



## Agenda Item: 7

**Date:** October 8, 2009

**Subject:** 2009 Compensation Study Update

**Staff Contact:** Lynne Yost, Human Resources Coordinator

### **Recommended Board Action:**

Receive and accept 2009 Compensation Study Update.

### **Discussion:**

In response to concerns expressed about the current economic climate and its impact on the local job market, and pursuant to Board Policy, Shellie Anderson of Bryce Consulting was retained to conduct a 2009 Compensation Study Update, which is attached in draft form. The study focused on total compensation with surveyed agencies in the local area that were included in the original study since those agencies remain the most comparable and competitive. Furlough and layoff information was also included to obtain information on salary/pay saving measures taken by the surveyed agencies. The draft study was presented to the Facilities & Operations Committee on October 1, 2009, and the Committee recommended the report be presented to the full Board. Ms. Anderson will attend the Board meeting to provide an overview of the study process and recommendations and to answer any questions Board members may have prior to accepting the updated study.

### **Fiscal Impact:**

None at this time; current pay levels of positions identified in the study as nearest to the bottom and the top of the third quartile will be reviewed in more detail.

### **Strategic Plan Alignment:**

Customer Service – 3.B. Attract and retain a well-qualified staff with competitive compensation, effective training, and professional development to ensure safe, efficient and effective job performance.

By regularly conducting compensation studies and updates, the District is able to determine whether competitive compensation is being offered that will continue to attract and retain a well-qualified staff.

# **Sacramento Suburban Water District**

## **Compensation Study Draft Final Report**



*Submitted by:*

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## **SECTION I - PROJECT OVERVIEW**

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Bryce Consulting was retained by the Sacramento Suburban Water District to update the compensation study that was conducted in 2007 for District classifications. This report presents the compensation survey results and salary/pay recommendations. The report includes:

- Section I      Project Overview
- Section II     Compensation Survey Parameters
- Section III    Compensation Survey Results
- Section IV     Salary/Pay Recommendations

### **STUDY OBJECTIVES**

The study consisted of the following objectives:

- Collect and analyze base salary/pay and benefit survey data for the selected survey classes.
- Update the salary/pay plan for all classes in the District using market data and internal relationships to ensure parity to the labor market and internal equity within the organization.

## SECTION II – COMPENSATION SURVEY PARAMETERS

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This section of the report presents the compensation survey parameters and includes:

- Selection of labor market employers and survey classes
- Survey scope
- Survey methodology

### SURVEY EMPLOYERS

The overall objective in selecting survey employers is to define as accurately as possible the District's "Labor Market". A labor market consists of those employers with whom the District competes for employees. The criteria typically utilized in identifying those employers includes the following:

- **EMPLOYER SIZE** - As a general rule, the more similar employers are in size and complexity, the greater the likelihood that comparable positions exist within both organizations. Specifically, agencies of similar size to Sacramento Suburban Water District are likely to have departmental structures and organization of positions more similar to the District than organizations that are significantly larger or smaller in size.
- **GEOGRAPHIC PROXIMITY** - Geographic proximity is another factor utilized in identifying an appropriate labor market. This factor is particularly important because it identifies those employers that the District must directly compete with to recruit and retain quality staff. It is expected that for management classifications, the recruitment area will be broader as the candidate pool is smaller. Therefore, five additional agencies were selected for management survey classifications.
- **NATURE OF SERVICES PROVIDED** - As a general rule similar organizations are selected as survey employers, because they provide similar services. This is important for the following reasons:
  - Employers who provide similar services are most likely to compete with one another for employees.
  - These employers are most likely to have comparable jobs.
  - These employers are most likely to have similar organizational characteristics.

While some survey agencies may not meet all of the criteria, it is important to have a balanced labor market.

**RECOMMENDED LABOR MARKET**

**Table 1** displays the survey agencies, which were also surveyed in 2007, based on the above considerations. These agencies are geographically proximate, are competitors for staff and/or provide similar services.

