                |

| Proposed Pay Grades | Current Title                            | Recommended Title                       | Department                    | Minimum | Midpoint | Maximum | Minimum        | Control Point  | Maximum        |
|---------------------|--|---|-------------------------------|---------|----------|---------|----------------|----------------|----------------|
| <b>F</b>            |  |   |                               |         |          |         | <b>\$22.73</b> | <b>\$26.14</b> | <b>\$29.55</b> |
|                     | Administrative Assistant III             | Account Specialist                      | Finance                       | \$20.08 | \$24.10  | \$28.13 | \$47,278.40    | \$54,371.20    | \$61,464.00    |
|                     | Circulation Clerk II                     | GED Instructor                          | Library                       | \$14.39 | \$17.25  | \$20.12 |                |                |                |
|                     | Events - Recreation Attendant            | Assistant Events Coordinator            | Link                          | \$16.42 | \$19.71  | \$23.00 |                |                |                |
|                     | Evidence Technician                      | Evidence Technician                     | Police                        | \$17.17 | \$20.64  | \$24.10 |                |                |                |
|                     | Building Maintenance Worker I            | Maintenance Worker I - Building         | Public Works - Building Maint | \$19.18 | \$23.02  | \$26.85 |                |                |                |
|                     | Maintenance Worker I - Parks             | Maintenance Worker I - Parks            | Public Works - Park Maint     | \$19.18 | \$23.02  | \$26.85 |                |                |                |
|                     | Maintenance Worker I - Streets           | Maintenance Worker I - Streets          | Public Works - Street Op      | \$19.18 | \$23.02  | \$26.85 |                |                |                |
|                     | Maintenance Worker I - Utility           | Maintenance Worker I - Utility          | Maint                         | \$19.18 | \$23.02  | \$26.85 |                |                |                |
|                     | FUTURE CONSIDERATION                     | Office Coordinator                      |                               |         |          |         |                |                |                |
| <b>G</b>            |  |   |                               |         |          |         | <b>\$24.55</b> | <b>\$28.23</b> | <b>\$31.92</b> |
|                     | Building Maintenance Worker II           | Maintenance Worker II - Building        | Public Works - Building Maint | \$21.04 | \$25.25  | \$29.47 | \$51,064.00    | \$58,718.40    | \$66,393.60    |
|                     | Maintenance Worker II - Parks            | Maintenance Worker II - Parks           | Public Works - Park Maint     | \$21.04 | \$25.25  | \$29.47 |                |                |                |
|                     | Landscape Gardener                       | Landscape Gardener                      | Public Works - Park Maint     | \$21.04 | \$25.25  | \$29.47 |                |                |                |
|                     | Maintenance Worker II - Sewer            | Maintenance Worker II - Utility         | Public Works - Sewer Maint    | \$21.04 | \$25.25  | \$29.47 |                |                |                |
|                     | Maintenance Worker II - Sports Complex   | Maintenance Worker II - Irrigation/Turf | Public Works - Sports Complex | \$21.04 | \$25.25  | \$29.47 |                |                |                |
|                     | Maintenance Worker II - Streets          | Maintenance Worker II - Streets         | Public Works - Street Op      | \$21.04 | \$25.25  | \$29.47 |                |                |                |
| <b>H</b>            |  |   |                               |         |          |         | <b>\$26.51</b> | <b>\$30.49</b> | <b>\$34.46</b> |
|                     | Executive Assistant                      | Executive Assistant                     | Administration                | \$23.23 | \$27.89  | \$32.54 | \$55,140.80    | \$63,419.20    | \$71,676.80    |
|                     | Mechanic                                 | Mechanic                                | Public Works - Street Op      | \$21.04 | \$25.25  | \$29.47 |                |                |                |
|                     |  | Maintenance Worker III                  | Public Works                  |         |          |         |                |                |                |
| <b>I</b>            |  |   |                               |         |          |         | <b>\$28.63</b> | <b>\$32.93</b> | <b>\$37.22</b> |
