



TO: Elizabeth Pauli, City Manager
FROM: Karen Short, Senior Human Resources Analyst, Human Resources
Shelby Fritz, Human Resources Director
Kari Louie, Assistant Human Resources Director
COPY: City Council and City Clerk
SUBJECT: Pay & Compensation Ordinance – December 7, 2021
DATE: November 18, 2021

SUMMARY AND PURPOSE:

An ordinance amending the Tacoma Municipal Code (TMC) Compensation Plan, Chapter 1.12, to provide for the implementation of a new classification structure, and rates of pay and compensation plan changes for nonrepresented and nonrepresented executive employees, and changes in classifications to reflect the organizational structure, based on recommendations included in the classification and compensation study.

BACKGROUND:

In 2018, the City of Tacoma, Human Resources Department conducted an RFP for a classification and compensation study for nonrepresented classifications. Gallagher was selected as the consultant with the study commencing in March 2019. The study, originally scheduled for completion in 2020, was put on hold in March 2020 due to the pandemic and was reinitiated in January 2021. The work included a contract amendment to update classification and compensation information that became outdated during the approximately 11-month project pause.

This study results modernized the current classification system and compared the City’s compensation and benefits to the prevailing market, which include both public and private sector. Gallagher provided recommendations to update the City’s compensation philosophy and compensation policies to facilitate effective use and maintenance of the updated classification and compensation system.

Gallagher updated the current nonrepresented classification system from 235 titles to 278 new classification titles across 49 job families and 65 job series. This involved collapsing levels where the work was similar and adding additional levels where broad titles were preventing an understanding of the work.

The ordinance will establish a new compensation structure for nonrepresented and nonrepresented executive classifications effective as of July 4, 2022, and other compensation plan changes as recommended by the classification and compensation study, consistent with the Compensation Philosophy, adopted by Resolution 40526, on December 17, 2019. Changes applicable to nonrepresented and nonrepresented executive classifications only include: adding Human Resources Director approval of original appointment salary placements higher than the minimum rate of pay; eliminating quarter steps in the salary table, effective July 4, 2022; changing the time for consideration of the first step increase from six months to twelve months, and twelve months for all steps thereafter, applicable to employees hired or promoted after January 1, 2022; making all nonrepresented classifications eligible for automatic step increases; authorizing annual lump sum payments for employees whose pay is over the range maximum and have had their pay frozen; authorizing early implementation of minimum rates of pay in certain circumstances as of January 1, 2022; and clarifying language regarding step placement upon promotion. Additionally, minor housekeeping changes related to titles and gender-neutral language are recommended.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

2025 STRATEGIC PRIORITIES:

Economy/Workforce: Moderate Opportunity



Explain how your legislation will affect the selected indicator(s).

This legislation supports the responsible and sustainable management of City funds.

ALTERNATIVES:

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

| Alternative(s) | Positive Impact(s) | Negative Impact(s) |
|--------------------------------|--------------------|--------------------|
| Do not approve the legislation | N/A | unknown |

EVALUATION AND FOLLOW UP:

STAFF/SPONSOR RECOMMENDATION:

Human Resources recommends approval of the ordinance. An ordinance is necessary to provide for the changes to rates of pay and other compensation plan changes for nonrepresented and nonrepresented executive classifications, to implement recommendations included in the classification and compensation study.

FISCAL IMPACT: Fiscal impact information will be provided by the Budget Office. Department Directors will be responsible for adhering to their overall levels of appropriation.