



**TO:** T.C. Broadnax, City Manager  
**FROM:** Joy St. Germain, Human Resources Director  
**COPY:** Mayor, City Council and City Clerk  
Karen Short, Human Resources Senior Analyst  
**SUBJECT:** Resolution – Revisions to Compensation Philosophy– April 8, 2014  
**DATE:** April 1, 2014

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**SUMMARY:**

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

**STRATEGIC POLICY PRIORITY:**

The Resolution aligns with the City Council’s Strategic Policy Priorities to **strengthen and maintain a strong fiscal management position; and encourage and promote an open, effective, results-oriented organization** by supporting the City Council’s commitment to a results-oriented government that provides efficient and accountable government services.

**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 65<sup>th</sup> and 75<sup>th</sup> percentile of the market to targeting pay for each classification at the 60<sup>th</sup> percentile of the market.

This resolution would authorize a revision to the 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.

**RECOMMENDATION:**

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

**FISCAL IMPACT:**

None