



January, 2009

TO: Non-represented Employees

FROM: Joy St. Germain, Human Resources Director

SUBJECT: IMPLEMENTATION OF NEW MARKET-BASED PAY
STRUCTURE FOR NON-REPRESENTED POSITIONS

Information-sharing workshops

For managers and supervisors:

January 7th, 10-12 p.m.: Tacoma Municipal Building, City Council Chambers

January 7th, 2-4 p.m.: Tacoma Public Utilities, Auditorium

For non-represented employees:

January 12, 1-2 p.m.: Tacoma Municipal Building, City Council Chambers

January 14, 7:30-8:30 a.m.: Tacoma Public Utilities, Auditorium

January 15, 7-8 a.m.: Tacoma Municipal Building, City Council Chambers

January 16, 11 a.m.-12 p.m.: Tacoma Public Utilities, Auditorium

As you know, the new pay structure ordinance for non-represented positions was adopted by the City Council on December 16, 2008. There are a number of actions that must be completed to implement the classification and compensation study for non-represented positions. The following summary provides a timeline and the Human Resources Department's plan with specific actions for the implementation phase of this project.

Timeline

The new pay structure went into effect on Jan. 5, 2009 and non-represented employees will receive their first pay checks under the new structure on March 6. That initial check will include a retroactive payment for any compensation owed under the new compensation structure dating back to Jan. 5, 2009. Employees will receive individual letters by February 16, 2009 which explain new classification (if applicable), new compensation rate, and anniversary date for step increase consideration.

Process for classification decisions

Tara Schaak, Human Resources Analyst, will review and assess individual position description forms and make recommendations about the classification that best fits each employee's assigned job duties. HR will then work with managers and supervisors to review the recommendations and ensure that employees are allocated to the proper classification. The letters to individual employees regarding their

classification and pay will come from Tara. She will contact the supervisors of individual employees to review the job duties assigned and discuss the allocation decision before the final letters are distributed to the employees.

An appeal process has been created for disagreements about the allocation decision is attached. Employees will receive this information in the letter they receive, but should first bring their concerns to their supervisors before submitting a formal, written appeal.

Formula for placement from the old pay structure to the new pay structure

1. Basic formula: The new pay structure for all non-represented classifications has 21 steps (6 main steps with 1.25% quarter steps). Employees will be placed in the new pay structure using this formula:

$$\begin{aligned} & (\text{Current salary} + \text{longevity, if applicable}) \times 1.(\text{the \% change: the difference} \\ & \text{between the 70}^{\text{th}} \text{ percentile and the top step of the current range}) \\ & = \text{PLACEMENT PAY, not to exceed 15\% increase except where necessary to} \\ & \text{bring employee to step 1A.} \end{aligned}$$

If the new pay falls between two quarter steps, the calculation will round up to the next higher step, except where to do so would exceed the 15% cap.

2. Where the employee's classification is changing:

$$\begin{aligned} & (\text{Current base pay in permanent classification} + \text{longevity, if applicable}) \times 1. \\ & (\text{the \% change from the top step of the old classification to the top step of the} \\ & \text{new classification}) = \text{PLACEMENT PAY, not to exceed 15\% increase except} \\ & \text{where necessary to bring employee to step 1A.} \end{aligned}$$

If the new pay falls between two quarter steps, the calculation will round up to the next higher step, except where to do so would exceed the 15% cap.

3. Where the classification top step is below the employee's current pay:

Employee's current base pay in the permanent classification + longevity will be "frozen."

4. Where the classification's pay is over market and the employee is not at top step:

Employee's salary will be placed into the new pay structure at the closest step (rounded up) to the current base pay in the permanent classification.

Anniversary Dates for Step Increase Consideration Will Not Change

Whether or not there is a change in an individual's classification, the anniversary dates of individual employees will be identified by the month and day of the last step increase.

