



City Council Action Report

To: The Mayor and City Council
From: Phil Nelson, City Manager
Subject: Exempt Employee Classification
Date: July 31, 2007

Background:

- The Council previously acted on a proposal to reclassify certain positions by denying the plan as proposed
- Council asked that the plan be brought back at a future meeting, but indicated that all seven members of Council had to be present before any action was taken.
- The primary points of discussion centered around moving the Community Affairs Director's position from a Grade 7 category to Grade 8
- Staff indicated that the position has taken on more responsibility and that all other department heads are in pay grade 8 or higher.
- Information concerning Council questions is attached

Financial Considerations:

- The Assistant City Manager for Economic Services assumed the responsibilities of the Economic Development Director. A new position of Economic Development Specialist was created. Total savings from the revamped structure are estimated at \$60,000 per year.
- Total salary increases for all positions requested for change totals approximately \$15,000 of which the Community Affairs Director would realize approximately \$5,000.
- The City is now operating with 19 fewer full time positions than four years ago
- Total General Fund expenditures for 2007 decreased 2.4%

Legal Considerations:

- There are no legal considerations

Policy Considerations:

- The proposed restructuring of certain positions meets the Council goal of minimizing the cost and increase the efficiency and effectiveness of City Government
- By expanding the role of the Community Affairs Director to include economic development responsibilities, the Council Goal of Retain and attract investment while encouraging redevelopment is met
- By redefining the role of other employees in the City toward a consistent customer service ethic, the Council Goal of Effectively and professionally communicating internally and externally is better served.
- In this period of change in the State of Michigan, it is important to understand that Troy has more economic development competition than ever before and has to market itself not only on a local basis, but also on a regional, national and global scale. Having skilled people in all positions gives us the tools to better meet the challenges of the future.

Options:

- The council can approve the proposed changes to the exempt employee classification schedule
- The Council can deny the proposed changes to the exempt employee classification schedule



CITY COUNCIL REPORT

July 13, 2007

TO: Phillip L. Nelson, City Manager ^{PLN}

FROM: Peggy E. Sears, Human Resources Director ^{PES}

SUBJECT: Revisions to 2007 Classified and Exempt Classification Plans

Background:

- On June 18, 2007, City Council approved the 2007 Pay Plan for Classified and Exempt Employees. Included with the report was the 2007 Classification Plan that listed the position titles and respective pay grades to which they had been assigned.
- City Council requested additional information in support of the pay grade changes for three classifications: GIS Analyst, Legal Assistant and Community Affairs Director.
- On July 9, 2007, City Council requested further information in response to questions raised after reviewing the follow-up report. Responses to these questions follow.

1. *How are comparables used in the analysis of pay grade assignments?*

Generally, two forms of analyses are used in evaluating salary structure: internal equity and market competitiveness. Internal equity is examined to assess the fairness of pay ranges as well as the relationship of actual salaries to job size/responsibility. For instance, a hypothetical example would be: in the pay grade assignment of a new Classified secretarial supervisory position, attention needs to be given to: (1) the pay rate of those positions who report to this person (which may be dictated by union contract), and the salary of the person this new position reports to; and, (2) how the job requirements and responsibilities compare to the other classifications in a pay grade. The basis of the current Classification Plan was determined in part by the Hay Group's evaluation of the internal relationships of positions (based on the point value assessed for skill level/problem-solving/accountability). As departments and positions evolve and change, a determination is made on how the new/revised functions affect the relationship of that position to others in the pay grade.

External market data is drawn from comparable municipal positions. Historically, the City of Troy has used cities of comparable size in the Detroit Metropolitan area, in essence our primary labor market source, for salary comparisons. Federal, state, county, and township jurisdictions are not appropriate matches. While some of the labor markets might be shared, the differences in taxing structures and government reporting structure are significant enough to affect the nature of work performed and how it is funded. This philosophy is consistent among municipalities. The Hay Group confirmed this methodology in the compensation study they performed in 1999.

That being said, there may be occasions where, because of the uniqueness of a position, there is a need to extend to others sources for relevant data, such as positions in the museum or nature center which most other jurisdictions may not employ.

2. Is there an intent to upgrade other classifications whose incumbents are direct reports to the City Manager, such as secretarial support?

The reporting structure is only one consideration in analyzing a position's salary range. Taken in isolation, that reason would not be sufficient by itself to warrant reclassification. Other factors need to be considered to determine whether the position is aligned with others having similar duties. The reporting structure is only one factor in that analysis.

3. Is there the possibility of an intermediate transition in a salary adjustment?

The approved annual budget determines the availability of funds for pay increases. Consideration is, and has historically been, given to evaluating the impact of substantial pay raises, along with non-financial considerations such as the justification for the increase, the appropriate effective date if not the beginning of the fiscal year, the length of time the incumbent has been performing those responsibilities in that capacity, etc.

4. How will the quartile (of the pay grade) for each of the three incumbents in the referenced classifications be affected by the pay grade adjustments?

Using job titles, the quartiles for each of the three employees are shown in the chart below.

