



**TRUCKEE MEADOWS FIRE PROTECTION DISTRICT
STAFF REPORT**

Board Meeting Date: July 2, 2024

DATE: June 12, 2024

TO: Truckee Meadows Fire Protection District Board of Fire Commissioners

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SUBJECT: Recommendation to retroactively approve the Korn Ferry full classification and compensation study that Truckee Meadows Fire Protection District engaged the services of Korn Ferry to complete for non-represented, non-contracted staff, effective August 14, 2023. The results of the classification and compensation study of the non-represented, non-contracted positions include a revised salary structure based on the study's findings and are included for Board approval. (All Commission Districts.) **FOR POSSIBLE ACTION**

SUMMARY

Recommendation to retroactively approve the Korn Ferry (KF) full classification and compensation study that Truckee Meadows Fire Protection District (TMFPD) engaged the services of KF to complete for non-represented, non-contracted staff, effective August 14, 2023. The results of the classification and compensation study of the non-represented, non-contracted positions include a revised salary structure based on the study's findings and are included for Board approval.

PREVIOUS ACTION

October 6, 2020, the Board of Fire Commissioners approved an increase in the salary range for the Chief Fiscal Officer job classification from \$85,800 - \$111,508 to \$102,960 - \$133,810 and authorize a 10% salary adjustment from \$111,508 to \$122,659 for the current Chief Fiscal Officer retroactively to July 1, 2020, based on the recommendations of the KF/Hay Group.

January 4, 2022, the Board of Fire Commissioners approved a recommendation to approve an updated Truckee Meadows Fire Protection District salary matrix for non-represented staff to include two salary change recommendations for the Logistics Coordinator from \$45,073 - \$58,344, pay grade 703 to \$51,147 - \$66,414, new pay grade 706 and salary range recommendation for the Human Resources Support Specialist of \$58,156 - \$75,691, pay grade 715, and one reclassification/salary change recommendations from Administrative Assistant I to

Executive Assistant to include an increase in the salary range from \$58,156 - \$75,691, pay grade 715 to \$62,254 - \$80,891, pay grade 725 as evaluated by KF retroactively to January 1, 2022.

BACKGROUND

KF was engaged to perform a full classification and compensation study of the District's non-represented, non-contracted positions to ensure that TMFPD maintains market competitiveness to recruit and retain qualified individuals. Salaries for these non-represented, non-contracted positions are not subject to negotiations.

KF addressed the following:

- Job evaluation and leveling
- Review of market competitiveness
- Development of a compensation philosophy
- Development of consistent pay structures and administrative guidelines

KF's Project Approach and Process

- Organizational Understanding - Collected data (e.g., organization charts, job descriptions, compensation arrangements) and discussed patterns related to hiring and retention
- Job Evaluation and Matrix - Evaluated 10 benchmark positions using the Korn Ferry Method of Job Evaluation® - taking into account differentiating characteristics of job "size" – knowledge depth/breadth, problem-solving responsibilities and accountabilities
- Market Analysis - Conducted market competitiveness assessment using multiple compensation surveys for benchmark positions spanning all staff job levels
- Structure Design - Proposed compensation philosophy based on feedback, market analysis and desired level of competitiveness and performance
- Structure Design - Designed compensation structure(s) based on internal equity, market analysis, and compensation philosophy
- Impact Analysis - Prepared cost impact analysis utilizing new compensation structures, detailing where all employees' salaries fall relative to the midpoints of the new salary structure(s) to identify any potential implementation issues and any costs associated with implementation and market adjustments

Key Observations

Ongoing Administration

- Job creation/change governance will continue to be important. KF recommends regular monitoring of the overall market and periodic reviews of benchmark roles every 2-3 years with market adjustments unless job market conditions warrant more frequent reviews.
- All non-represented, non-contracted positions were evaluated using the Korn Ferry Method of Job Evaluation® and placed in a grade level based on total points. This supports ensuring proper leveling, internal equity of roles, and "similar pay for similar work."

Key Findings

- KF recommends the utilization of one base salary compensation structure based on the 15% difference groupings in the job evaluation model.
- The current compensation program uses the same job evaluation levels for both represented and non-represented which may cause confusion as the salary structures differ. To strengthen the perception of fairness, we recommend clarifying internally the differentiation between the two programs and how they are aligned in job size but differ in market target.
- Overall, the organization's current pay practice was found to be very competitive at the lower-level grades and less competitive at the management and executive grades.

Internal Equity Review

To assess the current internal pay practices across TMFPD, KF conducted an analysis of current actual base pay in relationship to the assigned job evaluation level.

- An internal equity analysis looks at consistency and fairness of pay for individuals in similar jobs and grade levels.
- The internal equity analysis also helps inform how salary structures should be designed to accommodate the various groups of jobs.

Key findings

- When assessing internal equity, there are likely differences in pay practice due to tenure, performance, hiring timeframes and functional area.
- Overall dispersion fits within the accepted norms of +/- 20% and outliers are due to position movements during the job evaluation process.
- The organization's balanced dispersion is a result of adherence to established administrative practices.

The graph in Attachment B represents the relationship between job size and actual pay across the organization.

Job Evaluation and Leveling

A critical step in this work is the understanding of the content of each role and its relationship to other roles.

Korn Ferry Guide Chart – Profile Method of Job Evaluation

- KF's job evaluation methodology adds precision to market pricing, allowing them to measure and understand the value of work.
- Methodology job is based on 3 core factors: Know How, Problem Solving, and Accountability.

Evaluate and rank order jobs.

Using their proprietary and legally defensible method of job evaluation, they evaluated and level-set all roles in scope.

