



# Metropolitan Government of Nashville and Davidson County

## Overview of Compensation and Benefits Assessment

March 2015

**DRAFT – Working Document**



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Background

# Background



In 2008, the U.S. economy experienced a significant downturn and the metropolitan area of Nashville suffered. As a result, the Metropolitan Government of Nashville and Davidson County (“Metro”) saw budgeted revenue decline in fiscal years 2010 and 2011. While budgeted revenue did increase in fiscal year 2012, it was only a 1.6% increase from 2008.

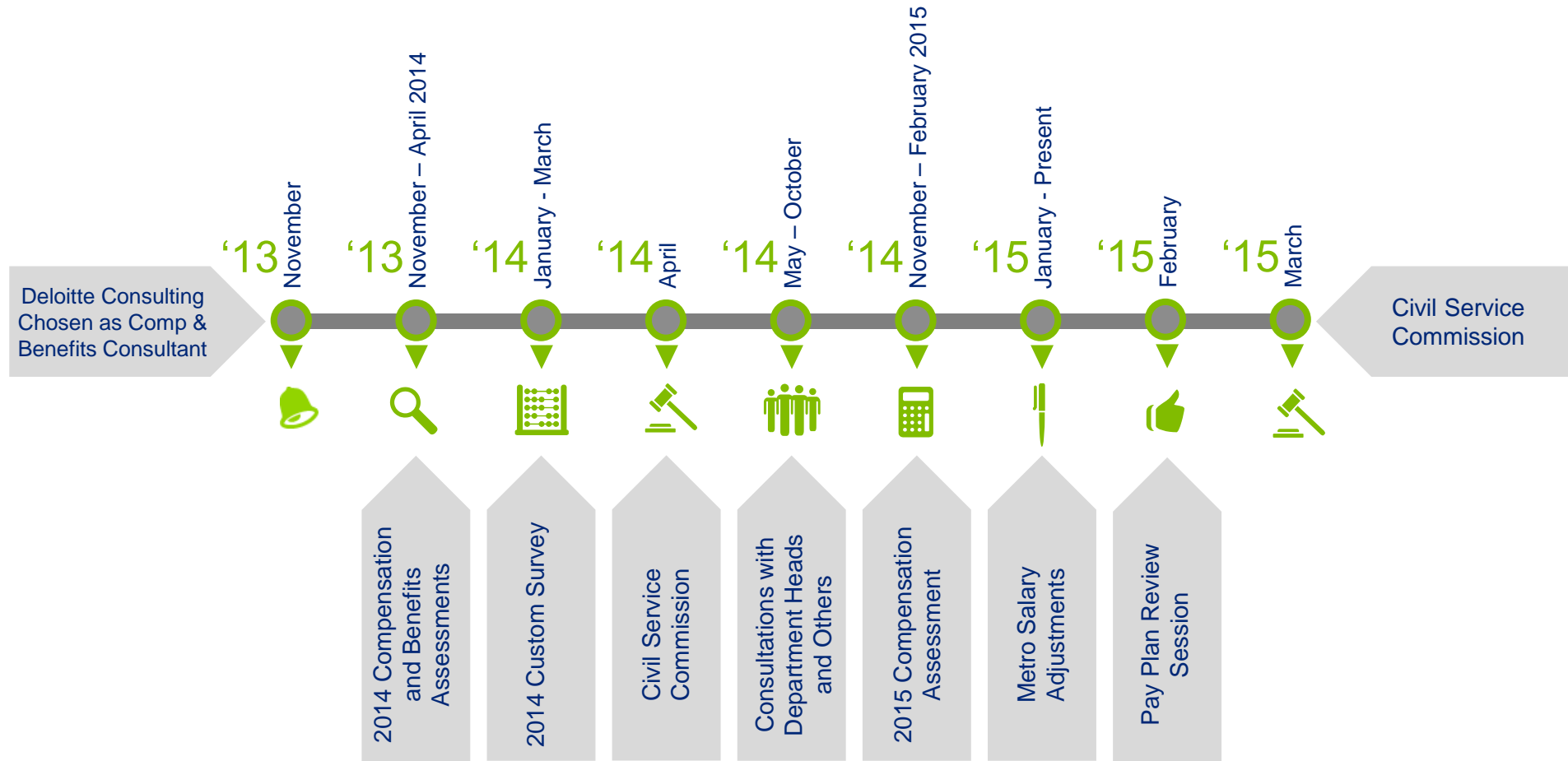
As a result of these decreases in available budget to compensate employees, Metro was unable to budget for open range adjustments from 2008 to 2013, and suspended step increases from July 2009 until July 2013.

Year	COLA/Gen Adjustment	Increments	Open Range Increases	Longevity
2008	0	Yes	No	Yes
2009	0	No	No	No
2010	2% lump sum	No	No	Yes
2011	1.5% lump sum	No	No	Yes
2012	4% SR $\geq$ SR13, 2% rest	No	No	Yes
2013	1.5% 1/1/14	Yes	No	Yes
2014	1% 1/1/15	Yes	Yes	Yes

In May of 2013, after seeing significant turnover and vacancies, Metro decided to enlist the services of a professional HR consulting firm to examine Metro’s compensation and benefits programs. In November of 2013, Deloitte Consulting LLP (“Deloitte Consulting”) was selected as Metro’s Compensation and Benefits consultant. The following sections will provide an overview of the work completed and the resulting recommended pay plan changes.

