

**TOWN OF MEAD, COLORADO
RESOLUTION NO. 61-R-2021**

**A RESOLUTION OF THE TOWN OF MEAD, COLORADO, APPROVING
UPDATED COMPENSATION STRUCTURE GUIDELINES
FOR EMPLOYEES**

WHEREAS, in 2018, the Board of Trustees approved the compensation structure guidelines for employees, by adoption of Resolution No. 97-R-2018; and

WHEREAS, in 2021, the Board of Trustees amended the compensation structure guidelines and created the position of Deputy Town Engineer, by adoption of Resolution No. 31-R-2021; and

WHEREAS, the Town entered into a Services Agreement with Compensation Studio LLC, a Colorado limited liability company, whose address is 7470 South Steele Circle, Centennial, CO 80122 (the "Compensation Consultant"), to conduct compensation consulting services including designing an updated salary structure and step plan along with completing and submitting a methodology report to the Town (the "Report"); and

WHEREAS, the Report has been completed and provided to the Town; and

WHEREAS, the Board of Trustees desires to accept the Report set forth in **Exhibit A** (Compensation Methodology Report); and

WHEREAS, utilizing the findings and conclusions set forth in the Report, the Compensation Consultant has presented a recommended pay structure for Town employees based on a review of public and private organizations within the Town's market area; and

WHEREAS, it is the intent of the Board of Trustees to utilize the recommended pay structure beginning immediately as a guideline for personnel expenditures.

NOW THEREFORE, BE IT RESOLVED by the Board of Trustees of the Town of Mead, Weld County, Colorado, that:

Section 1. The Report as completed by the Compensation Consultant is hereby accepted.

Section 2. The salary ranges set forth in **Exhibit B** (Town of Mead Jobs Listed by Salary Grade) and the step recommendations set forth in **Exhibit C** (Town of Mead Police Departments Pay Rates), as prepared by the Compensation Consultant, will be used, in conjunction with annual performance reviews per the Town of Mead Employee Handbook, as a guide for future pay discussions.

Section 3. The salary ranges set forth in **Exhibits B and C** may be updated annually by resolution of the Board of Trustees.

Section 4. Effective Date. This resolution shall become effective immediately upon adoption.

Section 5. Repealer. All resolutions, or parts thereof, in conflict with this resolution are hereby repealed, provided that such repealer shall not repeal the repealer clauses of such resolution nor revive any resolution thereby.

Section 6. Certification. The Town Clerk shall certify to the passage of this resolution and make not less than one copy of the adopted resolution available for inspection by the public during regular business hours.

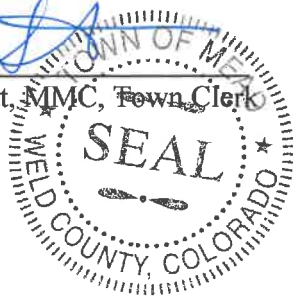
INTRODUCED, READ, PASSED, AND ADOPTED THIS 8TH DAY OF NOVEMBER, 2021.

ATTEST:

TOWN OF MEAD

By: _____

Mary E. Strutt, MMC, Town Clerk



By: _____

Colleen G. Whitlow, Mayor

Town of Mead Compensation Project Methodology Report October 2021

Introduction

The Town of Mead (Town) asked Candy Johnson, Principal of Compensation Studio LLC, to conduct a salary survey market analysis, update the salary ranges and Police Officer/Sergeant step plans, and compare current rates of pay with the identified labor market. This report presents the methodology followed when designing and updating compensation programs.

Strategic Review

We began with a review of the changes that had occurred in the organization since the last update was conducted in 2018. This included a review of organizational structure, compensation philosophy, job changes, additions, and deletions, and overall effectiveness of pay practices. Working with the Town Manager, we reviewed the plan objectives and discussed the importance of aligning the total compensation program with the Town's mission and values.

Job Matching and Market Pricing

We met with department heads to identify the most relevant match between the Town's position and the survey job descriptions. We considered duties performed and qualifications required of the job. We do not match by job title.

We also reviewed factors such as the degree of knowledge/skill, job family progression, span of control, reporting relationships, scope of decision-making authority, and overall impact on the organization. We strive to match a position to the survey job if a 70 to 80 percent match exists between the incumbent's job responsibilities and the duties listed in the survey.

Each department head provided input and approval on all job matches.

