



TO: Elizabeth Pauli, City Manager
FROM: Karen Short, Senior Human Resources Analyst, Human Resources
Gary Buchanan, Director, Human Resources
Kari L. Louie, Senior Compensation & Benefits Manager, Human Resources
COPY: City Council and City Clerk
SUBJECT: Resolution – Compensation Philosophy – December 17, 2019
DATE: December 6, 2019

SUMMARY:

A resolution relating to the City’s compensation philosophy, and approving the compensation philosophy.

STRATEGIC POLICY PRIORITY:

The requested resolution aligns with the City Council’s Strategic Policy Priority to encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

BACKGROUND:

The City Council adopted resolution 37639, November 18, 2008, that approved a Compensation Philosophy that defined the City Council’s values, goals, and commitment to be an employer of choice in the Puget Sound region. The total compensation program at the City is designed to help create and support a high-performing, responsive, and competitive organization.

Resolution 38625, adopted February 12, 2013, made revisions to the competitiveness section of the compensation philosophy from positioning pay between the 65th and 75th percentile of the market to targeting pay for each classification at the 60th percentile of the market.

Resolution 38879, adopted April 8, 2014, made revisions to competitiveness section, removing the specific reference to a percentile of the market. The City of Tacoma’s compensation philosophy is to provide pay and benefits sufficient to attract and retain qualified and skilled employees needed to accomplish the City’s strategic plans and to maintain the City’s fiscal responsibility. The City’s management considerations for pay and benefits include situations where there are difficulties in recruiting the desired level of talent in certain jobs; retention issues; significant changes in the economy, marketplace, or budget; and internal anomalies in alignment, disparities or inconsistencies.

The proposed Compensation Philosophy is intended to create and strengthen a culture of transparency and trust through a competitive classification and compensation program that is equitable, accessible and flexible, motivates high performance, and reflects the strong value we place on our employee population. It includes a Vision statement and has a broader approach to compensation that captures the total value of an individual’s employment relationship with our organization, introduced as Total Rewards. The Compensation Philosophy also specifies that Total Rewards is not a tradeoff for competitive pay and benefits (total compensation). The philosophy includes how work is classified; including meaningful and measurable differences in the level of work defined within each occupational group, while remaining flexible to allow for management flexibility. The philosophy also sets forth a sustainability measure to ensure the system is regularly assessed to remain competitive in the market.

In response to Council feedback provided during the October 22, 2019 Study Session, minor revisions to the draft have been applied to the section titled “Equity”.

RECOMMENDATION:

It is recommended that the City Council approve the compensation philosophy.

FISCAL IMPACT:

There is no fiscal impact to the legislation.