
MEMORANDUM

DATE: November 17, 2009

TO: City Council Members

FROM: Sylvia Jones, Research & Policy Analyst

SUBJECT: Human Resource Management Audit – Final Report

CC: David Everitt, Ed Rutan, Ralph Chamness, Lyn Creswell, Gordon Hoskins, Debra Alexander, and David Salazar

BACKGROUND:

The Matrix Consulting Group has completed their final report of the Human Resource Management Audit. The Council may recall that the Council initially approved two phases to the audit. Phase One was to include the auditors familiarizing themselves with city operations, policies, procedures, budgets and other documentation. Afterwards, the auditors were to conduct a series of interviews with the City’s Human Resource “users”. The auditors were to categorize the interview responses and then report back to the Council. The scope and contract for Phase Two was to be negotiated after Phase One was complete.

In Phase Two, the auditors were to provide analytical tools for the City as well as refinement and suggested changes, including the costs, benefits and alternatives for each issue, and how they might affect or relate to a city strategic or operational goal. During review of the first budget amendment of FY 2009, the City Council was made aware, based on forecasts, that the City was facing a serious revenue gap which required the City to adjust its spending for the current fiscal year. In an effort to identify opportunities to decrease spending, the Council decided to place Phase Two of the audit on hold for a future time. The Matrix Consulting Group was notified and agreed to continue with Phase One.

The Matrix Consulting Group forwarded the final report of the Management Audit of the Salt Lake City Human Resource Division on June 16, 2009. Due to scheduling conflicts, it has taken several months to get this item calendared for the Council’s agenda. The Human Resource Division indicates that the Administration has made progress on most of the *substantive* issues as well as other areas. The transmittal provides the Administration’s response to the audit recommendations. Attached is the final audit report.

In summary, there were 45 audit recommendations. Some of the recommendations addressed two or three issues. Eighteen items were categorized as *Substantive* issues; 25 were *Administrative*; and 3 were *Legal* in nature. (One item was categorized as both administrative and legal)

RESPONSE TO AUDIT RECOMMENDATIONS:

The following synopsis includes some of the more significant issues addressed by the audit and the Administration's response.

- A. Human Resources Staffing: Appendix C on page 117 of the audit report compares Salt Lake City to other Utah cities as well as cities outside the state with regards to levels of human resource (HR) staffing, total number of city employees, and other HR issues. According to the Administration, the comparison indicates that the surveyed cities have an average 1 HR staff person for every 123 city employees, and using these numbers, Salt Lake City should have approximately 24 human resource employees. Currently, there are 19 employees in HR.
- B. (Issue #1) Equal Employment Opportunity (EEO) Consultant, 1.0 FTE: The auditors suggest that the vacant consultant position dedicated to equal employment opportunity be filled. According to the Administration, this position has been filled and EEO complaints are being addressed. In addition, EEO training has been developed and training sessions have been scheduled.
- C. (Issue #2) Hiring Practices: The audit recommendation suggests that the City's recruitment processes be revised through increased scrutiny of selection criteria, utilization of eligibility pools to increase selection options, and development of policy regarding increased consideration for internal applicants. *The Council may wish to ask the Administration whether these recommendations have been incorporated into current practice.*
- D. (Issue #3) Development of leadership training: The audit recommends that the City expand and enhance training for all current and new supervisors. In response, the Administration indicates that one module of training has been developed and provided to sixty supervisors. As a result of feedback from that training, HR is preparing a series of supervisory trainings which will begin in January.
- E. (Issue #4) Labor Negotiations: Recommendation #4 suggests that the function of labor relations and labor negotiations be transferred from the City Attorney's Office to the Human Resources Division, and that a full-time Labor Relations Manager position be filled. One of the potential issues noted in the audit is that the Attorney's office is tasked with defending actions of supervisors relative to administration of union MOU's. According to the audit, this may be difficult to do objectively if the attorney was involved in drafting and negotiating the language. In response, the Administration indicates that the functions of Labor Relations will continue to be administered by the Attorney's Office.
- F. (Issue #5) Training for Non-HR staff – payroll and leave requests: The audit recommends that the Administration increase training for individuals (timekeepers) who process payroll and leave requests including military leave and FMLA. The Administration indicates that training efforts are now being conducted on a monthly basis and will continue in order to ensure greater consistency and compliance with city policy,

as well as local, state and federal regulation.

In addition to Issues #3 and 5, the audit highlights several areas indicating the need for additional training; for example, workplace safety training, educating employees regarding the process to apply for internal positions, and training for HR consultants to appropriately handle confidential information and achieve consistency in their approach to city policy and practices. The Administration indicates that training is a high priority, and that an internal work group has been tasked with identifying creative ways to deliver additional training. Also, a formal mentoring program is being developed to provide assistance to employees in the internal job application process and recruitment practices. Additionally, HR consultants are receiving training regarding best practices and policy interpretation on an ongoing basis.

- G. (Issues 28 and 29) Compensation, benefits, and salary: Several recommendations including items 28 and 29 address salary, benefits and compensation issues. The audit suggests that the City seek outside assistance to make significant revisions to refine the city's strategic plan for human resources specifically relating to salary, benefits and compensation. The audit also suggests, as part of this process, the redesign of the city's compensation system which supports the compensation philosophy in the strategic plan. According to the auditors, a committee should work with an outside consultant to review and revise the salary and benefit/compensation philosophy, goals, and objectives during the study process. The auditors suggest that the cost for this project would be approximately \$125,000 to 150,000.

In response to this recommendation, the transmittal indicates that compensation is an area of high priority for the Administration, and one which they are addressing. Most recently, the seven annual compensation plans for non-union groups have been consolidated into one plan. In addition, HR administration and staff indicate they have begun a comprehensive review of current salary structures and the existing classification system. A simplified salary structure is being developed and HR administration hopes to reduce the total number of job titles by 50%.

It is Council staff's understanding that the Mayor's department directors will be receiving an update on HR's proposed salary structure changes. HR Administration has expressed interest in updating the Council in small group meetings.

- H. Retirement planning: Items 21 through 25 include recommendations relating to succession planning, cost of payouts to retirees, retirement peaks versus available funding, and payout costs for Police and Fire Department sick leave and severance. The auditors address these issues on pages 64 through 70 of the audit. HR Administration agrees that workforce planning is a critical function and understands the need for an effective succession plan. HR is researching options for the City's needs; however, HR administration indicates that at current staffing levels, the ability to address these and other audit recommendations is limited. *The Council may wish to ask the Administration for an update on retirement payouts and available funding.*

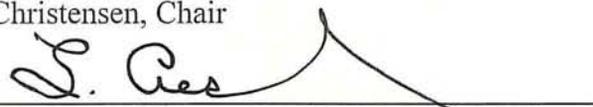
CITY COUNCIL TRANSMITTAL


David Everitt, Chief of Staff

Date Received: 10/28/2009
Date sent to Council: 10/29/2009

TO: Salt Lake City Council
Carlton Christensen, Chair

DATE: October 26, 2009

FROM: 
Lyn Creswell, Dept of Administrative Services

SUBJECT: Matrix Audit Draft Report: HR Response

STAFF CONTACT: Debra Alexander, Human Resource Director, 801-535-6604

DOCUMENT TYPE: Memorandum

RECOMMENDATION: Information only. This response includes background, an action update and a plan summary to address the substantive & other findings found in the Matrix Audit report.

BUDGET IMPACT: N/A

BACKGROUND/DISCUSSION: In August, 2008 the Salt Lake City Council retained Matrix Consulting Group to conduct a management audit of Human Resources (HR) Division. The goal of the audit was to provide analysis about and recommendations for enhancing the delivery of HR functions. The audit addressed forty-four specific topics related to HR functions. On January 12, 2009, Matrix presented a draft report that summarized the findings and recommendations of the audit. This document is the Administration's response to the draft report.

PUBLIC PROCESS: N/A

SCANNED TO: *Mayor, Holly & David*
SCANNED BY: *Paula*
DATE: *10/28/09*



Date: October 22, 2009

To: Lyn Creswell
Director, Management Services

From: Deb Alexander
Director, Human Resources

Re: Matrix Audit Draft Report Comments

In August, 2008 the Salt Lake City Council retained Matrix Consulting Group to conduct a management audit of Human Resources (HR) Division. The goal of the audit was to provide analysis about and recommendations for enhancing the delivery of HR functions. The audit addressed forty-four specific topics related to HR functions. On January 12, 2009, Matrix presented a draft report that summarized the findings and recommendations of the audit. The audit analyzed the following:

- Staffing levels in the Human Resources Division
- Services currently provided, and related efficiencies
- Existing standard operating procedures, policies and practices
- Opportunities for improved service delivery

The draft audit report is presented in a format that includes: a profile of the HR Division, a summary of focus group information, best management practices and an analysis of issues and recommendations.

This draft report has been reviewed by the HR Administration team. The team noted that we have addressed or made progress on most of the areas identified as substantive, as well as many others. Some of these include:

- The HR Consultant position dedicated to EEO issues was hired and has successfully concluded more than twenty complaints received; EEO related training has been developed and sessions have been scheduled.
- The development of leadership training is in process; review of the training provided in New Employee Orientation is underway; one module of supervisor training has been developed and delivered.
- Training support to non-HR payroll staff is occurring on a regular basis; an internal HR project verifying hiring and employment data is nearly completed.
- Annual compensation plans for non-bargaining unit employees, which originally totaled seven, were simplified and consolidated into one plan. Changes to the City's pay plans are nearing completion. A project to review and consolidate the City's classification/job title is ongoing.
- The Wellness program was initiated in January, 2009 as part of the City's efforts to reduce health care costs.
- Weekly policy and best practices meetings for HR Consultants continue.

- An internal HR policy work group is reviewing and providing changes to the City's HR policies. Two policies have been completed and are awaiting approval.
- An internal HR work group has been formed to explore additional recruitment strategies aimed at increasing diversity in the City.

The team also noted that there are a significant number of recommendations related to the forty-four topics that are addressed in the audit. Implementation of the recommendations of the audit will require adequate staffing levels. Adequate staffing levels are necessary to implement audit recommendations, to reduce liability through compliance with local, state and federal laws and to ensure HR's ability to provide continued support to the missions and goals of City departments. The audit report does not make a specific recommendation regarding appropriate staffing levels. However, the audit report does provide staffing information for a number of comparative cities. Average HR staffing numbers for these cities is 1 HR staff person to every 123 City Employees. Based on this ratio, City HR staff should comprise about 24 individuals. Currently, the Salt Lake City HR Division is staffed with 19 individuals.

Given current staffing levels, the team agreed that three specific areas of focus represent the highest priority. These areas of focus are as follows:

COMPENSATION

The audit report includes a number of recommendations pertaining to compensation practices. As indicated above, HR administration and staff have already begun a comprehensive review of the various salary structures, policies and union memorandums. We are exploring viable alternatives intended to establish a system consistent with the City's desired compensation strategy. Guidelines and expected outcomes include: simple administration, improved consistency and greater management flexibility.

The tools, statistics (including cost of living comparisons), comparative market data and other considerations used for decision-making relative to employee compensation will also be reviewed. The existing classification system is currently under extensive scrutiny to review and revise many of the job classifications in "active" status. We believe the total number of job titles can be significantly reduced, perhaps even by 50%.

PAYROLL MANAGEMENT

HR has begun and will continue to focus efforts on increased training to non-HR payroll staff (PPAs) to ensure greater consistency and compliance with local, state and federal laws, as well as City policy. A series of regular meetings with HR staff intended to enable improved coordination of human resource and payroll activities began at the first of the year. These meetings have included training on handling confidential information, federal I-9 and E-verify hiring requirements, reporting requirements for individuals in military service, and FMLA training. Additionally, an HR employee has been designated as a

resource to the PPA's for all FMLA questions. Additional ways to implement audit recommendation about HR involvement with FMLA are being explored.

TRAINING

Training is highlighted in multiple areas throughout the audit report. An internal HR work group dedicated to finding creative ways to deliver training has been addressing this need. A leadership development program is currently being developed, a review of our current employee training is being completed and a new EEO training has been developed and is in the process of being rolled out. As mentioned earlier, payroll training for the PPA's, timekeepers and HR staff has been implemented and is ongoing. Ways to implement audit recommendations about a formal mentoring program are being explored. Training regarding best practices, policy interpretation and consistent application of both continues on a weekly basis for HR Consultants.

- I. (Issue #42) Use of Midpoint for certain employee groups
The audit cites the 2008-09 Citizens Compensation Advisory Committee's report which indicates that the most criticized area of the salary system is the midpoint control. This system is designed to accelerate movement of employee salaries to the midpoint and then slow the salary rate once employees pass the midpoint and move towards the maximum salary rate. According to the audit, this system is widely used by other organizations and the intent is to provide competitive salaries while controlling costs. The audit indicates that employees may complain of being 'topped out' with no room for advancement once they reach the maximum. The audit recommends surveying other organizations (public and private) to understand the use of the control point and the acceleration/deceleration concept. The audit refers to Items 28 and 29 regarding the recommendation to engage an outside consultant to assist with the restructure of the City's compensation system.
- J. (Issue #45) Salary setting for Mayor/Elected Officials – appropriate approach
In 1993, the City Council established a mechanism to determine salaries for elected officials by resolution. More recently the comparables used to set the Mayor and Council salaries have been questioned. The audit recommends that this issue be addressed more fully with the restructure of the City's compensation system as referenced in Issues 28 and 29.
- K. Focus group summary: In an effort to evaluate HR practice, procedures, and identify issues and opportunities for improvement, Matrix Consulting Group conducted seven separate focus group meetings which included a total of 80 current City employees. The summary begins on page 17 of the audit report. Human resource employees were not included in the focus groups. The summary includes nine different issue statements as identified by the focus group.
- L. Best management practices are discussed in detail beginning on page 29 of the audit report. They are also listed in Appendix A on page 101, including strengths and potential areas of improvement.
- M. Employee survey: The audit also included an employee survey. Responses are included in Appendix B beginning on page 108 of the audit report. Comments from employees are referenced throughout the Best Management Practices Assessment beginning on page 29 of the audit report.

The Council may wish to consider asking the Administration to provide an update on further implementation of audit recommendations in another six months.

Management Audit of the Human Resources Management Division

CITY OF SALT LAKE CITY, UTAH



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June 15, 2009

TABLE OF CONTENTS

June 15, 2009

	<i>Page #</i>
1. INTRODUCTION AND EXECUTIVE SUMMARY	1
2. PROFILE OF THE HUMAN RESOURCES MANAGEMENT DIVISION	8
3. FOCUS GROUP SUMMARY	17
4. BEST MANAGEMENT PRACTICES	29
5. ANALYSIS OF ISSUES AND RECOMMENDATIONS	33
APPENDIX A – DETAILED BEST MANAGEMENT PRACTICES	101
APPENDIX B – EMPLOYEE SURVEY REPOSSES	108
APPENDIX C – COMPARATIVE SURVEY RESPONSES	117

1. INTRODUCTION AND EXECUTIVE SUMMARY

This initial chapter of the report introduces the approaches utilized in this study and summarizes key findings, conclusions and recommendations to be found in this report.

1. INTRODUCTION TO THE REPORT.

The Matrix Consulting Group was retained by the City of Salt Lake City, Utah to conduct a review of the Human Resources Management Division and provide a Management Audit and Master Plan for enhancing the Human Resources functions and to evaluate a series of operational and compensation practices in place within the City. As part of this study, the Matrix Consulting Group analyzed the following specific areas, as well as other related topics:

- Staffing levels in the Human Resources Division;
- Services currently provided;
- Opportunities to enhance services provided;
- The efficiency and effectiveness of operations in terms of the services provided, staffing, and productivity; and
- An evaluation of existing standard operating procedures, policies and practices.

The review included an assessment and analysis of the best management practices in the human resources function and a comparison to other regional human resources functions, and the methods and practices utilized by best performing human resources divisions. In reviewing each of the identified operational and compensation practices outlined by the City of Salt Lake City in their RFP, the project team

categorized these issues as either substantive, administrative, or non-substantive issues.

2. DESCRIPTION OF STUDY METHODOLOGY.

As part of the conduct of this study, the project team conducted the following activities:

- Detailed interviews with staff of the Human Resources Management Division, representatives from user departments, employee meetings, and with selected other City employees.
- Conducted data collection to gather relevant information regarding the services provided to user departments;
- Conducted an employee survey to gather input from employees regarding their perceptions of the services provided by the HR Management Division and the HR Policies and Procedures currently utilized.
- Performed a comparative assessment comparing the City of Salt Lake City to other similar Human Resources Departments in the region;
- Completed a best practices comparison that gauged selected human resources practices against a set of “best management practices” for human resources functions; and
- Analyzed organizational policies and procedures.

The completed comparative survey and employee survey results are attached as appendixes to this draft report. A separate chapter summarizing the finding of each will be included in the final draft report. These activities enabled the project team to analyze the current performance of the Human Resources Management Division, the duties assigned and allocated to staff, and the organizational structure. The analysis conducted has led to the recommendations that are contained in the later chapters of this report.

3. CLASSIFICATION OF ISSUES SUMMARY.

The City requested that the project team review a set of forty-four specific issues related to Human Resources Operational Issues and Compensation issues. For each of these functions, the project team was requested to classify the issues into one of three categories, based upon our analysis: substantive, administrative, or non-substantive.

The following chart provides a summary of the project team’s categorization of these issues.

Issue		Classification Category
OPERATIONAL ISSUES		
1.	Discrimination investigations and EEO program management	Substantive
2.	Hiring Practices	Administrative
3.	Training of supervisors and managers citywide	Substantive
4.	Labor Negotiations and labor relations	Substantive
5.	Payroll Management	Substantive
6.	Employee discipline and non-disciplinary intervention	Administrative
7.	Civil services process (including promotion)	Administrative
8.	Classification, reclassification, promotion (this is also a compensation issue)	Substantive
9.	Human Resource policy development and update	Administrative
10.	Human Resource consulting to City departments/divisions	Substantive
11.	Pension and retirement planning and services	Administrative
12.	Workplace employee privacy safeguards	Legal
13.	Workplace safety	Administrative
14.	Wellness programs	Administrative
15.	Employee mentoring / career development	Substantive
16.	Recruitment and retention	Administrative
17.	Salt Lake City’s turnover rate versus comparable cities. This data will be stratified by department and division, and particular work groups as appropriate.	Administrative
18.	Unfunded retirement liability for the next five to ten years.	Legal
19.	Actual retirement costs versus the amount budgeted.	Administrative
20.	Years of service for each employee by job category.	Administrative
21.	Succession planning	Substantive
22.	Cost of pay out per retiree	Administrative
23.	Actuarial calculations	Administrative
24.	Retirement peaks versus available funding	Administrative
25.	Reclassification policy as well as costs	Administrative
26.	Pay outs for Police & Fire Department sick leave and severance costs	Administrative / Legal
27.	Employee trainings	Substantive

Issue		Classification Category
COMPENSATION ISSUES		
28.	Salary and benefits	Substantive
29.	Compensation plans	Substantive
30.	Cash awards	Administrative
31.	Overtime and special pay	Substantive
32.	Workers compensation	Administrative
33.	Short and long term disability	Administrative
34.	Unemployment compensation	Administrative
35.	501c9 compensation	Substantive
36.	Retirement Pay compensation	Administrative
37.	Separation allowances	Administrative
38.	Classification, reclassification, promotion	Substantive
39.	Tools and systems allowing the City to respond with flexibility to a changing marketplace	Substantive
40.	Incentives tied to mission-critical achievement versus being available for all city employees	Administrative
41.	Cost of living comparisons using local versus national comparisons	Administrative
42.	Use of midpoint for certain employee groups	Substantive
BENEFITS ISSUES		
43.	Leave benefits	Administrative
44.	Pay out per employee for health insurance per year	Substantive
COMPENSATION ISSUE (ELECTED OFFICIALS)		
45.	Salary setting for Mayor / Elected Officials – appropriate approach	Substantive

4. SUMMARY OF KEY RECOMMENDATIONS.

The following table provides a summary of the key findings and recommendations contained within this report organized by issue. The detailed narrative regarding each of these is contained in Chapter 6.

Major Recommendations By Issue		
Issue		Summary of Recommendation / Action
1.	Discrimination investigations and EEO program management	Fill HR Consultant Position dedicated to EEO
2.	Hiring Practices	Revise Recruitment Process specifically through greater scrutiny of selection criteria, utilization of eligibility pools for multiple selections, and development of a policy regarding increased consideration for internal applicants. Enhancement of applicant tracking system.
3.	Training of supervisors and managers citywide	Expand efforts on enhancing supervisor training programs. Require for all newly appointed supervisors.
4.	Labor Negotiations and labor relations	Transfer Labor Relations duties from City Attorney's Office through the implementation of a dedicated Labor Relations Manager Position.

CITY OF SALT LAKE CITY, UTAH
Management Audit of the Human Resources Management Division

Major Recommendations By Issue		
Issue	Summary of Recommendation / Action	
5.	Payroll Management	Increase training provided to non-HR staff processing payroll and leave applications. Centralize leave processing (i.e. – FMLA, military leave) with HR Staff having final approval.
6.	Employee discipline and non-disciplinary intervention	Provide greater support to supervisors through Labor Relations Manager position. Maintain database of disciplinary actions imposed to increase consistency among departments.
7.	Civil services process (including promotion)	No action required at this point.
8.	Classification, reclassification, promotion (this is also a compensation issue)	Implement Classification Committee to expand staff involved in decision making. Review and revise policy relative to timing of pay increases and end of fiscal year.
9.	Human Resource policy development and update	Develop systematic process for continual updating of policies. Continue training of HR Consultants to increase knowledge and consistent application across departments.
10.	Human Resource consulting to City departments/divisions	Increase services provided directly to employees by HR consultants. Clarify role of consultants relative to serving as both an employee resource versus a city representative.
11.	Pension and retirement planning and services	No action needed at this point.
12.	Workplace employee privacy safeguards	Increase training for staff with access to confidential information in departments (specifically those processing leave applications).
13.	Workplace safety	Expand training provided to employees regarding workplace safety.
14.	Wellness programs	Continue focus on utilization of wellness programs as a component of health care cost management.
15.	Employee mentoring / career development	Establish formal mentoring program. Identify career ladders – especially at lower levels of pay scales. Provide greater consideration for qualified internal applicants.
16.	Recruitment and retention	Implement flexibility in policies to enable the utilization of “non-financial” benefits for retention of “key” positions – those having unique skills or high demand in the marketplace.
17.	Salt Lake City’s turnover rate versus comparable cities. This data will be stratified by department and division, and particular work groups as appropriate.	Conduct annual evaluation to identify trends.

