

HIGHLANDS RANCH METROPOLITAN DISTRICT
JOINT BOARD MEETING ADDENDA

October 25, 2017

Addendum documents can also be viewed at
<http://highlandsranch.org>

or

<http://intranet.highlandsranch.org/default.aspx>

- Compensation Plan



Compensation Plan





Compensation Plan

The Districts adopt the Compensation Plan Guide annually so that:

- The Districts' stakeholders can understand the practices used in determining compensation of employees.
- Management has a framework to use to calculate the adjustments.



Compensation Plan: Goals

Ensure market competitiveness to attract and retain employees

Recognize proficiency and reward good performance

Be consistent throughout the process



MSEC Surveys

- Colorado Benchmark Compensation Survey
 - 410 total participating organizations
 - Denver / Boulder - 255 participating organizations
 - 59 government organizations

- Public Employers Compensation Survey
 - 173 total participating organizations

- Survey Team is comprised of compensation specialists.

Ensure market competitiveness to attract and retain employees



Compensation Plan

- Percentage increases determined by:
 - Structure Adjustment (Exhibit 1)
PLUS
 - Performance allowance to move employees across ranges over time (Exhibit 2)
 - Non-exempt employees reach market in 7 years
 - Exempt employees reach market in 9 years

Ensure market competitiveness to attract and retain employees

2017/2018

Key Adjustments are based on Mountain States Employers Council
as of May 2017

Average Percentage Increase in Pay Structure (ranges) as follows:

2016	PRIOR revised adjustment	1.70%	
	ACTUAL adjustment	<u>1.50%</u>	-0.20%
2017	INITIAL PROJECTED adjustment	1.80%	
	REVISED adjustment	<u>1.50%</u>	-0.30%
2018	ORIGINAL projection	1.80%	
	<i>Our range & matrix change will be</i>	<u><u>1.30%</u></u>	





Preliminary Budget - Compensation

- Used plan calculation of 3.3% increase based on:
 - 1.3% structure
 - 2.0% performance
- Mountain States Survey projected increases

2018 Projected August 2017 Average or Typical Employee	
	Without zeros
Denver/Boulder	3.1%

Ensure market competitiveness to attract and retain employees



Comp Plan Matrix - Exhibit 2

- Percentage increase based on matrix
 - Employee's rating compared to peers
 - Employee's position within a salary range



Recognize proficiency and reward good performance



Exhibit 2

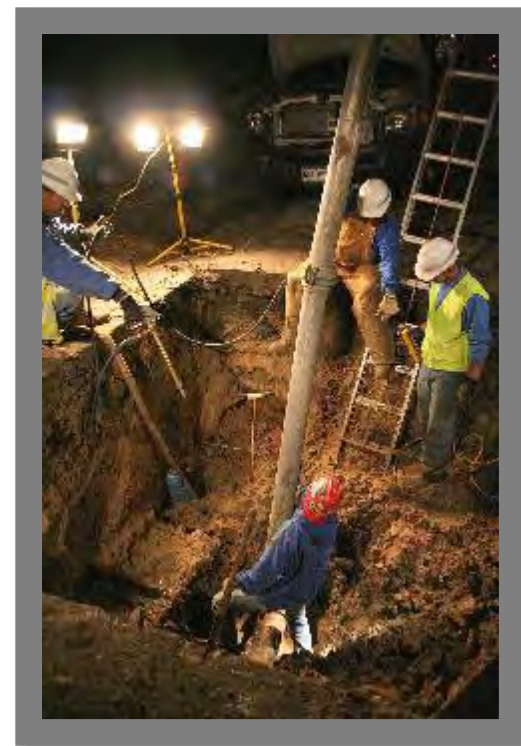
Employees Below Midpoint				
	RANGE			Avg Increase
Performance				
Above Average	4.30%	-	5.30%	4.80%
Average	3.05%	-	4.55%	3.80%
Below Average	2.55%	-	3.30%	2.93%
Employees Above Midpoint				
	RANGE			Avg Increase
Performance				
Above Average	3.05%	-	4.30%	3.68%
Average	2.30%	-	3.30%	2.80%
Below Average	1.30%	-	2.30%	1.80%

Recognize proficiency and reward good performance



Other Opportunities for pay increases

- Promotions
- Transfers
- Tech Advancements (PROS)
- Certifications (Centennial)
- Proficiency