This is the anniversary date that will continue as we transition into the new pay structure, where individuals in classifications with automatic step increases annually move up to the next full step (5%) once approved by their supervisor. Non-represented executive classifications continue to have non-automatic step increases and step movement is based on merit considerations by their supervisor, as it is today. Employees anniversary dates will be provided in the letter they receive.

Employees whose step increases are scheduled in the January or February, 2009 will receive their step increase retroactively on March 6th. Managers and supervisors will receive the regular notification memo from the HR Department regarding employees who are eligible for these step increases.

Longevity pay for employees eligible on January 1, 2009

For those employees who are eligible for the applicable percentage rate for longevity pay on January 1, 2009, the longevity pay will be included in the placement calculations.

The implementation of the new market-based pay structure eliminated the purpose and use of longevity pay compensation for all non-represented classifications. Employees' current longevity pay will be incorporated into the transition to the new pay structure as a "one-time roll-in".

No Timecard Upgrades:

Alternate method for temporary assignments to a higher level

On February 16 current timecard upgrades for non-represented employees will be eliminated. The new classification and compensation system replaces the need for timecard upgrades, unless they are used on an emergency basis, lasting no longer than 30 days.

If there is a business need to assign an employee higher-level duties for longer than 30 days, supervisors should submit paperwork to HR, requesting a temporary appointment at the needed level. The employee will be placed into the temporary assigned position and compensated appropriately. This temporary appointment for a permanent employee is different from the temporary employee who is brought in from the outside.

When managers and supervisors are absent for limited amounts of time, it is expected that coverage for their absence without additional pay by those who report to them is part of the job duties. Assigning duties to a staff person to cover for another person for a short time period gives the person valuable experiences and an opportunity to enhance their understanding of a different job. Consideration may be given for a three-week or longer time period to compensate people for covering for other managers/supervisors or staff while also carrying out their own job responsibilities.

No Application of Additional Rates

Applications of additional rates for non-represented classifications should no longer be needed, given the review and allocation of the best-fit classification of all non-represented positions. Our market-based approach should cover these additional rates that have been applied to reflect additional skills or certifications held by employees.

Fair Labor Standards Act Designation (overtime eligible or overtime exempt)

HR will review all classifications to ensure they meet the Fair Labor Standards Act (FLSA) and Washington wage and hour laws for their "exempt" or "non-exempt" designation. The FLSA law exempts executive, administrative, professional and computer ("white collar") employees from overtime and minimum wage requirements.

“Non-exempt” employees must receive overtime or compensatory time for anything in excess of 40 hours in a work week. Each of the “exempt” classifications must meet a “salary basis test” and a “duties test” that results in the determination of whether the employee’s job meets the exemption. The proposed timeline will allow us to complete this review for all of the non-represented classifications. The appropriate designation for the employees’ classification will be provided in the letter they will receive.

Documents forthcoming

You will soon see draft specifications/descriptions for these new classifications:

Administrative Assistant I, II, III (sent)	Land Use Admin Planner, Senior
Benefits Manager	Marketing Manager
Budget Officer	PAF Assistant Deputy Director
Controller	Plans Examiner, Senior
Customer Services Supervisor	Power Section Manager
Financial Manager, Senior	Power Section Manager, Assistant
Human Resources Analyst, Senior	Project Manager, Senior
IT Business Analyst I, II, III	Real Estate Officer, Senior
Labor Relations Manager	Water Conservation Supervisor

- Other related classifications will also be reviewed as priority, such as Management Analyst I, II, and III; Operations Manager, and Project Manager.

Reminder on what classification determinations are and are not

Classifications are based on the job duties and level of responsibility assigned to an employee. The classification system for the City of Tacoma organizes a set of individual positions, grouped by similarity, complexity and responsibility of work, and knowledge and skill required.

Job duties of individual employees are assigned by the supervisor, based on business needs of the City of Tacoma and the mandates given by the City Council, Tacoma Public Utility Board, State Legislature, Congress and other authorities.