**Table 1**

Survey Agencies	Classifications Summary
Carmichael Water District	All Classes
Citrus Heights Water District	All Classes
City of Davis	All Classes
City of Folsom	All Classes
City of Roseville	All Classes
City of Sacramento	All Classes
City of West Sacramento	All Classes
City of Woodland	All Classes
El Dorado Irrigation District	All Classes
Elk Grove Water District	All Classes
Fair Oaks Water District	All Classes
Placer County Water Agency	All Classes
Sacramento County	All Classes
San Juan Water District	All Classes
Amador Water Agency	Management Classes
San Luis and Delta Mendota Water	Management Classes
Solano Irrigation District	Management Classes
Stockton East Water District	Management Classes
Stockton Municipal Utility	Management Classes

**SURVEY CLASSES**

Survey classes are a representative sample of all classes within the District’s classification plan, and provide a reference point for the subsequent salary/pay determinations of classifications not surveyed. Survey classifications should generally be selected utilizing the following criteria:

- The survey classifications should have a significant relationship to other classes in

their occupational group. This ensures that they will make good reference points in relating and establishing salaries for other classes within their occupational group.

- They should be reasonably well known and able to be clearly and concisely described. This enables the employer to more easily communicate with survey employers in establishing accurate comparabilities for the survey classes.
- They should be classes for which counterparts can readily be found in other agencies so that sufficient compensation data can be gathered.

**Table 2**, on the following page, displays the survey classifications based on the above criteria. It should be noted that if insufficient data was found for a survey classification in 2007, it was not surveyed in 2009.

### **SURVEY SCOPE**

The scope of the survey included the labor market agencies presented in this report. The data collected for each survey class included:

- Title of each comparable class
- Entry and top step monthly salary/pay
- Cash add-ons to base salary/pay including:
  - Deferred compensation contribution made by the employer
  - Employer pick-up of the employee contribution for retirement
- Employer contributions for insurances (health, dental, vision, life)
- Social security
- Cost of living information including date and amount of last and next increase
- Paid leave benefits
- Retirement practices including employer's share, benefit, formula and plan
- Retiree health benefits
- Information related to layoffs/furloughs and reduction in benefits to deal with current economic climate.

**Table 2**

Survey Class Factors
Accountant
Administrative Assistant II
Assistant Controller
Assistant General Manager
Associate Registered Engineer
Customer Service Representative II
Director of Finance
Distribution Operator II
Electrical and Instrumentation Technician
Engineering Manager
GIS/IT Technician (GIS Technician)
GIS/IT Technician (IT Technician)
Human Resources Coordinator
Maintenance Technician II
Mgr, Information Technology
Operations Manager
Production Operator II
Senior Inspector
Superintendent, Distribution
Water Conservation Coordinator
Water Conservation Technician II

**SURVEY METHODOLOGY**

The survey methodology utilized by Bryce Consulting included:

- A survey was sent to each labor market employer that included the information provided in 2007 asking the agency to update the salary/pay and benefit information. In addition, Bryce reviewed the job descriptions to ensure the survey agency's classifications were still a comparable.

In addition to the collection of base salary/pay and benefit information, careful efforts were made to document the full-range of duties and requirements of all job classes in determining comparability to the District's corresponding survey classes. This included the collection of:

- Reporting relationships

- Functional areas of responsibility
- The class's relationship to other classes in the series

The District's compensation policy, adopted in July 2004 and revised in September 2006, states that the District will target the third quartile of total compensation in the local labor market when setting total compensation for District positions. Consistent with the District's compensation policy, the data was analyzed to produce the 62.5<sup>th</sup> percentile, the middle of the third quartile, for each classification using maximum base salary/pay, total cash, and total compensation as the basis of comparison. The District's position was then compared to the labor market, for each survey classification, which produced the percentage that District is above or below the labor market.

## SECTION III – COMPENSATION SURVEY RESULTS

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This section of the report presents the compensation survey findings including base salary/pay, total cash and total compensation. In addition, miscellaneous benefit data is presented including cost of living information, retirement practices, retiree health benefits, and leave benefits

As indicated in the previous section, the survey involved the collection of compensation information for each of the survey classes from the labor market employers identified. Of the 19 public employers surveyed, all were able to participate in the study process. **Table 3**, on the following page, displays the comparability for each survey classification.