Major Recommendations By Issue		
Issue		Summary of Recommendation / Action
18.	Unfunded retirement liability for the next five to ten years.	Limited action necessary. City should play active role when pension legislation is proposed to be increased to limit future liability increases.
19.	Actual retirement costs versus the amount budgeted.	Actions tied to development of workforce planning effort (see Issue 22).
20.	Years of service for each employee by job category.	Actions tied to development of workforce planning effort (see Issue 22).
21.	Succession planning	Develop comprehensive workforce planning document detailing labor supply, labor needs, gap analysis, and strategies for addressing workforce gaps.
22.	Cost of pay out per retiree	Review long-term changes in payout practices. Completion of recommendation for issue 21 will necessary information to increase the ability to forecast necessary financial costs.
23.	Actuarial calculations	Completion of recommendation for issue 21 will necessary information to increase the ability to forecast necessary financial costs.
24.	Retirement peaks versus available funding	Completion of recommendation for issue 21 will necessary information to increase the ability to forecast necessary financial costs.
25.	Reclassification policy as well as costs	Recommendation contained in Issues 8 & 29.
26.	Pay outs for Police & Fire Department sick leave and severance costs	Determine focus of City on the type of leave conversion / payout desired, and focus on strengthening that program and eliminating others.
27.	Employee trainings	Conduct employee training survey to determine specific training needs. Enhance level of training provided to employees. Centralize (through a single computer system – not necessarily in the HR Department) the tracking of all training provided to employees.
COMPENSATION ISSUES		
28.	Salary and benefits	Conduct comprehensive review of salary and benefit structures.
29.	Compensation plans	Conduct comprehensive review and revision of city's compensation philosophy and guidelines. Comprehensively update compensation plans.
30.	Cash awards	Ensure all departments are aware of existing programs and eligibility requirements.
31.	Overtime and special pay	Review staffing levels in departments where overtime is consistently high.
32.	Workers compensation	Conduct worker's compensation analysis.
33.	Short and long term disability	Review in conjunction with overtime analysis addressed in recommendation for Issue 31.
34.	Unemployment compensation	No recommendation noted.

Major Recommendations By Issue		
Issue		Summary of Recommendation / Action
35.	501c9 compensation	The issue of retiree health premium contributions should be reviewed as part of a policy discussion on the long-range plan for healthcare.
36.	Retirement Pay compensation	No specific recommendation necessary.
37.	Separation allowances	No specific recommendation necessary.
38.	Classification, reclassification, promotion	Recommendation covered in Issue 28 & 29.
39.	Tools and systems allowing the City to respond with flexibility to a changing marketplace	Recommendation covered in Issue 28 & 29.
40.	Incentives tied to mission-critical achievement versus being available for all city employees	No specific recommendation necessary.
41.	Cost of living comparisons using local versus national comparisons	Recommendation covered in Issue 28 & 29.
42.	Use of midpoint for certain employee groups	Follow recent recommendation of CCAC and include this issue as a component of pay and classification system.
BENEFITS ISSUES		
43.	Leave benefits	No specific recommendation necessary.
44.	Pay out per employee for health insurance per year	Increase role of Benefits Committee in addressing cost increases and development of long-range health care plan.
COMPENSATION ISSUE (ELECTED OFFICIALS)		
45.	Salary setting for Mayor / Elected Officials – appropriate approach	Should be addressed concurrently with revisions in pay approach for City employees.

Each of these recommendations is discussed in more detail in the final chapter of this report.

2. PROFILE OF THE HUMAN RESOURCES DIVISION

This chapter presents a short descriptive profile of the Human Resources Management Division of the City of Salt Lake City. The purpose of the Descriptive Profile is to document the project team's understanding of the existing organization, staffing, and assigned responsibilities for the Human Resources Management Division. Data contained in the profile was developed based on the work conducted by the project team, including:

- Interviews with key City staff, including Human Resources Management Division staff.
- Documentation of key practices as they relate to work planning and scheduling, policies and procedures, as well as work processes.
- Documentation of key services provided by the Human Resources Management Division.

The Descriptive Profile does not attempt to cover all organizational and operational aspects of the Human Resources Management Division but focuses on the major functional areas and summarizes key responsibilities, staff allocations, and work responsibilities. In this chapter, the structure of this Descriptive Profile is as follows:

- Background information about the Human Resources Division.
- Organizational chart of the Division and key functions showing all staff positions by function and position reporting relationships.
- Summary descriptions of key roles and responsibilities of staff. The responsibility descriptions provided in the Descriptive Profile also summarize the team's understanding of the major programs and service activities to which staff in the Division are currently assigned. It should be noted that responsibility descriptions are not intended to be at the "job description" level of detail. Rather, the descriptions are intended to provide the basic nature of each unit and assigned positions including staffing levels and work schedules, program targets and service descriptions.

The sections that follow describe our current understanding of the Human Resources Management Division by key function and position.

1. INTRODUCTION.

The Human Resources Management Division is a component of the Management Services Department of the City of Salt Lake City. The division performs a variety of traditional human resources services to other City agencies and departments and serves as the primary resource for these Departments for all items requiring human resources advice and direction.

The Human Resources Management Division for the City of Salt Lake City has several core services that it provides including the following:

- **Administration:** Responsible for the provision of all human resources services to the City of Salt Lake City. Involved with setting goals and objectives, developing policies and procedures, and supervising all staff of the Department. The office staff assigned to the administration function serve as the first point of contact with customers entering the office.
- **Recruitment and Selection:** Responsible for working with departments in the recruitment and selection of employees. Staff members post job openings, review applications, distribute applications to each department, and assist with candidate interviews (as requested).
- **Personnel Actions/Employment Issues:** Responsible for ensuring that the personnel related paperwork process flows smoothly. Activities include assisting in clarification of employee demographic data to ensure accurate payroll processing, maintaining all personnel policies and procedures, maintaining employee personnel files, and preparing required reports and submittals. Also involved in limited assistance in recommending actions on disciplinary cases and resolving employee concerns.
- **Benefits:** Responsible for managing and coordinating the City employee benefit programs that include both current employees and retirees.
- **Compensation and Classification:** Responsible for updating and maintaining the City's classification system and compensation/classification plan to ensure

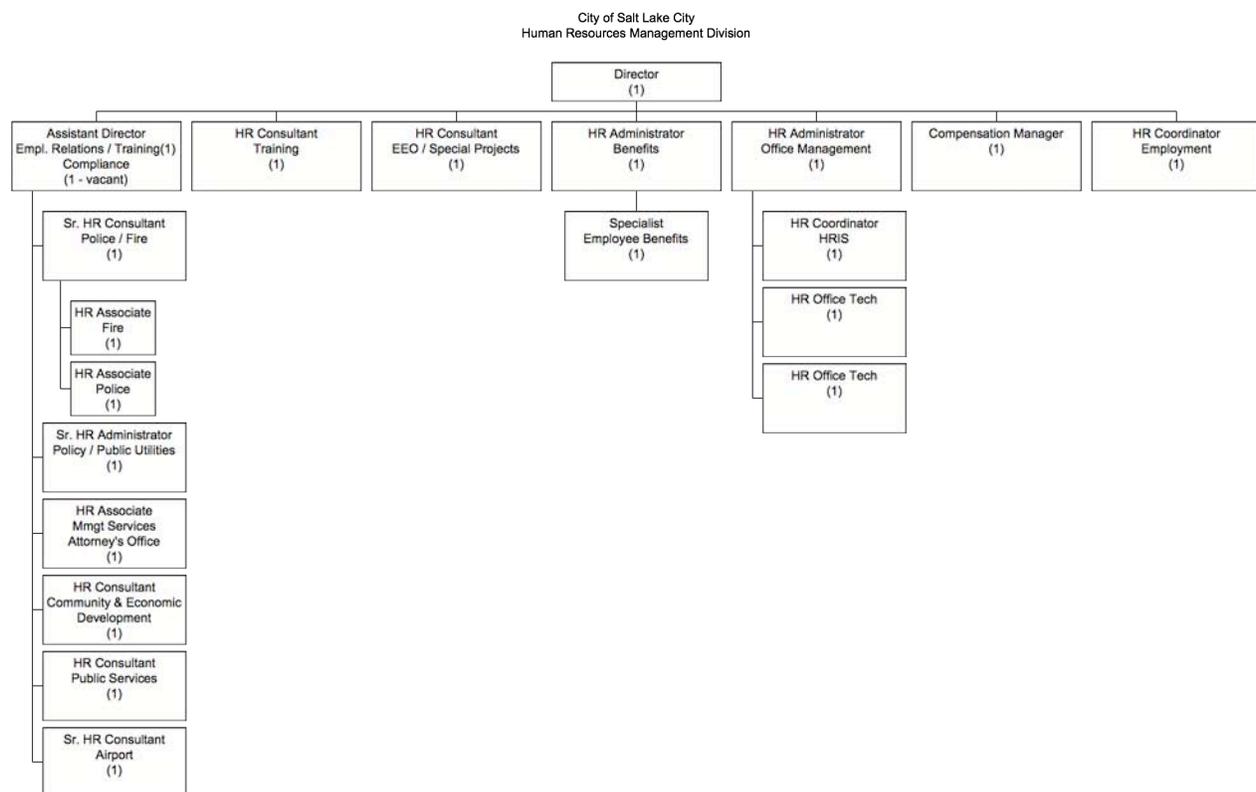
the classification descriptions are updated and maintained, and that the City pays its employees competitively.

- **Training:** Responsible for the provision of the mandates training for all employees which includes diversity, sexual harassment, and basic supervisory training sessions. Additionally responsible for the provision of ad hoc training programs as requested, and assisting with the new employee orientation.

The section, which follows, presents the current table of organization for the Human Resources Division.

2. CURRENT ORGANIZATION.

As previously noted, the Human Resources Management Division is part of the Management Services Department. It falls under the responsibility of the Management Services Director and is staffed by a total of authorized positions. An organization chart for the current personnel allocated in the Human Resources Management Division appears below.



3. STAFFING LEVELS.

The Human Resources Division is budgeted for a total of twenty positions. All of these positions are directly responsible for performing the functions assigned to the Division.

The following table summarizes the authorized full-time and temporary positions within the Human Resources Division over the last three fiscal years.

CURRENTLY FILLED POSITIONS:	FY 08 Filled	FY 08 Vacant
HR Director	1	0
Deputy HR Director	0	1
Sr. HR Consultants	3	0
HR Consultants	3	1
HR Associates	3	0
HR Coordinator	1	1
HR Administrator	2	0
Specialist (benefits)	1	0
HR Office Tech	2	0
Compensation Manager	1	0
TOTAL	17	3

It is important to note that the staffing levels of the Human Resources Management Division has had some extensive turnover and change in the last several years including vacancies in several critical positions (such as Director, Compensation Manager, EEO, and HR Consultants). While staffing is approaching full strength, the Department has a significant percentage of staff that has been with the Division for a year or less.

4. ROLES AND RESPONSIBILITIES.

The following section presents a summary of the roles and responsibilities of each position within the Human Resources Management Division. This list of responsibilities is not intended to be all-inclusive but to reflect the principal and major duties associated with the position.

CITY OF SALT LAKE CITY, UTAH
Management Audit of the Human Resources Management Division

Position	# of Positions	Key Roles and Responsibilities
HR Director	1.0	<ul style="list-style-type: none"> • Manages the day-to-day City HR operations to include recruitment and selection, benefits program management, compensation, training, compliance with employment related laws, counseling on employee performance issues, labor and compliance issues, testing, and workers' compensation. • Supervises a staff of 18.5 full-time employees. • Provides oversight, direction, and evaluation of staff. • Establishes goals and objectives for the Department. • Provides support to the City's Executive team in addressing Human Resources Issues.
Deputy Director	1.0 (currently vacant)	<ul style="list-style-type: none"> • Oversees assigned HR Consultants and HR Staff. Provides direction, guidance, training and problem resolution to assist them in accomplishing assigned duties. • Develops policies and procedures for the City at as directed. • Serves on ad-hoc and other committees to address issues with a human resources focus. • Involved in developing service expectations for staff. • Responsible for general employee relations issues. • Oversees issues related to compliance. • Involved in development of training programs and direction of training staff and efforts.
<u>HR Consultants (w/ dept. resp.):</u> Sr. HR Consultant HR Consultant HR Associates	3.0 2.0 3.0	<ul style="list-style-type: none"> • Provide a variety of human resources functions to assigned departments including policy and procedures interpretations, assistance with interviewing and selecting employees, addressing performance or disciplinary action. • Perform job audits and classification / reclassification requests. • Each consultant is primary responsible for a single (if large) or several (if small) departments. Serve as primary liaison between City HR Function and the Department. • Provide advice, support and guidance to Manager and Supervisors in addressing various employee issues. • Answer question from employees and the public relative to HR practices and services.

CITY OF SALT LAKE CITY, UTAH
Management Audit of the Human Resources Management Division

Position	# of Positions	Key Roles and Responsibilities
HR Consultant (Training / Special Projects)	1.0	<ul style="list-style-type: none"> • Manages the City's training program. • Participates in employee orientation sessions. • Coordinates all required training (i.e. – sexual harassment, diversity, etc.). • Develops, schedules, and presents specialized training as necessary and directed. • Responsible for development of supervisory training and educational efforts for the Division.
HR Consultant (EEO / Special Projects)	1.0	<p>Position is currently vacant.</p> <ul style="list-style-type: none"> • Responsible for administration of EEO Programs in the City. • Conduct investigations and training relative to discrimination, disparate treatment, etc. • Provides input and advice relative to policies and procedures to ensure compliance with equal opportunity practices.
Compensation Manager	1.0	<ul style="list-style-type: none"> • Responsible for the administration of the City compensation policy and practices. • Provides staff support to CCAC. • Involved in reviewing and approving changes to employee classifications and pay ranges. • Provides advice to city leaders regarding compensation practices and approaches.
HR Coordinator (Employment)	1.0	<ul style="list-style-type: none"> • Position is responsible for the operation of the administrative aspects of the employment program including review of all applications received, determination of whether applicant meets position minimum requirements, development of eligibility pools, etc. • Works with departments conducting hiring to identify key skills and attributes seeking in the new hire, develops job announcement and distributes to a variety of external and internal sources, develops with department selection criteria for selection.
<u>Benefits:</u> HR Administrator Specialist	1.0 1.0	<ul style="list-style-type: none"> • Manages the City's benefit programs. • Answer employee questions regarding eligibility for benefit or retirement, assists in resolution of benefit coverage or eligibility issues, etc. • Serves as resource to Benefits committee in evaluating alternatives. • Coordinates interactions with all third-party benefit providers. • Conducts benefit reenrollments and ensures all associated paperwork appropriately processed.

CITY OF SALT LAKE CITY, UTAH
Management Audit of the Human Resources Management Division

Position	# of Positions	Key Roles and Responsibilities
<u>Office Administration:</u> HR Administrator HR Coordinator (HRIS) HR Office Tech	1.0 1.0 (vacant) 2.0	<ul style="list-style-type: none"> Responsible for general operation of the HR front counter area. HR Administrator responsible for supporting CCAC commission HR Office Techs perform front counter functions including greeting public, answering questions, accepting applications, and other customer service functions. HR Office Techs also perform ancillary duties including personnel file maintenance and scanning of all applications / resume received into the applicant tracking/processing software.

5. SUMMARY OF PROVISION OF MAJOR HUMAN RESOURCES FUNCTIONS.

The following table summarizes the major human resources functions and identifies the entity responsible for the provision of the service (HR Staff, other City Department, or Contracted Vendor).

Human Resources Function	Provided In-house	Performed by Another Dept.	Contracted Out
Employee Recruitment	HR-provided for all full-time positions.	Individual departments assist with identification of recruitment sources, selection, and processing of new hire paperwork.	N/A
Applicant Screening	HR provided. All initial screening of positions against job requirements is performed by HR staff.		N/A
Applicant Interviews	HR coordinates and may participate in drafting interview questions and participating in the interviews.	Dept. responsible	N/A

CITY OF SALT LAKE CITY, UTAH
Management Audit of the Human Resources Management Division

Human Resources Function	Provided In-house	Performed by Another Dept.	Contracted Out
Labor Relations / Collective Bargaining	HR provided limited support – one HR Consultant staffs labor teams and assists with data analysis, meeting preparation and coordination.	Attorney's Office has primary role for labor relations and collective bargaining.	
Grievance Processing / Administration	HR involved in support role.	Departments handle lower levels. City Attorney's Office handles above departmental level.	N/A
Healthcare Administration	HR manages.	N/A	Third party vendors utilized
Healthcare Claims Processing / Problem Resolution	HR involved in resolving problems.	N/A	Third party vendor
COBRA Notification and Processing (healthcare provided when employee separates employment)	HR provided.	N/A	N/A
Workers' Compensation Insurance / Coordination	HR coordinates workers compensation claims administration and early return to work program.	Early return to work programs handled by some departments.	Claims administered by third party administrator.
FMLA (Family Medical Leave Act) Administration	HR provides support.	Departmental payroll staff process leave requests and approvals.	N/A
Military Leave Administration	HR provides support.	Departmental payroll staff process leave requests and approvals.	N/A
Payroll Services	HR maintains official records of pay rates and changes.	Departmental staff enter all hours worked and leave time for payroll processing.	N/A

CITY OF SALT LAKE CITY, UTAH
Management Audit of the Human Resources Management Division

Human Resources Function	Provided In-house	Performed by Another Dept.	Contracted Out
Coordination of Some Employee Training (centrally coordinated or provided by departments)	HR coordinates major training programs, 3 required courses, and develops and conducts some training programs.	Dept. provides specialized employee training.	N/A
Employee Orientation	HR provided.	N/A	N/A
Performance Evaluation Coordination	HR coordinates.	N/A	N/A
Employee Discipline (must HR be consulted prior to issuance of discipline)	HR involved at higher levels in supporting departments and compiling necessary information and assists at lower level disciplinary actions as requested by departments.	Depts. handle lower level discipline independently (written reprimand or below). City Attorney's Office provides support to the Departments.	
Exit Interviews	HR provided.	N/A	N/A
Employee Assistance Program (EAP)	HR coordinates.	N/A	Third party vendor
Risk Management (OSHA, ergonomics, safety programs)	HR has limited role.	Other Departments involved in the primary provision of these services.	N/A

3. FOCUS GROUP SUMMARY

As part of Matrix Consulting Group's analysis of the Human Resources Management Division for the City of Salt Lake City, the project team conducted seven separate focus group meetings to assist in the evaluation of human resources practices and procedures and to identify issues and opportunities to improve the service provided by the City (related to HR functions and wages/benefits) and specifically the Human Resources Management Division.

The employees of SLC who participated in the focus group meetings were randomly selected by the project team from a listing of all current employees. Individuals were selected in a manner to ensure representation from all Departments and from positions at all levels within the organization. A total of 80 employees participated in the focus group meetings. All meetings were conducted on a confidential basis to obtain as much candid feedback as possible, with no representatives of the Human Resources Department present. These focus groups were conducted in six separate sessions on October 16th and 17th at various times and locations within the City. Additionally, a separate focus group was conducted with representatives of the labor associations on October 16th to discuss issues specifically relevant to these individuals.

Focus group participants expressed appreciation that they were included in the process and allowed to share their input. Several individuals stated that this was a positive sign and indicated to them the commitment of the City to make positive changes. Many participants noted that there are many strengths within the existing

Human Resources Division and that the numerous personnel changes in HR over the last several years have been a significant constraint. Many specific individuals within the organization were noted as being exceptionally qualified and responsive to issues. Recent efforts in the last six months to enhance the professionalism of the Department and begin addressing issues affecting the City have been recognized and are viewed as a positive step forward.

The following sections summarize the major focus group perceptions regarding a variety of topics and issues regarding both the services provided by the Human Resources Management Division, as well as, the wages and benefit approaches in place within the City of Salt Lake City. Words and phrases in quotes represent actual comments made by the focus group participants.

1. THE ROLE, PURPOSE AND FOCUS OF THE HUMAN RESOURCES CONSULTANTS NEEDS TO BE CLARIFIED.

The focus group participants strongly indicated that Human Resources Consultants are viewed and utilized primarily as a “tool” of management and the City and not as a resource for employees. Many individuals indicated a reluctance to seek out answers from HR Consultants to questions regarding policy application or perceived disparate treatment due to the belief that any information disclosed would be used against them. An overwhelming consensus of participants was that the role of the HR Consultant should be to serve as both a resource for employees and ensuring that City policies and practices are implemented consistently city-wide. Specific areas of change mentioned during the meeting included the following:

- **Role of the HR Consultant.** Many participants indicated that they would like to see the HR Consultant serve not only as a representative of management (in enforcing policies and procedures); but also as a resource for employees.

Additionally, many participants indicated that they were not aware of the resources available to them through the HR Consultant and what assistance they could provide in addressing issues.

