Nevada County Transportation Commission meeting – November 18, 2020

Bryce Consulting Compensation Survey
Presentation by Shellie Anderson with Bryce Consulting.

Shellie Anderson:

I'm Shellie Anderson with Bryce Consulting. This is really the same study that was done a year ago, but it's my understanding that the Commissioners decided to hold off doing anything with it just not knowing what would happen with the pandemic and the economy.

So, Dan contacted us and asked how much the data would have changed and it's hard to predict that. So, we went back out and we went ahead and collected data. So, the previous study had data that was effective March of 2020. We went ahead and made all of the data effective January 2021. So, we captured any increases that the organizations would have effective January, as well as that's when most new health benefits go into effect through open enrollment. So, any changes to their health benefits.

Same organizations that were approved, actually, a few years and were surveyed back in March. So, we did the same agencies, and these organizations were selected based on... Originally, we looked at their budget, we looked at the population they serve, we looked at the type of services that they provided, and then we looked at where they were geographically distance-wise from your organization and that's how they were originally selected and approved.

In terms of the data that we collected, we obviously have the title of each of the agency's classification. We do get all of their job descriptions to confirm that their duties, the level within the organization, the requirements are comparable to your classifications. Because the point of a compensation study is to make sure that your salary and benefits are consistent and competitive with what's been identified as your labor market so that if you have folks in a particular classification, you know what your competing agency is paying for that same body of work.

We have the entry, so the minimum and the maximum of the salary range was provided in the spreadsheets. We looked at cash add-ons to base pay... So, that would include for their latest classic tier... If they're paying any of the employee's share of retirement, auto allowance, cell phone allowance, leave cash-out, and then if they have any deferred compensation contribution that the organization makes on behalf of the employee.

And then we have the contributions towards health and welfare benefits. So, if they have a cafeteria plan... If they don't, what's the most that they pay towards health, dental, vision, life insurance, and long-term disability... Whether they fully participate in Medicare and FICA or if they are just participating in Medicare, and then if there's any cost-sharing on the other end. Some organizations over the past few years have negotiated where now the employee actually pays a portion of the employer's obligated cost to retirement, so we've included that.

And, then, these were the five classifications that we surveyed: the Administrative Assistant, Administrative Services Officer, Deputy Director, Executive Director, and the Transportation Planner.

And, then, when we took all of the information... If we look at just where you are in comparison to the maximum of the range for the survey agencies... For the Administrative Assistant, you're 2.44% behind.

So, obviously the first column has the survey classes. The second column is the percentage that you're above or below when we look at maximum base pay. So, for all of your classifications, you're actually below the labor market mean on maximum base pay. And if we take the average percentage you're below across those group of classifications, you're almost 13% behind the market.

When we look at total cash, which had the retirement pickup, the deferred comp, the cell phone, those types of things, you can see that your position actually improves.

So, for the Administrative Assistant, you went from being 2.44% behind, now you're over 8% ahead. So, in some instances, you went from being behind to ahead. In some, you're just not quite as far behind.

Again, when we take the average of those classifications, you went from being 12.99% below to being 2.54% below. But, then when we add in the rest of the health and welfare benefits, your position kind of shifts back. So, you're not as far below in most instances as you were on base pay, but you did, kind of, fall further below.

So, what that tells us is that the maximum of your salary is, obviously, off market. There's something in those total cash benefits that you're richer than the market because your position improved. But when we roll in the health and welfare benefits, you're not as competitive as the market because you're slipping a little further behind again. So, now, when we look at the average of all of those, you are 9.92% below market.

The last column is just the number of agencies that had a comparable classification. So, you can see in almost all of the cases, all of the agencies had a match for the Admin Assistant, Executive Director, the Transportation Planner.

The Deputy Director is the only one that we had limited data. Most of these organizations are relatively small, so they don't all have a Deputy Director. You have a Deputy Director for a purpose. It's for succession planning purposes and so that's why that was put in place, which makes sense. But, a lot of the other organizations haven't done that.