# Overview

# Timeline of Activities to Date



# Overview of Key Activities



## 2014 Compensation and Benefits Assessments

- A custom survey with 17 metropolitan areas was conducted to benchmark compensation and benefits
- A compensation assessment was conducted where nearly 150 jobs were benchmarked to appropriate survey data
- A benefits assessment was conducted to compare against a peer group, private and public sector data



## 2015 Compensation Assessment

- Deloitte Consulting compared Metro pay levels to the market median for government and all industries
- 36 positions were benchmarked; 14 positions had incumbents encompassing approximately 250 employees
- Deloitte Consulting found that Metro was compensating the selection of jobs within a market competitive range



## Metro Salary Adjustments

- Metro has made across the board pay adjustments to bring employee pay closer to market
- Additional grades were created to facilitate attraction and retention of selected positions
- Additional professional jobs are proposed to be moved to open ranges to allow greater flexibility for recruitment



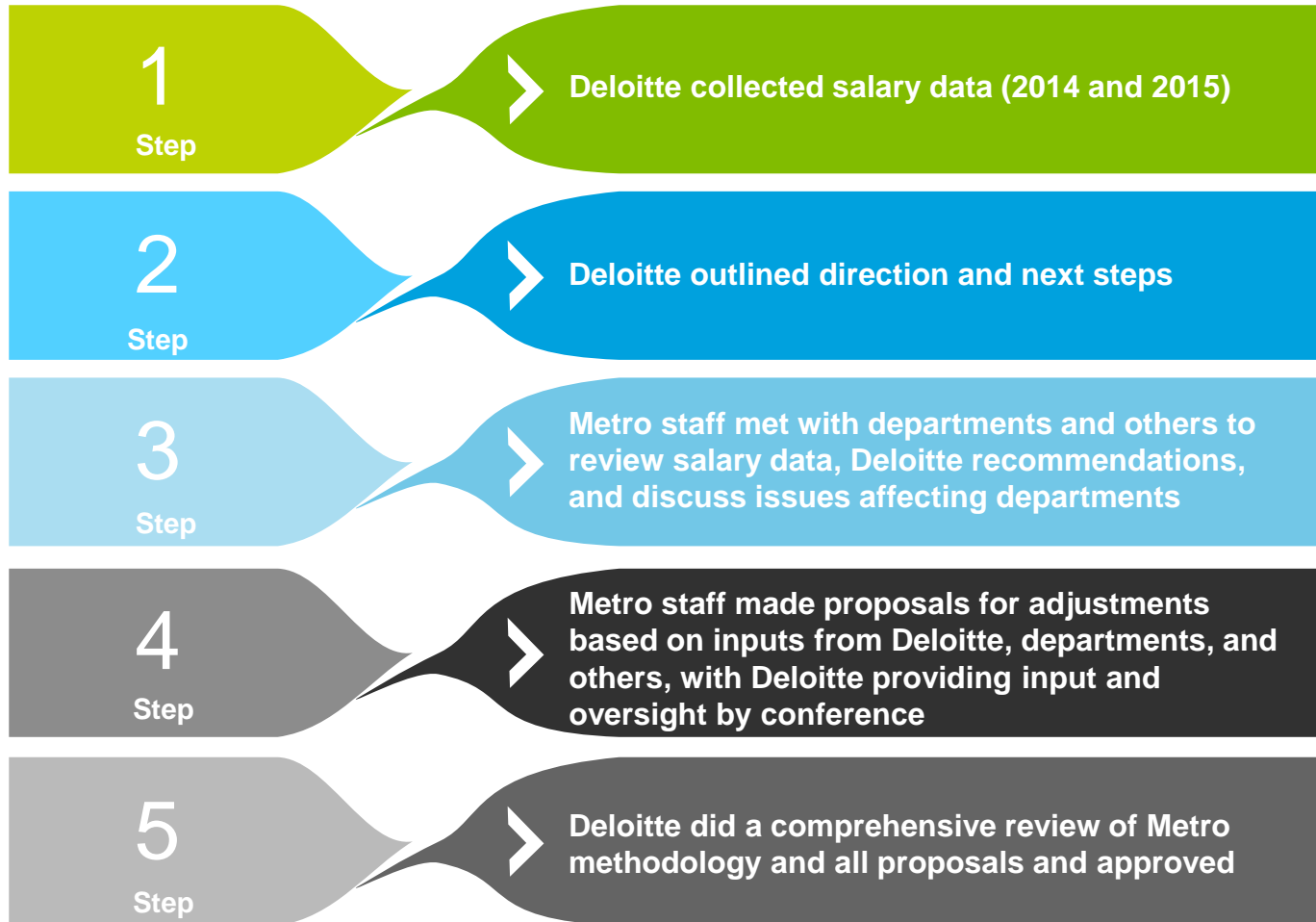
## Pay Plan Review Session

- In February 2015, Deloitte Consulting reviewed and counseled Metro on the implementation plans Metro is considering in response to the previous assessments



