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March 16, 2022



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Strategy

- Establish and maintain an equitable and defensible compensation system and strategy
- Meets requirements of Federal and State legislation
- Attract and retain quality, qualified employees
 - Candidates with desired skill sets
 - Reduce employee turnover
- Ensures equitable internal pay relationships
- Competitive with established market
- Provides information to make defensible decisions on employee wages
- Delivery of services in a fiscally sound and efficient manner



Strategy

- Employees are an organization's most valuable resource; they should be treated fairly and equitably
- Creates a culture of fairness, consistency and transparency



Objectives

- Review and evaluate the current classification and compensation system
- Create opportunities for input at all levels
- Develop up to date job descriptions for all positions
- Determine current relationship relative to the labor market
- Evaluate the internal ranking of all positions
- Develop compensation system and strategy
- Develop implementation strategies



Recruitment and Retention

- Impacts of turnover/job vacancies
 - Organizational effectiveness
 - Advertising costs
 - Diversion of remaining employees from day-to-day responsibilities
 - Increased overtime costs
 - Impact on service levels and productivity
 - Affects employee commitment to the organization
 - Frustration of staff and the public which is served
 - Missed deadlines
 - Cost of training new employees
- Recruitment
 - Candidate pools are small, candidates may not meet minimum job requirements
 - Liability to Town with inexperienced staff



Methodology

- Discussions with the Town Manager, Human Resources and Department Heads
- Employee informational meetings
- Collection of data – Position Analysis Questionnaires
- Develop job descriptions
- Conduct comprehensive market survey
- Evaluate positions based on job requirements



Methodology

- Development of compensation plan
- Assignment of positions to pay grades
- Development of implementation options



Market Survey– Benchmarks– 17 Entities

- **Clark Town**
- **Fairfax Town**
- Frederick Town
- **Loudoun Town**
- Loudoun Town Public Schools
- **Prince William Town**
- **Town of Berryville**
- **Town of Herndon**
- **Town of Lovettsville**
- **Town of Middleburg**
- **Town of Roundhill**
- **Town of Vienna**
- **Town of Warrenton**
- City of Fairfax
- **City of Leesburg**
- **City of Manassas**
- City of Winchester



Salary Survey

- 50 positions surveyed, 46 used in the analysis
- Town salary ranges were compared to market ranges and were found to be below average when comparing minimum, midpoint and maximum salaries
- Data is now aged and to ensure the Town is competitive with market an update of the market data needs to be completed



Job Evaluation

- Determine relative value of positions using a consistent, defensible and objective process
- Evaluate positions using the SAFE[®] system

Training and Ability	Experience Required
Level of Work	Human Relations Skills
Physical Demands	Working Conditions
Independence of Actions	Impact on End Results
Supervision Exercised	



Pay Philosophy

- Comprehensive, long-term focus, supports the Town's long-range strategic goals
- Defines the Town's market comparables and where the Town is positioned within that market
- Balance external market and internal equity
- Maintain competitive pay structure with consideration of the Town's fiscal resources
- Concepts
 - Provides fair and equitable pay to employees
 - Establishes pay rates which allows the Town to compete successfully for new employees within your established labor market
 - Supports consistent application of policies and procedures throughout the organization



Development of Compensation Plan Proposed Pay Scales

- Implements the Town's pay philosophy
- Developed utilizing the respondents survey data to be consistent with the other jurisdictions and to provide internal equity
- Contains thirty (30) pay grades with a 5% separation between grades
- Each grade is an open range system
- Proposed scale provides a minimum, midpoint and maximum salary consistent with the survey responses
- The pay plan is shown in Appendix III



Implementation

Transitional movement onto proposed pay plan

- **Move to 25th/50th/75th percentile based on years of service**

- Min to 24th: 0-1 year

- 25th to 49th: 2-4 years

- 50th to 74th: 5-14 years

- 75th to 99th: 15+

- Annual cost - \$137,565** (included in FY23 Proposed Budget Enhancements)

- Due to the age of the proposed pay plan data (2019), Baker Tilly will re-survey benchmark entities
- Baker Tilly will return to Town Council in April-May 2022 to present their findings



Recommendations

- Adopt the proposed salary schedule
- Adopt the position placement which aligns positions both internally and based on market
- Adopt an implementation option which meets the goals of the Town and falls within financial resources
- Provide support for ongoing administration
 - Establish guidelines for base adjustments
 - Adjust pay ranges and wages of employees



Conclusions

- Fair and equitable compensation to employees in a competitive and changing labor market
- Compensation that addresses internal equity and external market competitiveness
- Establish a market position that is fiscally responsible with public resources
- Consistent administration of pay policies and procedures among all Town Departments