Classification determinations are not a reflection of an individuals’ performance, how hard they work, or the capacity they have for contributions beyond their work assignment. Supervisors and managers have a responsibility to not work employees “out of class.” Many jobs will remain at the same level because they are based on business need.

Communication plan

The “Frequently Asked Questions” document will continue to be updated on the City website at www.cityoftacoma.org/classandcomp to address questions received on implementation. As we move ahead, I look forward to continuing to strengthen the City’s classification and compensation system.

Attachments: Appeal Process for Employee

Class Comp Implementation Examples, January 2009

Scenario: Employee remains in same classification, classification has less than 15% market adjustment, employee is currently at top step

Classification	New Classification	Employee Step	Employee Base Pay Amount	Employee Longevity	Old Top Step	New Top Step	% Change in Classification Pay	Calculated Placement Pay	New Hourly Rate	New Step	% Change in Salary
Engineer, Principal	(same)	5	48.75	0.98	48.75	53.94	10.65%	55.03	53.94	6A	8.47%

Placement pay calculation: $(48.75 + 0.98) \times 1.1065 = 55.03$
 Employee is moved to top step in new pay structure

Scenario: Employee remains in same classification, classification has less than 15% market adjustment, employee is not at current top step

Classification	New Classification	Employee Step	Employee Base Pay Amount	Employee Longevity	Old Top Step	New Top Step	% Change in Classification Pay	Calculated Placement Pay	New Hourly Rate	New Step	% Change in Salary
HR Assistant	(same)	1	18.31	0	22.25	23.60	6.07%	19.42	19.59	2B	6.99%

Placement pay calculation: $(18.31 + 0) \times 1.0607 = 19.42$
 Calculated placement pay falls between two quarter steps in new pay structure, employee is placed at the higher step

Scenario: Employee remains in same classification, classification has greater than 15% market adjustment

Classification	New Classification	Employee Step	Employee Base Pay Amount	Employee Longevity	Old Top Step	New Top Step	% Change in Classification Pay	Calculated Placement Pay	New Hourly Rate	New Step	% Change in Salary
City Attorney Chief	(same)	2	51.14	0.51	59.20	84.42	42.60%	59.40	65.85	1A	27.49%

Placement pay calculation: $(51.14 + 0.51) \times 1.15$ (maximum multiplier) = 59.40
 Employee receives greater than 15% increase, necessary to bring to step 1A of new pay structure

Scenario: Employee changing classifications to class with higher top step

Classification	New Classification	Employee Step	Employee Base Pay Amount	Employee Longevity	Old Top Step	New Top Step	% Change in Classification Pay	Calculated Placement Pay	New Hourly Rate	New Step	% Change in Salary
Mgmt Svcs Manager	Financial Mgr, Sr	5	48.62	0.97	48.62	57.87	19.03%	57.03	56.45	5C	13.83%

Placement pay calculation: $(48.62 + 0.97) \times 1.15$ (maximum multiplier) = 57.03
 Calculated placement pay falls between two quarter steps, employee is placed at the lower - not to exceed 15% increase

Scenario: Employee changing classifications to class with lower top step

Classification	New Classification	Employee Step	Employee Base Pay Amount	Employee Longevity	Old Top Step	New Top Step	% Change in Classification Pay	Calculated Placement Pay	New Hourly Rate	New Step	% Change in Salary
Mgmt Analyst II	IT Bus Analyst II	5	40.54	0.81	40.54	34.48	-14.95%	N/A	41.35	frozen	0.00%

Placement pay calculation: N/A
 Employee is frozen at current pay rate + longevity (41.35)

Placement Pay Calculation Formula = Current Pay X Percentage Change (where maximum percentage change for calculation is 15%)

Definitions:

Current Pay = current base pay in permanent classification + longevity

Percentage Change = % changed from top step of current permanent classification to top step of new classification