- “There are some great individuals in HR and some good new hires. However, knowledge isn’t being institutionalized. They don’t know how to address issues in the department.”
- “HR Consultant role isn’t clear or the same between departments. They haven’t been given the opportunity to succeed due the constant changes.”
- “I’m not clear on what resources they are supposed to be providing to departments or employees.”
- “HR Consultants should play a “service role” rather than a “police role”.
- “HR Representatives need to focus on ensuring supervisors are applying policies and procedures consistently across the City.”
- **Confidentiality.** Participants were concerned about raising many issues with the assigned HR Consultant due to the lack of clarity of the HR Consultant’s role. The overwhelming perception is that information shared with the HR Consultant would be utilized to defend the supervisor’s or City’s position and that employees were better off addressing their concerns with other individuals (i.e. – union representatives or attorneys).
 - “I feel the HR representative is just gathering data to protect the City.”
 - “I’m not sure what the policy on confidentiality is or what will be treated confidentially if I share it.”
- **Relationship with Managers / Supervisors.** Several comments were received that the relationship between individual HR Consultants and specific Managers or Supervisors is too close preventing the HR Consultant from acting objectively in some circumstances. Specific comments included:
 - “Management runs HR rather than HR setting direction.”
 - “The HR Consultant and supervisors have lunch together and go out for drinks after work – why would I feel comfortable taking a concern with that supervisor to the consultant to be addressed?”
- **Utilization and Training of HR Consultants.** Most participants spoke highly of the assigned HR Consultants to their departments and generally believed that they were knowledgeable and capable of performing the services required. In selected cases, there were concerns expressed about specific technical abilities

(such as understanding of the classification process). However, most concerns expressed were related to their ability to function independently of the Department in addressing issues, their ability to utilize their HR knowledge and skills, and that they were being indoctrinated with the “old culture”.

“Old HR representatives are training the new representatives in the ‘old culture’ – the new representatives don’t get to utilize their experience to truly solve or address issues.”

- **Availability / Access to HR Consultants.** Participants were mixed in their view of their ability to get in touch with the HR Consultants when they had questions or concerns to be addressed. In general, more favorable comments were given for those departments where the HR Consultant’s office is located within the Department. Additionally, overall the benefits staff was noted as responsive to calls and voicemails.
 - “Some staff in IMS and HR telecommute - it makes it difficult to get access to them when needed.”
 - “98% of time I can get help immediately.”
 - “It’s sometimes difficult to get anyone in person and voicemails aren’t always returned promptly.
 - “HR Consultants need to connect with employees. Be visible and accessible.”
 - “I don’t even know who my HR Consultant is so wouldn’t know who to approach for assistance.”
- **Follow Through on Issues.** Comments were raised during several of the focus groups regarding employees not being informed of the status of questions or issues raised, or if action had been taken to address concerns. While the participants raising these issues understood that confidentiality concerns would prevent them from being informed on specific actions that may have been taken (or not taken), they were often not informed whether the issue had been even reviewed, addressed, or was simply ignored. Participants felt that employees raising an issue with HR Consultants should at least be provided some status update so they know that the issue was addressed.

This issue was viewed to a significant one for focus group participants.

2. THE PARTICIPANTS GENERALLY FELT THAT THE HIRING PRACTICES UTILIZED BY THE CITY OF SALT LAKE CITY DO NOT PROVIDE EFFECTIVE INTERNAL ADVANCEMENT OR EQUITY BETWEEN INTERNAL AND EXTERNAL CANDIDATE.

The current process for the selection of candidates caused some concerns, mainly with the front line employees, due to the perception that hiring decisions are either pre-determined or that internal qualifications are not appropriately valued and that the process is not sufficiently transparent and open. Specific concerns included:

- “Criteria being utilized are not fair – they appear written for specific individuals.”
- “Internal candidates that are deemed qualified and placed on roster are often not selected for an interview. “
- “Inability to negotiate increase leads some individuals not to pursue internal advancement since the potential reward isn’t comparable to the increase in duties.”
- “Better communication of job openings is needed so that individuals are aware of the opportunities.”

This issue impacted the perceived credibility of recruitment and promotional processes.

3. CURRENT PAY INCREASE PRACTICES ARE NOT ONLY CREATING DISCONTENT WITHIN THE WORKPLACE BUT ARE NOT FULLY UNDERSTOOD BY EMPLOYEES.

There were several aspects of the existing salary increase procedures that generated significant discussion during the focus groups. The concerns were generally centered around the following topics: Classification / Reclassification, Annual Increases, and Promotional increases. A larger concern that spans all these issues is the lack of communication and information regarding what programs, options, and pay adjustments are available for managers to utilize in rewarding employees. The

following points summarize the concerns and issues raised with specific compensation issues:

- **10% Annual Limit.** There were multiple concerns expressed with the City's current policy limiting increases during a year to 10%. While there was a general understanding that an appropriate limit might be necessary to prevent abuses, the overall belief is that the current approach is creating both inequities and unfairness that could be addressed with minor changes in practices.
 - "Current approach encourages some employees to quit and reapply for rehire within a few months to a year."
 - "Employee left about a year ago and came back at midpoint, surpassing employees that had remained employed."
 - "The limit treats internal candidates unfairly. There is no ability to recognize the value of the promotion for the internal candidate. External candidates with less experience can be hired at a higher salary."
 - "This rule discourages internal applicants."
 - "No recognition is given to employees who take on additional duties (i.e. – team leader)."
 - "This policy may lead to some turnover in specific positions because it is easier to be rewarded financially by moving to a new job outside the City than to progress within the organization."
- **Annual Increases and Midpoint.** Concerns were expressed regarding the current approach to the granting of annual increases. These typically centered around the methodology employed for calculation of the increase (specifically use of midpoint), the lack of differentiation between employees based upon performance, and the rising cost of other benefits (typically health insurance) causing little wage growth. Some specific comments included:
 - "Cost of living is a joke – wiped out by the Health Insurance changes."
 - "No one understands the midpoint and how it works other than [one individual] in HR."
 - "Why have half the range above midpoint if it's not going to be utilized."
 - "Adjust the ranges to truly reflect what you can earn in the position."

- "Questions sent to [HR] regarding pay increases result in an answer 11 pages long and I still don't get my question answered."
 - "I'd like to see a performance based process."
 - "No one understands the bonus system – only utilized for upper management."
 - "The current tie between reclassifications and annual increases has a disincentive built in."
 - "City should make pay decisions based upon value received rather than where employee is in relation to midpoint. Current system provides no incentive for employees to perform."
- **Bonus System.** The bonus system is not understood by employees. There was no consistent understanding of the City's current program and who is eligible. Considerable concerns were expressed regarding the inconsistent application of these processes among departments. Representative comments include:
 - "I wasn't aware that bonuses were even available as an option until I read a newspaper story about them being granted."
 - "Bonuses are utilized inconsistently throughout the City. Only selected departments are allowed to utilize them."
 - "I'm not sure what criteria are utilized for making decisions regarding eligibility."

This issue, too, underscores the credibility of important human resources processes.

4. THE CURRENT CLASSIFICATION AND RECLASSIFICATION PROCESS IS NOT FULLY UNDERSTOOD BY STAFF AND EMPLOYEES AND IS NOT VIEWED AS AN OBJECTIVE PROCESS.

Multiple concerns were expressed regarding the existing classification system and the process utilized for conducting reclassifications. There was also a general consensus that the City's job descriptions are not reviewed frequently enough to ensure they are current, accurate, and reflective of the actual work performed. Additional concerns were expressed that job descriptions could be changed without an employee's

knowledge (specifically for job descriptions that are utilized in multiple departments) and that consistency between departments for similar duties is not maintained. Specific concerns expressed included:

- “My job description was last reviewed in 1995 – it needs to be done more frequently. A job audit program is needed to review all jobs on a rotating basis.”
- “The current classification system doesn’t take into account unique aspects of the position – specifically for airport positions.”
- “My job description was changed and I didn’t find out until it was already approved.”
- “Positions need to be reviewed more frequently and in a manner that is fair.”
- “The current system is a mystery. Not allowed to see the rationale for the final decision reached. You don’t know how they made their final determination”.
- “HR needs to play a larger role in the reclassification process rather than Departments.”
- “Job descriptions are only reviewed when positions are filled and many times it is a cursory review by the department.”
- “A review can only be initiated with the approval of your supervisor. There is no way for independent review to be initiated. HR should be involved earlier in the process.”

This issue, too, underscores the credibility of important human resources processes.

5. SEVERAL CONCERNS WERE EXPRESSED REGARDING CERTAIN BENEFIT LEVELS, ACCESS TO BENEFIT INFORMATION AND THE EMPLOYEE’S ABILITY TO UNDERSTAND THE BENEFITS CURRENTLY PROVIDED.

Most participants expressed some understanding that benefit cost increases are not unique to the City of Salt Lake City and that considerable effort has been undertaken to manage costs while maintaining benefit levels and to incorporate

employee input into benefit decisions (through the use of a Benefits Committee).

However, there were still some concerns expressed as noted in the following points:

- **Access to Information / Resolution of Problems:** While City staff were generally given high marks for assisting employees in addressing benefits questions and issues, concern was expressed about the timeliness of responses and service levels provided by third party vendors.
 - “Sometimes hard to get in touch with Benefits staff (City) in a timely manner to get questions answered.”
 - “Hard to get questions answered from PEHP.”
 - “It’s difficult to understand what the benefit levels are when the companies and plans seem to change every year.”
- **Benefit Levels:** Some comments were received regarding specific benefit levels as represented in the following comments.
 - “Tuition reimbursement has not increased since it was implemented. Current annual levels are not enough to cover two classes per year.”
 - “Health insurance coverage seems cheaper with better coverage at the State. Perhaps, SLC should join in the State’s program.”
 - “Change in sick leave program (10 days to be used ‘as you please’) isn’t administered consistently among departments. Some require sick leave notes and others don’t.”

Communication of benefit issues was a recurring theme for focus group participants.

6. THE LEVEL AND TYPE OF TRAINING WAS GENERALLY SEEN AS INSUFFICIENT AND INCONSISTENT AMONG DEPARTMENTS. A GREATER FOCUS ON CAREER DEVELOPMENT WAS DESIRED.

When discussing access to and availability of training, participants generally felt that the level of training provided was inadequate in terms of applicability to their job and preparation for advancement. In addition, the level of training was viewed as very inconsistent in application among departments. Selected comments included:

- “Training is not done consistently within and between departments.”
- “New policies are beginning to put more focus on training.”
- “Policies and procedures are changed without any training on what they mean. This leads to inconsistent application.”
- “Training is not viewed as a priority or as a value added activity.”
- “The lack of a mentoring or career development program limits internal advancement opportunities.”
- “Career progression is stifled. It’s difficult to move to a new position once you’ve been with the organization for an extended period of time. Airport Planning does the best job of career progression.”

Training is also, in part, related to other issues expressed regarding career development and promotional opportunities.

7. PARTICIPANTS EXPRESSED A DESIRE FOR THE IMPLEMENTATION OF A PERFORMANCE APPRAISAL SYSTEM THAT NOT ONLY WAS EFFECTIVE IN EVALUATING INDIVIDUAL’S CONTRIBUTION TO THE ORGANIZATION AND THAT WAS TIED TO PAY INCREASES.

Participants in the focus groups generally indicated a desire for a city-wide performance appraisal system that would provide feedback regarding individual performance, incorporate training and career development goals, and enable decisions to be made regarding pay increases. The support for this effort was greatest among employees who are in the 300 series and above, but support was present from all level of employees. Comments related to this issue included:

- “Current approach to performance appraisal is inconsistent at best and non-existent in many cases.”
- “I don’t receive any meaningful feedback regarding my performance on a regular basis.”
- “The current system, when utilized, isn’t valuable.”

- “A good system might address some of the inconsistencies between departments.”

While uniform performance evaluation processes also have challenges, the consistent delivery of and policies supporting them are a significant issue.

8. MOST PARTICIPANTS WERE UNCLEAR WHO TO UTILIZE WITHIN THE CITY’S ORGANIZATION WHEN ADDRESSING ISSUES OF PERCEIVED DISCRIMINATION OR DISPARATE TREATMENT.

Most employees were not aware where to turn when they were faced with a situation where they felt either discrimination or disparate treatment may have occurred. Concerns were expressed that there was no “neutral” individual to access to discuss situations or get guidance on procedures to follow especially if it may involve a supervisory or management representative. Participants indicated that they would not view the HR Consultants as a primary resource in addressing issues of either discriminatory or disparate treatment or in gathering information about the City’s current policies.

9. PARTICIPANTS IDENTIFIED SEVERAL AREAS THAT THEY FELT WERE MOST CRITICAL FOR IMPROVEMENT.

At the conclusion of each focus group, the participants were asked which issues they felt were “most critical” to address and that would have the greatest impact on the organization. The following were the items most frequently cited:

- Grant HR the authority to implement policies, act for the City independently and resolve issues and not function solely on behalf of Departmental Management.
- Implementation of a systematic job audit process.
- Increase the consistency between Departments in the application of policies, procedures, and pay increases.
- Address mid-point issue. Implement a pay system that is understandable and recognizes individual contribution.

- Utilize a performance evaluation system consistently across the City and one that provides realistic feedback to employees and discussing training requirements and career development.
- Increase flexibility of Department Directors to address wage issues within their Departments (i.e. – promotional increase amounts, reclassification increases, etc.).
- Increase employee involvement in major policy changes and expand the level of communication with employees about policy and benefit changes.
- Implement a succession planning program especially in light of the city's aging workforce in some key divisions.
- Consider airport differently from the other City departments.

Overall, the focus groups provided the project team with a more in-depth understanding of the employee's perspective regarding the current HR services and approaches that are in place.

4. BEST MANAGEMENT PRACTICES ASSESSMENT

This chapter summarizes the City of Salt Lake City's performance against a series of best management practices designed to evaluate major functional areas of Human Resources. These best management practices were developed and compiled by the project team from prior consulting engagements, national human resources professional associations and emerging trends in the human resources profession. The completed best management practices assessment is included as Appendix A of this report.

1. THERE ARE SEVERAL STRENGTHS ASSOCIATED WITH THE HUMAN RESOURCES PRACTICES EMPLOYED BY THE CITY OF SALT LAKE CITY.

In the attached appendix, the detailed description of the best management practices of the City of Salt Lake City is presented. Examples of the strengths noted in this assessment are summarized in the points below:

- The City has allocated HR Consultants to specific departments to increase their knowledge of assigned departments and create a sense of "ownership" of the HR issues related to their department.
- Policies and procedures are well documented in approved policies, procedures, and labor memorandums of agreement.
- The City's shared drive and website is utilized for dissemination of key forms and documents related to the Human Resources function.
- A variety of informational approaches are utilized to make policies and procedures available and accessible to city employees.
- Overall, retention of qualified and experienced employees does not appear to be a significant factor affecting the City of Salt Lake City.
- The City provides information regarding current employment opportunities on their website including the ability to complete applications on-line.

- Job descriptions are in place for positions and all descriptions are reviewed for accuracy prior to filling of new positions.
- Recruiting and selection procedures have been standardized throughout the City and the HR Staff conducts initial evaluations of all applications to determine whether individuals meet the minimum qualification of the position. All qualified applicants are placed in an eligibility pool which is provided electronically to the hiring department for selection of individuals for interviews.
- Employee personnel files and health records are maintained in a secure environment.
- The City has a formal and adopted compensation policy to guide city-wide compensation practices.
- Annual employee wage increases and benefits are evaluated as needed against local communities (and in selected cases regional / national communities) for market competitiveness.
- The City utilizes a formal point count system to evaluate position classifications – both for initial classification and reclassification requests – as part of its classification process.
- All employees are scheduled for an employee orientation.
- The City has a set of standard required training classes for all employees (approximately every three years) to address key training topics such as diversity training and sexual harassment training. Recent focus has been placed on increasing the level of training provided to supervisory personnel.

These strengths provide a sound foundation for the provision of human resources services and for addressing the improvement opportunities identified in the next section.

2. THERE ARE ALSO SEVERAL AREAS OF IMPROVEMENT OPPORTUNITIES FOR THE CITY OF SALT LAKE CITY IDENTIFIED DURING THE REVIEW OF BEST MANAGEMENT PRACTICES.

The best management practices assessment also identified several areas of improvement to enhance the level of services provided by the City of Salt Lake City to a “best in class” level of performance. These are summarized in the points below:

- The City has not developed a multi-year strategic plan to address human resources challenges over the next five to ten years (though this study is the initial step in laying the foundation for one).
- Existing performance measures do not provide a meaningful evaluation of existing performance levels or enable detailed evaluation of the Human Resources performance.
- Additional utilization of electronic dissemination of information to employees should be implemented.
- No workforce planning system has been developed to conduct periodic employee demographic data to either project retirement dates by department within the City, or to develop a succession planning procedure.
- A formalized collection, review and evaluation of exit interview information is not conducted to identify potential organizational issues or training needs for employees.
- A periodic employee survey should be administered to monitor employee satisfaction and solicit suggestions for training courses.
- A systematic plan of review for all job descriptions should be implemented to ensure all are reviewed for accuracy at least every five years.
- The City's website should be expanded to include additional information regarding the benefits of working for the City of Salt Lake City to increase recruitment effectiveness. Additionally, greater focus should be placed on proactive recruitment efforts.
- The City of Salt Lake City needs to conduct a comprehensive pay and classification system to address identified issues regarding internal and external equity and policy issues related to annual increases.
- The City of Salt Lake City should implement an on-going evaluation system to systematically update all job descriptions on a three to five year basis following the comprehensive classification system implementation.
- The City of Salt Lake City should implement a new performance appraisal system that incorporates an automated evaluation system and that ties employee performance to organizational goals and objectives.
- The City of Salt Lake City needs to develop and implement a more comprehensive employee training program that identifies, by position, classification-type targeted annual training requirements. This training program should identify types of training to be provided annually, bi-annually, etc. A

separate supervisory training program should be developed for new and existing supervisors.

- Additional HR Consultants should be trained in the utilization of the point count factor system for position classification. All classification / reclassification decisions should be made by a committee of HR Consultants to eliminate the responsibility from being placed on a sole individual and to increase consistency among departments.

Each of these opportunities for improvement will be addressed in more detail in the appropriate sections of Chapter 6 that discusses each of the forty-four major issues reviewed.

5. ANALYSIS OF ISSUES AND RECOMMENDATIONS

This chapter addresses each of the forty-four specific issues raised by the City of Salt Lake City for review in the RFP and one additional issue relative to elected officials pay determination added during the project. The chapter is organized into two sections – the first addressing the twenty-seven (27) operational issues and the second addressing the nineteen (19) compensation and benefits questions. In determining the appropriate classification for each of these issues, the project team compiled, analyzed, and considered information and data from a variety of sources including the following:

- Review of relevant documents;
- Interviews with Human Resources Management Staff, City employees, appointed boards, and City management;
- An employee survey distributed to all city employees;
- A comparative survey of comparable communities; and
- Comparison of SLC to a series of best management practices.

The project team used all of the sources listed above, in addition to our experience conducting other Human Resources Department evaluations, to assist in first the classification of the issue (as either substantive, administrative, or legal) and finally in developing recommendations for all substantive and administrative functions on ways the City can enhance and improve services in the future.

The recommendations were designed, as designated in Phase 1 of this study, to identify major areas of focus for the City in the future. These should form the basis for plan of action over the next several years and guide the direction and activities of staff.

The following sections of this chapter address the following questions related to each operational issue:

- 1) How should the factor be classified? (Substantive Issue, Administrative Question, or Legal Question)
- 2) If the issue is classified as substantive, why is it classified as such?
- 3) What steps should be taken to address the Substantive Issue, Administrative Question, or Legal Question?

The following sections address each of these operational issues in the order in which it was presented in the RFP.

A. ANALYSIS OF OPERATIONAL ISSUES

The following sections provide a categorization, discussion, and next action required recommendations for each of the twenty-seven operational issues.

1. DISCRIMINATION INVESTIGATIONS AND EEO PROGRAM MANAGEMENT.

The issue of discrimination investigations and EEO program management has been identified as a substantive issue for the reasons outlined in the following narrative.

- 1) FACTOR CLASSIFICATION:** Substantive Issue
- 2) REASON(S) FOR FACTOR CLASSIFICATION.**

During the time period in which this study was conducted, the SLC Human Resources Management Division's position of HR Consultant assigned to EEO / Special project was vacant. Therefore, there was no single individual within the entire SLC organization, in either the Human Resources Division or any other Department, that was focused on the issue of equal employment opportunity within the workforce. There are several issues of concern with this approach as noted in the following points:

- There is no single individual overseeing equal employment opportunities related to recruitment, selection, or promotion.

- There is no staff member assigned the function of handling all complaints of discrimination within the organization.
- Similarly, there is no one proactively reviewing policies, procedures, and work practices to ensure any unintentional barriers to an open workplace are addressed.
- Employees are unaware of whom to go for assistance when they believe that unfair employment practices have occurred. Most indicated they would seek external advice (private attorney or other resource). This position was held due to the fact that most employees perceived this as not a primary function of the HR Consultant (and that even if it were, the role of the HR Consultant was more focused on representing the City and not employees) and the fact that the position was currently vacant.
- Limited training, other than required sexual harassment and diversity training, is being conducted to assist employees and supervisors understand the impact of and to identify and rectify situations related to equal employment practices.

A common issue raised during the employee meetings, during interviews with staff members, and in the employee survey (though to a lesser extent) was the lack of a resource for employees and managers to utilize as a sounding board when they perceived disparate or discriminatory practices had occurred – or to ensure that a practice would not represent a barrier to equal opportunity.

3) NEXT STEPS TO ADDRESS THE ISSUE.

For the reasons noted above, the project team feels that the City should make the filling of a position dedicated to focusing on EEO Programs and Discrimination complaints a high priority. This position should remain within the Human Resources Management Division – organizationally – but should perform a limited range of duties including: conducting discrimination complaints, serving as a direct resource for employees to raise issues, proactively review employment policies and practices for disparate impact, and conduct training for employees and supervisors on issues related

to discrimination and equal opportunity. The liability, both in terms of financial and employee morale, is too high for this position not to be implemented as soon as possible.

2. HIRING PRACTICES.

Hiring practices has been classified as an administrative issue for the reasons contained in the following narrative with recommendations regarding the key issues that should be addressed.