Salary Surveys and Data Lines

The specific surveys and data lines used in this analysis were:

- **2021 Employers Council Benchmark Compensation Survey**
(Denver/Boulder and Northern Colorado data lines)
384 jobs; 338 participants; 34,780 reported employee pay rates
Published May 2021

- **2021 Employers Council Public Employers Compensation Survey**
(Denver/Boulder and Northern Colorado data lines)
381 jobs; 125 participants; 40,050 reported employee pay rates
Published June 2021

After obtaining the final job match, we collected salary information. We also noted the number of incumbent pay rates reported in the sample. Data with 30 rates or more is considered to be a statistically accurate average; however, it is not always possible to

find a large sample for certain positions. For some positions, data reported for Northern Colorado was insufficient or the sample size was too small to provide an accurate indication of what employers are paying for similar positions. In those instances, we utilized the data line representing All Front Range employers.

Adjust Survey Data

Since the effective dates of the salary survey data varied by survey, we aged the data and brought it forward to a common date of January 1, 2022. We used an adjustment factor that represents the annual percent of salary movement for employers. Aging data also enables the employers to keep pace with market movement.

The U.S. Department of Labor, Bureau of Labor Statistics, compiles and publishes the Employment Cost Index (ECI) every quarter. The ECI reflects the percentage change in employer costs for employee compensation. At the time of this study, the ECI rate was 1.8% for public sector and 3.5% for private sector employers. We used 2% as the adjustment and prorated this factor based on the period from each survey's information collection date to January 1, 2022.

Develop Salary Grades and Ranges

We grouped jobs into salary grades based on the survey data and reviewed the updated Position Listing with the Town Manager. We also considered internal equity and reviewed compensable factors of the positions to ensure the jobs were appropriately placed. These factors include knowledge, decisions made, and accountability in each position.

For each grade, we updated the salary range, which includes a minimum, midpoint, and maximum pay scale. As market data focuses on payment for the job, the salary range provides flexibility to pay the incumbent according to criteria based on the organization's philosophy and strategy. This can include specific goal accomplishment, performance, length of service or any other criteria that is deemed important.

Calculation of the midpoints for each range is typically based on the aggregate of the survey weighted averages.

The minimum and maximum pay are calculated based on the range spread. The structure consists of fifteen salary grades. Typical range spreads vary depending upon the level of position. Range spreads in this structure vary from 30% to 50%.

Review Cost to Implement

The proposed structure compares employee pay rates to the salary ranges. The cost to bring pay rates to minimum is approximately \$5,420. Based on current pay, or new pay at range minimum, we calculated the cost of applying a 5% merit increase to all employees. This amount is approximately \$82,975.

We also discussed pay compression within the proposed structure.

"Salary compression" exists when an employee's base wage is close to, or more than, a longer-service employee or supervisor within the same job family. Some causes include market pressures to pay more to hire qualified, talented employees, limited pay increase budgets, extended overtime, too much range overlap, or implementation of a new structure to play "catch-up" with labor market movement.

To have a competitive, market-driven compensation system, upward adjustment of the range structure is necessary. When current pay rates either fall below the new minimum or are barely above it, the compression problem escalates. Rarely can organizations achieve external (market), as well as internal and individual equity (compression) compensation goals. They are inherently in conflict.

We assessed all pay rates by reviewing date in position and compa-ratio presuming successful performance in the job. The compa-ratio is a measure indicating the pay rate position relative to range midpoint. For every year in role, we compared current pay (after merit increase) to a pay rate of 4 percent above the range minimum to identify any pay anomalies. If pay rates fell low in the range, an equity adjustment was applied up to but not exceeding the maximum of the proposed salary range. The approximate cost of applying the equity adjustments is \$37,204.

After applying the 4% per year in position adjustment, some pay rates were still low in range considering the incumbent's skill, expertise, performance, and overall criticality of position. These rates were increased based on this analysis. The cost to apply the additional adjustment is \$60,679.

The cost to implement the plan is approximately \$186,277.

The Police Officer Step Plan has seven steps. The percentage increase between Steps 1 and 2 remains at 3%. The increase between Steps 2 through 7 was adjusted to be 4%. Based on market data and a review of other agency practices, the plan is set approximately 17 to 24% higher than the current plan. The survey market average is slightly above Step 6. The cost to bring Police Officers to the new pay of their current step is approximately \$72,462; it will cost approximately \$9,247 to move to the next step.

The Sergeant Step Plan has five steps with a 5% increase between each step. The first step has been set 5% higher than Step 7 of the Officer plan. The new plan is set approximately 11.5% higher than the current one. The survey market average is slightly below Step 5. The cost to move Sergeants to the new pay of their current step is \$21,049; the cost to move to the next step is \$10,166.

The cost to implement the Step Plan for both Officers and Sergeants is approximately \$112,925.