<u>Position</u>	<u>Quartile (2006 Salary)</u>	<u>Quartile (2007 Salary)</u>
GIS Analyst	1 st	1 st
Legal Assistant	3 rd	3 rd
Comm. Affairs Dir.	4 th	Midpoint (between 2 nd and 3 rd)

Financial Considerations:

The financial impact of the above-referenced adjustments is mitigated by the fact that the resultant salaries will include the merit pay for 2007 rather than be in addition to the merit pay amount. All salary adjustments are captured in the 2007-08 budget.

Legal Considerations:

There are no legal considerations associated with this item.

Policy Considerations:

Effectively and professionally communicate internally and externally by maintaining a fair and competitive total compensation package in order to attract and retain qualified employees (Goal IV).

Options:

City management assigns functions to positions based on organizational efficiency, productivity and service needs. Position descriptions and titles are intended to reflect the nature of work being performed. Positions are assigned to pay grades to recognize the level of responsibility relative to other internal positions and to assure Troy remains competitive.

PAY PLAN
CLASSIFIED AND EXEMPT EMPLOYEES

JULY 1, 2007

(Reflects a 2% increase over 2006 Plan)

Grade	Minimum	Mid-Point	Maximum
1	\$24,543	\$30,679	\$36,815
2	\$28,748	\$35,936	\$43,123
3	\$33,590	\$41,988	\$50,386
4	\$39,452	\$49,314	\$59,176
5	\$46,331	\$57,915	\$69,498
6	\$55,125	\$68,906	\$82,686
7	\$65,318	\$81,648	\$97,977
8	\$80,756	\$100,947	\$121,137
9	\$82,918	\$103,648	\$124,377
10	\$85,467	\$106,833	\$128,199
11	\$88,511	\$110,640	\$132,768
12	\$92,113	\$115,141	\$138,169
15	\$107,696	\$134,621	\$161,545

Personnel Board Approved: 5/29/07
City Council Approved:

**CLASSIFICATION PLAN
CLASSIFIED EMPLOYEES
~~July 1, 2006~~ July 1, 2007**

Pay Grade 1

Pay Grade 2

Inventory Control Assistant
Museum Archivist

Pay Grade 3

Administrative Aide
Assistant Naturalist
Education Coordinator
Engineering Technician
Legal Secretary
Library Aide
Manager's Office Secretary
Secretary II

Pay Grade 4

Building Maintenance Specialist
Engineering Assistant
GIS Data Analyst
Inspector
Insurance & Safety Coordinator
Landscape Analyst
Legal Assistant
Librarian I
Office Coordinator
PC Specialist/Help Desk Technician
Planning Technician
Survey Supervisor

Pay Grade 5

Accountant
Administrative Assistant to the City Manager
Appraiser
Building Inspector
Civilian Communications Supervisor
Community Affairs Officer
Cross Connection Inspector
Environmental Specialist
Field Supervisor
GIS Analyst
Legal Assistant II
Project Manager (Engrg.)
Right-of-Way Representative

Pay Grade 6

Inspector Supervisor

Pay Grade 7

Plan Analyst

Personnel Board Approved:

Council Approved:

N = 36

G:C/E Classification Plans 2007

CLASSIFICATION PLAN

EXEMPT EMPLOYEES

JULY 1, 2006 July 1, 2007

Pay Grade 3

Assistant to the City Manager

Pay Grade 4

Aquatics Coordinator
Associate Buyer
Fitness and Gym Coordinator
Naturalist

Pay Grade 5

Application Support Specialist
Buyer
Community Center Facility Manager
Data Processing Analyst/Programmer
Director of Golf Operations
Greens Superintendent
Land Surveyor
Lead PC Specialist
Librarian II
Nature Center Manager
Planner

Police Analyst Programmer

Police Records Supervisor
Recreation Supervisor
Solid Waste Coordinator

Pay Grade 6

Assistant Library Director
Civil Engineer
Communications Manager
Deputy City Clerk
GIS Administrator
Human Resources Specialist
Museum Manager
Network Administrator
Project Construction Manager
Purchasing Systems Administrator
Research and Technology Administrator

Pay Grade 7

Attorney I
Attorney II
City Treasurer

Community Affairs Director

Deputy City Assessor
Deputy City Engineer

Pay Grade 7 (continued)

Economic Development Specialist

Parks Superintendent
Plans Examiner/Coordinator
Principal Planner
Risk Manager
Senior Right-of-Way Representative
Superintendent of Building Operations
Superintendent of Motor Pool
Superintendent of Recreation
Superintendent of Streets and Drains
Superintendent of Water and Sewer

Pay Grade 8

Assistant City Attorney
City Clerk
Community Affairs Director
Director of Building Operations
Director of Purchasing

Pay Grade 9

City Assessor
City Engineer
Director of Building and Zoning
Financial Services Director
Fire Chief
Human Resources Director
Information Technology Director
Library Director
Parks and Recreation Director
Planning Director

Real Estate and Development Director

Pay Grade 10

Police Chief
Public Works Director

Pay Grade 11

City Attorney

Pay Grade 12

Assistant City Manager/Finance
Assistant City Manager/**Econ Dev Services**

Pay Grade 15

City Manager