|                     | Assistant Planner (Planner I)            | Assistant Planner                       | Community Development         | \$28.72 | \$34.48  | \$40.23 | \$59,550.40    | \$68,494.40    | \$77,417.60    |
|                     | Building Inspector 1                     | Building Inspector I                    | Community Development         |         |          |         |                |                |                |
|                     | Technical Services Librarian/Librarian   | Librarian I - Tech Services             | Library                       | \$25.76 | \$30.92  | \$36.08 |                |                |                |
|                     | Teen Coordinator, Librarian I            | Librarian I- Teen                       | Library                       | \$25.76 | \$30.92  | \$36.08 |                |                |                |
|                     | Librarian I - Youth Division             | Librarian I- Youth/Outreach             | Library                       | \$25.76 | \$30.92  | \$36.08 |                |                |                |
|                     | Code Enforcement Officer                 | Code Enforcement Officer                | Police                        | \$22.08 | \$26.51  | \$30.93 |                |                |                |
|                     | Building Technician                      | Building Maintenance Technician         | Public Works - Building Maint | \$23.23 | \$27.89  | \$32.54 |                |                |                |
|                     | Signal Technician                        | Signal Technician                       | Public Works - Street Op      | \$24.44 | \$29.34  | \$34.24 |                |                |                |
| <b>J</b>            |  |   |                               |         |          |         | <b>\$30.92</b> | <b>\$35.56</b> | <b>\$40.20</b> |
|                     | Deputy City Clerk                        | Deputy City Clerk                       | City Clerk's Department       | \$27.19 | \$32.63  | \$38.07 | \$64,313.60    | \$73,964.80    | \$83,616.00    |
|                     | Accountant                               | Accountant                              | Finance                       | \$32.18 | \$38.62  | \$45.07 |                |                |                |
|                     | Librarian II - Inter-Library Loan/Public | Librarian II- ILL/Public Services       | Library                       | \$27.19 | \$32.63  | \$38.07 |                |                |                |
|                     | Computer Reference Services/Librarian    | Librarian II-Reference                  | Library                       | \$27.19 | \$32.63  | \$38.07 |                |                |                |
|                     | Police Records Manager/Office Manager    | Administrative Services Manager         | Police                        | \$24.44 | \$29.34  | \$34.24 |                |                |                |
|                     | Engineer Assistant                       | Engineer Assistant                      | Public Works - Street Admin   | \$30.40 | \$36.48  | \$42.57 |                |                |                |
|                     | Foreman - Street                         | Public Works Supervisor - Streets       | Public Works - Street Op      | \$24.44 | \$29.34  | \$34.24 |                |                |                |
|                     | Shop Foreman                             | Public Works Supervisor - Shop          | Public Works - Street Op      | \$25.76 | \$30.92  | \$36.08 |                |                |                |

| Proposed<br>Pay<br>Grades |                      |                                       |                            |         |          |         |         |               |         |
|---------------------------|----------------------|---------------------------------------|----------------------------|---------|----------|---------|---------|---------------|---------|
|                           |                      |                                       |                            |         |          |         |         |               |         |
|                           |                      |                                       |                            |         |          |         |         |               |         |
|                           | Current Title        | Recommended Title                     | Department                 | Minimum | Midpoint | Maximum | Minimum | Control Point | Maximum |
|                           | Foreman - Sewer      | Public Works Supervisor - Utility     | Public Works - Sewer Maint | \$24.44 | \$29.34  | \$34.24 |         |               |         |
|                           | Foreman - Parks      | Public Works Supervisor - Parks       | Public Works - Park Maint  | \$24.44 | \$29.34  | \$34.24 |         |               |         |