So, what we did is we took the labor market mean for total compensation and we determined what your new maximum salary would need to be if your benefits stayed as they were so that your total compensation equals the market. So, we're not changing your benefits. All we're recommending is that we change your salary so that when your salary is added to the benefits, you get to that labor market mean for total compensation.

And, so, these are the salary recommendations for each classification. So, for example, on the Administrative Assistant, we set the maximum of the range to the market and then we went back. You have five steps. And, so, we went back five steps, 5% each step, to come up with the minimum.

So, for the Administrative Assistant, we're recommending an 8% increase in the salary from maximum to maximum.

For the Administrative Services Officer, we're recommending a seven and a half percent increase.

For the Deputy Director... The market, we only have three matches. The market creates significant compaction with your Executive Director, so we're recommending that the Deputy be set 15% below your Executive Director because we don't want it to be too close. So, to some degree, we're kind of having to ignore the market because the market creates issues internally and internal alignment should drive the recommendation.

Dan Landon:

Shellie, would you... Excuse me. Would you explain when you say it creates compaction what you mean there?

Shellie Anderson:

Yeah. So, if we were to set the Deputy Director to the market... I don't remember the exact number. I can pull it up. But, it ends up putting it right below your Executive Director, so there's not a gap. The Executive Director should be paid a certain percentage above the highest level supervise. If we go with the market, that gap is very small. So, what would be the incentive to become the Executive Director and have all that responsibility? Not a lot, because the Deputy would end up being paid almost what the Executive Director is.

So, instead, it's still a significant increase with the 12%. But, instead of bringing it all the way to market... Because if we go back, you'll remember that the Deputy Director was more than 27% behind on total compensation. So, basically, we're bringing it less than half to market because we don't want it too close to your Executive Director.

Andy Burton:

Can I ask you a quick question, Shellie?

Shellie Anderson:

Sure.

Andy Burton:

Is that strategy commonly used, that the Executive Director essentially sets the bar and then the other positions in the organization are calibrated to a percentage based on that starting point?

Shellie Anderson:

Yeah. So, compensation studies are always a combination of market data and internal alignment. If you were a larger organization...

So, say we were doing this for a city. They could have hundreds of classifications. They could have a Transportation Planner series that includes three different levels. We would always only survey certain classifications because we want to make sure that there's sufficient spread and it makes sense from an internal perspective.

So, a simple example would be Transportation Planner. If you had a Transportation Planner One, Two, and a Three, we would always survey the Two level and set the One a certain percentage below and the Three a certain percentage above because not every organization has a One. Not every organization has a Three, and we're trying to maintain consistency within your organization. And, so, we wouldn't even ever survey the One or the Three.

Andy Burton:

Okay.

Shellie Anderson:

So, similarly... Again, if you were a larger organization, a lot of times, we don't even survey Supervisor or even some Manager classifications because based on their organizational structure, it's irrelevant what the market pays because we have to make it make sense for that organization. So, the market may end up for a particular Manager saying that it's paid much less than what we're going to have to pay. But because their organizational structure has so many levels, we have to build on top of those to make sure there's sufficient spread.

It's just that you have so few classes that the majority of them are set to market.

Andy Burton:

Got it. Okay. Thank you.

Shellie Anderson:

Sure.

And, then, the Executive Director is on contract. So, that is set to market, as well, but there's not a minimum because you just have a single salary that you negotiate, I would imagine, on an annual basis with your Executive Director.

And, then, the Transportation Planner, again, the maximum is set to the market and that's a 5% increase.

One of the other things that we recommended back in March, and we're recommending again, is that there's some kind of a tier structure to what you contribute towards health benefits that as the classification increases in the organization that the amount is higher. And, so, what we've recommended is a slight increase to the health benefit for the Deputy Director from $1,135 to $1,239. So, it's a little higher than what is offered to the staff positions just to recognize the level of that particular classification.

And I'm happy to answer any questions.

