

HIGHLANDS RANCH METROPOLITAN DISTRICT  
BOARD MEETING ADDENDA

August 28, 2018

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

or

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

- Compensation Review



# Compensation Review





# Compensation Outline

Compensation Goals

Compensation Process & Timeline

Compensation Plan Guide

Structure Adjustment

Wage Matrix



# Compensation Goals

Ensure market competitiveness to attract and retain employees

Recognize proficiency and reward good performance

Be consistent throughout the process



# Process and Timeline

- August
  - Placeholder for preliminary budgets is determined
    - Guidance for reviewing requests and establishing water rates
  
- October
  - Compensation plan reviewed at joint board meeting
    - Salary survey, grade changes etc.
  
- November/December
  - Boards workshop and public hearing
    - Review total budget proposal and determine final number
  - Board action
    - Confirm compensation plan calculation or
    - Determine another number based on data provided by staff



# Compensation Plan

The Districts adopt the Compensation Plan Guide annually so that:

- Districts' stakeholders can understand the practices used in providing for increases in compensation of employees, which represents a significant portion of the operating budget;
- Management has a consistent and objective framework to use to calculate the adjustments.



# Compensation Plan

The Plan provides for the following to be prepared for the Board to review.

- Exhibit 1 - structure adjustment – Aug.
- Exhibit 2 - wage matrix – Aug.
  
- Exhibit 3 – historic graph of changes – Oct.
- Exhibit 4 – highlights of survey results – Oct.



# Comp Plan – Exhibit 1 and 2

The percentage increase is determined by:

➤ Structure adjustment

**PLUS**

- Performance allowance gives employees the ability to move across ranges over time
- Non-exempt employees reach market in 7 years
  - Exempt employees reach market in 9 years





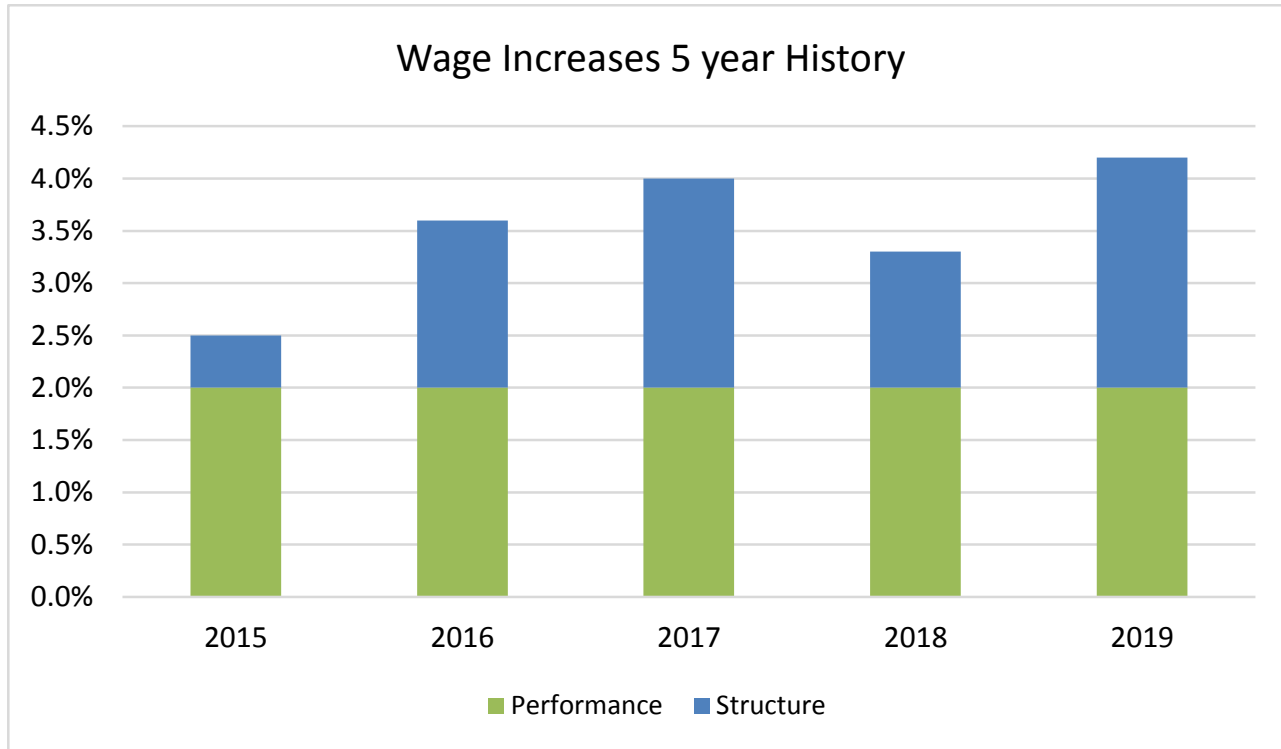
# Exhibit 1 - Structure Adjustment

- Based on Employers Council survey “Average % Increase in Pay Structure”
- Most accurately reflects available survey data with corrections to annual market “survey”
- Adjustment based on the sum of the following components:

2017			
	PRIOR revised adjustment	1.50%	
	ACTUAL adjustment	1.70%	
			0.20%
2018			
	INITIAL PROJECTED adjustment	1.80%	
	REVISED adjustment	1.80%	
		<hr/>	0.00%
2019			
	ORIGINAL projection		2.00%
			<hr/>
	<i>Our range &amp; matrix change will be</i>		<u><u>2.20%</u></u>



# History of Structure





# Preliminary Budget - Compensation

- Plan calculation of 4.2% increase used based on:
  - 2.2% structure
  - 2.0% performance
  
- Employers Council Survey projected increases

<b>2019 Projected Published August 2018</b>	
	Without zeros
Denver/Boulder	3.2%



# Exhibit 2 – Wage Matrix

Percentage increase based on:

- Employee's performance rating compared to peers
- Employee's position within a salary range



# Exhibit 2 – Wage Matrix

	Employees Below Midpoint			
	RANGE			Avg Increase
Performance				
Above Average	5.20%	-	6.20%	5.70%
Average	3.95%	-	5.45%	4.70%
Below Average	3.45%	-	4.20%	3.83%
	Employees Above Midpoint			
	RANGE			Avg Increase
Performance				
Above Average	3.95%	-	5.20%	4.58%
Average	3.20%	-	4.20%	3.70%
Below Average	2.20%	-	3.20%	2.70%



# QUESTIONS