# Organization of Efforts

## Steps in compensation and benefits assessment



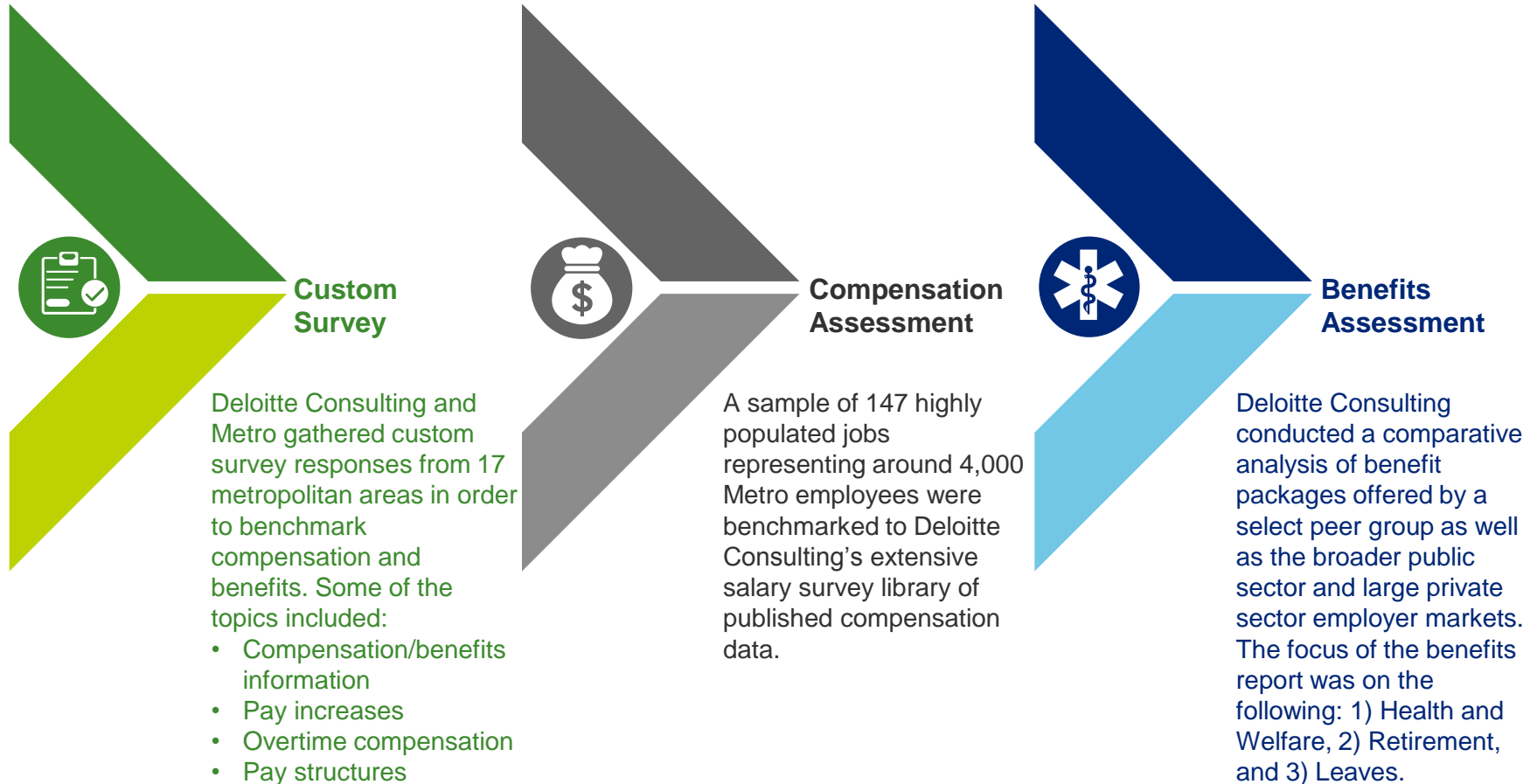


# 2014 Assessments

# 2014 Compensation and Benefits Assessment



In 2014, Metro engaged Deloitte Consulting to provide a comprehensive study of its current compensation and benefits packages. This work resulted in three key deliverables:



# Stakeholder Interviews



In order to better understand the current state of the compensation and benefits programs, as well as how they were perceived by Metro leadership, Deloitte Consulting conducted eight key stakeholder interviews. During these interviews, Deloitte Consulting spoke with leaders from various levels and functional areas to gather information on 1) various compensation and performance management program elements at Metro and 2) any pain points or opportunities for improvement.

- Feedback from these interviews fell into four key themes:

## Attractive culture

- Metro is consistently described as an organization where people want to work
- While responsibilities are very high, Metro is able to maintain a family-oriented, collaborative, and dedicated culture
- However, many employees feel that they are overworked

## Ability to compete with market

- While benefits are rich, employees feel they are paid far below the market median
- Low pay has the potential to become a retention issue, as Metro's top talent could be recruited elsewhere at higher salaries
- Metro's top competition for talent is mostly local

## Ability to recruit top talent

- Low compensation and limited training opportunities makes it difficult for Metro to attract new, young talent
- It is often difficult to find candidates that have an appropriate combination of experience and functional skills

## Consistency

- Since employees are split between open range and step systems, not all employees are given the same opportunities for increases in pay
- There are pay discrepancies between departments for similar positions
- Budgetary constraints prevent Metro from implementing the pay system as intended

# Custom Survey



## Overview

- Deloitte Consulting contacted 17 city and county governments, including Metro, to solicit participation in the custom compensation and benefits survey, distributed the survey hyperlink to these 17 cities and counties, followed up to encourage timely submission, clarified responses by phone and email, and compiled survey statistics
- To ensure the accuracy and validity of the results, all data were reviewed by the consulting team to identify any unreasonable or missing responses. Participants were then contacted to verify data

## Methodology

- In order to protect participant anonymity, no compensation data were reported for any statistic which included fewer than three organizations. When only three organizations with three incumbents reported compensation data, only the average was reported for that job. When five or more organizations reported data, the full statistical array was shown including 25<sup>th</sup>, 50<sup>th</sup> and 75<sup>th</sup> percentiles
  - Base salaries were considered to be competitive if they were positioned at 10% above or below the competitive market median
- Data were gathered for base salary, annual incentives, and benefits. In addition, a variety of related questions were asked about pay increases, overtime compensation, pay structures, employee uniforms and pay differentials
- Data were gathered for 19 benchmark jobs including formal salary range minimums, midpoints and maximums
- All data reflects compensation reported as of January 2014 <sup>(1)</sup>

(1) Detailed custom survey results are shown in Appendix III.