1) FACTOR CLASSIFICATION: Administrative Issue

2) REASON(S) FOR FACTOR CLASSIFICATION:

As part of the study, the project team reviewed the existing policies, procedures, and practices, as they relate to hiring decisions within the City of Salt Lake City. The City of Salt Lake City has in place a series of practices that were identified by the project team as best practices in the hiring area. These include:

- Utilization of on-line application submission,
- Scanning of all resumes and applications received in paper-form into the application system for use by HR staff and departments, and to permit electronic review of applications,
- Categorization by HR staff of whether each application meets minimum job requirements or not,
- Creation of hiring pools (of all applications meeting minimums) that area shared with departments electronically for review and selection of individuals to interview;
- Availability on-line for all HR Staff and Departmental staff to view the status of any recruitment.

Overall, the process currently in place is both effective, efficient, and meets many best practices of high-performing HR Departments. There is nothing “broken” with the

system as much as there is a need for the process to be refined, better explained, and expanded.

The largest areas of concern expressed with the existing approach and system include:

- Lack of understanding of the critical components required for the position by employees. Despite inclusion on job postings of important and critical skills, many employees still do not fully understand the selection criteria being utilized.
- Selection criteria are reviewed with the appointing department in advance of the job posting; however, varying selection criteria could be utilized for the same position in two different departments. While these criteria can legitimately be job related, they lead to the perception that criteria are designed for specific individuals.
- Internal employees rated as qualified are not always selected for an interview. When the final selection is then an external candidate, a perception (however inappropriate) can be created that pre-selection was in play in the decision.
- Consistency in pay decisions between internal and external candidates was a major issue raised during focus groups, interviews, and the employee survey. Since this is primarily a compensation issue, rather than an operational issue, it will be addressed in a later section.

These issues are addressed as next steps to take in the following section.

3) NEXT STEPS TO ADDRESS THE ISSUE

While overall, the project team feels the process is being utilized both appropriately and effectively, there are a few actions to be considered that may improve both the process and the perception of the process. These areas include:

- HR Consultants should challenge, in an appropriate manner, the selected criteria that departments wish to rate applicants against. They should review the criteria for appropriateness, similarity to those utilized for filling of other similar jobs, etc.
- Applicant pools developed for a particular position should be first considered for the filling of additional vacancies in the position (even if in another department) if the position becomes open within a short period of time following the completion of the recruitment (i.e. – within the last two months). This will reduce not only the recruitment time for filling of positions, but eliminate the duplication of effort

necessary for applicants (both internal and external) to reapply for a similar position.

- Consideration should be given to the ability to identify particular entry-level positions for which greater consideration (such as ensuring an interview for internal applicants that meet the minimum qualifications) will be given to internal applicants. This would increase the ability of city employees to break into a new career path or gain an understanding of the skills they need to develop in order to be successful in the future in competing for the position. Note, this does not mean the selection would be given to a less qualified individual.
- Efforts should be made to expand the ability to more fully utilize the applicant tracking and processing system that is in place by providing additional services such as:
 - Ability of applicants to determine their status on-line;
 - Implementation of email notification to applicants of their status;
 - Linking to a training database containing internal applicants training records.

These efforts would assist in addressing many of the negative perceptions regarding the existing hiring practices, and generally improve the effectiveness of the process.

3. TRAINING OF SUPERVISORS AND MANAGERS CITYWIDE.

Training of Supervisors and Managers City-wide has been classified as a substantive issue for the reasons contained in the following narrative with recommendations regarding the key issues that should be addressed.

1) FACTOR CLASSIFICATION: Substantive Issue

2) REASON(S) FOR FACTOR CLASSIFICATION

This issue, discussed at length with many HR Department Division Staff during interviews, is one that has already been identified by the current HR Department Division Director as a priority item for the organization. The project team, based upon its review and analysis, concurs that this is a major issue facing the city organization. Historically, the level, type and amount of training to supervisors has not been sufficient

to fully prepare them to effectively perform their positions – especially for new supervisors.

The current training programs do not provide a consistent basic and advanced course of supervisory training that is required for all individuals placed in a supervisory or managerial position. In response to the survey, almost 50% of supervisors indicated they weren't adequately trained to manage employee performance, and 44% indicated that existing training does not meet their department's needs.

With the major HR functions being provided in a consultant role to Departments (and their supervisors and managers) a large responsibility is placed on supervisor to make correct decisions related to employee issues. The front line supervisors have the greatest control over whether an organization is successful and viewed as a positive working environment.

3) NEXT STEPS TO ADDRESS THE ISSUE

The City should continue the efforts underway to more fully develop a comprehensive supervisory and managerial training program. This program should be required for all supervisors – with a particular focus on those newly placed into this role. In addition to this training series, the City should conduct periodic optional training that focuses on specifically identified supervisory needs – such as performance evaluation, issuing discipline, responding to employee concerns, employee coaching and mentoring, etc. that can be provide in short one to two hour sessions.

The City must also strongly emphasize that supervisory performance is a critical component of job evaluation. Supervisors tend to avoid the unpleasant tasks related to supervision more from a lack of confidence and ability to handle, than from their desire

to address issues with their employees. Enhancing the level of training will provide the skills and abilities for those in supervisory positions to be successful.

Additionally, the City's HR Consultant assigned to Training should have time allocated, on an as-needed basis, to provide specific targeted and short-term assistance to specific individuals in improving their supervisory abilities.

4. LABOR NEGOTIATIONS AND LABOR RELATIONS.

Labor Negotiations and Labor Relations has been classified as a substantive issue for the reasons contained in the following narrative with recommendations regarding the key issues that should be addressed provided in the concluding section.

1) FACTOR CLASSIFICATION: Substantive

2) REASON(S) FOR FACTOR CLASSIFICATION

At the present time, the City Attorney's Office is responsible for both collective bargaining and labor relations within the City of Salt Lake City. The City's current approach to providing labor relations and collective bargaining is one that developed more out of necessity (due to a turnover and vacancies in critical top HR Management positions in the last year or two) than out of a coordinated organizational approach. The project team's discussions regarding labor relations and collective bargaining with staff, employees and union representatives indicated that the current approach has worked well and the process has generally improved to a much more professional and positive level than had been typical in the past.

However, there are valid operational and organizational reasons why this function should be reallocated outside of the City Attorney's Office. These include:

- The City Attorney's Office is required to defend actions of supervisors relative to administration of the memorandums of understanding in place with the unions.

This is difficult (though not impossible) to do objectively when the attorney was involved in drafting and negotiating the language.

- Additionally, the City Attorney's Office may be involved in other legal or administrative appeal processes related to specific issues or employees that would create a potential conflict of interest in them handling a grievance or contract interpretation on a related issue.
- The role of the HR Consultants relative to labor relations advice and support is extremely limited and should be expanded in order for them to provide greater support to their assigned departments and also to employees.
- Practically, the City Attorney assigned to this function, while performing well, has a span of assigned duties related to human resources support that is too large. This position should be a resource for advice rather than involved in the day-to-day administration of the entire labor relation function.

In the past, this function was performed by the City's Human Resources Director.

For many of the reasons listed above, the project team generally feels that the Human Resources Director should be involved but not principally responsible for conducting labor negotiations and labor relations. This is a function that individuals specialize in for their careers.

3) NEXT STEPS TO ADDRESS THE ISSUE

The City of Salt Lake City should move to segregate the duties of labor relations from the City Attorney's Office and fund a position elsewhere in the organization. This position should either be allocated to the Management Services Department Director's Office or the Human Resources Management Department. This position should be charged with the responsibility for serving as chief negotiator, grievance administrator, principal resource for departmental supervisors regarding disciplinary actions, and work with the HR Consultant staff in reviewing policies and procedures for consistency with the memorandums of agreement. This individual should conduct post-signing training

for all supervisors and managers regarding changes in the memorandums of agreement so that the new provisions are both known and consistently enforced.

A typical education and experience background for a Labor Relations Manager for a City of the size and complexity of Salt Lake City would include:

- Bachelors degree in Human Resources Management, Industrial Relations, Public Administration, Labor Relations, or related degree;
- Masters degree (preferred) in Human Resources Management, Industrial Relations, Public Administration, or related degree; and
- Five to seven years direct labor relations experience in a position responsible for collective bargaining, contract administration, and grievance processing. Preferred experience would be in an organization of a similar size and complexity (i.e. – number of labor agreements, size of workforce, etc.) to the City of Salt Lake City.

For professionals with this level of experience and education, the position would not necessitate the individual have a law degree or legal background.

5. PAYROLL MANAGEMENT.

Payroll Management has been classified as a substantive issue for the reasons contained in the following narrative with recommendations regarding the key issues that should be addressed provided in the concluding section.

1) FACTOR CLASSIFICATION: Substantive.

2) REASON(S) FOR FACTOR CLASSIFICATION

In a review of the interaction between the Human Resources Department and the staff performing payroll management within the individual departments, there were several items that the project team identified as either not in keeping with best practices or which raised concerns related to organizational liability or consistent application of policies. These issues include:

- Staff processing payroll in departments which operate with little oversight or formal direction from the HR Management Division.
- Staff processing payroll are largely responsible for independently processing and approving various leave applications including FMLA leave and military leave. Leave is, in some cases, approved routinely without significant review.
- Departments are responsible for completing new hire paperwork independent of the Human Resources Department for their new hires.
- Training provided to departmental staff is not sufficient to ensure a consistent application of policies and procedures.
- Staff processing leave applications are not suitably trained to be making the level of decision-making necessary to appropriately process leave applications under FMLA and military leave laws.

Each of these issues represents a potential area of liability for the City of Salt Lake City relative to conformance with applicable state and federal personnel laws and regulations. Especially in the area of FMLA and military leave, the regulations regarding appropriate and inappropriate employer action is one with many facets and nuances. It is inappropriate to place the responsibility for accurate processing and approval at the level it has been placed in the organization. Additionally, the fact that these items are handled departmentally increases the probability and likelihood that inconsistent interpretations and application will occur between departments.

3) NEXT STEPS TO ADDRESS THE ISSUE

Given the existing segregation of duties between HR Staff and departmental staff relative to processing payroll and related functions, the HR Department must increase the level of training provided to staff handling new hire paperwork and payroll to ensure a full and in-depth understanding of the City's policies and procedures (and those imposed by State and Federal law) relative to these two areas. The accurate completion of paperwork related to eligibility for employment and tax reporting is critical.

While an alternative would be to consider pulling these staff under the HR organizational umbrella, given that they often perform other ancillary duties the project team does not feel that, at this point in time, this level of intervention is necessary. However, a routine audit program should be established and performed by each HR Consultant to monitor compliance by staff performing duties on behalf of the HR Department.

However, the project team feels that a stronger approach must be taken relative to the processing of leave applications governed by federal (or state) laws as opposed to routine vacation, personal, sick leave. Leave such as FMLA and military leave should receive final approval from someone with the HR Department before authorization is given. While the staff in the departments should continue to be responsible for internal departmental coordination of the leave request, they should be removed from any approval authority. This function should be assigned either to each individual HR Consultant to make a preliminary recommendation, with a final authority granted either by the Deputy Director of HR or a single designated individual in the HR organization.

Finally, the HR Consultants should play a larger role in the oversight of the processing of new hires at the department level to ensure that all necessary paperwork is appropriately, timely, and thoroughly completed by the departmental staff. Training should be provided to these staff by HR to increase the consistency between departments.

6. EMPLOYEE DISCIPLINE AND NON-DISCIPLINARY INTERVENTION.

The following narrative identifies the employee discipline and non-disciplinary intervention factor as an administrative issue and presents some of the key questions and issues that should be addressed.

1) FACTOR CLASSIFICATION: Administrative.

2) REASON(S) FOR FACTOR CLASSIFICATION

During the project team's discussion with staff, employees and managers (including the focus groups), the issue of employee discipline and non-disciplinary interventions was not noted as a significant issue facing the City of Salt Lake City. The major issues that arose on this topic were:

- A perceived lack of consistency between departments in terms of the imposition of discipline for similar infractions and/or the level of discipline imposed; and
- An indication that most employees felt that the Human Resources Department staff did not play a large enough role in the process (specifically in ensuring consistency between departments and holding supervisors accountable for adequately documenting and supporting their actions).

These factors did not, in the project teams evaluation, rise to the level of a substantive issue. They are both easily addressed without significant policy and procedure changes. In the case of the first point, this issue may also be addressed through the appropriate grievance procedure.

3) NEXT STEPS TO ADDRESS THE ISSUE

As discussed in detail in the section regarding Issue #4 – Labor Negotiations and Labor Relations, the project team has recommended the creation of a dedicated Labor Relations Manager position. If this is done, the concerns raised above are even more easily addressed since this individual would be involved in most disciplinary actions – at

least through a notification at the lower levels (oral and written warnings) and more involved consultation at higher levels of discipline (i.e. – suspensions / terminations). Additionally, this individual would be able to identify situations where actions are taken without sufficient cause or proper documentation and remediation efforts, and provide support and training to the supervisor.

Many high-performing human resources departments maintain a database – often linked to their electronic personnel file system – that logs all disciplinary actions placed in the personnel files. This enables a comprehensive analysis and review of prior disciplinary actions to determine whether the imposition of discipline and the level of discipline imposed is being administered consistently across departments. While the Human Resources Management Division used to have a tracking log of disciplinary actions, it has not been maintained but would provide a good basis for historical information.

7. CIVIL SERVICE PROCESS (including promotions).

The Civil Service Process factor was identified through the interview process and review process as an administrative question. The following narrative provides a brief discussion of the findings and recommended next steps.

- 1) FACTOR CLASSIFICATION:** Administrative.
- 2) REASON(S) FOR FACTOR CLASSIFICATION**

Interviews with departments, employees, and managers who are under the civil service process did not identify the civil service process as an issue of any significance. Generally, those under this system indicated a full understanding of the process (for

selection and promotion) and generally held a feeling of fairness with the system as currently applied.

3) NEXT STEPS TO ADDRESS THE ISSUE

No specific action steps are recommended at this time.

8. CLASSIFICATION, RECLASSIFICATION, PROMOTION.

The issue of classification, reclassification and promotion has been identified as a substantive issue for the reasons outlined in the following narrative.

1) FACTOR CLASSIFICATION: Substantive.

2) REASON(S) FOR FACTOR CLASSIFICATION

This topic was one of the most frequently raised issues during interviews and meetings during the conduct of the study. There is a high level of dissatisfaction with the existing classification and reclassification process. Few concerns were expressed regarding the promotion aspects. Dissatisfaction was also noted by management staff requesting reclassifications for their employees and to a degree by HR Consultants who must conduct the work associated with the classification reviews.

Primary concerns and issues noted include:

- Lack of understanding of what warrants and does not warrant a change in classification.
- A feeling that decisions are made either without full understanding of the positions duties or for reasons other than legitimate work related factors and in selected cases, that arbitrary distinctions are made to classifications that are utilized in multiple departments to grant wage increases to individuals in only one department.
- A lack of training and education for staff regarding how the classification is designed, intended to work, and administered.
- A lack of consistency in the application of the existing classification policy specifically as it relates to the determination of what weight to give to internal versus external weight.

- Concerns from all parties (employee and HR staff) regarding the “timing” of reclassification requests in an attempt to get them reviewed and approved prior to the end of a fiscal year so the 10% annual increase limit will not apply.

While many of these issues will be addressed, as previously noted, in the section of the report dealing with the compensation aspects of classification decisions, there are several actions the City could take to improve the classification and reclassification process as described below.

3) NEXT STEPS TO ADDRESS THE ISSUE

While we are recommending, in a later section, changes to the classification system, the City should ensure that all HR Consultants are fully trained in the point count factor process that is utilized to classify positions. A committee of HR Consultants (three to five) should be utilized to independently evaluate each request for classification or reclassification and reach a consensus decision regarding whether a change is warranted. This will eliminate the primary reliance of a single individual in conducting these and ensure that the impact on all departments is fully considered.

The policy regarding the interrelationship between the approval date of reclassification requests and the annual increase should be reviewed and modified to eliminate the “timing of requests”. This creates artificial controls on the process that may not be warranted and creates a workload issue for HR staff who receive a greater volume of requests in a narrow time frame. Any policy revisions regarding the pay impacts of classification decisions or the process to be utilized in conducting classifications should be widely disseminated to employees, in an easily understood description, to eliminate the current lack of understanding of the process.

9. HUMAN RESOURCES POLICY DEVELOPMENT AND UPDATE.

The Human Resources Policy Development and Update factor was identified as an administrative question. The following narrative provides a brief discussion of the findings and recommendations.

1) FACTOR CLASSIFICATION: Administrative.

2) REASON(S) FOR FACTOR CLASSIFICATION

The Human Resources Management Division, often in conjunction with the Director of Management Services, is the entity principally charged with the development of new policies and updates. This effort has been given both greater focus and urgency under the recent change in leadership within the Human Resources Management Division. HR Consultants under the guidance of the Deputy Director, have been reviewing and discussing key policies and procedures in a systematic fashion. This review has not only increased the understanding of staff relative to the existing policies, but resulted in the identification of areas that need to be updated and modified.

Most staff noted, both in the focus groups and in the employee survey, that policies and procedures were generally clear, widely disseminated and understood in terms of expectations. Some specific areas of concern were noted (such as the application of the Plan B leave time program) but generally there were few concerns raised. An ancillary issue raised was the ability to get timely and consistent answers related to interpretations of the policy.

3) NEXT STEPS TO ADDRESS THE ISSUE

The HR Staff should develop a plan to continually review and update specific personnel policies and procedures on a rotating basis with a goal of “touching” each

policy at least every three to five years. This approach will break the workload into a manageable amount and provide a systematic process for maintaining a current and accurate policy manual.

The issue related to the consistency and timeliness of policy interpretations should be improved due to the recent institution of the weekly HR Consultants meetings. A time should be established as part of this weekly meeting for staff to share issues that have been raised and for group discussion and resolution of policy issues. This approach will increase the consistency of HR Consultants in giving advice to departments and employees.

10. HUMAN RESOURCES CONSULTING TO CITY DEPARTMENTS/DIVISIONS.

The Human Resources consulting to City Departments/Divisions factor was identified as a substantive issue. The following narrative provides a brief discussion of the findings and recommended next steps

- 1) FACTOR CLASSIFICATION:** Substantive.
- 2) REASON(S) FOR FACTOR CLASSIFICATION**

The City's current approach to assigning HR Consultants to a specific department was almost universally recognized as a positive approach – as it develops an in-depth understanding of the individual department's needs and unique issues. The assigned HR Consultant is also able to develop a professional relationship with employees in the department increasing the likelihood that they will seek out assistance when needed. In most cases, the feedback received regarding the performance of individual consultants was positive.

The areas of concern noted or raised during the study relative to the HR Consultants role in providing service to City Departments / Divisions included:

- Role should be focused on not only serving as a representative for management but as a resource for employees.
- Many participants in focus groups were not aware of who their HR Consultant was or what services they provided.
- Some concerns expressed that the relationship between the HR Consultants and Managers/Supervisors is too close - preventing the HR Consultants from performing their functions objectively (and impacting the likelihood employee concerns would be shared with them).
- Focus on training of HR Consultants should be a priority given the number of relatively “new” individuals in the organization. The weekly meeting and training session is a major step in the right direction to ensure staff are highly knowledgeable and consistent in their application of policies and procedures.
- Inability to access timely some HR Consultants (due to flexible work hours and work-at-home arrangements) was raised during several of the focus groups.

While several issues were identified, the overall satisfaction with the HR Consultant position and the level of service provided was noted as improving monthly. Many departments and employees noted an improvement in service levels over the last year.

3) NEXT STEPS TO ADDRESS THE ISSUE

The City should continue the efforts underway, through the weekly HR Consultant meetings, to focus on the training of all HR Consultants (with focus on those in the job less than a year) in: the services they should be providing to their assigned departments, the official interpretation of policies and procedures; and in sharing techniques for increasing interaction with line employees.

Additionally, each HR Consultant must make a conscience effort (especially those working on flexible hours and / or through work-at-home arrangements) to

promptly respond to email and voice mail messages. The perception that staff is not available within a reasonable time period is one that can have negative impacts on the overall perception and performance of the Department.

As part of their training, the HR Consultants should learn when they can and should challenge a request for assistance from supervisor to ensure that he/she is appropriately following city policy and procedure. The primary focus of the HR Consultant should be on doing what is right for the City – not necessarily what is requested or desired by their assigned departments. HR Consultants must expand the services and advice provided directly to employees while maintaining their role as City representatives.

The practice of rotating HR Consultants on a periodic basis should be continued – this is necessary for both personal growth of the employee, as well as, providing a fresh set of eyes for a department and the issues they are facing. However, caution should be taken when doing so to prevent departments from having too high a turnover in their assigned staff. The benefits of learning in-depth about a particular department can only come to fruition with a tenure of several years with that department.

11. PENSION AND RETIREMENT PLANNING AND SERVICES.

The pension and retirement planning and services was identified during the project as an administrative issue. The following narrative provides a brief discussion of the findings and recommended next steps.

1) FACTOR CLASSIFICATION: Administrative

2) REASON(S) FOR FACTOR CLASSIFICATION

The administration of employee benefits, including pension and retirement planning services, was one of the areas of human resources where the project team received notable positive comments regarding the services provided by the Human Resources Management Division staff – both in terms of responsiveness to information requests and accessibility.

3) NEXT STEPS TO ADDRESS THE ISSUE

No action needed at this point in time.

12. WORKPLACE EMPLOYEE PRIVACY SAFEGUARDS.

The workplace employee privacy safeguards factor was identified through the interview process as a substantive issue. The following narrative provides a brief discussion of the findings and recommended next steps:

1) FACTOR CLASSIFICATION: Legal.

2) REASON(S) FOR FACTOR CLASSIFICATION

No significant issues were identified during the project regarding specific workplace employee privacy issues. Employee records are appropriately stored out of public access and under suitable conditions to ensure privacy and security of the contents. The only potential area noted was the processing of FMLA leave applications by some staff without sufficient training or oversight. Given the sensitive nature of medical information that may be contained in these leave requests additional training regarding the responsibility and obligations to maintain strict confidentiality should be addressed.

