

WEST BASIN MUNICIPAL WATER DISTRICT

JANUARY 28, 2008 – Board Meeting

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ACTION CALENDAR

CLASSIFICATION AND COMPENSATION STUDYSUMMARY:

Last May, the Board authorized staff to enter into a contract with Reward Strategy Group (RSG) to conduct a comprehensive classification and compensation study. At a special workshop conducted on December 20, 2007, Allan Crecelius of Reward, President of RSG, presented the results of the compensation study and RSG's recommendations to the Board.

The recommendations are summarized below.

1. RSG reviewed West Basin's salary ranges and recommended an improved salary grade structure for the current job classifications. The new structure provides a hierarchy of salary grades with consistent differentials between grades/ranges that are based upon internal job equity and market competitiveness.
2. The recommended salary ranges have a control point at 25% of the range. The salary range control points reflect the competitive market range and the hiring range. The additional range of 7% above the control point is reserved for outstanding performance levels.
3. RSG recommended that the salary range control points be set at approximately 7% above the survey medians/averages to provide West Basin with highly competitive salaries for recruitment and retention purposes.
4. To ensure that salaries remain competitive, RSG recommended that all ranges be adjusted annually by an amount that takes into consideration the national Employment Cost Index (ECI), the regional Consumer Price Index (CPI), and the planned increases of the District's survey agencies.
5. RSG recommended West Basin modify its past practice of granting across-the-board cost-of-living adjustments (COLA's) along with performance-based merit pay. Instead of COLA's (which generally comprise the majority of the salary adjustment), there would be a fixed across-the-board salary adjustment of approximately 2%. The balance of the salary adjustment would be a merit pay differential based upon performance. The amount of merit pay granted would be determined by the employee's performance appraisal rating and his/her position in the salary range. Employees below 90% of the salary range control point would be eligible for higher adjustments than employees above the 90% point.
6. To remain competitive in the labor market, RSG recommended that West Basin conduct a full market salary survey and realign the salary grades and control points every two years.