



# MEMO

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**FROM: Compensation Steering Committee**  
Mayor Bob Andeweg  
Councilmember Ron Pogge  
Councilmember John Forbes  
AJ Johnson, City Manager  
Su Zanna K. Prophet, Assistant City Manager  
Nicci Lamb, Finance Director  
Jennifer Hubbard, Human Resources Director

**DATE: December 29, 2011**

**RE: Non Union Compensation Study Summary**

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## ***Background***

In early 2011, a committee consisting of the Mayor, two council members and four staff members met to review comparable increase data and determine the non-union wage adjustments for FY2011-12. It was the City's long-standing practice to adjust non-union wages by the same percentage as the City's union contracts. The committee determined that since it had been 20 years since the last comprehensive review of the City's non-union salary structure, money would be budgeted to conduct a comprehensive non-union compensation study in FY2011-12.

In 2010 and 2011, the City of Urbandale participated in two similar studies undertaken by the City of Johnston and the City of West Des Moines. Both of those studies were conducted by Fox Lawson and Associates. Since Fox Lawson already had significant data collected from the relevant labor market including public and private sector, the City requested a proposal to conduct a limited classification study for clerical classifications and comprehensive non-union compensation study and final report; this was approved by the City Council on September 20, 2011. On November 29, 2011, the committee met with the Fox Lawson consultant, Annette Hoefer, to review a draft final report and recommendations. A summary of the final report and committee's recommendations was made to the City Council on December 20, 2011 and recommendations were taken for formal action to the December 27, 2011 meeting. This document is a summary of the final report and committee's recommendations.

## ***Survey Summary***

For this study, we utilized the non-bargaining unit job survey data Fox Lawson & Associates collected in the recent West Des Moines and Johnston surveys. Data was utilized from these surveys and included surveyed public organizations that were consistent with the City of Urbandale's labor market and published surveys that included private sector data.

- In an August 2011 meeting with Fox Lawson, the City established a pay target of the median or 50<sup>th</sup> percentile of the market as the pay target for its non-bargaining unit jobs.
  - The 50<sup>th</sup> percentile is median or middle number of the array of salary data.

- 32 non-bargaining classifications were included as survey benchmarks. They are listed below.

1	Accounts Payable Clerk	18	Drafting Technician/Inspector
2	Aquatics Programmer/Scheduler	19	Finance Director
3	Assistant Fire Chief	20	Fire Chief/Emergency Preparedness Director
4	Assistant City Manager	21	Fire/EMS Lieutenant
5	Assistant Director of Engineering	22	Library Circulation Assistant
6	Assistant Director of Finance	23	Library Director
7	Assistant Director of Public Works	24	Library Page
8	Building Inspector	25	Library Youth Services Manager
9	Building Official	26	Planner II
10	Chief of Police	27	Police Lieutenant
11	City Clerk	28	Police Sergeant
12	City Manager	29	Recreation Supervisor
13	Community Development Director	30	Reference Manager
14	Department Secretary/Administrative Assistant	31	Senior Engineering Technician
15	Director of Engineering & Public Works	32	Youth Services Assistant
16	Director of Parks & Recreation/Community Education		
17	Director of Technology		

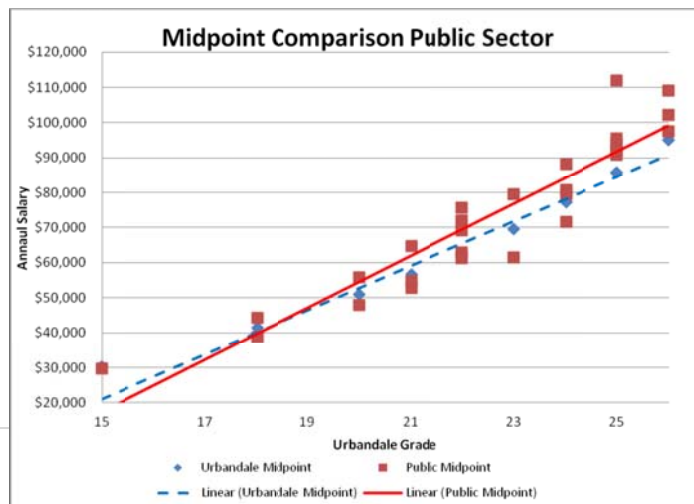
The 24 Iowa organizations included in the study are noted below.

