

Classification and Total Compensation FAQ

Why is the City conducting this study?

To develop a fair, consistent and competitive total compensation program in order to retain and attract quality staff.

Who initiated the study?

The City Council, City Manager and TPU Director.

Who is doing the work on this project?

The City hired Milliman, a company with extensive experience in governmental and utility total compensation studies, to conduct the study. Milliman is being advised by a steering committee made up of managers from both General Government and TPU. Work groups, which will include managers and both represented and non-represented employees, will have responsibility for reviewing the classifications. A Milliman representative will facilitate the work group meetings and guide them through that process.

What will the work groups do and who will serve on them?

They will review most job classifications in General Government and at TPU. The study will not include most Police, Fire and Tacoma Rail classifications. Those classifications are reviewed through other processes. Some work groups will only include General Government employees and some will only include TPU employees, while others will include employees from both. The work groups will:

1. Help to identify classifications that should be included in a custom survey
2. Help to identify classifications that need review
3. Provide input to Milliman to assist in formulating recommendations.

New classifications may need to be developed, existing ones revised, and some may need to be combined.

Who will choose members of the work groups?

Department directors and utility superintendents will choose some of the work group members and will also rely on union representatives for participant recommendations.

What work has been done so far?

The Steering Committee has met twice a month since July. It has reviewed data about job classifications and identified work groups. Council members, management and union representatives have been interviewed by Milliman regarding their views on:

- The quality of labor talent they think we have now and would like to attract
- How they define “market”
- How competitive the City’s total pay package should be
- How competitive the City’s base pay should be
- How competitive the City’s benefit package should be
- What should drive the plan or philosophy (market versus internal equity)
- Should pay for performance be considered in the City’s pay structure
- Should managers have flexibility to manage pay

- What are the City's future challenges regarding compensation

The results of those interviews have been shared with the interviewees. Milliman has made presentations to the City Council, City Council's Government Performance and Finance Committee, TPU Board and Joint Labor Committee. However, discussions about the policy decisions regarding classification and conversations are really just beginning.

Who is on the Steering Committee?

Bill Pugh, Assistant City Manager/Public Works Director
Rey Arellano, Assistant City Manager/Chief Information Officer
Bill Gaines, Tacoma Power Superintendent
John Kirner, Tacoma Water Superintendent
Steve Hatcher, TPU Customer Services Manager
Mark Cassidy, Interim Human Resources Director
Rob McNair-Huff, General Government Community Relations Manager
Chris Gleason, TPU Community & Media Services Manager

What is the timeline for this study?

The study is designed in two phases: The first phase of studying classification descriptions is scheduled to be complete by December 2007; the last phase of conducting the compensation study is scheduled to be complete in mid-2008. Management is committed to accomplishing the study in a quick, yet thoughtful and deliberative manner.

With whom are we being compared in this study?

This is an element of the policy discussion that the City Council is just beginning. Overall, comparisons may include both public and private organizations, or just public organizations, depending on the classification.

After the comparisons are done and we see how Tacoma compares, how will it be determined where Tacoma *should* be?

The City Council must determine a pay philosophy. That is, it must determine if Tacoma's total compensation, which includes pay, benefits and pension, should be at the median level or higher or lower than the median.

Will there be cuts to my pay and benefits as a result of this study?

The study is not intended to take anything away from employees. The Council has not yet set a policy for how it will address classifications that are currently paid at a rate above the market. However, it is likely that with the exception of extraordinary cases, the Council will follow past practice and hold the compensation for someone paid above the market at the same level until their compensation is aligned with the market

Will my job title change?

It's a possibility. One of the goals of the study is to reduce the number of classifications, because the City of Tacoma has a high number compared with other organizations.

Until the work groups complete their assignments, there is no way to predict how many job titles will change.

After the study, who will be making any changes and when?

As the governing body, the City Council will ultimately authorize any changes to job classifications and compensation. The significant factor that will determine when the changes will be implemented is the requirement to negotiate those changes that are subject to mandatory bargaining.

How will labor groups be affected?

The City Council, Utility Board, General Government management and TPU management have all expressed a desire to include labor groups in the process. Some of the recommendations that come out of the study will need to be bargained. Ideally, labor groups and their members will have involvement in and a clear understanding of the recommendations prior to contract negotiations.

Why does it matter how we compare to others?

Making comparisons to the market is common practice, and it's the only real way to understand if an organization has a compensation plan in place that will retain existing employees and attract qualified new ones at the lowest possible cost to our taxpayers.

Isn't this really about trying to pay us less for doing the same work?

No. This is about doing a comparison to find out where Tacoma's compensation sits in the market. Based on Milliman's previous studies, it's likely that Tacoma's study will reveal that some positions are paid higher than market, some are paid lower and some are paid at a competitive level.

If you're truly interested in paying us adequately, why are we still using the antiquated pay step system rather than pay for performance?

Each pay system has its pros and cons. The City Council will consider the merits of both systems when making its decisions in the overall compensation framework.