3) NEXT STEPS TO ADDRESS THE ISSUE

As part of the increased recommended change on FMLA leave processing, departmental staff involved in the processing of these leave requests should receive periodic training and reminders regarding the confidential nature of the information they have access to on a recurring basis.

13. WORKPLACE SAFETY.

The Workplace Safety factor was identified following review as a substantive issue as it relates to the effective provision of training and implementation of prevention avoidance work practices. The following narrative provides a brief discussion of the findings and recommended next steps:

1) FACTOR CLASSIFICATION: Administrative.

2) REASON(S) FOR FACTOR CLASSIFICATION

The only major issues identified regarding workplace safety related to the inconsistent provision of safety training at the departmental level. This issue is discussed, in more detail, as a component of the overall training factor. However, in general, most departments were not seen as providing a high enough focus on workplace safety. Notable training programs were mentioned and identified in selected departments – such as Airport and Public Utilities. In some departments, the identified level of training was minimal related to the provision of workplace safety training to employees. Additionally, no consistent city-wide approach to documenting provided employee training related to safety is in place. While most employees (those not in safety-sensitive positions) have a lower need for safety training, a base level of training should be provided to all positions. Those employees in classifications that would be

classified as safety-sensitive – defined as those operating heavy equipment, working in hazardous locations / conditions (such as confined spaces, in or along roadways, near electrical wiring or major equipment / mechanical systems, in close proximity to chemicals or other hazardous materials, elevated locations, etc.), and those that work in isolations should have a greater level of training provided to ensure a full understanding of safety issues related to their work environment.

3) NEXT STEPS TO ADDRESS THE ISSUE

The HR Staff assigned to training should work with the Airport and Public Utility departments to determine the applicability and feasibility of providing the training programs already developed on a city-wide basis. Continued work and cooperation with employee safety committees should continue with a goal of developing a comprehensive training program covering all employees. Greatest focus should continue on those positions that typically work in higher-risk situations, but all employees should be covered by some level of safety training. A specific training program on workplace safety should be included as a component of all supervisory training to accentuate and highlight the critical role the supervisor plays in ensuring workplace safety for assigned employees.

The City should have discussions with the State of Utah Department of Occupational Safety and Health (UOSH) regarding the free services they provide under their Public Sector Consultation Services. This program provides full workplace site surveys to identify chemical and physical hazards, and necessary training and education. These services are free to the local government and are conducted without

issuance of penalties or citations. UOSH provides a variety of free training programs that include the following topics:

- Asbestos
- Lead
- Hazard Communication
- Respiratory Protection
- Personal Protective Equipment
- Bloodborne Pathogen
- Noise
- Lockout/Tagout
- Machine Guarding
- Trenching and Excavation
- Fall Protection
- Scaffolding
- Confined Space Entry
- Health Standards (Lead, Asbestos)
- 10-hour Construction Training
- Workplace Violence

14. WELLNESS PROGRAMS.

The wellness programs factor was identified through the interview process as an administrative question. The following narrative provides a brief discussion of the findings and recommended next steps.

1) FACTOR CLASSIFICATION: Administrative.

2) REASON(S) FOR FACTOR CLASSIFICATION

During the employee input solicitation phase, discussions held regarding current wellness efforts indicated a general satisfaction with the types and levels of programs offered. However, given the continuing trend in the health care industry, medical premiums are continuing to rise in excess of normal rates of inflation. For this reason, the City should continue and enhance efforts to implement wellness programs and activities that have a likelihood of offsetting or eliminating costs that otherwise would be covered by the health insurance program.

3) NEXT STEPS TO ADDRESS THE ISSUE

The City should continue a strong focus on the provision of wellness programs as one component of a coordinated health care program and cost control approach.

15. EMPLOYEE MENTORING / CAREER DEVELOPMENT.

The issue of employee mentoring and career development has been identified as a substantive issue for the reasons outlined in the following narrative.

1) FACTOR CLASSIFICATION: Substantive

2) REASON(S) FOR FACTOR CLASSIFICATION

During the employee meetings and individual interviews, a lack of formalized employee mentoring and career development was noted as one of the principal areas contributing to employee dissatisfaction and impacting morale. In our experience evaluating human resources functions, those organizations that have the highest employee satisfaction and morale, often had programs in place that addressed employee mentoring and career development. While this is not the sole reason for job satisfaction in these organizations, it is a contributing one.

The current workforce trends show employees staying with a stable employer for longer periods than were present in the recent past – job hopping has declined significantly. However, employees – especially those in entry-level positions – are looking for opportunities to move up within their current organization. Sometimes this is within the same career they are in and other times into new career ladders.

Cutting edge organizations have in place a formalized employee mentoring and career development program. The City of Salt Lake City is currently lacking in a formalized approach on these issues.

3) NEXT STEPS TO ADDRESS THE ISSUE

We have addressed the issue of training (as it relates to this issue) in a later section. However, outside of training, there are several actions the City of Salt Lake City should take to enhance internal employee development. Areas for consideration of implementation include:

- Identification of staff suitable to serve as mentors for new employees and assignment of these individuals to new employees upon hire. Mentors should work to acclimate the new employee both to their job and also, just as importantly to the organizational culture and performance expectations. Mentors should be selected with care and provided appropriate training in the performance of this role.
- Identification within the classification system of “typical” career ladders that relate the skills of one position to another. Many communities have found that with appropriate training and mentoring, they are able to effectively cultivate and promote employees with “enforcement duties” into a variety of positions. For example, the skills in public interaction, ordinance enforcement, working independently, etc, that are employed by a parking enforcement officer are very similar to those employed by property maintenance inspectors, building inspectors, etc. The only difference is the level of technical skills employed. The identification of these “soft” skills that are transferable to jobs, enables employees to acquire the technical skills if they desire to move up in the organization. Similar career ladders are typically utilized for office administrative personnel.

- Review and revision of the promotional policies that provide consideration but not necessarily preference to internal applicants for internal promotions.
- The City's HR Staff should work with union representatives and employee representatives to identify logical career progressions.

16. RECRUITMENT AND RETENTION.

The issue of succession planning has been identified as a substantive issue for the reasons outlined in the following narrative.

1) FACTOR CLASSIFICATION: Administrative.

2) REASON(S) FOR FACTOR CLASSIFICATION

This issue was rated as administrative by the project team, because the majority of the issues that were raised with or identified by the project team will be addressed (or mitigated) in other actions recommended – while important – are not at the same level as others in terms of organizational impact. Overall, there were no significant notable concerns identified with either the existing recruitment approach or the ability of the City to retain employees. In fact, a majority of employees indicated a recognition of an overall positive compensation and benefits package in relation to work expectations.

The exceptions include specific issues related to:

- Top management and selected technical positions in Selected Departments (where a regional or national recruitment is required);
- For these positions, the City having an effective mechanism for retaining experienced employees.

In any organization, there are key positions that are more difficult to fill than others based upon unavailability in the local marketplace, high national demand for positions, or desirability of the position. In the late 90s and early 00s, these were

information technology positions. More recently, positions such as engineering staff and some technical utility positions are in higher demand.

At the present time in the Salt Lake City organization, these positions appear to be concentrated most generally in the Airport and Public Utilities departments. It is important to note, the selected positions should be identified for eligibility and not entire work units or departments. While the adjustment in compensation practices addressed in the later sections will address many of the financial issues related to these positions, there are also several operational aspects that the City should consider to address the ability to recruit and retain employees.

3) NEXT STEPS TO ADDRESS THE ISSUE

The City should implement some flexibility in its policies and procedures, to enable certain “non-financial” benefits to be afforded to employees – currently working for the City of Salt Lake City – that are likely to have a high demand in the marketplace and that would be difficult to replace in a timely fashion if they were to leave. These benefits could include grants of additional time off, time off earning beginning at a higher rate than normal (for those hired from outside the organization), and the selected use of employee contracts to define the term of employment and expected pay increases if performance is satisfactory.

While the City must use caution not to develop a scenario where employees can utilize a pending job offer to extract additional pay and benefits, the City should also recognize and minimize the organizational costs of losing key employees (in terms of loss of leadership, experience, specific skill sets, etc.). Including some flexibility for the

Mayor or Department Heads to address key positions provides another tool in overall workforce management.

To guard against abuse of the system, all benefits awarded under this system should require authorization by the Director of Management Services and Mayor. Additionally, an annual report of benefits actions taken under the program should be generated each year. Eligible positions should be identified as part of the workforce planning effort and reviewed annual for continued need for designation.

17. TURNOVER RATE.

The turnover rate factor was identified through the interview process as an administrative issue. The following narrative provides a brief discussion of the findings and recommended next steps:

- 1) FACTOR CLASSIFICATION:** Administrative.
- 2) REASON(S) FOR FACTOR CLASSIFICATION**

The project team's review of the City of Salt Lake City's turnover rate overall did not indicate a level uncommon for local government agencies or out of line with that seen in other comparably sized organizations. Specific positions, including some entry level positions and those with significant opportunities for advancement, had slightly higher rates of turnover than the general employee population.

- 3) NEXT STEPS TO ADDRESS THE ISSUE**

The turnover rate should be calculated and reviewed annually to identify changes in trends related to employee separations. The exit interviews should be utilized as a major component of information gathering to determine if there are specific and controllable reasons driving employee separations.

18. UNFUNDED RETIREMENT LIABILITY.

The unfunded retirement liability factor was identified through the interview process as a legal issue (though one with significant financial impacts on the organization). The following narrative provides a brief discussion of the findings and recommended next steps:

1) FACTOR CLASSIFICATION: Legal.

2) REASON(S) FOR FACTOR CLASSIFICATION

The City's unfunded retirement liability is determined through financial calculations that determine, based upon a set of financial assumptions, the annual contribution required to be made to a particular retirement fund. Since the benefits associated with retirement are, in most cases, beyond the ability of the City to directly control, there are limited means under which the City can control contribution rates in the short-term.

3) NEXT STEPS TO ADDRESS THE ISSUE

While there is a limited sphere of control for the City over retirement benefits and the resulting annual contribution to address the unfunded liabilities, the City should actively lobby and provide input when changes in retirement benefits are being contemplated. As a major employer in the region and state, the City should position itself as a major voice regarding future pension changes and strive to limit future increases. The City should maintain a five-year (minimum) projection of unfunded liability obligations and utilize this during budget deliberations to ensure current obligations are being satisfied (or at least knowing the impact on future funding obligations).

19. RETIREMENT COSTS VERSUS BUDGET.

1) FACTOR CLASSIFICATION: Administrative.

2) REASON(S) FOR FACTOR CLASSIFICATION

The lack of a detailed and comprehensive workforce planning effort (as described in more detail in Issue 21) prevents the City from effectively forecasting anticipated retirement costs and budgeting appropriately to cover these costs on an annual basis.

3) NEXT STEPS TO ADDRESS THE ISSUE

The completion of the workforce planning effort described later in this section, will provide a strong forecasting tool based upon projections founded on both historical and current workforce demographics. The availability of this information will enable better budgetary decisions by policy makers.

20. YEARS OF SERVICE FOR EMPLOYEE BY JOB CATEGORY.

The years of service for employee by job category factor was identified through the analysis and research as an administrative issue. The following narrative provides a brief discussion of the findings and recommended next steps:

1) FACTOR CLASSIFICATION: Administrative.

2) REASON(S) FOR FACTOR CLASSIFICATION

The evaluation of the years of service for employee by job category is a key component and input factor for the workforce planning effort described in the following issue. The ongoing and routine evaluation of the current tenure of existing employees by classification provides the City extensive information useful for projecting anticipated retirements and evaluating efforts at retention and, in a limited context, success of

career development programs. A sample chart showing typical employee tenure by job classification is attached as an appendix to this report.

3) NEXT STEPS TO ADDRESS THE ISSUE

The City should conduct an annual evaluation of employee tenure by job classification as part of their workforce planning efforts.

21. SUCCESSION PLANNING.

The issue of succession planning has been identified as a substantive issue for the reasons outlined in the following narrative.

1) FACTOR CLASSIFICATION: Substantive.

2) REASON(S) FOR FACTOR CLASSIFICATION

Workforce planning allows organizations to identify and manage changes in the workforce. The age of the workforce and growing retirement eligibility are concerns in many organizations – the City of Salt Lake City is no different. This issue is one of more particular concern in some departments in the next several years where either:

- The City is anticipating high levels of retirements,
- The loss of key individuals with unique technical skills, or
- Where recruitment of employees is particularly difficult.

Implementing workforce planning allows management to project retirement rates by division or department, and prepare for replacement of lost competencies and skills. Additionally, succession planning ensures that internal competencies are being developed in key skill areas to provide continuity of service to the organization and the public.

Workforce planning is generally defined as obtaining the right number of people with the right skills, experience, and competencies in the right jobs at the right time. In order to do workforce planning, data must be available, and systems must be available to manage data. Data requirements include workforce demographics, trends in personnel transactions, data on the skills of the existing staff and future skills needed.

'Best practice' cities are beginning to implement workforce planning as a key function performed by their human resources staff. The Cities of Minneapolis and Austin, for example, have initiated workforce planning in the last five years and have been recognized by national publications for their efforts.

The need for succession planning was one of the issues identified by the focus groups participants as most critical to address for improvement in the organization.

3) NEXT STEPS TO ADDRESS THE ISSUE

The City should develop a comprehensive workforce planning document that contains the following elements:

- **Supply Analysis:** Identify organizational competencies; analyze staff demographics; identify employment trends.
- **Demand Analysis:** Identify future workload and activities; analyze competency sets needed in future workforce.
- **Gap Analysis:** Compare information from the supply analysis and demand analysis to identify the gaps between current and future workforce needs.
- **Solution Analysis:** Develop strategies for closing gaps in competencies and reducing surplus competencies (i.e. planned recruiting, training, retraining, transfers, succession planning, etc.).
- **Evaluation:** A periodic and systematic review of the workforce plan, reviewing mission and objectives to assure validity.

From this plan, specific positions should be highlighted were the City will focus its effort on developing internal candidates (in a manner that doesn't designate preselected individuals) for future openings. The plan should be coordinated with the annual training program developed so that they complement each other.

22. COST OF RETIREE PAYOUTS.

The cost of retiree payouts factor was identified through during the project as an administrative issue. The following narrative provides a brief discussion of the findings and recommended next steps:

1) FACTOR CLASSIFICATION: Administrative.

2) REASON(S) FOR FACTOR CLASSIFICATION

The current obligations for payouts to retirees upon separation is based upon the "contractual" obligations that have been put into place through either negotiated MOUs or established by personnel policy and ordinance. The only control mechanism for these costs is to implement less-financially lucrative payouts over time. Other than the total cost, the major issue is the inability to effectively forecast expected annual payouts. The lack of a detailed and comprehensive workforce planning effort (as described in more detail in Issue 21) prevents the City from effectively forecasting anticipated retirement costs and budgeting appropriately to cover these costs on an annual basis.

3) NEXT STEPS TO ADDRESS THE ISSUE

The completion of the workforce planning effort described later in this section, will provide a strong forecasting tool based upon projections founded on both historical and current workforce demographics. The availability of this information will enable better

budgetary decisions by policy makers. Longer term, the financial impact of the payouts can be reduced through changes in the current payout practices.

23. ACTUARIAL CALCULATIONS.

1) FACTOR CLASSIFICATION: Administrative.

2) REASON(S) FOR FACTOR CLASSIFICATION

Similar to the comments provided relative to retirement costs, the lack of a detailed and comprehensive workforce planning effort (as described in more detail in Issue 21) prevents the City from utilizing the best available information in having actuarial calculations conducted on their behalf. The impact of assumptions utilized in the actuarial calculations (such as investment returns) should be made with the best available market data to prevent the desire for a lower annual contribution to contribute to a future increase in the unfunded liability amount the City has an obligation to address.

3) NEXT STEPS TO ADDRESS THE ISSUE

The completion of the workforce planning effort described later in this section, will provide a strong forecasting tool based upon projections founded on both historical and current workforce demographics. The availability of this information will enable better budgetary decisions by policy makers.

24. RETIREMENT PEAKS VERSUS FUNDING.

The issue of retirement peaks versus funding has been identified as an administrative issue for the reasons outlined in the following narrative.

1) FACTOR CLASSIFICATION: Administrative.

This issue is categorized administrative for similar reasons to those identified relative to Issue 19. The lack of a detailed and comprehensive workforce planning effort (as described in detail in Issue 21) prevents the City from effectively forecasting anticipated retirement peaks and taking appropriate budgetary action to cover these costs on an annual basis.

3) NEXT STEPS TO ADDRESS THE ISSUE

The completion of the workforce planning effort previously described, will provide a strong forecasting tool based upon projections founded on both historical and current workforce demographics. The availability of this information will enable better budgetary decisions by policy makers in planning annual costs relative to projected retirement costs.

25. RECLASSIFICATION POLICY AND COSTS.

The issue of reclassification policy and costs has been identified as an administrative issue for the reasons outlined in the following narrative.

1) FACTOR CLASSIFICATION: Administrative.

2) REASON(S) FOR FACTOR CLASSIFICATION

For ease of discussion and due to overlapping items, all substantive issues related to reclassifications and the associated costs have been addressed either in our discussion of Item 8 or will be addressed in the section relative to compensation issues (item 38). The administration of the City's policy and the associated costs then become a matter of simple policy implementation.

However, once these issues are addressed through the recommended changes, the City needs to effectively communicate its new practices (to all employees) in an understandable fashion and consistently apply them throughout the organization.

3) NEXT STEPS TO ADDRESS THE ISSUE

None. Issues addressed in recommendations for other items.

26. PAYOUTS FOR POLICE & FIRE SICK LEAVE AND SEVERANCE.

The issue of payouts for police and fire sick leave and severance has been classified as an administrative/legal issue for the reasons noted below.

1) FACTOR CLASSIFICATION: Administrative / Legal.

2) REASON(S) FOR FACTOR CLASSIFICATION

The current levels of payout for police and fire sick leave and severance payouts – are determined by agreements reached in the respective memorandums of agreement with the union. Since they are bargained, the application of these benefits (and the amounts paid) are more administrative in nature but are a legal obligation while in place.

However, a review of the level of benefits provided and the multitude of opportunities to convert sick leave into other leave time or have converted to other financial benefits is fairly extensive – especially since there is also a provision to provide additional sick leave to those employees who are “low users” of the sick leave. In comparison to many other communities, which typically have fewer “programs” to choose from.

3) NEXT STEPS TO ADDRESS THE ISSUE

In comparison to many other communities, which typically have fewer “programs” to choose from, the City of Salt Lake City appears to have – at various times in the past – implemented all the variations of programs that are designed to limit sick leave usage (and the resulting increase in overtime costs). However, a side effect of this has been to perpetuate a feeling of entitlement to “unused” sick leave and a desire to convert it to some tangible financial benefit. Prior to entering into negotiations, the City of Salt Lake should consider looking at focusing on one or two programs (rather than providing options for many) that are designed to manage sick leave usage and that provide a reasonable off-set to employees that don’t utilize as much. However, this will require through bargaining the elimination of some programs that have been added over time.

27. EMPLOYEE TRAININGS.

Similar to the classification of training for supervisors and managers, employee training has been classified as a substantive issue.

1) FACTOR CLASSIFICATION: Substantive.

2) REASON(S) FOR FACTOR CLASSIFICATION

This topic was one of the most widely raised as an area needing improvement during the focus group meetings conducted with City employees and managers. Similarly, only 38.6% of those responding to the employee survey felt that training met the needs of their department – the remaining 61.4% were either neutral (28%) or disagreed (39.4%). Of the training that is provided, over 50% agreed that the training opportunities are well communicated to employees and 42% indicated that the training is related to the City’s goals. While these percentages are at modestly acceptable

levels, ideally the City would have a higher percentage of employees indicating that training is both well communicated and related to organizational goals.

Most individuals felt that Departments are doing adequately at providing job-specific (technical) training but that areas related to issues beyond a specific position needed to be enhanced. The following comments are representative of those received by the project team:

- “Training is not done consistently within and between departments.”
- “New policies are beginning to put more focus on training.”
- “Policies and procedures are changed without any training on what they mean. This leads to inconsistent application.”
- “Training is not viewed as a priority or as a value added activity.”
- “The lack of a mentoring or career development program limits internal advancement opportunities.”

The primary areas where individuals expressed a desire for additional training were on communicating changes in policies and procedures, how policies and procedures should be implemented, and an increase in training that would assist employees in their career progression.

The lack of a centralized training approach was also noted in a few specific areas including Workplace Safety, Risk Management, and policy training. It was evident to the project team that these types of training varied greatly depending upon the Department providing it. Given the importance to the City of managing its risk and workforce, a greater role – even if it is only coordination – should be focused on these topics.

3) NEXT STEPS TO ADDRESS THE ISSUE

The City should develop a more comprehensive catalog of training opportunities for employees. A dedicated location of the Department's website should be utilized to publicize available training opportunities and care should be given to ensure that opportunities are available on various shifts and days to accommodate employees who work other than the typical office hours. Initially, increased training efforts should be focused on those that would address liability issues (risk management, safety), and those that would enhance employee development (for future career progression or succession planning). To fully understand the employee's training needs, the City should conduct a simple survey of all employees to determine the most desired courses.

The types of training provided should include both technical and skills enhancement, as well as issues related to Workplace Safety, Risk Management, etc. It was noted that several departments, including Public Utilities and the Airport, have developed good internal programs. The Human Resources Management Division should – at a minimum – work with these entities to determine a plan for deploying these courses city-wide.

Along with an enhanced training program, the Human Resources Division Manager, should research and develop a plan to implement a comprehensive training software program that would enable the tracking of all training courses in a centralized database. This system should be available for use by all departments – so that training provided by the department can be entered into the system. The implementation of a system of this type will allow training for an employee to be tracked (for use in

evaluating performance, suitability for future job openings, etc.), improve the tracking of required training, and provide historical data regarding the training program and participation.