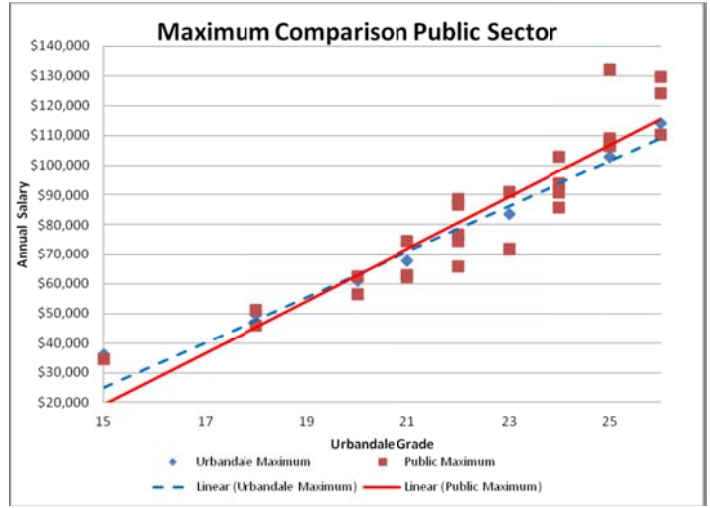
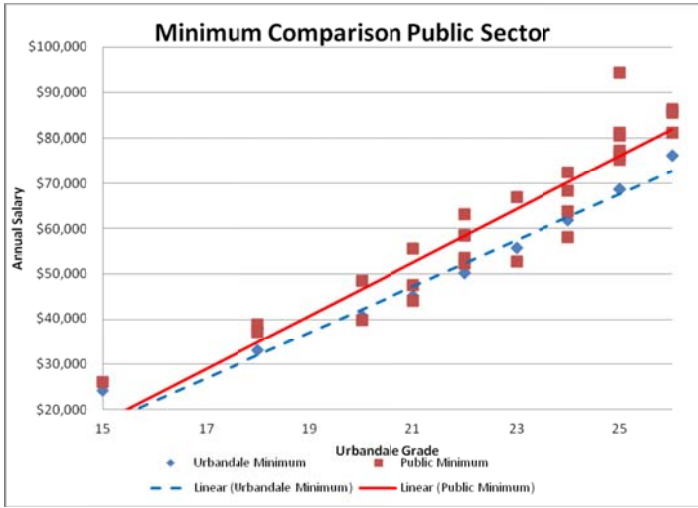
- City of Altoona
- City of Ames
- City of Ankeny
- City of Clive
- City of Des Moines
- City of Indianola
- City of Johnston
- City of Newton
- City of Waukee
- City of West Des Moines
- Dallas County
- Polk County
- State of Iowa
- Story County
- City of Bettendorf
- City of Cedar Falls
- City of Cedar Rapids
- City of Coralville
- City of Council Bluffs
- City of Dubuque
- City of Iowa City
- City of Marion
- City of Sioux City
- City of Waterloo

- Salary figures that were beyond +/- 2.00 standard deviations from the trend were excluded from the analysis as outliers.
- Because geographic markets differ, Economic Research Institute’s Geographic Difference Reference Report was referenced and geographical differentials were applied to the survey data to equate the salary data to the City of Urbandale geographic area.
- Recent published survey sources were also utilized to provide a representation of the private sector market. Published sources referenced are listed below.
  - Employer’s Association, National Engineering & IT Survey
  - Employer’s Association, National Wage and Salary Survey
  - HCS Hospital Salary & Benefits Report
  - Iowa Hospital Salary & Benefits Survey
  - Mercer Benchmark Database, North Central Region Report
  - Mercer, Finance Accounting & Legal Survey
  - Mercer, Information Technology Report
  - MSA Midwest Staff Survey
  - Stanton Midwest Healthcare Professional & Hourly Salary
  - Towers Watson Middle Management Report
  - Towers Watson Office Personnel Report
  - Towers Watson Professional Administrative Report
  - Towers Watson Professional Specialized Report
  - Towers Watson Supervisory Personnel Report
  - Towers Watson Technician & Skilled Trades Report
- Benchmarks where fewer than five organizations reported matches were excluded from the analysis because this is considered an insufficient sample size for drawing conclusions. Only four benchmarks had fewer than five matches.

**Salary Comparisons**

The scatter grams of salary comparisons shown below exhibit the salary figures as plot points and the resulting pay trends for both the City of Urbandale’s pay ranges and the public sector market. The trend lines were calculated using a statistical procedure called regression analysis, also known as the “line of best fit.” It takes into account all of the salary figures and their corresponding grades to develop one continuous pay line from the lowest level to the highest level.





	Public Sector Market	Private Sector Market
Range Minimum	-9%	5%
Range Midpoint	-5%	1%
Range Maximum	-2%	-2%

On an overall basis of all jobs combined, the City’s salary ranges are competitive with the 50<sup>th</sup> percentile of the public sector market. Generally accepted compensation practice typically states that salary levels that are within 15% above or below the market are considered aligned with the market.

**Next Steps**

The Non-Union Compensation Steering Committee presented the final report and recommendations to the City Council on December 20, 2011 for comment prior to asking for formal action on December 27, 2011.

The recommendations of the committee included:

- A one-time increase to the range structure itself of 5% effective July 1, 2012 and;
- A 2% increase to the non-union salary budget effective July 1, 2012.

For clarity, it should be noted that the first recommendation is not an increase in actual salaries; it simply adjusts the ranges by 5%. For example, with the range increasing by 5% and the salary budget increasing by 2%, it’s possible that employees currently at the top of their pay range will no longer be at the top of the pay range after merit adjustments effective July 1, 2012.

These recommendations were approved by the Urbandale City Council at the December 27, 2011 meeting.