# Custom Survey



## Survey participants

The following city and county governments participated in the custom survey:

- Atlanta
- Charlotte
- Cincinnati
- Columbus
- Indianapolis
- Jacksonville
- Kansas City
- Louisville
- Memphis
- Oklahoma City
- San Antonio
- St. Louis
- Tampa
- Fulton County
- Mecklenburg County
- Metropolitan Nashville and Davidson County
- Shelby County

## Jobs included in survey

Deloitte Consulting and Metro requested compensation and benefits information for the following 19 positions:

- Police Captain
- Police Identification Analyst 1
- Police Lieutenant
- Police Officer 2
- Police Officer Trainee
- Police Sergeant
- Emergency Medical Technician 2
- Fire Arson Investigator 1
- Fire Captain
- Fire District Chief
- Fire Engineer
- Fire Fighter 2
- Fire Lieutenant
- Fire Recruit
- Paramedic 2
- Correctional Officer 1
- Correctional Officer Lieutenant
- Correctional Officer Sergeant
- Helicopter Pilot

## Summary of Findings

Pay Types	Metro	Peer Group Data			Variance		
	Base Salary (Avg)	25 <sup>th</sup> Percentile	50 <sup>th</sup> Percentile	75 <sup>th</sup> Percentile	25 <sup>th</sup> Percentile	50 <sup>th</sup> Percentile	75 <sup>th</sup> Percentile
Correctional Officers (CO)	\$39,547	\$38,375	\$40,795	\$45,128	3.1%	-3.1%	-12.4%
Public Safety (PS)	\$60,890	\$59,458	\$64,261	\$68,602	2.4%	-5.2%	-11.2%
Standard Range (SR)	\$45,999	\$38,432	\$47,406	\$52,988	19.7%	-3.0%	-13.2%

Effective January 2014

# Compensation Assessment



## Results

- A sample of 147 highly populated jobs representing around 4,000 Metro employees were benchmarked to Deloitte Consulting's extensive salary survey library of published compensation data
- As an organization, Metro's current base salaries and total cash compensation (TCC = base salary plus annual incentive/bonus) approximated the 50<sup>th</sup> percentile of All Organization and Government market data in the published salary survey sources
  - Compared to *All Organizations* and *Government* salary data, Metro's Market Index was **slightly above market**
- While the majority of jobs were within a competitive compensation range (+/- 10% of market median) approximately one-third of positions were found to be below the market median

Metric	All Organizations	Government
Base Market Index	1.05	1.08
Total Cash Compensation Market Index	1.06	1.08
# of Benchmarked Jobs	147	147
% Employees Below 1.00 Base Market Index	38.5%	32.4%
% Employees Below 1.00 TCC Market Index	37.8%	32.2%

*Effective January 2014*

# Compensation Assessment



## Results (cont.)

- An analysis by pay type indicated that two groups, Emergency Telecommunications & Public Safety Schedule, contained positions that were paid more than 15% higher than the market
- This analysis also indicated that one type, Health Department, which contained one job with eight employees, was paid significantly below market

Job Type	# EEs	All Organizations		Government	
		Market Index (Base)	Market Index (TCC)	Market Index (Base)	Market Index (TCC)
Correctional Officers (CO)	213	0.98	0.98	0.98	0.98
Emergency Telecommunications (ET)	95	1.19	1.20	1.21	1.22
Health Department (HD)	8	0.76	0.76	0.80	0.80
Public Safety (PS)	1,899	1.17	1.18	1.17	1.18
Standard Schedule (SR)	1,143	0.93	0.93	1.00	0.99
Trades (TG)	441	0.91	0.92	0.93	0.94
Trades (TL)	79	1.01	1.02	1.08	1.08
Trades (TS)	71	0.93	0.93	0.96	0.96

*Effective January 2014*

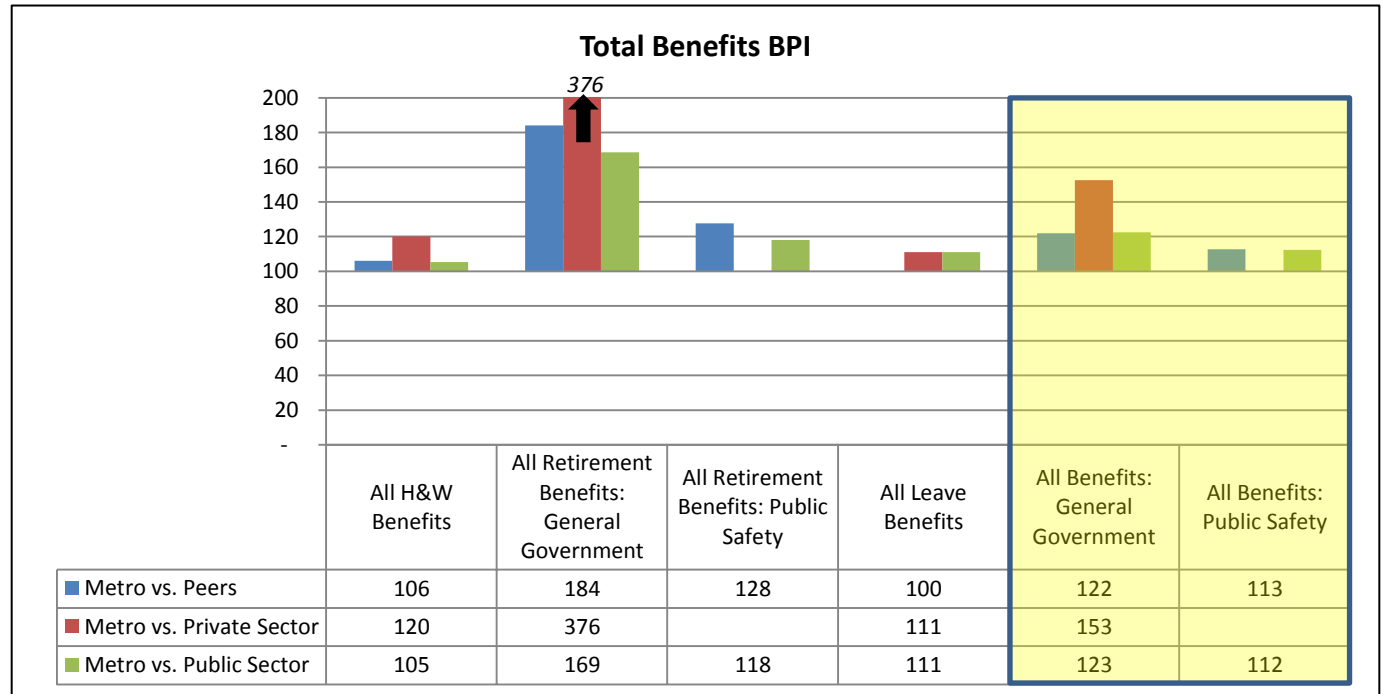
# Benefits Assessment



## Results

- Deloitte Consulting found that Metro health and welfare, retirement, and leave benefits were in total over 20% more valuable than the averages for peers and the broader public sector market for general employees and over 10% more valuable for public safety employees
- Pension and retiree medical benefits were the largest driver of the differential
  - Several peers and entities in the public sector market have amended their plans in recent years to reduce or eliminate certain retirement benefits
  - Most peers and the public sector market require employees to contribute to their pension benefits reducing the employer provided portion