|                           | FUTURE CONSIDERATION | IT Police/Radio Technology Specialist | Information Technology     |         |          |         |         |               |         |

| Proposed Pay Grades | Current Title                            | Recommended Title                       | Department                    | Minimum | Midpoint | Maximum | Minimum        | Control Point  | Maximum        |
|---------------------|--|---|-------------------------------|---------|----------|---------|----------------|----------------|----------------|
| <b>K</b>            |  |   |                               |         |          |         | <b>\$33.39</b> | <b>\$38.40</b> | <b>\$43.41</b> |
|                     | Building Inspector 2                     | Building Inspector II                   | Community Development         | \$27.19 | \$32.63  | \$38.07 | \$69,451.20    | \$79,872.00    | \$90,292.80    |
|                     | Associate Planner (Planner II)           | Planner                                 | Community Development         | \$32.18 | \$38.62  | \$45.07 |                |                |                |
|                     | Foreman - Sports Complex                 | Turf Supervisor                         | Public Works - Sports Complex | \$24.44 | \$29.34  | \$34.24 |                |                |                |
|                     | Human Resources Generalist               | Senior Human Resources Generalist       | Human Resources               |         |          |         |                |                |                |
|                     | Youth and Adult Sports Manager           | Recreation Manager - Athletics          | Recreation                    | \$28.72 | \$34.48  | \$40.23 |                |                |                |
|                     | Senior Services Manager                  | Recreation Manager - Senior Services    | Senior Services               | \$30.40 | \$36.48  | \$42.57 |                |                |                |
| <b>L</b>            | <b>Officer Max \$44.52/47.63</b>         |   |                               |         |          |         | <b>\$36.06</b> | <b>\$41.47</b> | <b>\$46.88</b> |
|                     | Communication Specialist                 | Communications and Marketing Specialist | Communication                 | \$25.76 | \$30.92  | \$36.08 | \$75,004.80    | \$86,257.60    | \$97,510.40    |
|                     | FUTURE CONSIDERATION                     | Civil Engineer                          | Public Works - Street Admin   |         |          |         |                |                |                |
|                     | Community Events Coordinator             | Events Coordinator                      | Community Events              | \$30.40 | \$36.48  | \$42.57 |                |                |                |
| <b>M</b>            |  |   |                               |         |          |         | <b>\$38.95</b> | <b>\$44.79</b> | <b>\$50.64</b> |
|                     | Senior Planner (Planner III)             | Senior Planner                          | Community Development         | \$34.12 | \$40.96  | \$47.80 | \$81,016.00    | \$93,163.20    | \$105,331.20   |
|                     | Assistant Library Director-Librarian III | Deputy Library Director                 | Library                       | \$30.40 | \$36.48  | \$42.57 |                |                |                |
|                     | Building Superintendent                  | Superintendent - Building               | Public Works - Building Maint | \$34.12 | \$40.96  | \$47.80 |                |                |                |
|                     | Park Superintendent                      | Superintendent - Parks                  | Public Works - Park Maint     | \$34.12 | \$40.96  | \$47.80 |                |                |                |
|                     | Street Superintendent                    | Superintendent - Streets                | Public Works - Street Op      | \$34.12 | \$40.96  | \$47.80 |                |                |                |
|                     | Assistant Recreation Director            | Assistant Recreation Director           | Recreation                    | \$32.18 | \$38.62  | \$45.07 |                |                |                |
| <b>N</b>            | <b>Sergeant Max \$51.54/54.11</b>        |   |                               |         |          |         | <b>\$42.06</b> | <b>\$48.37</b> | <b>\$54.68</b> |
|                     | Assistant to the City Administrator      | Assistant to the City Administrator     | Administration                | \$30.40 | \$36.48  | \$42.57 | \$87,484.80    | \$100,609.60   | \$113,734.40   |
|                     | Communication Manager                    | Communications and Marketing Manager    | Communication                 | \$34.12 | \$40.96  | \$47.80 |                |                |                |
