



# City of Edmonds

## 2021 Compensation Market Study

### Executive Summary - **DRAFT**

#### Current Situation

The community that became the City of Edmonds grew out of a homestead and logging operation started by George Brackett in 1876. The City now provides many amenities for residents and visitors. An active arts and cultural community contribute to the strong sense of civic pride widely shared among the City of Edmond's residents.

The City of Edmonds believes its greatest assets are the more than 200 people who make up its workforce. The City recognizes the value of its employees through competitive pay and benefits. It engaged Compensation Connections to benchmark pay for positions across the City.

#### Project Activities

The project activities for this market study included:

- Conduct a base pay compensation market study for 115 represented and non-represented positions across the City
- Review and suggest revisions to the existing wage scales based on the new market data
- Recommend placement of positions into the proposed wage scales

#### Summary of Methodology

We began this work by meeting with the Director of Human Resources to discuss the City's competitive market, comparator organizations, and positions to include in the study. We also explored how the City's compensation philosophy would inform the work of the project.

A compensation market study was conducted for 115 positions. Excluded from the analysis were police, police support (except police service assistants), treatment plant, casual/hourly, and contract positions.

The study began with a review of the existing job descriptions for the included positions. Next, we researched base pay from relevant compensation sources representing the jobs and the City's competitive market (see Market Data Sources below).

Best practice in compensation reviews recommends at least three market data sources to price a job title. Most of the City's positions have three matches in this market analysis, and many have four or five matches.

Using the market data as a foundation, we reviewed the existing wage scales and recommended updates

to the structures. We then suggested potential changes to position grade based on the new market data.

## Compensation Goals

The City Council updated the compensation policy in 2021. The policy included the following goals for the compensation program:

- To attract and retain, dedicated, hardworking, diverse, talented employees who are well qualified to perform their duties in an ever-evolving municipal government environment
- To pay employees fairly and to ensure pay equity and internal equity
- To be externally competitive by providing compensation commensurate with the labor market
- To be fiscally responsible and legally defensible

The market study was grounded in the compensation policy and these goals.

## Market Data Sources

The compensation policy defined the City’s comparable labor market as “Cities in Washington State based on population, assessed valuation, and assessed valuation per capita with a bandwidth of 50% up and 50% down.” We researched compensation market data for these comparable cities:

City	County	Population	Assessed Valuation	Per Capita
Issaquah	King	38,690	11,966,058,762	309,280
Edmonds	Snohomish	42,470	11,011,221,440	259,271
Bothell	King/Snohomish	48,400	12,354,415,516	255,257
Mukilteo	Snohomish	21,360	5,444,416,654	254,888
Shoreline	King	56,980	11,637,183,574	204,233
Lynnwood	Snohomish	40,690	7,503,860,299	184,415
Puyallup	Pierce	42,700	6,928,321,607	162,256
Burien	King	52,300	7,794,662,044	149,038
Olympia	Thurston	54,150	7,741,414,390	142,962
Lacey	Thurston	52,910	7,268,934,236	137,383

The compensation policy also states that other local government agencies and private employers may be taken into consideration when they are determined to be a relevant factor in the City’s labor market.

We researched pay data using published survey sources. These surveys utilize compensation information provided by hundreds of employers in the public and private sectors. We filtered the data to reflect employers of similar size to the City of Edmonds in the Puget Sound market.

Utilizing published surveys let us round out the data for City of Edmonds jobs that were not in the comparable city data. The published survey data also reflects the broader labor market in which the City competes for talent.

Please see the chart below for the published survey sources and the market sector “filter” utilized in the study.

Survey Source	Market Sector
Economic Research Institute	Government
CompAnalyst	Government
Milliman Public Employers	Government
CompAnalyst	All Industries
Compdata	All Industries
Milliman Puget Sound	All Industries
Milliman Northwest	All Industries

## Market Reference Point

When researching pay data in the published surveys, we noted the 25th, 50th (median), and 75th percentiles. For the comparator organization research, we noted the pay scales for each position and calculated the midpoint, which represents the 50th percentile (median).

When comparing the City’s pay scales to the market, we utilized the 50th percentile (median) in alignment with the compensation policy and goals. Most public and private sector organizations use the 50th percentile as their market reference point.

## Findings and Recommendations for Non-Represented Positions

We compared the current non-represented salary scale to the market data and found it to be approximately 6% below the market median overall. This is based on the overall market data for all of the City’s jobs compared to the current salary scale. We suggest that the City increase the non-represented salary scale's dollar amounts to better align with the market.

We also examined the placement of each non-represented job within the salary scale to determine if any jobs might be a better fit in a different salary range, based on the market data. We found that 29 jobs move to a higher salary range (listed below).

- Administrative Services Director
- Associate Engineer
- Associate Planner
- Building Official
- Capital Projects Manager
- City Engineer
- Comm Service/Econ Development Director
- Deputy Parks Director
- Development Services Director
- Engineering Program Manager II
- Executive Assistant to the Mayor
- Executive Assistant Confidential
- Human Services Program Manager
- IS Manager
- Park, Rec & Cultural Service Director
- Planner
- Planning Manager
- Police Chief
- Public Works Director
- Recreation Supervisor
- Senior Planner
- Senior Utilities Engineer
- Stormwater Engineer
- Street-Stormwater-Manager

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- Facilities Manager
  - Fleet Manager
  - HR Director
  - Transportation Engineer
  - Urban Forest Planner

If the City implements the proposed salary scale and job placement changes for the non-represented employees, 39 people would be eligible for a pay increase. The total increase would be \$220,409 or 2% of the City's total salary budget.

## Labor Market Context

It is important to note that we are seeing a significant number of salary scale and job placement changes right now with every organization. The Puget Sound labor market has historically been challenging for employers, with consistently low unemployment and steady wage growth. While the COVID-19 Pandemic caused many employers nationally to lay-off staff, most organizations in the Puget Sound continued to operate business-as-usual.

The rate of unemployment for our area is fluctuating around 5% and our CPI-U growth is over 6% (per the U.S. Bureau of Labor Statistics). This is adding to an already difficult climate for employers as they hire and retain staff. The current situation emphasizes the importance for organizations to adjust to, and plan for, changing labor market conditions to keep their employees.

## About Compensation Connections

Compensation Connections is a Seattle-area consulting firm advising organizations in matters related to total rewards. The firm is owned by Nancy Kasmar and Shannon Drohman, who started the business in 2014. Our team also includes eight staff members who serve as consultants or analysts.

We have assisted hundreds of organizations with the overall design of compensation and rewards programs, job analysis, job descriptions, FLSA assessment, custom pay surveys, benchmarking studies, classification systems, internal job evaluation, pay structures, incentive plans, performance management systems, competency creation, employee impact analysis, and implementation support.

Most of our clients are in Washington State, generally in the greater Puget Sound region, although we have clients across the U.S. We have a wide range in client size in a variety of industries, from small start-ups to well-established organizations with thousands of employees. In addition to public sector employers, our client mix includes engineering consulting, non-profit, education, construction, manufacturing, financial services, professional services, and healthcare.

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