Summary

Employers consider pay differently based on their organizational strategy, total compensation program elements, culture, difficulty in attracting and retaining qualified talent, legal compliance, and budget constraints. A market analysis is a tool to aid in the salary decision process and should align with these factors.

We appreciate the opportunity to work with you. Please let us know if you have any questions or concerns about this project.



**Town of Mead
Job Titles Listed by Salary Grade
October 2021**

Job Title	Range Minimum	Range Midpoint	Range Maximum
Salary Grade 50			
School Crossing Guard	\$26,400.00 \$12.69	\$31,000.00 \$14.90	\$34,300.00 \$16.49
Salary Grade 100			
Recreation Aide Seasonal Maintenance	\$27,500.00 \$13.22	\$33,000.00 \$15.87	\$38,500.00 \$18.51
Salary Grade 200			
Intern	\$31,700.00 \$15.24	\$38,000.00 \$18.27	\$44,300.00 \$21.30
Salary Grade 300			
Maintenance Worker I	\$41,700.00 \$20.05	\$50,000.00 \$24.04	\$58,300.00 \$28.03
Salary Grade 400			
Administrative Clerk <i>Police Administrative Clerk</i> Maintenance Worker II	\$43,300.00 \$20.82	\$53,000.00 \$25.48	\$62,700.00 \$30.14
Salary Grade 500			
Community Service Officer Deputy Town Clerk/Court Clerk HR and Finance Clerk Office Manager Permit Technician Records Clerk/Evidence Technician Recreation Coordinator	\$46,500.00 \$22.36	\$57,000.00 \$27.40	\$67,500.00 \$32.45
Salary Grade 600			
<i>Human Resources Generalist</i> Planner I Planning Technician Public Works Foreman	\$51,200.00 \$24.62	\$64,000.00 \$30.77	\$76,800.00 \$36.92



**Town of Mead
Job Titles Listed by Salary Grade
October 2021**

Job Title	Range Minimum	Range Midpoint	Range Maximum
Salary Grade 700	\$56,400.00	\$70,500.00	\$84,600.00
Construction Inspector <i>Economic Development Specialist</i> Planner II	\$27.12	\$33.89	\$40.67
Salary Grade 800	\$64,800.00	\$81,000.00	\$97,200.00
Vacant	\$31.15	\$38.94	\$46.73
Salary Grade 900	\$76,400.00	\$95,500.00	\$114,600.00
Construction Manager Public Works Operations Manager Senior Construction Inspector	\$36.73	\$45.91	\$55.10
Salary Grade 1000	\$88,000.00	\$110,000.00	\$132,000.00
PIO/Director of Community Engagement <i>Town Clerk</i> <i>Human Resources Manager</i>	\$42.31	\$52.88	\$63.46
Salary Grade 1100	\$103,800.00	\$129,750.00	\$155,700.00
Deputy Town Engineer Police Commander Town Clerk/Treasurer	\$49.90	\$62.38	\$74.86
Salary Grade 1200	\$116,600.00	\$145,800.00	\$175,000.00
Community Development Director Police Chief Town Engineer/Public Works Director <i>Finance Director</i>	\$56.06	\$70.10	\$84.13
Salary Grade 1300	\$137,800.00	\$172,200.00	\$206,600.00
<i>Deputy Town Manager</i>	\$66.25	\$82.79	\$99.33
Salary Grade 1400	\$164,800.00	\$206,000.00	\$247,200.00
Town Manager	\$79.23	\$99.04	\$118.85



MEAD POLICE DEPARTMENT

PAY RATES

Police Officer Level One - \$70,000 / \$33.65 per hour (Officers done with FTO and new officers, not laterals)

Police Officer Level Two - \$72,100 / \$34.66 per hour

Police Officer Level Three - \$74,984 / \$36.05 per hour

Police Officer Level Four - \$77,983 / \$37.49 per hour (this has been identified as the **Lateral 1** entry point)

Police Officer Level Five - \$81,103 / \$38.99 per hour

Police Officer Level Six - \$84,347 / \$40.55 per hour (this has been identified as the **Lateral 2** entry point)

Police Officer Level Seven - \$87,721 / \$42.17 per hour

Lateral 1 requires between 3 and 10 years of prior law enforcement experience

Lateral 2 requires more than 10 years of prior law enforcement experience

Sergeant Level 1 - \$92,100 / \$44.28 per hour

Sergeant Level 2 - \$96,705 / \$46.49 per hour

Sergeant Level 3 - \$101,540 / \$48.82 per hour

Sergeant Level 4 - \$106,617 / \$51.26 per hour

Sergeant Level 5 - \$111,948 / \$53.82 per hour