NEW PAY SCALE

Code	Title	1A	1B	1C	1D	2A	2B	2C	2D	3A	3B	3C	3D	4A	4B	4C	4D	5A	5B	5C	5D	6A
0522	Financial Manager, Senior	45.14	45.70	46.28	46.85	47.44	48.03	48.63	49.24	49.86	50.48	51.11	51.75	52.40	53.05	53.71	54.39	55.07	55.75	56.45	57.16	57.87
0142	Information Technology Business Analyst II	26.89	27.23	27.57	27.91	28.26	28.62	28.97	29.34	29.70	30.07	30.45	30.83	31.22	31.61	32.00	32.40	32.81	33.22	33.63	34.05	34.48
1005	City Attorney, Chief-Deputy	65.85	66.67	67.50	68.35	69.20	70.07	70.94	71.83	72.73	73.63	74.56	75.49	76.43	77.39	78.35	79.33	80.32	81.33	82.34	83.37	84.42
2073	Engineer, Principal	42.07	42.60	43.13	43.67	44.22	44.77	45.33	45.90	46.47	47.05	47.64	48.23	48.84	49.45	50.07	50.69	51.33	51.97	52.62	53.27	53.94
1106	Human Resources Assistant	18.41	18.64	18.87	19.11	19.35	19.59	19.83	20.08	20.33	20.59	20.84	21.10	21.37	21.63	21.91	22.18	22.46	22.74	23.02	23.31	23.60
1120	Management Analyst II	27.83	28.17	28.53	28.88	29.24	29.61	29.98	30.35	30.73	31.12	31.51	31.90	32.30	32.70	33.11	33.53	33.95	34.37	34.80	35.23	35.68

CLASSIFICATION MARKET DATA

Job Code	Basis	Current Employee Count	Survey Job Title (new title in paren)	CoT Top Step	Base 70th (New Top)	Dollar Difference	Percentage Difference
1005	Market	1	City Attorney, Chief Deputy	\$59.20	\$84.42	-\$25.22	-42.60%
2073	Align	23	Engineer, Principal	\$48.75	\$53.94	-\$5.19	-10.65%
Proposed	Market		Financial Manager, Sr	na	\$57.87	\$0.00	0.00%
1106	Market	15	Human Resources Assistant	\$22.25	\$23.60	-\$1.35	-6.07%
Proposed	Market		IT Business Analyst II	na	\$34.48	\$0.00	0.00%
1120	Market	31	Management Analyst II	\$40.54	\$35.68	\$4.87	12.00%



**CITY OF TACOMA
POSITION CLASSIFICATION
EMPLOYEE APPEAL**

TO: HUMAN RESOURCES DEPARTMENT

FROM: _____
Employee Name Employee No.

Department/Division

I have received notice from the City of Tacoma that my proposed classification title is:

_____.

Upon review of the proposed classification and my duties and responsibilities with my supervisor, I am formally requesting that my position be reviewed. I understand that the Human Resources Department will review the information submitted in this appeal, along with information provided by my immediate supervisor and my department head. Submission of this request in no way implies that a reallocation of my position to another classification will occur.

I understand that Classification Appeals must be filed within 30 days of the notification received from the Human Resources Department.

Employee Signature

Date

**CITY OF TACOMA
POSITION CLASSIFICATION
EMPLOYEE APPEAL FORM**

EMPLOYEE NAME: _____

PROPOSED CLASSIFICATION TITLE: _____

REQUESTED CLASSIFICATION TITLE: _____

Please specify why you do not believe the proposed classification is correct for your position. Specify how your position differs from the proposed classification.

Please specify why you believe the requested classification is more appropriate for your position than the proposed classification. Relate duties you perform to the definition, distinguishing characteristics, and essential duties listed for the requested classification:

Use additional sheets if necessary

Employee Signature

Date

Employee: Complete and forward this form to your immediate supervisor for review and comment. Your supervisor will review your request, make comments as appropriate and then forward it to his/her department head for review and comment. Appeals must include supervisor and department head comments and signatures.