- The chart on the right summarizes the value for Metro General Government and Public Safety benefits as compared to peer benefits and the broader public and private sectors





# 2015 Assessment

# 2015 Compensation Assessment



## Overview

- At the end of 2014, Metro requested that Deloitte Consulting benchmark an additional 36 jobs
  - 14 of the positions had current incumbents
  - Roughly half of the positions were within the IT department
  - Metro was interested in seeing the variance from market on the positions with incumbents
  - For the positions without incumbents, Metro wanted a competitive market value for evaluating new or changed jobs

## Methodology

- Job matching and data collection
  - Deloitte Consulting matched each Metro job to comparable positions in published compensation surveys
  - Deloitte Consulting collected competitive base salary and total cash compensation (“TCC”) data at the 25<sup>th</sup>, 50<sup>th</sup>, and 75<sup>th</sup> percentiles
- Data adjustments
  - All published survey data was aged to a common effective date of January 1, 2015 by a 2.2% annual factor to reflect anticipated market pay movement within public administration (government), as reported by WorldatWork’s Salary Budget Survey
  - Deloitte Consulting applied a -6.3% geographic differential to positions where the median market data was lower than \$100,000 to reflect the Nashville/Davidson County labor market wages
  - Premiums and discounts were applied to ensure correct job and level matches

# 2015 Compensation Assessment

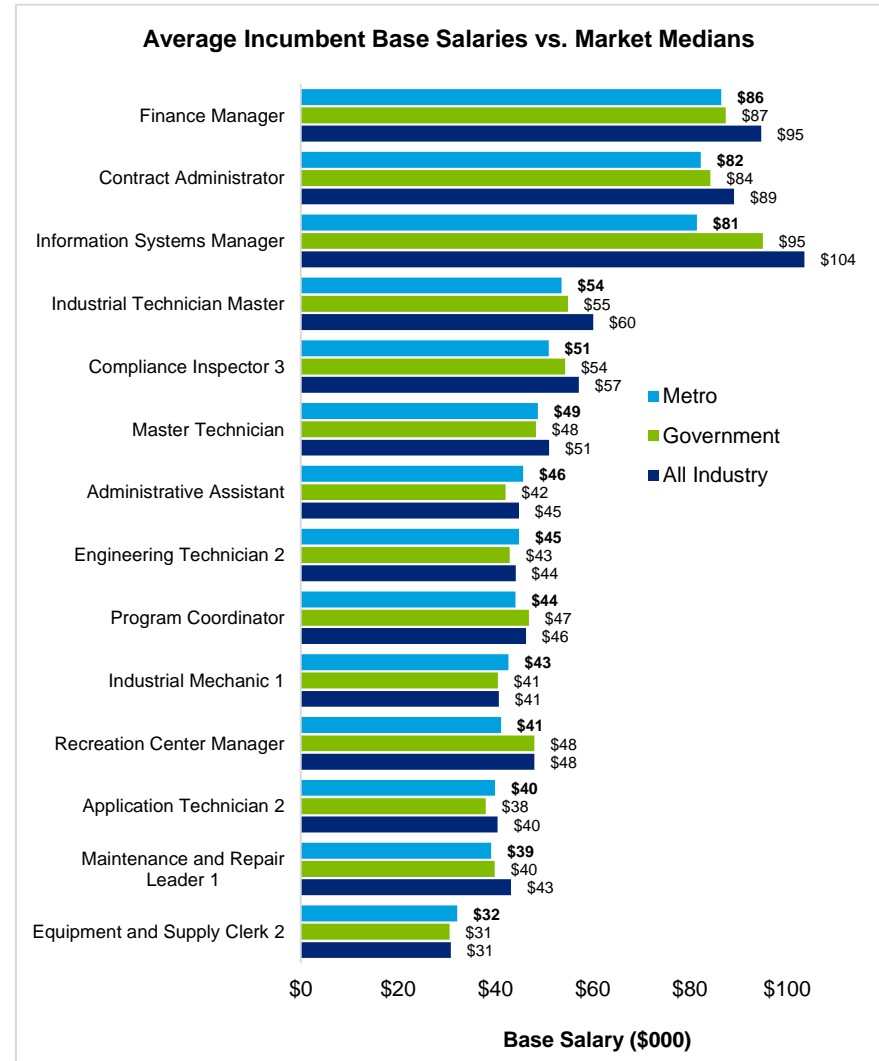


## Summary of findings

- Deloitte Consulting compared Metro pay levels to the competitive market median to determine Metro's competitive position and identify where significant variation versus the competitive market exists
  - Competitive position is defined by Deloitte Consulting as between 15% above and below market median for management jobs and as between 10% above and below market median for staff jobs
- Deloitte Consulting found that in general, Metro pay levels were within a competitive range for the selected positions

## Takeaways for Metro Nashville

- As a result of the report, Metro was able to appropriately price several new as well as changed positions
- Additionally, it helped confirm the pay levels for several jobs that were not covered in the first round of benchmarking



Effective January 2015

# Metro Nashville Adjustments

# Metro Nashville Adjustments



## Metro Nashville human resource department recommended adjustments

- Since January, Metro has determined several significant adjustments that need to be made in order to bring the compensation program closer to market competitiveness

