

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: September 22, 2010

Board Item: 2-B-2

Annual Wage and Salary Survey Results

Action by Consent

Action

Information

This Board item requests approval from the Board to apply the results of the annual salary survey to Denver Water's pay structure.

Each year Denver Water's Employment and Compensation Group analyzes salary surveys from various sources to compare market pricing for benchmark jobs in each of Denver Water's occupational groups. This process ensures that Denver Water's pay ranges are competitive with other comparable public and private sector entities in the Denver Metro area and with comparable water utilities.

Last year's survey analysis resulted in a recommendation from Human Resources that no market adjustments should be made. This was due to economic indicators showing little movement in wages and salaries for many segments of the market state-wide and nationally. This year's economic indicators reveal a still sluggish economy, but show some growth in hiring practices and pay increases. According to a September article in Workspan magazine, "*The 2010 U.S. average total salary budget increase across all organizations, employee categories, regions and industries is 2.5% with projections for 2011 slightly higher at 2.9%.*"

Salary Survey Results

Surveys gathered by Mountain States Employers Council (MSEC) reported data from 42 organizations in the Utilities/Transportation/Communication industry showing a 2.2% wage increase. World at Work's 2011 projected salary budget increase on a national level was 3% for Utilities, and Mercer's survey for US Compensation Planning in 2010/2011 shows an average increase of 3.0% for the Utilities-Energy industry.

Surveys analyzed by Human Resources included:

- MSEC Front Range Survey for Denver Metro jobs, both public and private
- MSEC Public Sector Survey
- MSEC Information Technology Survey
- American Water Works Association Water/Wastewater Utilities

Based on these analyses the following numbers for Denver Water's seven occupational groups were developed:

Legal Services LS	1.5%
Information Technology IT	2.1%
Administrative and Technical Support ATS	1.9%
Operations and Trades OT	2.6%
Executive, Management and Professional EMP	1.2%
Engineering, Scientific and Technical EST	3.7%
Engineering, Scientific and Professional ESP	1.5%

Budget Impact

As discussed with the Board last year, Denver Water's pay system incorporates traditional steps and grades, similar to that used by the Federal Government. Step increases anticipated in 2011 come to about 1.3% of payroll (\$910,157).

Additionally, the Board has traditionally adjusted salaries based on the results of annual market surveys. In considering the budget impact of adjusting the salary structures, the Staff looked at two options:

- Apply market adjustments to each occupational group's salary structure (Denver Water's standard methodology). This would represent an increase in payroll for introductory, regular and discretionary employees of 2.4% or \$1,704,168.
- Alternatively, apply an across the board increase for all occupational groups of 2.1% (average of all occupational groups) which would increase payroll by about \$1,491,147.

Recommendation:

It is recommended that the Board approve adjustments to the salary structures of each occupational group as indicated above. These adjustments will result in a payroll budget change of 2.4% or \$1,704,168.

Respectfully submitted,


James S. Lochhead, CEO/Manager

Approvals:


Director of Human Resources