B. ANALYSIS OF COMPENSATION AND BENEFITS ISSUES

The following sections provide a categorization, discussion, and next action required recommendations for each of the eighteen compensation and benefits issues. Since personnel costs comprise such a significant portion of the City's budget, it is essential that the City focus directly on many of these issues with both a short-term and long-term focus.

28. SALARY AND BENEFITS

The following narrative identifies the salary and benefits factor as a substantive issue and presents some of the key questions and issues that should be addressed.

- 1) FACTOR CLASSIFICATION:** Substantive.
- 2) REASON(S) FOR FACTOR CLASSIFICATION.**

The City's current salary and compensation system has generated a number of comments from management, employees, and at least one appointed board subcommittee during the interview and survey process. Some of the comments and significant questions identified during the interviews and the employee survey include:

- "The range approach to compensation is disingenuous; the high end of the range can never be reached."
- Should the City use the "total compensation" approach in managing its salary and benefits program?
- There are different funding sources for City departments (grants, enterprise funds, general fund). Should where the revenues are coming from help shape the City's salary and benefits plan?

- “The current compensation plan creates compression issues between management and subordinates that deters many from wanting to promote.”
 The items listed above are a few of the key issues and questions identified during the interview process. Many employees simply identified “wages” or “compensation” as significant problems. Some employees were also concerned about tying performance and wage increases together, since this feature is not currently a part of the City’s salary administration processes and procedures.

The fact that employees are concerned with their salaries and benefits is not at all surprising. Many employee surveys conducted by project team members over the years returned responses with employees concerned about their compensation compared to each other and to the market in general. Salt Lake City Corporation employees indicated similar concerns. For example, the following table illustrates employee responses to one question in the internal survey:

Survey Question	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	Number of Responses
The salary plan rewards and motivates individuals.	1.3%	15.8%	13.4%	40.8%	28.6%	100%
	6	73	62	188	132	461

As is shown in the table, 69.4% of employees disagree that the salary plan rewards and motivates individual employees. Only 17.1% of the employees surveyed agree that the salary plan rewards and motivates individual employees.

In addition, some staff identified that “non-monetary compensation” also benefits some employee groups, and that this practice should be more widely used throughout the City. These types of programs would include the Airport’s employee recognition program and the Public Utilities’ career assessment program. These programs could certainly be expanded and used with more regularity in other City departments.

Finally, employee benefits are a key component to an organization's overall competitive position in the market. A number of other public sector organizations utilize "total compensation" as a method of setting salary and benefits levels in their compensation plans. A number of California local government organizations reported they utilize a total compensation approach in developing their salary structures in a recent compensation survey our project team conducted. For example, in several medium-sized to larger counties in the Sacramento area, organizations utilize a "benefit adjustment factor" approach to adjust base wages and salary levels when developing their salary structures.

3) NEXT STEPS TO ADDRESS THE ISSUE.

The City should address the issue by conducting a comprehensive review of the City's current salary and benefits structure. The Citizens Compensation Advisory Committee has performed a substantial amount of good work over the years. The annual reports they generate clearly explain the overall compensation philosophy of the City and present compelling arguments for WHY current compensation practices are in place. Their reports try to address some of the same questions and concerns from employees about such issues as internal equity, market competitiveness, and paying employees at the top of the range versus focusing on market midpoints. However, clearly these explanations are not satisfactory to many employees.

It should be noted that the project team's review of the current salary and benefits programs found no significant or glaring inherent weaknesses with the compensation philosophy. The system performs fairly well in limiting large increases and/or fluctuations in salary and benefit costs. However, as with many salary plans that

have not been comprehensively reviewed in many years, the loss of confidence that results through enough resentment being built up over a significant amount of time, often forces organizations to take a “bottom-up” approach to looking at salary and benefits. Specifically, the City should:

- Develop an RFQ to identify nationally recognized human resources consulting firms who have experience in working with local government clients to refine its strategic plan for human resources, specifically as it relates to the issues surrounding salary and benefits (total compensation). This RFQ should ask firms to present their qualifications in dealing with issues such as which markets to compare when looking at developing a salary structure, how to develop salary and benefits programs that reward employees for superior performance and also contain cost control elements.
- In conjunction with expansion of a strategic plan that includes salary and benefits components, the City should issue an RFP to redesign a compensation system that supports the compensation philosophy refined in the strategic plan. The project team understands that there is a city ordinance that established the Citizens Compensation Advisory Committee (CCAC). The strategic plan process should also re-examine the CCAC roles and responsibilities. This Committee should work the consultant selected to review and revise the salary and benefit/compensation philosophy, goals, and objectives during the study process.

It is estimated by the project team, that the cost of hiring a consultant to assist the City of Salt Lake City with a review and development of a new salary and benefits plan / approach would be in the range of \$125,000 to \$150,000. This review and plan development would address the issues discussed above but would not include the rewriting of job descriptions (this cost is addressed in the following section).

29. COMPENSATION PLANS

The following narrative identifies the Compensation Plans factor as a substantive issue and presents some of the key questions and issues that should be addressed.

1) FACTOR CLASSIFICATION: Substantive.

2) REASON(S) FOR FACTOR CLASSIFICATION:

The City’s current compensation system has generated a number of comments from management, employees, and at least one appointed board subcommittee during the interview and survey process. This issue, in many ways, is synonymous with the salary and benefits issue (#28). Some of the comments and significant questions identified during the interviews and the employee survey include:

- The compensation system is not widely understood by management and employees, in general.
- Most of the HR Consultants do not have a good understanding of the system.
- Administration of the compensation system is closely held in the HR Department and there is a defensive attitude on the part of HR staff administering the compensation system.
- The City’s current compensation system was designed in 1995, in part, to control the City’s personnel costs.
- The system is not perceived as “flexible” enough to meet the variety of compensation system demands placed on it by a wide variety of departments with various business and/or operational objectives.

This lack of understanding and perception that the system is a “black box” controlled by a select few makes it difficult to gain employee confidence that the system works well or is fair across-the-board to all employee groups. The following table identifies the concerns that the employees responding to the internal survey have about the City’s current compensation system.

Survey Question	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	Number of Responses
The current compensation system is internally equitable and effectively reflects the worth of each classification	1.9%	24.7%	19.4%	35.1%	18.9%	100%
	9	115	90	163	88	465

As the table above indicates, only 26.6% of those responding to this survey question agree that the current compensation is internally equitable and effectively reflects the worth of each classification. Over half (54%) of those responding either disagreed or strongly disagreed with the statement.

As was indicated in the previous section, it is not unusual for employees to complain about their compensation. The project team does not suggest that the compensation system is inherently flawed because a significant number of employees do not believe it promotes internal equity and reflects the worth of each classification. However, the strong survey response signals that the HR Department, at the very least, should work to make the compensation process more transparent and less “hostile” to employees. It appears that the compensation component of the City’s overall HR program receives a significant number of complaints because the primary role of the compensation staff is perceived to defend the current system and serve as the “compensation/classification police” instead of partnering with departments to solve perceived problems with competitive pay.

The project team reviewed the Compensation Guidelines from December 2002 (updated July 2008) and the Salt Lake City Corporation Evaluation System (a point-factor system). The Compensation Guidelines contain generally accepted compensation practices and contain components that are common in public sector pay systems throughout the country. Differences exist in procedures between plans with steps or those that are seasonal hourly jobs and those plans that contain pay ranges (300/600 Series Compensation Plan, for example). The Guidelines contain policies and procedures for common salary administration issues, e.g., pay decisions at hire; pay

decisions at promotion; pay decisions within grade; acting pay for working out of classification (how it is administered and paid); general increases to base salary; etc.

There may be some practices that can be modified to improve the compensation administration procedures. For example, promotional increases in plans with ranges “must not exceed 10 of salary without the approval of the Mayor or the Chief Administrative Officer.”¹ Some other organizations have revised their promotional policies to allow increases greater than 10 percent if the position is competitively advertised outside the organization (such as in the newspaper, on the Internet, or in trade journals). Of course, specific guidelines should be established and HR should be involved in the decision to determine whether or not a position should be advertised externally (to prohibit departments from unilaterally determining that most of their positions should be advertised externally).

3) NEXT STEPS TO ADDRESS THE ISSUE:

3.1) The City should address the issue by including a comprehensive review of the City’s Compensation Guidelines and Procedures in conjunction with the comprehensive pay structure design review identified in the salary and benefits (#28 above) section of this report.

As was identified above, the project team’s review of the current compensation guidelines and practices found no significant or glaring inherent weaknesses with the compensation philosophy or procedures. The City uses several common and “best practice” methods to evaluate positions – point factor analysis, promotional separation analysis, and market comparisons. In addition, the point factor job evaluation system identifies the key factors to determine the degrees of difficulty for City jobs. Knowledge and training, mental application, accountability, responsibility for contact, supervision

¹ “Compensation Guidelines and Procedures - December 2002,” p. 3.

exercised, working condition are all common components in a point factor job evaluation system used in many local government jurisdictions across the United States. However, a new compensation system should reflect policies and procedures that will incorporate those elements of flexibility that the current compensation system lacks. The project team does not recommend completely throwing out the methods and procedures that are currently in place. However, a thorough review of the entire compensation system should be conducted.

3.2) The City should also address the issue by including a comprehensive update of the City's compensation plans. This process is explained in the comprehensive pay structure design review identified in the salary and benefits (#28 above) section of this report.

Specifically, the City should incorporate these types of elements into the RFP to update the compensation plan:

- Review and evaluate the City's classification and compensation process. The successful bidder should make recommendations on the City's current methods of classifying positions as well as comparing the methods to those used by other comparable local government jurisdictions.
- Evaluate the current operating status of the City's job evaluation/classification system to include its present and future viability and validity.
- Identify compensation plan components that can give the City the flexibility it needs to compensate its employees fairly, incorporating both internal equity and external competitiveness, regardless of department.
- If a different classification/compensation system is recommended, analyze and present options for implementing the new system to include costs; pros and cons; and a detailed description of the features of the new system. The system should also be appropriate in transitioning from the current system with several pay structures into the recommended pay system. The system should acknowledge different conditions for different classes of employees (for example, public safety, senior management, general employees, etc.).
- Make recommendations on the advisability of incorporating a total compensation approach to developing competitive pay structures for City employees.

- Develop recommendations covering special compensation issues such as: salaries above the maximum; seniority; promotions; market conditions; maintenance of the salary grade structures; education/certifications rewards; identification of grades/positions that warrant immediate salary adjustments; compression; implementation costs; career development plans (public safety and general employees) and other recommendations.
- Work with the City to develop compensation philosophies that support the strategic direction and vision of the organization, based on best practices. Prepare administrative guidelines for compensation and benefits.
- Define the City's labor markets for the recruitment of all position types with special emphasis on the appropriate markets to recruit highly skilled, technical and professional positions and align pay ranges accordingly to enable the City to be competitive in identified markets.

These should be some of the key components included in the comprehensive review of the City's compensation system. Should the City of Salt Lake City desire to utilize external resources (i.e. – a consultant that specialized in public sector compensation) to address the identified issues with the compensation plan, the project team estimates that the City should anticipate a total cost around \$150,000 for a consultant to assist them with the effort. This amount would include development and presentation of various compensation approaches and philosophies (along with implementation plans) and include the development and writing of new job classification / class specifications for all positions covered under the compensation plan. Ideally, the City of Salt Lake City would conduct both the review of salary and benefit programs (as discussed in Item 28) at the same time as it is reviewing alternatives for a new compensation program (as discussed in this item) to ensure a holistic approach is developed and implemented.

30. CASH AWARDS (SUPPLEMENTAL AWARDS)

The Cash Awards factor was identified through the interview process as an administrative question. The following narrative provides a brief discussion of the findings and recommended next steps:

- 1) FACTOR CLASSIFICATION:** Administrative.
- 2) REASON(S) FOR FACTOR CLASSIFICATION.**

The City's current cash (supplemental) awards process saw a significant swing in payouts over the last several years. The following table summarizes the payments since 2003.

Year	Supplemental Payment Amount
2003	\$10,471
2004	\$6,000
2005	\$3,108
2006	\$10,500
2007	\$222,615
2008	\$46,345

Supplemental payments are defined as a one-time lump sum payment that is not added to an employee's base salary. The City offers four kinds of supplemental payments: Routine, Special, Performance-Based, and Retention Incentive. Nine different departments have awarded these bonuses to employees since 2003. All employees awarded these bonuses have either been classified as Career Service or Appointed positions. The only concern expressed during employee interviews and in focus groups is that some employees were concerned that all departments were not taking advantage of this program.

3) NEXT STEPS TO ADDRESS THE ISSUE.

The City should address the issue by ensuring that departments are aware of this program and that they understand the requirements and procedures for awarding these one-time annual bonuses. This is an issue that can be handled administratively.

31. OVERTIME AND SPECIAL PAY

The Overtime and Special Awards factor was identified through the interview and survey process as a significant issue. The following narrative provides a brief discussion of the findings and recommended next steps:

1) FACTOR CLASSIFICATION: Substantive.

2) REASON(S) FOR FACTOR CLASSIFICATION.

Overtime costs are a substantial portion of the City's budget. The City has well-defined policies and procedures established in the Compensation Guidelines. By law and through the collective bargaining agreements, the City develops its overtime policies. The City may be more liberal with its overtime payments than required by law in the collective bargaining agreements. These rules are spelled out in the details of the collective bargaining agreements.

Although the guidelines and the specific components of the bargaining agreements provide technical guidance on when and how the overtime should be paid, the HR Department has no significant ability to audit how overtime is applied within each department. The role of the HR Department should not be as a watchdog over overtime expenditures. However, the City should periodically review staffing levels in all departments where overtime is expended. In some cases, it would be advisable to hire

additional staff where those costs would be less than paying overtime at the current levels.

3) NEXT STEPS TO ADDRESS THE ISSUE.

The City should address the issue by reviewing staffing levels in departments where major overtime expenditures remain consistently high. The issue is classified as substantive, but it can be reviewed using internal City reviews and analysis. It should be pointed out that specific instances of overtime abuse were not identified during the interview process. However, it is a best management practice to periodically review staffing levels and overtime costs (especially in public safety and public works departments) to ensure that overtime costs do not exceed necessary and reasonable levels. There are often complex reasons for overtime expenditure fluctuations, and a periodic staffing/overtime analysis is warranted.

32. WORKERS COMPENSATION

The Workers Compensation factor was identified through the interview process as an administrative question. The following narrative provides a brief discussion of the findings and recommended next steps:

1) FACTOR CLASSIFICATION: Administrative.

2) REASON(S) FOR FACTOR CLASSIFICATION.

The City's Worker's Compensation program is not managed in the Human Resources Department. The City Attorney's Office coordinates with a contract third party administrator for workers compensation claims. Interviews with management staff, elected officials, appointed board members, and employees did not identify any

significant issues related to the Human Resources Department and the workers compensation program.

3) NEXT STEPS TO ADDRESS THE ISSUE.

Any workers compensation analysis should be conducted in a review of the City Attorney's functions and responsibilities, or if significant issues are identified in the workers compensation program. In May 2008 the City projected a decrease in workers compensation medical payments from the 2007-08 budget amount of \$995,440 to \$831,484. In the short term, workers compensation costs are decreasing or remaining relatively flat.

33. SHORT AND LONG TERM DISABILITY

The Short and Long Term Disability factor was identified through the interview process as an administrative question. The following narrative provides a brief discussion of the findings and recommended next steps:

1) FACTOR CLASSIFICATION: Administrative.

2) REASON(S) FOR FACTOR CLASSIFICATION.

The question was raised about potential abuses in the short-term disability program. Claims were made that higher overtime costs were the result of some of these abuses. The HR staff explained that recent efforts to correct these primary abuses have been successful to correct the problem.

3) NEXT STEPS TO ADDRESS THE ISSUE.

The City should address the issue by including a review of the short-term disability claims in conjunction with the periodic overtime review (once every 3-5 years) identified in Issue 31 above.

34. UNEMPLOYMENT COMPENSATION

The Unemployment Compensation factor was identified through the interview process as an administrative question. The following narrative provides a brief discussion of the findings and recommended next steps:

- 1) FACTOR CLASSIFICATION:** Administrative.
- 2) REASON(S) FOR FACTOR CLASSIFICATION.**

Interviews with elected officials, management staff, appointed boards, and City employees did not identify unemployment compensation as an issue of any significance. This program is a part of the Insurance and Risk Management Fund.

- 3) NEXT STEPS TO ADDRESS THE ISSUE.**

The Unemployment Compensation program does not appear to have any significant issues. Therefore, no specific additional steps are recommended at this time.

35. 501c9 COMPENSATION

The 501c9 Compensation factor was identified through the interview process as a substantive issue. The following narrative provides a brief discussion of the findings and recommended next steps:

- 1) FACTOR CLASSIFICATION:** Substantive.
- 2) REASON(S) FOR FACTOR CLASSIFICATION.**

The key issue in this factor is whether or not to phase out retiree health care premiums. A statement was made in the documentation reviewed by the project team that when the City began contributing to employee 501c9 accounts designed to pay for post-separation health care insurance premiums, “it was understood” that the City might phase out monthly health program premium contributions to retirees. When this

statement was discussed with other staff in the City, some were not sure when or if this assertion about phasing out contributions was correct. One employee familiar with the program did not recall that there was a general understanding that monthly premium contributions to retirees would be phased out over time. Regardless of what was said or promised, this is a substantive policy issue that the City should address as it looks toward more long-range financial forecasting and projections of its health insurance costs.

Adopted expenditures in the Insurance and Risk Management Fund totaled more than \$31.7 million in 2007-08. Over \$26.4 million was adopted to pay insurance premiums for employees and retirees. These are certainly significant amounts that require long-term strategic planning and financial forecasting in conjunction with strategies that will minimize the increased cost burden to the City.

3) NEXT STEPS TO ADDRESS THE ISSUE.

The City should address the issue by including the retiree insurance premium contributions in the policy discussions related to a long-range strategic plan for healthcare. This plan would include components on how the City plans on funding its health insurance costs into the future and managing its healthcare system for employees and retirees. The project team met with staff members who indicated that the State of Utah is preparing for some significant changes in the health care system, with movement towards a consumer choice market driven system with a defined contribution health plan provided by the third party administrator (Public Employees Health Plan).

The City is already involved in developing a long-range strategic plan for healthcare in the City. The Mayor has already appointed at least one staff member to assist in that process. The City is now working towards focusing on a new vision based on “green government, green employees,” where the goal is to create a workforce that is healthy, takes responsibility for its health, and is a partner in keeping cost increases to a minimum.

36. RETIREMENT PAY COMPENSATION

The Retirement Pay factor was identified through the interview process as an administrative question. The following narrative provides a brief discussion of the findings and recommended next steps:

- 1) FACTOR CLASSIFICATION:** Administrative
- 2) REASON(S) FOR FACTOR CLASSIFICATION.**

Interviews with elected officials, management staff, appointed boards, and City employees did not identify retirement pay compensation as an issue of any significance. However, Retirement contributions are projected to total over \$27.08 million during the 2008-09 fiscal year.

- 3) NEXT STEPS TO ADDRESS THE ISSUE.**

The Retirement Pay Compensation factor does not appear to have any significant issues. Therefore, no specific additional steps are recommended at this time.

37. SEPARATION ALLOWANCES

The Separation Allowances factor was identified through the interview process as an administrative question. The following narrative provides a brief discussion of the findings and recommended next steps:

1) FACTOR CLASSIFICATION: Administrative.

2) REASON(S) FOR FACTOR CLASSIFICATION.

Interviews with elected officials, management staff, appointed boards, and City employees did not identify separation allowances as an issue of any significance.

3) NEXT STEPS TO ADDRESS THE ISSUE.

The Separation Allowances factor does not appear to have any significant issues. Therefore, no specific additional steps are recommended at this time.

38. CLASSIFICATION, RECLASSIFICATION, PROMOTION.

The Classification, Reclassification, Promotion factor was identified through the interview process as a substantive issue. The following narrative provides a brief discussion of the findings and recommended next steps:

1) FACTOR CLASSIFICATION: Substantive

2) REASON(S) FOR FACTOR CLASSIFICATION.

Process and procedural issues concerning the City's classification, reclassification and promotion program are addressed in the Operational Issues Section of this report. This section discusses the classification, reclassification, and promotion program from the standpoint of the analytical techniques and tools used by the Salt Lake City Corporation to conduct classification and reclassification reviews. The project team reviewed the promotional process identified in the Compensation Guidelines and Procedures Manual and these procedures appear to be consistent with similar policies and procedures for promotional processes in other local government jurisdictions.

The review of the processes provided in the Manual did not indicate that there are any significant issues with the written procedures and guidelines for promotional

processes. However, as was discussed in Issue 29, the City should consider revising the promotional process that limits increases to 10% when the position is competitively advertised outside of the organization. Appropriate sections excerpted from the following example promotional policy could be used as a guideline to develop wording in the City's Compensation Guidelines and Procedures Manual related to promotions when the position is advertised competitively.

Section 3.4 PROMOTIONS

General Employee and Public Safety Management Plans: When an employee is promoted to a position in a higher class, his or her salary shall be increased to the minimum rate for the higher class or the rate which is at least approximately 5% and no greater than approximately 10% above the employee's salary, whichever is greater; unless movement to the entry level step provides an increase greater than 10% or unless the promotion occurs following competitive recruitment in which the employee competed. In the case of a promotion to a class which is one range higher than the employee's present class, he or she shall receive a 4% increase.

Competitive recruitment includes newspaper ads, Internet advertising, job fairs, national journal advertising, etc., in the market in which the City competes for employees for that job. The Human Resources Department will decide the appropriate market, in conjunction with the hiring department, and the appropriate recruitment activities. If an employee is promoted after competing for the position, the department director may place the employee at a position in the pay range that results in more than a 10% increase in pay, up to the market rate, to reflect the market value, job conditions and the employee's qualifications.