Andy Burton:

This is just basically my own curiosity, but this study does not account for any market differences between the comparable communities that you used.

Shellie Anderson:

Say that again.

Andy Burton:

Okay.

Shellie Anderson:

Sorry. I didn't quite understand your question.

Andy Burton:

Going back to the list of other counties that you brought in data for?

Shellie Anderson:

Mm-hmm (affirmative).

Andy Burton:

Each county for this survey is based on the assumption that there aren't market conditions that differ from community to community or you don't factor those in. This is just a straight line, a base analysis of county to county.

Shellie Anderson:

You're correct.

So, this is basically taking those eight agencies that were identified and taking their salary and their benefits and, you're right, we're not looking into whatever's going on within their particular market. I know that some of these organizations, they happen to be clients as well, so I know that they tend to survey each other and, so, in things like... It's kind of a group that tends to associate one another with each other.

But, I don't know for all of them. I have no idea when the last time they've done their study. I don't know who they all include in their study. I don't know what financial challenges they might be facing. So, you're correct.

Andy Burton:

Okay. Thank you.

All right.

Dan Landon:

Mr. Chair, I'd like to offer a comment at this point.

Back in April when we looked at this and it was determined to defer things with... The principal reason was we weren't sure, based on the pandemic, what our revenue stream was going to look like at this point in time. Working with Nevada County Auditor-Controller, we've determined that there has not been, interestingly enough, a significant decrease in our revenue stream, which is principally generated from sales tax that's generated here in Nevada County.

And talking with Marcia Salter, we kind of opined that this may be due to the Amazon effect, if you will, that people are... Instead of shopping in stores with the pandemic, they're getting a lot of things online and, of course, this state has set up now that when you purchase something online, the sales tax goes to the county of the sale.

Andy Burton:

Right.

Dan Landon:

Er, the county of the residents of the person buying the item. So, we haven't seen a significant decrease in our revenue to that effect.

So, that was why staff felt comfortable bringing this forward at this point as we feel pretty confident this far into the year that our revenue is doing okay and we're not going to see a major impact to our operating budget.

Andy Burton:

So, today's action item is just the presentation of the data. Should we assume, then, that we will see an action item on the next meeting's agenda to adopt changes?

Dan Landon:

No, the action item is to approve the recommendations in the study.

Andy Burton:

Oh. Okay.

Can we get a quick review? Can you put up on the screen Resolution 20-45?

Dan Landon:

So...

Shellie, if you'll stop sharing and -

Shellie Anderson:

Yep. I just took it off.

Dan Landon:

... Kena, you can put up the Resolution, please.

Andy Burton:

Shellie, thank you for the presentation.

Shellie Anderson:

Of course. You're welcome.

Andy Burton:

Okay, so we are voting today on adopting Resolution 20-45 based on the information that we just received. This would go into effect January 1st of 2021. I'm not going to read through all of the background, but essentially we would be making salary adjustments for NCTC staff.

But, yeah, effective January 1st, 2021.

Does anybody have any questions or additional discussion on this item?

Ed Scofield:

No.

Andy Burton:

I would entertain a motion to accept the staff recommendation.

Ann Guerra:

I would move to adopt Resolution 20-45.

Andy Burton:

Thank you, Ann.

Duane Strawser:

Second.

Andy Burton:

Second, Duane. Thank you.

Okay. We are online, so it requires a roll call vote.

Dan Landon:

All right.

Commissioner Hoek.

Susan Hoek:

Yes.

Dan Landon:

Commissioner Scofield?

Ed Scofield:
Yes.

Dan Landon:
Commissioner Arbuckle.

Jan Arbuckle:
Yes.

Dan Landon:
Commissioner Strawser.

Duane Strawser:
Yes.

Dan Landon:
Commissioner Guerra.

Ann Guerra:
Yes.

Dan Landon:
Chairman Burton.

Andy Burton:
Yes.

Dan Landon:
So, you have a unanimous approval.

Andy Burton:
We have unanimous approval. All right. Thank you, everyone.