

Item F-1

SALT LAKE CITY COUNCIL STAFF REPORT

DATE: January 10, 2003
SUBJECT: Proposal to Reclassify Three Division Director Positions at the Airport
STAFF REPORT BY: Gary Mumford

REQUESTED ACTION:

The proposal is presented to revise the executive compensation plan to create two additional executive positions and reclassify one executive position to a higher level.

- Director of Engineering Executive 004 (currently professional 615)
- Director of Public Relations/Marketing Executive 006 (currently professional 612)
- Director of Maintenance Executive 004 (currently executive 005)

There are seven division director positions within the Department of Airports that report to the Airport Executive Director. Five of these division director positions are classified within the executive compensation plan and two director positions are classified within the professional employee compensation plan. The Executive Director of the Department of Airports is requesting that all seven division director positions be classified in the executive compensation plan. The Human Resource Management Division conducted job audits of these seven positions and recommended that the Director of Maintenance position be reclassified to a higher executive level position.

OPTIONS:

1. Forward to a future Council Meeting for consideration.
2. Set a date for a public hearing – Each year in May, the Council holds public hearings prior to adopting employee compensation plans. Changes to the staffing document that result in a current year budget impact are generally made at the time of a budget amendment, which requires a public hearing. On occasions in the past, the Council has amended the executive staffing schedule of the executive compensation plan without holding a public hearing.
3. Defer consideration until the next scheduled budget amendment – Although the Department of Airports is not requesting additional appropriations, there is an ongoing budget impact.
4. Defer consideration until the annual budget process – Consideration of reclassifications in conjunction with the annual and biennial budgets allows for reclassifications to be considered along with all other budget issues.
5. Do not forward the proposal for consideration.

MATTERS AT ISSUE:

- Job duties of the three positions:
 - a. Director of Airport Engineering – The Airport Engineer directs the airport’s capital improvement program including the new development program, which is more than a \$1 billion program to replace the terminals, concourses, and change land-side roadways and parking. The Director of Airport Engineering supervises 48 employees. Following a job audit, Human Resource Management recommends the pay grade be reclassified to an executive pay plan grade of 004. The midpoint or market rate of the current and proposed pay grades is almost the same. There are some advantages of the executive pay plan for the employee such as severance pay, but the disadvantage for the employee is the at-will status rather than merit status. The current employee is willing to make the change to the executive pay plan.
 - b. Director of Public Relations and Marketing – This position supervises 9 employees and is responsible for implementing and directing air-service marketing and public relations including media relations, advertising, marketing, public relations campaigns, air service analysis, publications and special events. The Executive Director of Airports is proposing to combine the Director of Marketing position with the Director of Public Relations position. The vacant Director of Marketing position (currently pay grade 612) will be down graded resulting in a savings of about \$10,000 annually.
 - c. Director of Airport Maintenance – The Director of Maintenance oversees maintenance operations of the airfield, grounds, and facilities including runway snow removal and capital improvement maintenance projects. There are 228 full-time-equivalent positions within the Airport Maintenance Division, more employees than any of the other six divisions within the Department of Airports. In response to the initial request to reclassify two of the division director positions, the Human Resource Management Division conducted a job audit of all airport division directors for consistency. The Human Resource Management Division recommended that the Director of Airport Maintenance be reclassified to a higher level executive position.
 - Budgetary Impact – The Department of Airports estimates that the three reclassifications will cost an additional \$14,000 annually (\$24,000 in additional salary and benefit costs with an offsetting \$10,000 savings from reducing the pay classification of the vacant marketing position).
 - Appointed At-Will Status – The reclassification will move two positions from merit status to at-will status. This change will allow the executive director more discretion in replacing incumbents that do not meet expectations.
 - Recruitment – In the event division director positions becomes vacant, the executive compensation plan allows the Executive Director more flexibility in offering appropriate compensation following a national search to find qualified candidates who have relevant aviation industry experience.
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- Retention – National airports and consulting firms are constantly seeking aviation administrators and can sometimes offer compensation packages in excess of what the existing classification for this position allows. The Executive Director of Airports would like greater flexibility in negotiating reasonable compensation for individuals in this position.
- Consistency within the Department of Airports – The proposal to add two additional executive positions will provide consistency within the organization (i.e., all seven division directors will be classified within the executive compensation plan).
- Number of Executive Positions – Past Councils have generally preferred to limit the number of executive positions in City government. There are currently 47 executive positions with 6 of these in the Department of Airports.

The following table shows the midpoint or market rate of each division director position (current and proposed).

AIRPORT DIVISION DIRECTORS REPORTING DIRECTLY TO THE EXECUTIVE DIRECTOR PROPOSED AND CURRENT PAY GRADE CLASSIFICATIONS			
<i>Directors Reporting Directly to Executive Director</i>	<i>Number of Employees (FTEs)</i>	<i>Director's Pay Plan & Grade</i>	<i>Midpoint/Market Rate</i>
Director of Maintenance	228	Proposed pay grade: Executive Pay Plan grade 004	\$88,742
		Current pay grade: Executive Pay Plan grade 005	\$83,884
Director of Operations	207	Executive Pay Plan grade 003	\$97,481
Director of Engineering	48	Proposed pay grade: Executive Pay Plan grade 004	\$88,742
		Current pay grade: Professional Pay Plan grade 615	\$88,620
Director of Finance & Accounting	20½	Executive Pay Plan grade 003	\$97,481
Director of Administration & Commercial Services	38	Executive Pay Plan grade 003	\$97,481
Director of Planning, Environmental and Capital Program	10	Executive Pay Plan grade 004	\$88,742
Director of Community and Public Relations	9	Proposed pay grade: Executive Pay Plan grade 006	\$77,877
		Current pay grade: Professional Pay Plan grade 612	\$70,797