Recognize proficiency and reward good performance



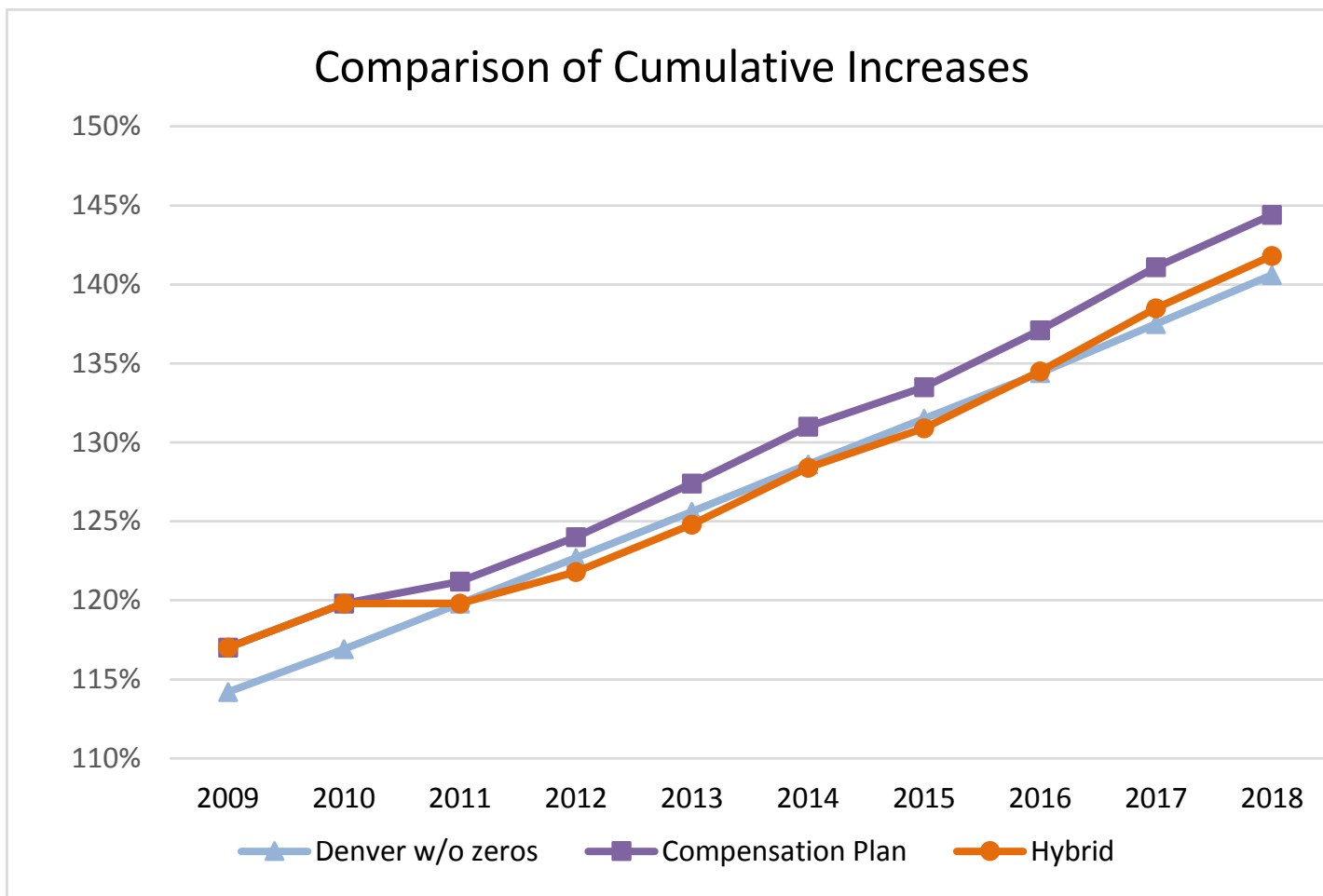
Test of reasonableness

- Allows adjustments for:
 - Economic conditions
- Review Historical data
 - Compares Compensation Plan to MSEC survey results

Be consistent throughout the process



Retrospective Comparison of Comp Plan Calculation with Denver Metro



Be consistent throughout the process

Survey Results

CHANGE IN BENCHMARKS				
	CWSD	HRMD	Support	Total
2+ upward moves in one year (5%)		1		1
Upward move 2 consecutive years (5%)	1		1	2
Second year due to inflation adjustment				0
Upward move one year	7	2	2	11
New or changed comparison				0
No change				0
On-watch (listed at prior range)	1	1	3	5
Downward move	0	0	0	0
	9	4	6	19
NUMBER OF EMPLOYEES RECEIVING 5%				
	CWSD	HRMD	Support	Total
2+ upward moves in one year (5%)	0	1	0	1
Upward move 2 consecutive years (5%)	2	0	1	3
Second year due to inflation adjustment		0	0	0
New or changed comparison increases 2	0	0	0	0
	2	1	1	4

Be consistent throughout the process



Next Steps

- Adoption of Compensation Plan at November meeting
- Setting average wage increase for final budget