Promotions above the market rate that result in an increase greater than 10% must be approved by the City Manager or designee. In cases where there is a significant increase in responsibilities and the department head determines that a higher percentage increase is warranted, a written request for approval with justification must be submitted to the City Manager or designee. Promotional salary increases shall be effective on the date of promotion.

When an employee is promoted to a position in a higher class but does not meet all of the qualifications, such employee should be started below the minimum rate of the class to be determined by the department head. When the employee demonstrates to the department head's satisfaction that he or she meets the minimum qualifications, the employee will be advanced to the minimum rate of the grade.

As was discussed in Issue 29, the Classification process described in the Compensation Guidelines and Procedures Manual adhere to generally accepted classification methodologies to determine proper pay grades and titles for either newly classified positions or currently existing positions that are reclassified to a new grade in the pay structure based upon changes in duties and responsibilities, market conditions, or because of promotional separation. Even though these processes and procedures appear sound and follow generally accepted classification and compensation techniques, the entire classification system should be analyzed in light of the compensation philosophies that will be developed and refined during a recommended comprehensive review.

3) NEXT STEPS TO ADDRESS THE ISSUE.

The narrative recommendations for next steps in the sections for Issues 28 and 29 speak to the recommended next steps for addressing the significant issue of the classification, reclassification and promotional policies currently in place in the City. In summary, the City needs to revisit the human resources strategic plan and contract with a nationally recognized human resources consultant to assist in that process. In addition, the City should contract with a firm that can work with the City to comprehensively review the City's compensation system, pay structures, classification system, and provide well-defined salary administration procedures to support the new system. In effect, the City will be completely analyzing and updating its compensation and classification philosophy, pay structures, and administrative procedures to better reflect the City's current challenges as it strives to recruit, retain, and motivate high quality employees across all departments.

39. TOOLS AND SYSTEMS ALLOWING THE CITY TO RESPOND WITH FLEXIBILITY TO A CHANGING MARKETPLACE

The Tools and Systems to Allow Flexible Responses factor was identified through the interview process as a significant issue. The following narrative provides a brief discussion of the findings and recommended next steps:

- 1) FACTOR CLASSIFICATION:** Substantive.
- 2) REASON(S) FOR FACTOR CLASSIFICATION.**

Interviews with elected officials, management staff, appointed boards, and City employees identified the need to have a compensation system that is flexible enough to meet the changing demands of the marketplace. However, that system should also support the compensation goals and objectives that the City will be refining. The concern by several departments, including the Airport, is that the compensation system does not allow the flexibility it needs to recruit and retain the best employees. Those involved with managing the compensation system citywide do not necessarily share this viewpoint. Adjustments in one department can create inequities in pay between that department and other departments. Once again, this dilemma underscores the need for a comprehensive review of the City's compensation and classification system.

- 3) NEXT STEPS TO ADDRESS THE ISSUE.**

The narrative recommendations for next steps in the sections for Issues 28 and 29 speak to the recommended next steps for addressing the significant issue of the classification, reclassification and promotional policies currently in place in the City. In summary, the City needs to revisit the human resources strategic plan and contract with a nationally recognized human resources consultant to assist in that process. In addition, the City should contract with a firm that can work with the City to

comprehensively review the City's compensation system, pay structures, classification system, and provide well-defined salary administration procedures to support the new system. This analysis should identify the types of features needed to maintain a flexible compensation system.

40. INCENTIVES TIED TO MISSION-CRITICAL ACHIEVEMENT VERSUS BEING AVAILABLE FOR ALL CITY EMPLOYEES

The Incentives Tied to Mission Critical Achievement factor was identified through the interview process as an administrative question. The following narrative provides a brief discussion of the findings and recommended next steps:

- 1) FACTOR CLASSIFICATION:** Administrative
- 2) REASON(S) FOR FACTOR CLASSIFICATION.**

Interviews with elected officials, management staff, appointed boards, and City employees did not identify incentives tied to mission critical achievement as an issue of any significance. However, given the economic climate that the City of Salt Lake City is facing at this point in time (along with employers throughout the nation), the City of Salt Lake City should consider the prioritization of incentives based upon their financial cost to the City with those incentives and actions with little or no financial cost being utilized either in addition to – or in lieu of – incentives that would have a financial cost for the City to implement. This provides an opportunity for the City to respond to employee needs and desires and to improve the overall working conditions and desirability of employment with the City of Salt Lake City as an “employer of choice” at a time when most organizations and employers are reducing or eliminating many financial incentives provided as part of their employment package.

Since the utilization of non-pay incentives often involve issues that border on the fringes of existing personnel rules and collective bargaining agreement requirements, the City should take a comprehensive and city-wide approach to the utilization of non-financial incentives to ensure a basic level of consistency among employees groups and departments. Additionally, this city-wide approach will ensure that the appropriate individuals have the opportunity for input (such as Legal Advisor, Human Resources staff, etc.) to prevent individual departments from inadvertently impacting working conditions in a manner that would not be in compliance with existing personnel regulations and / or labor agreements.

3) NEXT STEPS TO ADDRESS THE ISSUE.

The Incentives Tied to Mission Critical Achievement factor does not appear to have any significant issues. Therefore, no specific additional steps are recommended at this time other than the prioritization of non-financial over financial incentives.

41. COST OF LIVING COMPARISONS USING LOCAL VERSUS NATIONAL COMPARISONS

The Cost of Living Comparisons factor was identified through the interview process as an administrative question. The following narrative provides a brief discussion of the findings and recommended next steps:

1) FACTOR CLASSIFICATION: Administrative.

2) REASON(S) FOR FACTOR CLASSIFICATION.

Interviews with elected officials, management staff, appointed boards, and City employees did not identify whether the City compared cost of living locally or nationally as an issue of any significance. In many local government salary surveys, the survey market is defined as those organizations where the surveying agency can recruit from

or to where it can potentially lose employees. This is an issue that should be addressed when the City reviews its overall compensation and classification system – defining what is the competitive market for Salt Lake City Corporation for various positions. For example, the City need not compare cost of living nationally when recruiting for clerical positions. However, a national perspective may be necessary when analyzing and comparing department head position salaries and selected unique or high-market demand positions (such as some located at the Airport).

3) NEXT STEPS TO ADDRESS THE ISSUE.

The narrative recommendations for next steps in the sections for Issues 28 and 29 speak to the recommended next steps for addressing the significant issue of the classification, reclassification and promotional policies currently in place in the City. Clearly defining the City’s market and whether or not to make local, regional, or national cost of living comparisons would be an essential part of that larger study.

42. USE OF MIDPOINT FOR CERTAIN EMPLOYEE GROUPS.

The Use of Midpoint for Certain Employee Groups factor was identified through the interview process as a substantial issue. The following narrative provides a brief discussion of the findings and recommended next steps:

- 1) FACTOR CLASSIFICATION:** Substantive.
- 2) REASON(S) FOR FACTOR CLASSIFICATION.**

The CCAC 2008-09 Annual Report acknowledges that one of the most criticized features of the salary system is midpoint control. Basically, the City of Salt Lake City manages its compensation by the midpoint, targeting the salary levels of its incumbents at or near the midpoint of the salary range. The system is designed to accelerate

movement of employees to the midpoint and slow the rate at which an individual employee's pay exceeds the midpoint and moves towards the maximum of the salary range.

This method of managing the salary structure is widely used in organizations intent on paying employees a competitive rate (the midpoint), yet controlling costs by extending the time it takes an employee to approach the maximum of the range. Generally, the more senior employees in the organization dislike this method of managing the pay system. However, in several organizations the project team has worked with over the years, those organizations had systems where employees could reach the top of their salary range in as few as 7 or 8 years. In those instances, employees complained that they were "topped out" and had no room for advancement. Either way, there will be some degree of dissatisfaction with the ability (or inability) of employees to rapidly advance through the salary structure.

The CCAC 2008-09 Annual Report emphasizes that one of its duties established by City ordinance is to determine pay levels relative to the "central tendency of surveyed employer levels."² This charge to the CCAC is a policy decision related to salary administration and the CCAC views its role to uphold and support that policy.

3) NEXT STEPS TO ADDRESS THE ISSUE.

The City should follow the recommendations found in the 2008-09 CCAC Annual Report and "survey other employers' practices, both public and private, to assess the conventional wisdom regarding the use of the control point and the

² "CCAC 2008-09 Annual Report," p.11

acceleration/deceleration concept.”³ In addition, the City should include the determination of the proper salary administration procedures once an updated compensation and classification system has been implemented.

43. LEAVE BENEFITS

The Leave Benefits factor was identified through the interview process as an administrative question. The following narrative provides a brief discussion of the findings and recommended next steps:

- 1) FACTOR CLASSIFICATION:** Administrative.
- 2) REASON(S) FOR FACTOR CLASSIFICATION.**

Through the various phases of the project, no significant issues were raised regarding the provision of leave benefits to City employees. Employees and Managers generally acknowledged satisfaction with the current level of benefits and a general understanding of how the programs worked. As previously noted in prior sections, some provisions in the existing MOUs and personnel rules which allow that transfer of leave between categories (such as sick to vacation) in addition to other provisions enabling conversion of leave time to a financial benefit are practices while still prevalent – are on the downward trend in communities across the nation.

- 3) NEXT STEPS TO ADDRESS THE ISSUE.**

No significant action is needed immediately. However, during collective bargaining the City should attempt to eliminate some of the various options and multi-level programs relative to leave benefits to both control costs, increase understanding of available options, and reduce administration of the leave benefits programs.

³ Ibid, p.11

44. PAY OUT PER EMPLOYEE FOR HEALTH INSURANCE PER YEAR

The Health Insurance Pay Out factor was identified through the interview process as a substantive issue. The following narrative provides a brief discussion of the findings and recommended next steps:

- 1) FACTOR CLASSIFICATION:** Substantive Issue
- 2) REASON(S) FOR FACTOR CLASSIFICATION.**

The City’s health insurance program issues were discussed in Section 28 – Salary and Benefits. Overall, the benefits program administered by the Human Resources staff has received the most positive comments from administrators and staff in other departments, employees serving on the Benefits Committee, and in the anonymous survey responses found in the employee survey. The following tables illustrate this point:

Survey Question	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	Number of Responses
Employees are well informed regarding their benefit choices and options	17.3%	55.5%	9.9%	13.0%	4.3%	100%
	80	257	46	60	20	463

Survey Question	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	Number of Responses
The Human Resources Division is accessible in answering benefits questions.	20.2%	53.5%	13.5%	9.5%	3.2%	100%
	94	249	63	44	15	465

As the survey results indicate, employees are extremely satisfied with the information provided by Human Resources and the accessibility in getting benefits questions answered. Almost 73% of employees believe they are well informed about their benefits and almost 74% said that HR is accessible in answering benefits

questions. Although the benefits program is almost universally praised by employees, some in the City also realize that health care cost containment is essential as the City moves forward and that it cannot continue the practice of dipping into reserves to fund health care over the long term. Therefore, this issue has been identified as a substantial one for the same reasons the overall City benefits (Issue #28) were identified as a substantial issue. The City is aware and is making plans to develop some longer-term strategies to deal with increasing health care costs.

3) NEXT STEPS TO ADDRESS THE ISSUE.

The City should involve the HR benefits staff in developing long-term solutions to encourage employee wellness and cost containment. The Benefits Committee represents a broad cross section of employees across a number of bargaining units and departments. The City should involve these employees in seeking ways to control costs and prepare the workforce for changes that may be mandated from the State and/or federal levels in the years to come. This can be accomplished by asking the committee to be a part of developing the strategic long-range plan for health care, working in conjunction with staff appointed by the Mayor to assist in plan development.

45. SALARY SETTING FOR MAYOR/ELECTED OFFICIALS – APPROPRIATE APPROACH AND COMPARABLES TO UTILIZE

The Salary Setting for Mayor/Elected Officials factor was identified through the interview process as a substantive issue. The following narrative provides a brief discussion of the findings and recommended next steps:

- 1) **FACTOR CLASSIFICATION:** Substantive Issue
]
- 2) **REASON(S) FOR FACTOR CLASSIFICATION.**

Through Resolution No. 10 of 1993 the City Council established a mechanism for determining compensation for elected officials in Salt Lake City. The issues identified during the interview process center on whether or not the current approach to setting the Mayor and Council salaries is appropriate and is the City using the correct comparables when making their comparisons. These are two of the same questions that should be asked when developing the overall pay design and update to the compensation and classification system. In many cases, a local government will commission a comprehensive classification and compensation study and include elected officials. Generally, the salary levels of the positions are established using a market comparison. However, the selected consultant should be required to work with the City in determining the proper method and market for elected official compensation.

3) NEXT STEPS TO ADDRESS THE ISSUE.

The City should address the issue by including the salary determination for the Mayor and City Council in the scope of services for the comprehensive compensation and classification study.

APPENDIX A

BEST MANAGEMENT PRACTICES

Best Management Practice	Strengths	Potential Improvements
Administration & Management		
Human Resources has a multi-year strategic plan with annual goals and measurable objectives		To achieve this goal, a strategic plan should be put into place. This study will form a basis for the development of the plan.
Human Resources uses appropriate performance measures and interpretive benchmarks to evaluate its major programs and uses these in management decision-making.	Limited performance measures and benchmarks are utilized to evaluate performance.	Existing measures do not provide the most meaningful evaluation of performance. New measures as recommended in the report should be adopted, measured and reported.
Management information systems are in place to assess and evaluate whether Human Resources functions are being properly managed and whether objectives are being met.		Absent a strategic plan, effective systems are not in place to best evaluate the performance of the Human Resources functions.
Human Resource policies and procedures are well documented.	Labor memorandums of agreement are in place for represented employees. Employee handbooks and administrative orders are utilized to provide guidance and consistency.	A regular plan for reviewing, revising and updating the employee handbook / manual should be implemented.
Personnel policies and procedures are in compliance with State and Federal laws, are reviewed regularly, and continue to meet the needs of the organization.		A set schedule for periodic review of personnel policies (approximately every two to three years) should be implemented to continually maintain them in compliance with State, Federal, and local laws and regulations. Due to decentralized administration of certain functions (new employee paperwork processing, payroll entry, and leave approval and processing) there are some liability issues present.

CITY OF SALT LAKE CITY, UTAH
Management Audit of the Human Resources Management Division

Best Management Practice	Strengths	Potential Improvements
Documented Human Resources policies and procedures are visible and accessible to City employees.	Email, newsletters and postings are utilized to inform employees of changes in policies and procedures.	Additional efforts should be utilized to ensure all staff (especially non-office, front-line staff are kept fully informed).
Human Resources has desk manuals and written procedure manuals for all major work processes.		Desk manuals and written procedure manuals have not been developed for key areas, such as HR Coordinator and Consultant positions.
Human Resources uses a workforce planning system to project retirement rates by division within the City, and prepare for the replacement of lost competencies and skills. The plan is updated annually.		While turnover in the City is not out of line with expected levels, no workforce planning system is in place to project retirement rates by department within the City.
Human Resources produces an annual report of labor statistics and employee demographics.		An annual or periodic employee demographic analysis is not conducted but should be developed.
Employee turnover rate, in comparison to similar agencies, is monitored.		Employee turnover data is not routinely evaluated or monitored in comparison to benchmarks.
Exit interviews are conducted to assess trends in reasons for leaving.	Exit interviews are conducted on at least a limited basis. Procedures vary in some departments on this practice.	A formalized review and analysis of exit interview data should be conducted annually and used to identify potential organizational training needs and/or for revision of employee selection processes.
There is a high level of employee satisfaction and retention.	Retention does not appear to be an issue facing the City of Salt Lake City except in limited technical / specialized areas.	No data available on employee satisfaction. A periodic employee survey should be administered to monitor employee satisfaction.

Best Management Practice	Strengths	Potential Improvements
Recruitment and Selection		
Human Resources has efficient and effective processes for recruiting and hiring qualified personnel.	Standard recruitment and hiring procedures are utilized by the City of Salt Lake City. HR Staff screen all applications against minimum requirements and submit qualified applicants to the hiring department for review, interview and selection.	Additional consistency in the interviewing process (and the role of the HR Consultant in this function) would improve the process and the employee perceptions regarding the procedures.
Human Resources utilizes technology to make the recruitment process more efficient and timely. This includes:		
<ul style="list-style-type: none"> Using the Internet as a primary means to advertise positions and recruit qualified candidates, accept applications online, and résumé processing software to match jobs to candidates. 	Internet recruitment is one of the primary recruitment sources utilized. Local newspapers, websites, and posting are also utilized. The City of Salt Lake City has implemented on-line applications making ease of application for candidates better.	
<ul style="list-style-type: none"> Using the web site to highlight the City's benefit and retirement packages, maximizing their use as recruitment tools. 	The City of Salt Lake City has available benefit sheets and salary schedules for each employee group.	These sheets should be prominently displayed on the website to maximize its usefulness as an aid to recruitment.
Human Resources utilizes continuous recruitment for hard-to-fill classifications.	The City enables the use of prior approved qualified applicant lists for future openings (in different departments) if the vacancy occurs within a reasonable period of time. Limited positions are posted on a continuous basis.	

CITY OF SALT LAKE CITY, UTAH
Management Audit of the Human Resources Management Division

Best Management Practice	Strengths	Potential Improvements
<p>The City has accurate and clearly written job descriptions that are tied to program outcomes.</p>	<p>Job descriptions are in place for all positions and are reviewed as requested and upon each vacancy to determine if they are still accurate.</p>	<p>An ongoing HR program should provide routine review and updating of job descriptions to keep them all current and up to date. Each classification should be reviewed at least every five years.</p>
Performance Appraisal		
<p>The Citywide performance appraisal system has been established by Human Resources for formally evaluating employees that improves and rewards excellent performance and productivity, and identifies and addresses performance that does not meet the City's expectations for the employee.</p>		<p>The City has recently stopped utilization of a city-wide performance appraisal process. Performance appraisal processes vary by department in terms of depth, scope and consistent completion. A City-wide policy on performance appraisal should be developed.</p>
<p>A performance review process measures employee performance against organization outcomes and professional standards, incorporates self evaluation, promotes positive interaction between employees and supervisors, sets measurable goals that are tied to organization outcomes, and supports the employee's development.</p>		<p>The existing performance appraisals utilized do not meet each of these criteria. In particular, they do not routinely link performance to organizational outcomes, include employee self-evaluation mechanisms, or focus on employee development.</p>
Employee Records / Privacy		
<p>Employee information and records are kept confidential.</p>	<p>Employee personnel files are kept in the HR office in an area away from routine public traffic. Separate files are utilized for general personnel information and medical / confidential information.</p>	

Best Management Practice	Strengths	Potential Improvements
Compensation and Classification		
Human Resources has developed a formal written compensation policy. This policy has been clearly communicated to the City's employees.	The City has a formally written and adopted compensation policy.	Employee understanding of the compensation practices and policies needs to be enhanced. Additionally, the City is considering revising major philosophical components of the compensation policy that will require, if implemented, a major revision of the policy and the completion of a compensation and classification study.
Human Resources periodically compares its entry-level salaries with other public and private agencies, and adjusts entry-level salaries as necessary to compete for qualified applicants.	Evaluations are routinely conducted as part of reclassification requests, labor negotiations, and periodic reviews to determine wage comparability in the local market.	
Classification decisions made by Human Resources are based upon objective and documented data (job descriptions, questionnaires, interview notes, and organization charts).	The City utilizes industry standard classification practices including the utilization of a point count factor system and market equity.	Only one HR staff member has been primarily involved in the making of classification decisions. This is due to a variety of factors including HR staffs lack of understanding of the point count system. All HR staff should be fully trained in the conduct of classifications and classification decisions should be made through the use of a classification committee (of HR staff) to ensure citywide consistency.
Human Resources proactively reviews the allocation of City employees to classifications every three to four years to ensure that employees are properly classified.	All position classifications are reviewed for accuracy when positions are being filled or upon a request for a reclassification.	No ongoing evaluation of position classifications is done for current employees. An on-going policy of reviewing all job descriptions over a three to five year period is necessary to maintain current descriptions and ensure the continuing validity of the classification and compensation system.