## Changes that have been implemented

- Everyone in the benchmarked jobs that on average were significantly below the market received an extra 3% market adjustment (January 2014)
  - The adjustment was made to all jobs related to the benchmarked jobs (i.e., if level 3 of a job progression was benchmarked and deemed significantly below market, an adjustment was made to all levels of the job progression)
- All employees received a 1% increase
- All open range employees received a 2% merit budget increase
- In addition, employees on step structures continued to receive incremental increases

## Proposed changes

- Additional grades are proposed in a few targeted situations where market data fell between previously established ranges
- Several new job classifications are proposed
- Many inactive job classifications were identified for deletion
- Additional professional jobs are proposed to be moved to open range (OR) structure
- Metro HR is also in the process of creating new job descriptions for new and updated job classifications

# Alternatives for Future Direction of Salary Administration



Following the 2014 Deloitte Consulting study, several options were identified for possible future changes to the pay plans

Description	Pros	Cons
<p><b>Option I: Move to a more focused “pay for performance” approach</b></p> <ul style="list-style-type: none"> <li>• Move all structures to open ranges</li> <li>• Update performance management program</li> <li>• Do away with increments everywhere possible</li> <li>• Establish regular merit budgets and market adjustments</li> <li>• Implement new HRIS to administer programs</li> <li>• Update compensation philosophy</li> </ul>	<ul style="list-style-type: none"> <li>• Would provide better ability to reward key talent in areas such as IT, Finance, etc.</li> <li>• Would establish Metro as a leader in innovative pay practices in the public sector and more competitive with private sector</li> <li>• Would move Metro closer to “employer of choice” status and innovator; fits with image of young, vibrant, growing city</li> </ul>	<ul style="list-style-type: none"> <li>• Typically requires multi-year implementation</li> <li>• Would require review of the performance management program and potentially redesign and training</li> <li>• Requires regular funding for merit increases (i.e., 3% or greater annually)</li> <li>• Would require the most effort but also may produce the greatest impact/return on investment</li> </ul>
<p><b>Option II: Continue with current program but update ranges, give market adjustments across the organization and commit to regular funding</b></p> <ul style="list-style-type: none"> <li>• Adjust salary range structures based on new market data</li> <li>• Establish merit budget for coming year including open ranges</li> <li>• Provide market adjustment budget targeted at cases of pay compression</li> </ul>	<ul style="list-style-type: none"> <li>• Market adjustments could be used to “catch up” those behind the market</li> <li>• Regular merit budgets would help keep current employees competitive</li> <li>• Would help close gap between new employees and tenured employees</li> </ul>	<ul style="list-style-type: none"> <li>• Requires funding for merit and market adjustment budget</li> <li>• Emphasis on performance would be less than Option 1</li> <li>• May not attract or retain high performers as well as Option 1</li> <li>• Would not be as well aligned with leading practice</li> </ul>

# Alternatives for Future Direction of Salary Administration



Following the 2014 Deloitte Consulting study, several options were identified for possible future changes to the pay plans

Description	Pros	Cons
<p><b>Option III: Make adjustments only to those areas showing greatest variance to market</b></p> <ul style="list-style-type: none"> <li>Market adjustments for key job families showing greatest variance to market (e.g., &gt; 5% below)</li> <li>Update structures for key job families</li> </ul>	<ul style="list-style-type: none"> <li>Targets the job families most in need of market adjustments</li> <li>Requires a more modest level of funding</li> </ul>	<ul style="list-style-type: none"> <li>Does not make significant adjustments to the philosophy or administration of pay or modernize the approach</li> <li>Employees not in key job families would not benefit</li> </ul>
<p><b>Option IV: Make no changes at the present time</b></p>	<ul style="list-style-type: none"> <li>No resources/effort required</li> <li>Funding not required</li> <li>Could be based on idea that overall compensation was found to be competitive</li> </ul>	<ul style="list-style-type: none"> <li>Would not address short- or long-term issues with compensation</li> <li>Would not have any impact on employee retention or address issues with key job families</li> <li>May send a negative message to employees that are aware of study</li> </ul>



**Recommendation: In order to best utilize talent resources and budget, Metro has chosen to focus on Options II and III**

# Salary Structure Updates



## Proposed salary structure changes

- In order to better reflect the market, Metro is recommending updates to the following structures, which will be discussed in further detail on the following slides:
  - SR
  - OR
  - CO
  - ET
  - PS
- Metro is not recommending any changes to the following trades structures:
  - TG
  - TL
  - TS





# Salary Structure Updates

## SR/ST Structure

Current Structure			
Grade	Minimum	Midpoint	Maximum
SR01	\$17,118	\$19,685	\$22,252
SR02	\$18,841	\$21,667	\$24,493
SR03	\$21,180	\$24,356	\$27,532
SR04	\$23,113	\$26,582	\$30,051
SR05	\$25,946	\$29,837	\$33,728
SR06	\$29,027	\$33,383	\$37,740
SR07	\$32,357	\$37,212	\$42,067
SR08	\$35,955	\$41,348	\$46,740
SR09	\$39,822	\$45,795	\$51,768
SR10	\$43,986	\$50,583	\$57,180
SR11	\$48,438	\$55,701	\$62,965



Proposed Structure			
Grade	Minimum	Midpoint	Maximum
ST01	\$19,910	\$22,894	\$25,877
ST02	\$21,712	\$24,966	\$28,220
ST03	\$23,678	\$27,226	\$30,774
ST04	\$25,821	\$29,690	\$33,559
ST05	\$28,158	\$32,377	\$36,597
ST06	\$30,707	\$35,308	\$39,909
ST07	\$33,486	\$38,504	\$43,522
ST08	\$36,517	\$41,989	\$47,461
ST09	\$39,822	\$45,795	\$51,768
ST10	\$43,986	\$50,583	\$57,180
ST11	\$48,438	\$55,701	\$62,965

### Summary of proposed changes

- Several of the lower grades were found to be low compared to the market, therefore increases have been recommended
- Higher grades were already aligned well to the market, and therefore are not being recommended for change
- Certain positions tended to fall between grade levels; these situations are being addressed by adding identified professional jobs to the Open Range structure
- While not illustrated here, this structure will retain the same step pattern as current plan