- KF created an internal hierarchy of jobs and presented it to the Truckee Meadows project team in a matrix format for review.

Market Analysis

Once the job evaluation (internal) view was completed, KF analyzed and layered in market data (external) for the selected benchmark roles

- Compared roles to a blend of general industry and not-for-profit industry surveys to reflect Truckee's need to compete for talent in several industries.
- Cost of labor for the Reno area is similar to the national average (approximately 3%) and no geographic premium is recommended at this time.
- Data was compared for base salary and at the following levels:
 - P75 = 75th Percentile; higher than 75% of organizations in the market
 - P50 = 50th Percentile/Median; middle of the market – 50% of organizations are lower and 50% are higher
 - P25 = 25th Percentile; higher than 25% of the organizations in the market
- All market data were aged by 4.0% per annum to an effective date of July 1, 2023, to allow for the establishment of market-competitive base salary ranges.

The “practice line” represents the linear relationship between Truckee's current pay practice for all jobs and their corresponding level.

- The pay in the lower grades are closer to P75
- Current pay ranges in grades 715-725 approximate the P50
- Grades 755 and above are considerably less competitive

The graph in Attachment C represents the relationship between job size and actual pay across the organization compared to the market.

The new structure is anchored at the market P75 at the bottom grades and market P50 at the higher grades with a range spread of 30%.

Market Survey Sources included for the classification and compensation survey:

Public Sector Composite

Adjusted all data points to national average and common date.

Reno, Nevada (\$1.4B) – Data effective November 1, 2022

Carson City, Nevada (\$26M) – Data effective July 1, 2022

Sparks, Nevada (\$15M) – Data effective August 15, 2022

East Fork – Data effective January 1, 2023

North Lake Tahoe – Data effective January 1, 2023

Washoe County – Data effective July 1, 2023

KF Pay – General Industry

US general industry cut of Korn Ferry's overall compensation database for all participating companies. Over 2,600 companies are included in the general industry database. Data effective May 1, 2022. All organizations. Revenue of included organizations is \$500M and less.

Bureau of Labor Statistics

Data includes private and public sector. Local Government. Data is effective May 1, 2022.

PRM

Not-for-Profit survey with over 300 organizations. Data is effective July 1, 2021.

The new range recommendations are as follows:

		Effective August 14, 2023			
		Korn Ferry Salary Structure			
Current TM Grade	New TM Grade	Min hourly	Max hourly	Min Annual	Max Annual
775	8000	\$74.42	\$100.69	154,803.31	209,438.71
765	7090	\$63.45	\$85.85	131,984.18	178,565.77
N/A	7080	\$54.54	\$73.79	113,454.36	153,496.01
N/A	7070	\$47.29	\$63.97	98,355.98	133,068.80
755	7060	\$41.18	\$55.72	85,659.62	115,891.37
N/A	7050	\$36.07	\$48.80	75,022.13	101,499.48
725	7040	\$31.86	\$43.10	66,271.94	89,660.98
715	7030	\$30.48	\$39.67	63,401.40	82,516.60
N/A	7020	\$26.69	\$36.11	55,516.87	75,110.00
705	7010	\$25.49	\$33.15	53,022.20	68,955.00
702	7000	\$21.67	\$29.32	45,075.81	60,983.86

Using Compa-Ratio to Manage Pay. Hiring may be up to 100%, depending on prior work experience and market competition. If satisfactory performance is met, 5% movements, in addition to structure movements, will occur each year.

85%	90%	95%	100%	105%	110%	115%
Minimum rate at hire	1 year anniversary	2-year anniversary	3-year anniversary	4-year anniversary	5-year anniversary	6-year anniversary

Summary of District Impact

Based on the new salary structure, six of the nine non-represented, non-contracted positions will have an increase in the overall salary ranges.

See Attachment A

The implementation plan is to move individuals based on time in role and compa-ratio. This results in approximately \$85,000 for the current year's salary adjustments and impacts the following positions.

- Chief Fiscal Officer - salary adjustment from \$150,238.40 to \$209,438.71.
- Human Resources Manager - salary adjustment from \$125,195.20 to \$170,802.17.
- Fire Communications Manager - salary adjustment from \$ 103,521.60 to \$105,274.97.

Effective date and process of implementation.

- August 14, 2023, retroactive effective date of new salary structures.
- Ongoing review and benchmark every 2-3 years.

Current non-represented job classifications not evaluated include the following:

- Fire Chief and Deputy Fire Chief's salaries are established within an employment agreement as approved by the Board of Fire Commissioners.

FISCAL IMPACT

The Fiscal Year 2023-2024 (FY23/24) fiscal impact is estimated at \$ \$84,700 for the current year salary adjustments and will remain within the FY23/24 fiscal year budget. The adjusted salary ranges were anticipated for Fiscal Year 2024-2025 (FY24/25) and will remain within the FY24/25 budget.

RECOMMENDATION

Recommendation to retroactively approve the KF full classification and compensation study that TMFPD engaged the services of KF to complete for non-represented, non-contracted staff, effective August 14, 2023. The results of the classification and compensation study of the non-represented, non-contracted positions include a revised salary structure based on the study's findings and are included for Board approval..

POSSIBLE MOTION

Should the Board agree with the staff's recommendation, a possible motion could be:

"I move to retroactively approve the Korn Ferry full classification and compensation study that Truckee Meadows Fire Protection District engaged the services of Korn Ferry to complete for non-represented, non-contracted staff, effective August 14, 2023. The results of the classification and compensation study of the non-represented, non-contracted positions include a revised salary structure based on the study's findings and are included for Board approval."