



Department Source: Human Resources

To: City Council

From: City Manager & Staff

Council Meeting Date: September 6, 2016

Re: Adopting the City of Columbia Classification and Pay Plans for FY 2017 changes effective September 25, 2016 and Fair Labor Standards Act overtime assignment changes effective November 20, 2016.

Executive Summary

The ordinance adopts the City of Columbia Classification and Pay Plans for FY 2017 changes effective September 25, 2016 and federal Fair Labor Standards Act (FLSA) overtime assignment changes effective November 20, 2016. No adjustments are proposed to pay range structures for FY 2017. The FY 2017 proposed budget includes a \$0.25/hour across the board salary adjustment for all permanent employees who are not at or above the maximum pay range rate (\$0.1786/hour increase for 56 hour employees). Changes have been developed according to the City's compensation philosophy, adopted in FY 2014. All changes are included in the FY 2017 proposed budget.

Discussion

FY 2017 changes effective September 25, 2016 implement the results of the annual classification maintenance review process. The City Manager assigns all employees to appropriate classifications. The City conducted the fourth year of implementation of the classification and compensation policy adopted in FY 2014:

- 159 classifications were reviewed as part of annual plan maintenance. Classifications reviewed include those that experienced recruitment challenges and all classifications not previously reviewed with a midpoint of \$72,000 or less.
- The annual plan maintenance changes add new classifications, close classifications, consolidate classifications, separate classifications, reassign classifications and make title changes.
- The annual plan maintenance resulted in five (5) position reassignments; three (3) market adjustments, and one (1) classification separation. Any permanent employee in a classification assigned to a pay grade where the minimum of the pay grade is greater than the employee's current rate of pay will receive a pay increase to the minimum of the reassigned pay grade. Funds for these increases are included in the FY 2017 budget.
- Nine (9) reorganization requests were reviewed, and resulted in ten (10) position reassignments.
- No pay structure adjustments will be made to pay bands in FY 2017.

The second pay plan includes changes made to classification overtime assignments required by the U.S. Department of Labor rule changes to the FLSA overtime rules. Those



City of Columbia

701 East Broadway, Columbia, Missouri 65201

changes are effective December 1, 2016. Review of classifications impacted by the overtime threshold increase to \$47,476 included the following:

- Market pay structure of current city pay plan;
- Current pay plan ranges and the range minimum's distance to the new \$47,476 threshold;
- Reporting structure of positions in the Classification and Pay Plan;
- Existing pay compression issues;
- Equal application across the organization to avoid equity and potential discrimination issues;
- Annual classification review results for processes completed in FYs 2016 and 2017 (all but two classifications impacted were reviewed in the FY 2017 annual review process; the other two were reviewed for FY 2016);
- Department input and staff discussion; and
- Additional CBIZ consultation services on some classifications.

The annual classification plan review was a key piece of the FLSA issue review. Classifications in C4 and D4 were reviewed for FY 2016; C5 - C8 and D5 - D9 were reviewed this year for FY 2017. If no change to pay grade for a classification was recommended for either of those review years, no change in pay grade was considered in the FLSA review process.

Two pay grades will be changed as a result of this review process. Both C6 and D7 minimums will be increased to the new FLSA threshold of \$47,476. No other changes to pay grades will be made. Any employee in a classification assigned to either of those pay grades who is paid less than that new minimum will receive a pay increase. The FY 2017 proposed budget contains funding for those increases.

The FY 2017 City of Columbia Classification and Pay Plan, and corresponding amendments, effective with the pay period beginning September 25, 2016 are attached. The City of Columbia Classification and Pay Plan, and corresponding amendments, reflecting FLSA overtime assignment changes effective with the pay period beginning November 20, 2016 are also attached.

Fiscal Impact

Short-Term Impact: Funds for all pay increases are included in the FY 2017 proposed budget. Changes in overtime status have the potential to increase overtime pay expense.
Long-Term Impact: Increases in employee pay are considered on an annual basis. Changes in overtime status have the potential to increase overtime pay expense.



Vision & Strategic Plan Impact

Vision Impacts:

Primary Impact: Governance & Decision Making, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Strategic Plan Impacts:

Primary Impact: Operational Excellence, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Comprehensive Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Legislative History

Date	Action
10/07/13	Section 114-496; Policy Res. 194-13; Supporting a compensation philosophy for employees of the City of Columbia, Missouri that reflects the values and goals of the City.

Suggested Council Action

Adopt the ordinance.