It should be noted that the District has a few classification titles that are not consistent with the work being performed. The duties performed by the District's classification of Accountant are consistent with a journey level Accounting Technician in the market. The classification is responsible for accounts payable, accounts receivable, daily cash receipts, and journal entries. In addition, the classification requires an Associate's degree which is consistent with a technical classification, not a professional Accountant classification. The labor market data for this classification consists of journey level classifications performing technical accounting duties.

The duties performed by the District's classification of Assistant Controller is consistent with a journey level professional Accountant in that the classification is responsible for establishing and maintaining chart of accounts, ensuring the accuracy of ledger postings, preparing month-end journals, preparing monthly financial reports and statements, and assisting with budget preparation and maintenance. The labor market data for this classification consists of journey level classifications performing a variety of professional accounting duties.

The District's classification of Senior Inspector is consistent with a journey level inspector rather than an advanced journey level inspector, as the title denotes. The classification does not have lead responsibilities; therefore, the labor market data consists of classifications performing journey level construction inspection duties.

The District also has the classification of GIS/Information Technology Technician. It is not uncommon for smaller organizations to blend classifications that require similar skill sets. For the purpose of collecting accurate compensation data, data for journey level Engineering Technician and journey level Information Technology Technician was collected.

With respect to Manager, Information Technology, while the position does not supervise professional staff, the scope and responsibility level for the District's information technology

program is comparable to a supervisor. Therefore, the classifications that were determined to be comparable were either a supervisory classification, if the agency had such a level, or the highest level professional information technology classification in the absence of a supervisor.

Lastly, with respect to Water Conservation Technician and Water Conservation Coordinator, the classifications that were determined to be comparable are somewhat different than in 2007. The area of water conservation has been involving over the past few years and many agencies have the position that is responsible for developing and implementing the conservation program also heavily involved in legislation review. In addition, many of the classifications also require a Bachelor's degree as much of the work is analytical in nature. The District's Water Conservation Technician II is mostly a field position responsible for interacting with the public whereas the Water Conservation Coordinator is responsible for planning, organizing, managing, coordinating and promoting the program but does not have the same analytical responsibility as many of the survey agencies' classifications and does not have an equivalent education requirement.

**Table 3**

Job Classification	Number of Comparable Matches
Accountant	10
Administrative Assistant II	9
Assistant Controller	11
Assistant General Manager	6
Associate Registered Engineer	10
Customer Service Representative II	13
Director of Finance	8
Distribution Operator II	11
Electrical and Instrumentation Technician	9
Engineering Manager	16
GIS/IT Technician (GIS Technician)	12
GIS/IT Technician (IT Technician)	11
Human Resources Coordinator	10
Maintenance Technician II	6
Mgr, Information Technology	9
Operations Manager	8
Production Operator II	12
Senior Inspector	10
Superintendent, Distribution	8
Water Conservation Coordinator	4
Water Conservation Technician II	6

## **BASE SALARY/PAY SURVEY RESULTS**

The data has been organized into a series of tables that summarize the District's relationship to the labor market for each class. The compensation survey data sheets are presented in **Appendix A** of this report. **Table 4** summarizes, for each classification, how the District's base salaries compare to the labor market. The following data is presented:

- Title of the District's classification
- The District's current maximum monthly base salary/pay for each classification
- The 62.5<sup>th</sup> percentile of the labor market for maximum monthly base salary/pay
- Percentage the District's maximum base salary/pay is above or below the 62.5<sup>th</sup> percentile of the labor market

