




**Presentation to Lexington-Fayette
Urban County Government**



Compensation Study
October 2022

Study Goals and Objectives

- Perform a Compensation study for all included positions.
- Compare compensation to relevant labor markets/competitors.
- Ensure that positions performing similar work with essentially the same level of complexity, responsibility, and knowledge, are classified together.
- Develop a competitive classification and compensation structure.
- Scope included approximately 1,687 positions in 410 job titles.



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This project **was not** designed to:

- Evaluate individual employee performance/capabilities.
- Reorganize departments.
- Identify staffing levels.
- Guarantee salary increases.
- Recommend salary decreases.



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Methodology Overview

- Captured key employee data.
- Identified jobs where recruitment and retention are concerns.
- Requested top management input.
- Gathered salary and compensation data from competitor organizations;
- Reviewed current job descriptions and over 1,100 completed employee job questionnaires to evaluate classifications.
- Developed an internally equitable and externally competitive system.
- Provided implementation/transition costs.



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MAG's Review of Markets

- Chattanooga, TN
- Cincinnati, OH
- Columbus, OH
- Greensboro, NC
- Knoxville, TN
- Louisville-Jefferson County, KY
- Nashville-Davidson County, TN
- O*net Online, a source for private sector data, published by the US Department of Labor.
- Raleigh, NC
- St. Louis, MO
- Commonwealth of Kentucky



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Job Review Considerations

Each job was reviewed for each of the following aspects of responsibility

- Data Responsibility
- Judgment
- People Responsibility
- Complexity of Work
- Assets Responsibility
- Impact of Decisions
- Education
- Equipment Usage
- Physical Demands
- Communications
- Math
- Unavoidable Hazards
- Safety of Others
- Experience



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MAG's Review of Markets

Summary of Market Survey Results:

While the entire job range was evaluated, MAG gave consideration to the following overall percentage that LFUCG "lagged" the market. Not all jobs were behind, but averages are helpful to provide a reference point.

- "Lag" at the minimums: -8.00%
- "Lag" at the midpoints: -9.72%
- "Lag" at the maximums: -10.87%



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Recommendations

- Unified Plan created for all position titles.
- Open ranges are recommended due to increasingly "best practices" for the organization providing maximum current and future flexibility.
- MAG recommends setting the ranges at up to 50%, (minimum to maximum) feathering in lower ranges to ensure a minimum hourly rate of \$15.375/hr.
- There is 5% between proposed grades.
- Results:
 - Establish a competitive pay structure overall and for all jobs.
 - Make the entry levels competitive.
 - Bring the ranges in line with the markets.



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Proposed Plan Structure

DRAFT	Proposed Pay Plans LFUCG 2022				
Code	Proposed Class Title	Ann Min	Mkt	Ann Max	
Unified					
504		\$31,981	\$30,473	\$36,588	
	000600 Public Works Apprentice				
505		\$31,981	\$31,997	\$38,398	
	000102 Clerical Assistant				
506		\$31,982	\$33,597	\$40,316	
	000671 Custodial Worker				
	000673 Van Driver				
507		\$32,086	\$35,277	\$42,332	
	000637 Golf course Clubhouse Attnd				
	000670 Hostler				
508		\$32,185	\$37,041	\$44,449	
	000628 Program Leader				
	000626 Program Supervisor				
	000602 Public Service Worker				
509		\$32,288	\$38,893	\$46,671	
	000100 Accounting Technician				
	000103 Staff Assistant				
	000610 Stores Clerk				
	000750 Treat. Plant Oper-Apprentice				

Note: This is a sample of the pay plan structure that is recommended for approval.



Implementation

- All employees are brought at least to range minimums.
- In-range equity adjustments are suggested to bring salaries to market.

	Grade			Step #	FTE	Experience			Salary	Flat %	Adjustments		
	Min	Mkt	Max			Hire Date	Promotion	Days All'd			Mkt	Step	% Chg
1	37,816	47,272	56,726	513	1.000	10/22/2012	08/15/2022	42,534	0	0			
	43,781	54,726	65,671	516		0	10/22/2012	70	43,921	1,247	140	0	
2	37,816	47,272	56,726	513	1.000	03/22/2010	06/08/2022	49,818	0	0			
	43,781	54,726	65,671	516		0	03/22/2010	140	49,818	0	0	0	
3	37,816	47,272	56,726	513	1.000	05/26/1998	05/26/1998	55,607	0	0			
	43,781	54,726	65,671	516		0	05/26/1998	8917	61,607	0	6,000	0	

1. Adjustment to minimum and equity adjustment
2. No adjustment required – employee’s salary exceeds target salary
3. Equity adjustment only



Estimated Annualized Implementation Costs

Total of 1,687 Positions	Annualized Impact
Adjustment to Minimum and Equity Adjustment – 290 Employees	\$ 1,302,170
Equity Adjustment Only – 408 Employees	\$ 1,265,847
Adjustment to Minimum Only – 143 Vacant Positions	\$ 213,480
Total Annualized Cost of All Adjustments – 841 Employees and Vacant Positions	\$ 2,781,497
Number of people with no adjustment – Salaries are at or beyond market	846
Change in Total Base Payroll for included positions	3.02%



Transition Plan

Next steps include the following:

- Council - Adopt the proposed pay plan structure and ranges
 - We have prepared an ordinance that would allow the Council to adopt the proposed plan structure if the Council would like to move forward on October 13.
 - This would be effective the first payroll Monday following passage of Council
 - First available option: October 24 (if two readings on October 13); or,
 - Next available option: November 7 (if separate readings on October 13 and 27)
- Human Resources - Implement new structure and market adjustments
 - Upload the proposed implementation report on the Compensation Study website
 - Provide written notification to each employee regarding their individual recommendation from the study (job classification title, pay grade, salary)
 - Implement title, pay grade, and salary changes in PeopleSoft once approved by Council
- Add any new positions using the same methodology to retain integrity of plan.

