



City of Colleyville Classification and Compensation Committee Agenda

City Hall
100 Main Street
Colleyville, Texas 76034
817. 503.1000
www.colleyville.com

Monday, January 23, 2017
6:00 p.m.

Executive Conference Room
Third Floor – City Hall

1. CALL TO ORDER

2. APPROVAL OF MINUTES

January 18, 2017

3. PRESENTATION AND DISCUSSION

3a Interview and discussion of consultants to conduct a classification and compensation analysis

4. ADJOURNMENT

I hereby certify this agenda was posted on City Hall bulletin boards Friday, January 20, 2017, by 5:00 p.m.

Amy Shelley, TRMC
City Secretary

A quorum of the Colleyville City Council and/or any other Colleyville Board, Commission, or Committee may be in attendance at this meeting.

Any matter on this agenda may, at the discretion of the governing body, be opened for public comment and discussion.

If you plan to attend this public meeting and have a disability that requires special accommodations, please advise the Economic Development Marketing Coordinator at least 48 hours in advance at 817.503.1050, and reasonable accommodations will be made to assist you.



City of Colleyville Classification and Compensation Committee Minutes - DRAFT

City Hall
100 Main Street
Colleyville, Texas 76034
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Wednesday, January 18, 2017
6:00 p.m.

Executive Conference Room
Third Floor – City Hall

1. CALL TO ORDER

Human Resources Director Rachel Huitt called the meeting of the Classification and Compensation Committee to order on Wednesday, January 18, 2017, at 6:01 p.m.

ROLL CALL: Mayor Richard Newton, Councilmembers Tammy Nakamura and Nancy Coplen, citizen committee members Bo Bottger, Lenonna Nichols, Scott Redfearn, staff committee members Parks Manager Heather Dowell, Public Works Director Jeremy Hutt, Assistant Police Chief Robert Hinton, Fire Battalion Chief Tim Folden, and Human Resources Director Rachel Huitt.

Not in attendance: Strategic Services Manager Adrienne Lothery

2. INTRODUCTION OF COMMITTEE MEMBERS AND COMMITTEE CHARGE

Committee members made self-introductions and Human Resources Director Rachel Huitt explained the charge of the Committee.

3. PRESENTATION AND DISCUSSION

3a Discussion of Classification and Compensation Study

Director Huitt gave a presentation and answered questions of the Committee.

During the discussion of job classification and broad banding, Councilmember Nakamura asked the reason the City moved to a broad banded system and whether it was just to have less jobs in the classification system or if there were other reasons. Director Huitt responded that it was part of the reason, but it was also to provide more flexibility within the ranges.

Committee member Redfearn said they use a broad banding type system at his company and it allows the company to assign, for instance, a certain vacation policy to a particular band of jobs. It is easier to group them for certain purposes.

Committee member Nichols said her company uses pay bands and they use the functional titles. She said they start their new employees at midpoint and have the flexibility to start them slightly higher or lower based upon experience or skills.

Committee member Bottger asked Public Works Director Jeremy Hutt about how the new system has affected his department. Director Hutt said the front line employees don't really see the broad banded titles but they can be confusing. He said the concept has some pros to it, but from an employee standpoint, it is confusing. Director Hutt said there are some benefits to the new system. For instance, before we implemented the current system, we were paying an equipment operator in two different departments different rates. The 2013 study helped to group these together to have more consistency. Once we looked at the manager level, it got a little more difficult because some of them were not grouped correctly and we had to move certain jobs later to adjust based upon the market.

Mayor Newton asked why the City hires at the minimum. Director Huitt explained it was a cost issue when it was evaluated in 2013. Director Huitt also explained that moving the ranges, but not the current employees within the range, can cause compression.

Committee member Nichols said she sees this same issue when a new hire gets an increase when the ranges move and then gets a merit raise, they can get a double bump in pay depending upon timing. Parks Manager Heather Dowell said that it is a current issue when the candidates discover our policy to hire at minimum during the offer stage. Assistant Chief Hinton said it was a large price tag when it was evaluated during the last study to move everyone closer to midpoint.

Committee member Nichols suggested that we may need a one-year reset to slide more toward midpoint. Director Huitt explained that, since all vacant positions are budgeted at minimum, if a director finds an exceptional candidate, they currently have to pull money from somewhere else in their budget to offer the candidate more than minimum.

Committee member Nichols said that a recruit going out to the City website will be looking at the salary band. They will consider it in context of where they come from, typically a prior job which pays midpoint. Their interest is based upon the salary range and they are probably surprised when they find out at the offer stage that the City hires at the minimum. Manager Dowell said that is exactly what is occurring during the offer stage currently. Once we reach the point of making the offer, the candidates are surprised by the pay. Director Huitt said that hiring at the minimum is in the currently compensation philosophy and strategy and the Committee will need to discuss whether this is something that needs to be changed.

Because of the costs associated with this change, the Committee can evaluate whether we may need to get to midpoint incrementally. Director Huitt said that we will need the consultant to help us through the options and the costs associated with them.