# Salary Structure Updates

## OR Structure

Current Structure			
Grade	Minimum	Midpoint	Maximum
SR08	\$35,955	\$41,348	\$46,740
SR09	\$39,822	\$45,795	\$51,768
SR10	\$43,986	\$50,583	\$57,180
SR11	\$48,438	\$55,701	\$62,965
SR12	\$53,218	\$61,202	\$69,186
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SR13	\$63,783	\$76,671	\$89,559
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SR14	\$74,390	\$92,397	\$110,404
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SR15	\$87,906	\$112,719	\$137,533
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SR16	\$103,398	\$136,733	\$170,068



Proposed Structure			
Grade	Minimum	Midpoint	Maximum
OR01	\$36,517	\$41,989	\$47,461
OR02	\$39,822	\$45,795	\$51,768
OR03	\$43,986	\$50,583	\$57,180
OR04	\$48,438	\$55,701	\$62,965
OR05	\$53,218	\$61,202	\$69,186
OR06	\$58,501	\$68,738	\$78,976
OR07	\$63,783	\$76,671	\$89,559
OR08	\$69,086	\$84,631	\$100,175
OR09	\$74,390	\$92,397	\$111,585
OR10	\$81,148	\$103,464	\$125,779
OR11	\$87,906	\$114,278	\$140,650
OR12	\$95,652	\$126,739	\$157,826
OR13	\$103,398	\$139,588	\$175,777

### Summary of proposed changes

- A new structure, the OR structure, is proposed to be created in order to facilitate easier recruitment for selected professional positions
- This new structure would follow an open range design where an incumbent's pay could lie anywhere between the minimum and maximum of the grade; they would not be restricted to a specific "step" within the range
- This structure is based off the SR structure; SR08 grade has the same minimum and maximum as the proposed OR01 grade
- Adjustment to jobs on this structure to reflect market will be proposed by changing grades on identified positions



# Salary Structure Updates

## CO Structure

Current Structure			
Grade	Minimum	Midpoint	Maximum
CO01	\$32,357	\$37,212	\$42,067
CO02	\$35,955	\$41,348	\$46,740
CO03	\$39,822	\$45,795	\$51,768
CO04	\$43,986	\$50,583	\$57,180
--	--	--	--



Proposed Structure			
Grade	Minimum	Midpoint	Maximum
CO01	\$33,486	\$38,504	\$43,522
CO02	\$36,517	\$41,989	\$47,461
CO03	\$39,822	\$45,795	\$51,768
CO04	\$43,986	\$50,583	\$57,180
CO05	\$48,438	\$55,701	\$62,965

### Summary of proposed changes

- The structure did not accommodate the highest paying jobs; therefore an additional grade has been added to the structure
- Adjustments to jobs on this structure to reflect market will be proposed by changing grades for certain positions
- While not illustrated here, this structure will retain the same step pattern as current plan



# Salary Structure Updates

## ET Structure

Current Structure			
Grade	Minimum	Midpoint	Maximum
ET01	\$29,027	\$33,383	\$37,740
ET02	\$32,357	\$37,212	\$42,067
ET03	\$39,822	\$45,795	\$51,768
ET04	\$43,986	\$50,583	\$57,180
ET05	\$48,438	\$55,701	\$62,965
ET06	\$53,218	\$61,202	\$69,185
ET07	\$63,783	\$76,671	\$89,559
ET08	\$74,390	\$92,397	\$110,403



Proposed Structure			
Grade	Minimum	Midpoint	Maximum
ET01	\$30,707	\$35,308	\$39,909
ET02	\$33,486	\$38,504	\$43,522
ET03	\$39,822	\$45,795	\$51,768
ET04	\$43,986	\$50,583	\$57,180
ET05	\$48,438	\$55,701	\$62,965
ET06	\$53,218	\$61,202	\$69,185
ET07	\$63,783	\$76,671	\$89,559
ET08	\$74,390	\$92,987	\$111,585

### Summary of proposed changes

- This structure is based on the proposed SR/OR structures
- While not illustrated here, this structure will retain the same step pattern as current plan



# Salary Structure Updates

## PS Structure

Current Structure			
Grade	Minimum	Midpoint	Maximum
PS01	\$32,721	\$37,629	\$42,537
PS02	\$36,471	\$41,940	\$47,410
PS03	\$40,527	\$46,605	\$52,684
PS04	\$44,887	\$51,618	\$58,350
PS05	\$49,581	\$57,017	\$64,453
PS06	\$54,599	\$62,789	\$70,978
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PS07	\$59,987	\$68,988	\$77,988
--	--	--	--
PS08	\$71,899	\$82,685	\$93,470
--	--	--	--
PS09	\$83,850	\$107,327	\$130,804
PS10	\$99,088	\$130,783	\$162,478
PS11	\$116,553	\$157,331	\$198,109



Proposed Structure			
Grade	Minimum	Midpoint	Maximum
PS01	\$32,721	\$37,629	\$42,537
PS02	\$36,471	\$41,940	\$47,410
PS03	\$40,527	\$46,605	\$52,684
PS04	\$44,887	\$51,618	\$58,350
PS05	\$49,581	\$57,017	\$64,453
PS06	\$54,599	\$62,789	\$70,978
PS07	\$57,329	\$65,928	\$74,527
PS08	\$59,987	\$68,988	\$77,988
PS09	\$62,987	\$72,434	\$81,881
PS10	\$71,899	\$82,685	\$93,470
PS11	\$76,932	\$88,471	\$100,010
PS12	\$83,850	\$107,327	\$130,804
PS13	\$99,088	\$130,783	\$162,478
PS14	\$116,553	\$157,331	\$198,109

