

Breakthrough Change Initiative: Compensation and Benefits

Phase One, Second Review: Refinement of Project Goals, Scope Approach Date: 3/8/05

1. Project Goals		
Primary Goal	Measures	Targets
<p>Cost Savings for 2005-06. This is expected to be derived from cost recoveries from an audit of the City's health care benefits. This effort should also produce ongoing cost reductions that will aid in containing the costs of medical benefits.</p>	<p>Cost recoveries and ongoing cost reductions.</p>	<p>\$500,000 (General Fund)</p>
Secondary Goals	Measures	Targets
<p>Develop policy recommendations for compensation and benefits that:</p> <ul style="list-style-type: none"> • Supports the recruitment and retention of diverse qualified employees, • Responds to increasing and decreasing market conditions and changing business needs, • Provides incentives for performance that holds employees accountable, • Recognizes the differing needs and desires of individual employees, • Recognizes the differing needs of different business units, and • Is sensitive to the values of the community we serve. 	<ol style="list-style-type: none"> 1. Total compensation rates per job classification. 2. Rate of growth of medical benefits. 3. Employee satisfaction with health care benefits. 4. Employee turnover rates. 5. Workforce diversity data. 	<ol style="list-style-type: none"> 1. Total compensation (salary and <u>all</u> benefits) is within a competitive range for the pertinent job market. (specific data not yet available) 2. Rate of growth in cost of medical benefits is below national averages. 3. More than half of employees are equally or more satisfied with their health care benefits. 4. Employee turnover rates are within acceptable ranges for job classification. Open positions are filled within a reasonable timeframe so that service levels are not disrupted. 5. City workforce reflects the community we serve as reflected in the City's EEO Plan.

Secondary Goals	Measures	Targets
<p>2. Scope: What's in? What's out? Central among the Team's assumptions about this assignment is that any recommendations that are subject to mandatory bargaining will be bargained in good faith. The role of the Team is to identify options, including a preferred option for the various components of compensation and benefits. Also central among the Team's assumptions is that opportunities from cost control and/or containment do, in fact, exist and that some options could benefit both the employer and employees. The scope of the assignment includes all aspects of compensation including "special pays", medical benefits, non-medical benefits, the several City-operated pension plans, and other post-employment benefits.</p>		
<p>3. Approach: The Team "brainstormed" an approach as a full Team and scheduled several full Team training sessions for current issues in "total compensation", health care costs, consumer driven health plans, and the City's retirement plans. We are now breaking into two sub-teams (one for Compensation and one for Benefits) to focus on data gathering.</p>		
<p>4. Special needs and requests?</p>		
<p>City Manager/BT Leaders Support for more "total compensation" data.</p> <p>Coordination with HR Performance Audit, particularly the health benefits audit.</p>	<p>ELT Consensus on compensation philosophy/strategy (e.g.; should we be market-driven or focused on internal equity?)</p>	<p>Council Recognition of long-term nature of changes in compensation and benefits. Nearly all aspects must be bargained and cannot be implemented unilaterally.</p> <p>Adoption of a consistent strategy to guide labor negotiations.</p>