**Table 4  
Maximum Base Salary/Pay**

SSWD Classification	SSWD Max Base Salary/Pay	Labor Market Max Base (62.5 <sup>th</sup> percentile)	% SSWD is above or below market (62.5 <sup>th</sup> percentile)
Accountant	\$4,978	\$4,542	8.77%
Administrative Assistant II	\$4,301	\$3,832	10.90%
Assistant Controller	\$6,358	\$6,188	2.67%
Assistant General Manager	\$11,380	\$12,196	-7.17%
Associate Registered Engineer	\$7,699	\$8,062	-4.71%
Customer Service Representative II	\$4,096	\$4,130	-0.82%
Director of Finance	\$10,318	\$10,917	-5.80%
Distribution Operator II	\$4,520	\$4,948	-9.46%
Electrical and Instrumentation Technician	\$5,761	\$6,090	-5.71%
Engineering Manager	\$9,825	\$10,794	-9.87%
GIS/IT Technician (GIS Technician)	\$4,978	\$5,158	-3.62%
GIS/IT Technician (IT Technician)	\$4,978	\$5,394	-8.35%
Human Resources Coordinator	\$6,647	\$6,861	-3.22%
Maintenance Technician II	\$4,096	\$4,547	-11.00%
Mgr, Information Technology	\$7,330	\$8,004	-9.20%
Operations Manager	\$9,356	\$9,328	0.30%
Production Operator II	\$4,742	\$5,100	-7.55%
Senior Inspector	\$5,226	\$5,607	-7.30%
Superintendent, Distribution	\$6,979	\$6,865	1.64%
Water Conservation Coordinator	\$5,761	\$6,026	-4.59%
Water Conservation Technician II	\$4,520	\$4,846	-7.21%

### TOTAL CASH SURVEY RESULTS

Total cash represents the maximum base salary/pay plus the employee's share of retirement paid by the agency as well as the agency's contribution towards deferred compensation. **Table 5** displays, for each classification, how the District compares to the labor market with respect to total cash. The following data is presented:

- Title of the District's classification
- The District's current total cash for each classification
- The 62.5<sup>th</sup> percentile of the labor market for total cash
- Percentage the District's total cash is above or below the 62.5<sup>th</sup> percentile of the labor market

**Table 5  
Total Cash**

SSWD Classification	SSWD Total Cash	Labor Market Total Cash (62.5th percentile)	% SSWD is above or below market (62.5th percentile)
Accountant	\$5,326	\$4,790	10.07%
Administrative Assistant II	\$4,602	\$4,139	10.07%
Assistant Controller	\$6,803	\$6,677	1.85%
Assistant General Manager	\$12,177	\$13,066	-7.30%
Associate Registered Engineer	\$8,238	\$8,550	-3.79%
Customer Service Representative II	\$4,383	\$4,367	0.36%
Director of Finance	\$11,040	\$11,767	-6.59%
Distribution Operator II	\$4,836	\$5,284	-9.25%
Electrical and Instrumentation Technician	\$6,164	\$6,421	-4.16%
Engineering Manager	\$10,513	\$11,404	-8.48%
GIS/IT Technician (GIS Technician)	\$5,326	\$5,430	-1.95%
GIS/IT Technician (IT Technician)	\$5,326	\$5,667	-6.40%
Human Resources Coordinator	\$7,112	\$7,515	-5.67%
Maintenance Technician II	\$4,383	\$4,889	-11.54%
Mgr, Information Technology	\$7,843	\$8,885	-13.28%
Operations Manager	\$10,011	\$10,224	-2.12%
Production Operator II	\$5,074	\$5,455	-7.52%
Senior Inspector	\$5,592	\$5,958	-6.55%
Superintendent, Distribution	\$7,468	\$7,368	1.34%
Water Conservation Coordinator	\$6,164	\$6,051	1.84%
Water Conservation Technician II	\$4,836	\$5,227	-8.07%

### TOTAL COMPENSATION SURVEY RESULTS

Total compensation represents the maximum base salary/pay, the employee's share of retirement paid by the agency, the agency's contribution towards deferred compensation, and the agency's contribution towards health, dental and vision insurance, life insurance and social security. **Table 6** displays, for each classification, how the District compares to the labor market with respect to total compensation. The following data is presented:

- Title of the District's classification
- The District's current total compensation for each classification
- The 62.5<sup>th</sup> percentile of the labor market for total compensation