### Summary of proposed changes

- No changes are recommended to the existing grades in the structure because competitive data supports the current ranges
- However, certain positions tended to fall between grade levels, therefore three additional grades have been added in the upper portion of the structure
- Adjustment to jobs on this structure to reflect market will be proposed by changing grades on identified positions
- While not illustrated here, this structure will retain the same step pattern as current plan



# Salary Structure Updates

## Trades Structures

TG – Worker Rates			
Grade	Minimum	Midpoint	Maximum
TG01	\$20,606	\$22,721	\$24,836
TG02	\$21,647	\$23,875	\$26,103
TG03	\$24,248	\$26,748	\$29,247
TG04	\$26,646	\$29,428	\$32,210
TG05	\$28,388	\$32,380	\$36,372
TG06	\$30,107	\$33,239	\$36,372
TG07	\$31,803	\$35,207	\$38,612
TG08	\$33,500	\$37,006	\$40,512
TG09	\$35,309	\$38,917	\$42,525
TG10	\$36,870	\$40,749	\$44,628
TG11	\$38,612	\$42,581	\$46,551
TG12	\$40,263	\$44,414	\$48,564
TG13	\$41,846	\$46,246	\$50,645
TG14	\$43,543	\$48,089	\$52,636
TG15	\$45,284	\$50,114	\$54,943
TG16	\$47,003	\$51,878	\$56,752

TL – Leader Rates			
Grade	Minimum	Midpoint	Maximum
TL01	\$22,642	\$24,972	\$27,302
TL02	\$23,751	\$26,227	\$28,704
TL03	\$26,623	\$29,394	\$32,165
TL04	\$29,338	\$32,516	\$35,694
TL05	\$31,260	\$35,603	\$39,946
TL06	\$33,138	\$36,542	\$39,946
TL07	\$34,947	\$38,668	\$42,389
TL08	\$36,870	\$40,749	\$44,628
TL09	\$38,793	\$42,796	\$46,800
TL10	\$40,557	\$44,889	\$49,220
TL11	\$42,547	\$46,936	\$51,324
TL12	\$44,312	\$48,915	\$53,518
TL13	\$46,189	\$50,985	\$55,780
TL14	\$47,999	\$52,941	\$57,883
TL15	\$49,831	\$55,045	\$60,259
TL16	\$51,618	\$57,024	\$62,430

TS – Supervisor Rates			
Grade	Minimum	Midpoint	Maximum
TS01	\$33,477	\$37,096	\$40,715
TS02	\$34,812	\$38,589	\$42,366
TS03	\$36,689	\$40,421	\$44,153
TS04	\$38,295	\$42,299	\$46,302
TS05	\$39,946	\$44,074	\$48,202
TS06	\$41,688	\$46,110	\$50,532
TS07	\$43,452	\$47,920	\$52,387
TS08	\$44,990	\$49,729	\$54,468
TS09	\$46,823	\$51,686	\$56,549
TS10	\$48,428	\$53,507	\$58,585
TS11	\$50,283	\$55,429	\$60,575
TS12	\$51,957	\$57,408	\$62,860
TS13	\$54,377	\$59,964	\$65,552
TS14	\$57,160	\$63,131	\$69,103
TS15	\$60,666	\$66,931	\$73,197
TS16	\$64,601	\$71,342	\$78,083

### Summary of proposed changes

- No changes are recommended to the existing grades in the structure because competitive data supports the current ranges
- Adjustment to jobs on this structure to reflect market will be proposed by changing grades on identified positions



# Compensation and Benefits Study for Mayor, Vice Mayor and Council

## Background

- In addition to the compensation and benefits assessments conducted by Deloitte Consulting, Metro HR also conducted a study focusing on compensation for the Mayor, Vice Mayor, and Council. During this study, Deloitte Consulting provided assistance and oversight as necessary
- The study compared compensation levels for these three positions at 13 municipalities considered to be similar to Metro in terms of population, geographic location and cost of living
- Based on this analysis, Metro found that the average salaries amongst the peers were significantly higher than Metro's current rates:

Position	Current Metro Salary	Average Peer Salary
Mayor	\$136,500	\$180,021
Vice Mayor	\$17,000	\$39,629
Council	\$15,000	\$34,632

## Recommendations

- As an outcome of this analysis, Metro Civil Service Commission approved the following changes:
  - Increase the Mayor's salary to \$180,000
  - Increase the additional salary given to the Vice-Mayor to \$22,500
  - Increase the additional salary given to Metro Council to \$20,600

## Note

- The adjusted pay rates were not approved and adopted by the Metro Council

# Pay Plan Review Session



## Background

- Metro HR has been working diligently to resolve the compensation issues that have been identified through the recent studies. In order to validate the proposed changes, Metro HR sought additional counsel from Deloitte Consulting
- In early 2015, Deloitte Consulting met with members of the Metro Nashville HR team to provide counsel on Metro's proposed compensation adjustments
  - Deloitte Consulting and Metro reviewed all aspects of proposed changes to pay levels and pay structures, including competitive data, discussions with departments and the proposed grade changes
  - Based on its review, Deloitte Consulting determined that Metro's proposals were sound and offered suggestions for further improvement in order to keep with leading practices and align with industry trends

## Discussion points

- The goal of Deloitte Consulting's review was to provide Metro HR with guidance on its planned long-term activities regarding employee compensation levels and pay structures. Key topics included:
  - Review of salary structures that needed to be updated or adjusted
  - Comprehensive review of all job titles to ensure internal and external equity
  - In depth analysis, job-by-job, of salary grade adjustments to be made to ensure internal and external equity
  - Review of job documentation
  - Discussion of implementation strategies
  - Discussion of ancillary policies such as shift differentials, compression, etc.



# Next Steps



# Next Steps – Pending Appropriate Approvals

## Pay plan changes

- Retire obsolete job titles/classifications
- Add new classifications
- Adjust relevant job grades and structures
- Change professional jobs to open ranges
- Update systems to reflect all changes
- Draft new job descriptions for new jobs and classifications
- Prepare communications initiative
- Implementation of pay adjustments

## Additional benchmarking to complete

- Director levels