Best Management Practice	Strengths	Potential Improvements
<p>Human Resources utilizes a formal job evaluation system to determine the correct classifications for employees. Human Resources staff have received formal training in the use of the job evaluation system.</p>	<p>The City utilizes a modified Hay system as its basis for the point count factor evaluation. The City also conducts, market equity surveys / evaluations, to provide information to be considered as part of a classification decision.</p>	<p>There is only one HR Staff member that routinely conducts reclassifications under the point count system. HR Staff, especially newer ones, have not received training in the system to the level that they fully understand and are comfortable utilizing it in making compensation / classification decisions.</p>
Training		
<p>New employee orientations are provided so they develop a good understanding of the City's work culture and receive a consistent message about work with the City.</p>	<p>All employees are scheduled for an orientation with HR Staff members so they can be provided with them relevant documentation regarding personnel policies, practices, and information.</p>	

Best Management Practice	Strengths	Potential Improvements
<p>Periodic training is provided on a variety of relevant/important topics</p>	<p>The City has three standard courses that are required for all employees to attend every three years. These include sexual harassment, and diversity training. Selected specialized classes are developed, coordinated, and/or presented by HR staff for city employees including supervisory training.</p> <p>Departments are responsible for performing most of the job specific training in the City.</p>	<p>A more robust employee training program should be developed that includes course offerings beyond the required courses.</p> <p>Some employees, including longer term management employees, noted no attendance at required training during their employment. More accurate record-keeping and scheduling is required to ensure that all employees attend required training.</p> <p>Opportunities exist for the HR Division to collaborate with Departments in the provision of training programs (such as Workplace Safety).</p> <p>Tracking of employee attendance at training classes should be centralized on a single software package to ensure accurate records are maintained (both for required classes and to note classes that may be applicable for future promotions or job selections).</p>
<p>Supervisors understand their supervisory role and have the necessary skills to manage other employees.</p>	<p>The HR Management Division is developing more extensive supervisory training sessions to address a deficiency they have identified in this area.</p>	<p>High priority should be given to the development and implementation of new supervisory training courses. All newly appointed supervisors should be required to attend a session within their first year of employment in the supervisory position.</p>

APPENDIX B EMPLOYEE SURVEY

1. While the survey is confidential, we would like to know whether your position is as a:		
	<i>answered question</i>	530
	<i>skipped question</i>	2
	Response Percent	Response Count
Manager	15.7%	83
Supervisor	19.8%	105
Line Staff	64.5%	342

2. Please choose your Department/Division:		
	Response Percent	Response Count
Accounting	1.7%	9
Art's Council	0.2%	1
Attorney's Office	2.5%	13
Building Services	1.5%	8
Business Licenses	1.1%	6
Community & Economic Development	3.8%	20
City Council	1.3%	7
Engineering	5.3%	28
Fire	3.6%	19
Fleet	0.9%	5
Management Housing	0.6%	3
Human Resources	1.7%	9

2. Please choose your Department/Division:		
Information Management Services	3.0%	16
Justice Court	2.8%	15
Mayor's Office	1.1%	6
Parks	1.1%	6
Planning & Zoning	2.1%	11
Police	12.6%	67
Policy & Budget	0.0%	0
Public Services – Other	4.7%	25
Public Utilities	19.1%	101
Purchasing	1.5%	8
Recorder	0.9%	5
SLC Int. Airport	19.2%	102
Streets & Sanitation	0.9%	5
Transportation	0.8%	4
Treasurer	0.6%	3
Other (please specify below):	5.3%	28
	<i>answered question</i>	530
	<i>skipped question</i>	2

3. Please indicate your level of agreement with the following statements.							
	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	Rating Average	Response Count
1. The recruitment and selection process is timely.	5.4% (25)	35.1% (164)	25.9% (121)	23.8% (111)	9.9% (46)	2.98	467
2. An adequate pool of quality applicants is provided.	3.9% (18)	38.7% (179)	35.4% (164)	16.2% (75)	5.8% (27)	2.81	463
3. The City's affirmative action needs are supported in the recruitment and selection process.	7.8% (36)	33.8% (156)	47.6% (220)	6.9% (32)	3.9% (18)	2.65	462
4. The selection instruments utilized (e.g., written exams) are effective in identifying qualified candidates.	3.0% (14)	34.1% (158)	38.2% (177)	18.1% (84)	6.5% (30)	2.91	463
5. Good candidates are identified from non-traditional sources (e.g., internet) when necessary.	4.5% (21)	23.7% (110)	52.2% (242)	15.5% (72)	4.1% (19)	2.91	464
6. The current compensation system is internally equitable and effectively reflects the worth of each classification.	1.9% (9)	24.7% (115)	19.4% (90)	35.1% (163)	18.9% (88)	3.44	465

3. Please indicate your level of agreement with the following statements.							
	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	Rating Average	Response Count
7. The salary plan rewards and motivates individuals.	1.3% (6)	15.8% (73)	13.4% (62)	40.8% (188)	28.6% (132)	3.80	461
8. Managers and supervisors have been provided with adequate training in the City's performance evaluation system.	2.2% (10)	26.1% (121)	28.7% (133)	24.8% (115)	18.3% (85)	3.31	464
9. The performance appraisal system clearly defines job expectations and performance criteria for employees.	2.2% (10)	27.7% (129)	26.2% (122)	28.2% (131)	15.7% (73)	3.28	465
10. Employees are well informed regarding their benefit choices and options.	17.3% (80)	55.5% (257)	9.9% (46)	13.0% (60)	4.3% (20)	2.32	463
11. The Human Resources Division is accessible in answering benefit questions.	20.2% (94)	53.5% (249)	13.5% (63)	9.5% (44)	3.2% (15)	2.22	465
12. Human Resources policies are published and clearly communicated.	8.6% (40)	43.6% (202)	20.1% (93)	22.7% (105)	5.0% (23)	2.72	463

3. Please indicate your level of agreement with the following statements.							
	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	Rating Average	Response Count
13. Employee handbooks are provided to all employees and cover the most commonly asked questions about human resource procedures, benefits, and conditions of employment.	9.0% (42)	44.1% (205)	18.3% (85)	23.4% (109)	5.2% (24)	2.72	465
14. The employee orientation program is effective.	10.8% (50)	41.5% (192)	36.9% (171)	8.6% (40)	2.2% (10)	2.50	463
15. The Human Resources Division is accessible to employees that feel the need to discuss work issues outside the chain of command.	8.4% (39)	37.7% (174)	29.2% (135)	14.3% (66)	10.4% (48)	2.81	462

3. Please indicate your level of agreement with the following statements.							
	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	Rating Average	Response Count
16. The Human Resources Division initiates and oversees programs and processes for addressing employee satisfaction and morale (for example, conducting and following up on employee opinion surveys).	3.4% (16)	24.3% (113)	35.1% (163)	25.2% (117)	12.0% (56)	3.18	465
17. The Human Resources Division is helpful and accessible in handling questions about human resources policies and procedures.	10.3% (48)	50.5% (235)	21.7% (101)	12.5% (58)	4.9% (23)	2.51	465
18. Human Resources policies and procedures serve as helpful guidelines for managers and supervisors in making good decisions.	4.8% (22)	36.4% (168)	41.8% (193)	11.7% (54)	5.4% (25)	2.77	462

3. Please indicate your level of agreement with the following statements.							
	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	Rating Average	Response Count
19. Affirmative action laws and regulations are well communicated and explained.	5.6% (26)	29.5% (137)	39.9% (185)	19.2% (89)	5.8% (27)	2.90	464
20. Managers and supervisors receive sufficient training in equal employment and harassment-free workplace issues.	7.7% (36)	40.2% (187)	25.8% (120)	17.4% (81)	8.8% (41)	2.79	465
21. Managers and supervisors receive sufficient training in compliance and enforcement of workplace rules.	4.7% (22)	37.7% (175)	30.0% (139)	19.0% (88)	8.6% (40)	2.89	464
22. The City's training and development programs meet my department's needs.	4.5% (21)	34.1% (158)	28.0% (130)	25.0% (116)	8.4% (39)	2.99	464
23. The training provided to City employees is well related to the City's goals.	4.3% (20)	38.5% (179)	32.5% (151)	17.6% (82)	7.1% (33)	2.85	465
24. Available training opportunities are well communicated to all employees.	6.0% (28)	44.8% (209)	18.7% (87)	22.1% (103)	8.4% (39)	2.82	466

3. Please indicate your level of agreement with the following statements.							
	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	Rating Average	Response Count
25. The Human Resources Division provides effective assistance to managers and supervisors in contract administration, grievance handling, and human resources management.	5.4% (25)	32.3% (150)	41.6% (193)	12.7% (59)	8.0% (37)	2.86	464
26. The labor contract the City has negotiated enhances work force flexibility and protects management's rights to manage its human resources to keep the organization competitive.	3.0% (14)	26.7% (124)	43.9% (204)	16.6% (77)	9.9% (46)	3.04	465

3. Please indicate your level of agreement with the following statements.							
	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	Rating Average	Response Count
27. The Human Resources Division effectively promotes a spirit of union/management cooperation (e.g., joint efforts to achieve common objectives and reducing grievances and length of time to settle them).	4.3% (20)	26.3% (122)	41.4% (192)	16.2% (75)	11.9% (55)	3.05	464
<i>answered question</i>							469
<i>skipped question</i>							63

4. Do you believe significant changes in workflow or procedures are needed to make Salt Lake City's human resources programs more efficient or effective, or to provide better customer service? If so, please describe them and give your reasons.	
<i>answered question</i>	176
<i>skipped question</i>	356

5. If the City could make only a few changes in the Human Resources area, what are the three most important areas to address?	
<i>answered question</i>	242
<i>skipped question</i>	290

APPENDIX C COMPARATIVE SURVEY

	Boise, ID	Davis County, UT	Murray, UT	Ogden, UT	Portland, OR	Provo, UT
Staffing:						
City/County FTE	1608	701	394	599	5571	635
HR Dept. Staffing						
Professional	7	3	4	2	29	8
Technical					35.5	1
Clerical	3	4.5		2.5	6	0.5
Other						
Total HR Full Time Equivalent Employees	10	7.5	4	4.5	70.5	9.5
Service Provided by HR:						
•Employee Recruitment	Y	Y	Y	Y	Y	y
•Applicant Screening	Y	Y	Y	Y	Y	Y - Joint effort
•Applicant Interviews	Hiring Dept	HR & Various Depts.	Hiring Dept	Y	Hiring Bureau	Y - Joint effort
•Applicant Reference Checks	Hiring Dept	N - other	y	Y	Hiring Bureau	Police conducts background checks.
•Labor Relations/Collective Bargaining	w/ Police & Fire Depts.	Y	Not provided	Y	Y	Not provided
•Grievance	Y	Y	y	Y	Y	Y
Processing/Administration Programs						
•Employee Wellness	Employee committee direct spending	Y	Wellness council	Y	Y	Y
•Healthcare Administration	Y	Y	y	Y	Y	Y
•Healthcare Claims	y - City Healthcare Trust final arbiter	Y	contracted out	Contracted Out	Outside contract admin & HMO, HR handles unresolved problems.	Y
Processing/Problem Resolution						

CITY OF SALT LAKE CITY, UTAH
Management Audit of the Human Resources Management Division

	Boise, ID	Davis County, UT	Murray, UT	Ogden, UT	Portland, OR	Provo, UT
•COBRA Notification and Processing (Health care provided after separation)	Y	Y	contracted out	Contracted Out	Y	HR & contracted out
•Worker's Compensation Insurance Coordination	Fin&Admin/Safety Svs.	Y	y	Risk Mgt Dept.	OMF - Financial Services	Y
•FMLA Administration	Y	Y	y	Y	HR Overall w/ indiv. Bureaus	Y
•Military Leave Administration	Y	Y	y	Y	Indiv. Bureaus	Y
•Payroll Services	Timesheet per depts. Payroll Dept. process checks.	Y	Finance	Y	OMF - Financial Services	Y
•Provision of Employee Training	HR-related & Dept. specific.	Y	Depends on training		HR-supervisory & diversity training, Indv. Bureaus & contract out generic training	Y
•Employee Orientation	Y	Y	y	Y - with hiring dept.	Indiv. Bureaus	Y
•Performance Evaluation Coordination	Y	Y	y	Y	Indiv. Bureaus	Y
•Employee Discipline (HR consultation prior discipline issuance)	Y	Y	HR must first be consulted	HR involved when requested	Y	Y
•Exit Interviews	Y	N - Other	y	Y	Indiv. Bureaus	Y
•Employee Assistance Program (EAP)	Contracted out	Y	HR Administration, Counseling contracted out	Y	Y	Y
•Risk Management (OSHA, Ergonomics, Safety Programs)	Fin&Admin/Safety Svs.	Y	y	Risk Mgt Dept.	OMF - Financial Services	Y
HR Operational Issues:						
•Do you have a systemic job description review program? (Y/N)	Y	Y	Y	N	N	Y

CITY OF SALT LAKE CITY, UTAH
Management Audit of the Human Resources Management Division

	Boise, ID	Davis County, UT	Murray, UT	Ogden, UT	Portland, OR	Provo, UT
If Yes, please describe service level.	1. Hay Classification 2. New Positions 3. New Vacancies		Job descriptions are reviewed by employee every year at their evaluation		Class specs are typically reviewed during classification requests	When job filled and as needed. Try to update every 5 years
•Do you have a total annual limit for pay increases (i.e., cumulative for annual increases, reclassifications/promotions?)	Y	Y	n	N	Y	No
If so, what is it?	Limited by budget of the city/dept. Promotions/reclass max is 5% per pay grade to max of 15%.	Grades		Calculated when budget process happens. Varies from year to year.	Represented employees typically have steps; Nonrep employees have merit increases up to 4.1% to top of range by annual performance review, COLA's vary each year and approved by Council	
•Do you have an internal promotion policy that gives first consideration to internal applicants prior to external candidates? If so, please email/fax a copy.	N	Y	Some positions are posted internally first. If no response, then post externally	Yes - see attached	N - The City periodically runs recruitments limited to City employees only, but has no established policy for internal consideration. For DCTU represented classes: The City agrees that permanent or probationary employees within a bureau shall have an opportunity for a final interview for promotions within that bureau, subject to proper HR procedures. When two or more such employees are certified, any appointment from the regular certification of	No

CITY OF SALT LAKE CITY, UTAH
Management Audit of the Human Resources Management Division

	Boise, ID	Davis County, UT	Murray, UT	Ogden, UT	Portland, OR	Provo, UT
					eligibles shall be made from among these employees.	
•Are annual increases based upon documented employee performance?	N	Y	y	Y	Y	Y
If so, what are the annual increase limits?	Plans for FY10 to have increases based on performance.	0-2.5% based on score.	Employees are eligible to receive an increase between 3-5%.	Putting into force for FY10. Not complete at this time.	For Nonrep, up to 4.1% to top of range. Please see a full review of our pay practices here: http://www.portlandonline.com/omf/index.cfm?c=27766	Employees are on a grade and step system. The first 6 steps are 5% apart and the last 3 steps are 2% apart.
•Do you have a career development or succession planning program in place?	N - Being developed	Y - Career ladder positions	y - not all positions but some are on career ladder.	N	N - Succession planning template created by HR, support provided by HR, but programs developed by individual bureaus.	Y
•Do you utilize a bonus or cash award plan as part of your compensation plan?	Yes - per department	N	n	N	N	Y - Departments may award cash for exceptional performance. Amounts \$50 need approval from Mayor.

CITY OF SALT LAKE CITY, UTAH
Management Audit of the Human Resources Management Division

	Boise, ID	Davis County, UT	Murray, UT	Ogden, UT	Portland, OR	Provo, UT
•How are new salaries established for employees promoted to a new position? Is there a limitation the amount of increase that can be granted?	Y - Promotions/reclass max is 5% per pay grade to max of 15%.	Grades: Min-Max in each grade.	We usually hire at minimum of range. If an employee is hired in above the minimum the amount is decided by supervisor.	N - Usually 5% or bottom of range, however, director has discretion for amount given.	Nonrep employees in positions reclassified to a higher range – at least 5% increase, but can be placed up to the mid point upon approval by Bureau Director and up to the max upon approval by HR Director. Represented employees limited by contract to the step which affords them a 3% or 5% increase, depending on contract.	Promoted employees typically get 10% unless more is needed to get to minimum of new grade.
What performance indicators do you utilize, if any, to monitor efficiency and performance of your Human Resource operation?	Ratio city employee to HR staff, track number HR assisted issues, number of recruitments in process.	Unknown	Performance reviews.		Please see performance measurement section of our annual report (06-07) here: http://www.portlandonline.com/omf/index.cfm?c=34534	Each analyst maintains quarterly stats fro their area. These stats are required on by the Asst. Director.
Is your Human Resources function a separate department or a division of another department (such as Management Services, Chief Administrator's Office, etc.)?	Separate department	Department	Separate Department.	Part of Division of Management Services	The Bureau of Human Resources functions under the Office of Management and Finance, headed by the Chief Administrative Officer for the City.	HR is a part of the Administrative Service Department.

CITY OF SALT LAKE CITY, UTAH
Management Audit of the Human Resources Management Division

	Reno, NV	Salt Lake Cnty, UT	Seattle, WA	Spokane, WA	St. George, UT	Tempe, AZ
Staffing:						
City/County FTE	1600	3699 Merit, 4276 Temp	11,000	2092	578	1849
HR Dept. Staffing						
Professional	4	13		6	3	13
Technical	1	5.75		1		7
Clerical	3	3		4	1	
Other			101			3.5
Total HR Full Time Equivalent Employees	8	21.75	101	11	4	23.5
Services Provided by HR?:						
•Employee Recruitment	HR, Civil Svs & Contracted out	y	Y w/ other depts.	HR - Exempt positions, Classified pos other depts	Y	Y
•Applicant Screening	Y	y	Y w/ other depts.	HR - Exempt positions, Classified pos other depts	Y	Y
•Applicant Interviews	HR, Civil Svs or individual depts.	n-other dept.	Other depts.	HR - Exempt positions, hiring dept. classified pos other depts	Y - along w/ hiring mgr.	HR & Other depts, which not specified
•Applicant Reference Checks	Y	n-other dept.	Other depts.	HR - Exempt positions, hiring dept. classified pos other depts	Y	Other dept.
•Labor Relations/Collective Bargaining	Y	Not provided	Y	y	N/A	Y
•Grievance Processing/Administration	Y	y	Y	y	Y	Y
•Employee Wellness Programs	Y	n-other dept.	Y	Benefits dept.	Y	Contracted out
•Healthcare Administration	Y	HR& other depts.	Y	Benefits dept.	Y	Y

CITY OF SALT LAKE CITY, UTAH
Management Audit of the Human Resources Management Division

	Reno, NV	Salt Lake Cnty, UT	Seattle, WA	Spokane, WA	St. George, UT	Tempe, AZ
•Healthcare Claims Processing/Problem Resolution	HR & Contracted out to CDS	Contract out	Y	Contracted out	Y	Contracted out
•COBRA Notification and Processing (Health care provided after separation)	Y	y	Y	Benefits dept.	Y	Y
•Worker's Compensation Insurance Coordination	Org. Effectiveness Dept.	Contract out	Y w/ other depts.	Risk Mgt	N - Legal Svs	Risk Mgt Div.
•FMLA Administration	Y	y	Y w/ other depts.	y	Y	Y
•Military Leave Administration	Y	y	Y w/ other depts.	y	Y	Y
•Payroll Services	Finance Dept.	HR& other depts.	Y w/ other depts.	Accounting svcs	N - Finance	Payroll Div.
•Provision of Employee Training	Org. Effectiveness Dept.	Other	Y w/ other depts.	y	Y	
•Employee Orientation	Y	HR& other depts.	Y w/ other depts.	HR a portion, other depts portions	Y	Y
•Performance Evaluation Coordination	Y	y	Y w/ other depts.	y	Y	Not provided
•Employee Discipline (HR consultation prior discipline issuance)	Y	Other	Y w/ other depts.	y	Y	Y
•Exit Interviews	Y	y	Y w/ other depts.	Each dept.	Y	Y
•Employee Assistance Program (EAP)	Y	y	Y w/ other depts.	Benefits/risk mgt depts	Contracted out	Contracted out
•Risk Management (OSHA, Ergonomics, Safety Programs)	Org. Effectiveness Dept.	Other	Y w/ other depts.	Risk Mgt	N - Legal Svs	Risk Mgt Div.
HR Operational Issues:						
•Do you have a systemic job description review program? (Y/N)	No	Not yet	N	n	N	N

CITY OF SALT LAKE CITY, UTAH
Management Audit of the Human Resources Management Division

	Reno, NV	Salt Lake Cnty, UT	Seattle, WA	Spokane, WA	St. George, UT	Tempe, AZ
If Yes, please describe service level.	Currently in middle of a Class and Comp. study - done by a consultant group.		Classification specifications are reviewed on an as needed basis, which may be initiated by a variety of activities.			
•Do you have a total annual limit for pay increases (i.e., cumulative for annual increases, reclassifications/promotions?)	Y	No	Depends on the compensation program.	n	Y	Y
If so, what is it?	Depending on bargaining unit. Mid-mgt is on Pay for Performance. Other bargaining units are on step system.		Approximately 80% of the city's workforce is represented by labor unions and pay increases are negotiated. An annual spending limit is determined for the City's Discretionary Pay Programs. The spending limit is the annual market adjustment plus 1-1.5%.		4%	Varies by year. This year 5% merit; 2% market.
•Do you have an internal promotion policy that gives first consideration to internal applicants prior to external candidates? If so, please email/fax a copy.	Civ Svs pos - internal will have preference in case of tie. Non-Civ Svs pos - internal candidates do not have a preference.	No		No for exempt, yes for represented included in contract provision	Y	Y - 10% increase or placement at the bottom of the new range whichever is higher.
			n			

CITY OF SALT LAKE CITY, UTAH
Management Audit of the Human Resources Management Division

	Reno, NV	Salt Lake Cnty, UT	Seattle, WA	Spokane, WA	St. George, UT	Tempe, AZ
•Are annual increases based upon documented employee performance?	See note below	Yes	Depends on the compensation program.	y	Y	N
If so, what are the annual increase limits?	only for Pay-for-performance employees (management, mid-mgt. and confidential).	2.75%	Employees in the Discretionary pay programs are to have at least a satisfactory performance review to receive a market adjustment.	increase to next step in current pay range		
•Do you have a career development or succession planning program in place?	In discussion	Not county wide	n	n	N	N
•Do you utilize a bonus or cash award plan as part of your compensation plan?	Y - pay-for-performance employees can get up to 10% bonus when they reach top of band.	n	n	n	N	N

CITY OF SALT LAKE CITY, UTAH
Management Audit of the Human Resources Management Division

	Reno, NV	Salt Lake Cnty, UT	Seattle, WA	Spokane, WA	St. George, UT	Tempe, AZ
•How are new salaries established for employees promoted to a new position? Is there a limitation the amount of increase that can be granted?	Y -10% increase of bottom of new band, whichever is higher.	5% increase or the minimum salary of the new range. Exceptions must be justified in writing to the Mayor.	Depends on the compensation program. Promotional increases for classified and/or represented titles are covered by the City's Personnel Rules and/or collective bargaining agreements. Departmental management has the discretion to determine promotional increases for employees in the Discretionary Pay Programs.	increase is based on level of KSA's. Limited to pay range assigned for the position.	6% max	Governed by rules and reqs. 10%
9. What performance indicators do you utilize, if any, to monitor efficiency and performance of your Human Resource operation?	See budget book. Also used in satisfaction survey.		We are required to complete accountability agreements yearly which set goals/targets and expectations to measure the performance of the department.	development and monitoring of HR Strategic and Work Plan		Not at this time.
10. Is your Human Resources function a separate department or a division of another department (such as Management Services, Chief Administrator's Office, etc.)?	Separate dept.	County HR is part of Division of the Administrative Services Department	Part of Personnel Department	Separate Department	Separate	N