During the discussion of the merit performance system, Committee member Nichols asked if the City used the step program for the Police, Fire or EMT positions. Assistant Chief Robert Hinton replied we do not have a step program in place.

Director Huitt asked Assistant Chief Hinton if that was phased out during the 2013 study or before. Assistant Chief Hinton said they made the change to ranges before he was hired in 2012. Fire Battalion Chief Tim Folden said there was a pseudo step program in place before then, not a true step program. There were steps built into the compensation system but an employee could only advance with a satisfactory performance evaluation. The merit percentages were 2½ percent, 5 percent or 7½ percent depending upon the results of the employee's evaluation. If you did not have a successful evaluation, you did not advance.

Committee member Nichols asked if the program was stopped because of budget. Battalion Chief Folden explained that the City Council, at the time, was opposed to a step program.

Mayor Newton asked Battalion Chief Folden to define what he meant by a true step program. Battalion Chief Folden explained that it is common in the fire industry to have pre-determined steps based on years of service. For instance, steps were placed at year one, year three and year five, or year one, year two, year three, etc. The employee would still need to complete a successful evaluation to advance; however, the pay raise is not variable based upon the results of an evaluation. In a true step system, the pay raise is a fixed, pre-determined amount. A true step program does not have a variable raise component. Once the employee reaches the top of the range, there is no pay raise after that unless the steps are adjusted.

Mayor Newton asked Battalion Chief Folden if the true step system is more tenure based than it is merit based. Battalion Chief Folden said that was correct.

Committee member Nichols asked Assistant Chief Hinton if there was a training component, in other words, the more training you get, the further the employee can move up in rank and pay. Assistant Chief Hinton explained that employees can move up through promotion and most cities, who have a step system in place, will have steps for every single rank. For instance, where he worked previously, each rank had ten steps. Any year that the city moved the cost of living up, they also moved the steps up the same percentage amount. This type of system allowed an employee to know what they will be making in five years, for example, and is a big recruiting tool for public safety employees.

Committee member Nichols asked Assistant Chief Hinton if this system was separate from the civilian population. Assistant Chief Hinton confirmed that it was

a totally separate pay plan from non-public safety employees. Director Huitt said to her knowledge, the only cities in our immediate area that have pay ranges like Colleyville is Keller. North Richland Hills did have pay ranges like Colleyville; however, they recently moved back to a step plan for public safety employees. Public safety employees will compare different cities' pay plans and tend to favor the step pay plans over the ranges because of the predictability of their future pay. In Colleyville, we budget for a merit raise and the merit can fluctuate depending upon the budget, therefore, it is uncertain how much the merit raise will be each year.

Committee member Redfearn asked Director Huitt if she had the numbers on what the last three years' merit increases were. Director Huitt said the merits have averaged roughly from 3 percent to 3½ percent.

Committee member Nichols said, from a recruiting perspective, Colleyville is a safe City and should be able to attract some quality officers, but if we cannot compete on the pay scale from a merit perspective, we lose that advantage. She said she understood how this could be challenging.

When discussing the benefits portion of the study, Mayor Newton asked if we would be looking at the whole package to include compensation and benefits. Director Huitt confirmed that the study will be looking at the whole package.

Committee member Nichols asked how many years an employee needed before being vested in TMRS. Director Huitt replied an employee has to be in the system for five years to be vested. Director Huitt told the Committee that the consultant will also be asked to review the City's vacation, sick and comp time policies to compare with other organizations in our market group.

Director Huitt asked the Committee members to turn in their proposal score sheets during the meeting, or before the end of the day on Friday.

Mayor Newton asked if one of these vendors had worked with the City before. Director Huitt confirmed that Fox Lawson was the company that worked with the City in 2013 to implement the new broad banded system and market study. Director Huitt said that there were mixed emotions coming out of the study. Some of that came from how the information was communicated to staff, and how it was communicated to the City Council; however, we are willing to interview them again to see what they will bring to the table. We will leave that decision to the Committee to evaluate and determine. Director Huitt said she has been told that the previous City Council and staff felt that they did not communicate well. This is why the interview process will be critical. The Committee needs to feel comfortable with the consultant, and we need to be sure that the consultant is able to communicate well with the Committee. Director Huitt said the product we received from Fox Lawson in 2013 is a good product.

Committee member Nichols asked if it was common to divulge the budget in the RPF process and whether pricing should be part of the review. Director Huitt said it is common for consultants to ask the budget in RFPs such as this and the information is published in the budget. It is public information, so we do provide it if asked. Since this is a best value purchasing process, the City does not have to just consider the lowest bidder. The Local Government Code allows cities to use best value in order to allow them to evaluate other factors than just the price.