|                     | Chief Building Official                  | Chief Building Official                 | Community Development         | \$34.12 | \$40.96  | \$47.80 |                |                |                |
|                     | Information Technology Manager           | Information Technology Manager          | Information Technology        | \$34.12 | \$40.96  | \$47.80 |                |                |                |
| <b>O</b>            |  |   |                               |         |          |         | <b>\$45.43</b> | <b>\$52.24</b> | <b>\$59.06</b> |
|                     | Assistant Finance Director               | Deputy Finance Director                 | Finance                       | \$36.21 | \$43.46  | \$50.72 | \$94,494.40    | \$108,659.20   | \$122,844.80   |
|                     | Deputy Community Development Director    | Deputy Community Development Director   | Community Development         | \$36.21 | \$43.46  | \$50.72 |                |                |                |
| <b>P</b>            |  |   |                               |         |          |         | <b>\$49.06</b> | <b>\$56.42</b> | <b>\$63.78</b> |
|                     |  |   |                               |         |          |         | \$102,044.80   | \$117,353.60   | \$132,662.40   |

| Proposed Pay Grades   | Current Title  | Recommended Title                            | Department                  | Minimum | Midpoint | Maximum | Minimum        | Control Point  | Maximum        |
|---|--|--|-----------------------------|---------|----------|---------|----------------|----------------|----------------|
| <b>Q</b>  | Sgt will penetrate range starting 10/2024.   |  |                             |         |          |         | <b>\$53.97</b> | <b>\$62.06</b> | <b>\$70.16</b> |
|   | Deputy Director of Public Works  | Deputy Director of Public Works              | Public Works - Street Admin | \$43.56 | \$52.28  | \$61.00 | \$112,257.60   | \$129,084.80   | \$145,932.80   |
|   | Police Captain   | Police Captain                               | Police                      | \$40.90 | \$49.09  | \$57.28 |                |                |                |
| <b>R</b>  |  |  |                             |         |          |         | <b>\$59.37</b> | <b>\$68.27</b> | <b>\$77.18</b> |
|   | City Engineer  | City Engineer                                | Public Works - Street Admin | \$43.56 | \$52.28  | \$61.00 | \$123,489.60   | \$142,001.60   | \$160,534.40   |
| <b>DEPARTMENT HEAD/ADMINISTRATION SERVICE / COMMAND STAFF</b> |  |  |                             |         |          |         |                |                |                |
|   | Current Title  | Recommended Title                            | Department                  | Minimum | Midpoint | Maximum | Minimum        | Control Point  | Maximum        |
| <b>QQ</b>   |  |  |                             |         |          |         | <b>\$51.72</b> | <b>\$62.06</b> | <b>\$72.41</b> |
|   | City Clerk   | City Clerk                                   | City Clerk's Department     | \$38.46 | \$46.16  | \$53.86 | \$107,577.60   | \$129,084.80   | \$150,612.80   |
|   | Library Director   | Library Director                             | Library                     | \$38.46 | \$46.16  | \$53.86 |                |                |                |
|   | Recreation Director  | Recreation Director                          | Recreation                  | \$38.46 | \$46.16  | \$53.86 |                |                |                |
| <b>RR</b>   |  |  |                             |         |          |         | <b>\$56.89</b> | <b>\$68.27</b> | <b>\$79.65</b> |
|   | Community Development Director   | Community Development Director               | Community Development       | \$46.39 | \$55.68  | \$64.97 | \$118,331.20   | \$142,001.60   | \$165,672.00   |
|   | Finance Director   | Finance Director                             | Finance                     | \$46.39 | \$55.68  | \$64.97 |                |                |                |
|   | Human Resources Director   | Human Resources Director                     | Human Resources             | \$46.39 | \$55.68  | \$64.97 |                |                |                |
| <b>SS</b>   |  |  |                             |         |          |         | <b>\$62.58</b> | <b>\$75.10</b> | <b>\$87.61</b> |
|   | Assistant City Administrator/ Director Asst City Admin/Managing Director of Administrative Services Director | Managing Director of Administrative Services | Administration              | \$56.37 | \$67.66  | \$78.95 | \$130,166.40   | \$156,208.00   | \$182,228.80   |
|   | Police Chief - Director of Public Safety   | Managing Director of Public Safety/Police    | Police                      | \$56.37 | \$67.66  | \$78.95 |                |                |                |
|   | Director of Public Works   | Managing Director of Public Works            | Public Works - Street Admin | \$56.37 | \$67.66  | \$78.95 |                |                |                |