Committee member Redfearn asked about the number of proposals received. Director Huitt explained that the City received three responses. One of the responses was over budget and over the timeline. Since it did not meet those requirements, we did not consider them further. Director Huitt explained that staff advertised in the *Fort Worth Star Telegram*, posted it on the City's website, and she made numerous calls to consulting firms to notify them of the RFP. Some firms did not submit a proposal because of the holidays, some had other deadlines they were trying to meet before the end of the year, and some did not want to propose within the budget amount. One firm did not want to work with a broad band system.

Committee member Bottger asked if it was typical to have a committee look at this, or if it's usually done in-house with staff. Director Huitt stated that typically this type of study is done in-house but this year we wanted to get residents and City Council involved because personnel is a large portion of the City's overall budget. Director Huitt explained that, because we are a service-oriented business, this is a very important piece of City operations.

Mayor Newton said something like this can have a significant impact on the City. We will need to discuss philosophically if we can do it and also from a budget standpoint. There are several challenges to work through and the City Council needs to be involved throughout the process. If they are just shown the end product after all of the work is done, it's too big of a challenge to get them pulled in at that point. We also philosophically, from an elected official's position, want to do everything we can to involve the citizens. We have great citizens and great talent in this City and we want to use that expertise to help us think through this process.

Committee member Nichols said she appreciated it because it is their tax dollars and their community and it pays for all of the services that they enjoy. To have the right people and the best talent to provide this is key.

Committee Nichols asked if in the RFPs there was a limit on pricing, like 60 days. Director Huitt said she remembered at least one proposal did have 120 days from the date of submission.

4. DISCUSSION OF FUTURE MEETING DATES

Director Huitt confirmed future meeting dates with the Committee. The next meeting will be January 23, 2017 at 6:00 p.m. to interview vendors.

Committee member Redfearn asked about the comp start date. Councilmember Coplen stated that the budget year starts October 1. Committee member Nichols asked about budgeting to try to get from minimum to midpoint. Director Huitt said we could evaluate timing on a phased-in approach, maybe budgeting for an increase mid-year instead of October 1.

Director Huitt collected scoring sheets and instruction sheets and asked everyone to get those to her by the end of the day on Friday.

Director Huitt handed out sample interview questions. Director Hutt asked if it was presentation or question and answer format. Director Huitt responded that it would be question and answer; however, we could provide them a problem to solve or a complicated question to explain to the Committee.

Mayor Newton asked to include a question about who would be the project lead. Director Huitt said it would be added to the list of questions.

Director Huitt said she will email out the interview scoring sheets to the Committee before Monday. She provided the Committee with her cell phone number in the event they needed to reach her after hours.

5. ADJOURNMENT

There being no further business before the Committee, the meeting adjourned at 7:38 p.m.

Minutes taken and prepared by:

*Rachel Huitt
Director of Human Resources*



City of Colleyville Classification and Compensation Committee Agenda Briefing

City Hall
100 Main Street
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Agenda Number 3a	Agenda Date 01/23/2017	Number
Type Presentation and Discussion		
Department Human Resources		

Title

Interview and discussion of consultants to conduct a classification and compensation analysis

Strategy Map Connection

B2- Proactively seek process improvements and sustainable solutions

B4- Cultivate a culture of transparency and consistent communication

L1- Attract, develop, and retain skilled employees who embrace our values

Explanation

The Classification and Compensation Study Committee will conduct interviews in order to make a final selection for a Classification and Compensation Study consultant.

Attachments

1. Interview Scoring Sheet - GBS
2. Interview Scoring Sheet - MAG

INTERVIEW FACTOR SCORING SHEET

VENDOR NAME: *Gallagher Benefit Services, Inc.*

CRITERIA	MAXIMUM POINTS	SCORE (TOTAL POINTS)
# 1 Ability to explain difficult concepts to multiple audiences	35	
Comments:		
# 2 Ability to respond to difficult questions in a clear and concise manner	30	
Comments:		
# 3 Overall presentation skills	35	
Comments:		
TOTALS	100	0

Instructions to Evaluator: Complete a separate evaluation form for each vendor interviewed. Each criteria must be assigned a score unless you are instructed otherwise on the form. Make additional notes in the comment section for each criteria.

The point values entered reflect my best independent judgement of the merits of the identified vendor's proposal.

Committee Member: _____

Signature: _____

Date: _____

INTERVIEW FACTOR SCORING SHEET

VENDOR NAME: *Management Advisory Group International, Inc.*

CRITERIA	MAXIMUM POINTS	SCORE (TOTAL POINTS)
# 1 Ability to explain difficult concepts to multiple audiences	35	
Comments:		
# 2 Ability to respond to difficult questions in a clear and concise manner	30	
Comments:		
# 3 Overall presentation skills	35	
Comments:		
TOTALS	100	0

Instructions to Evaluator: Complete a separate evaluation form for each vendor interviewed. Each criteria must be assigned a score unless you are instructed otherwise on the form. Make additional notes in the comment section for each criteria.

The point values entered reflect my best independent judgement of the merits of the identified vendor's proposal.

Committee Member: _____

Signature: _____

Date: _____