

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: October 13, 2010

Board Item: V-B-2

Annual Wage and Salary Survey Results

Action by Consent

Action

Information

At the September 22nd Board meeting, Staff recommended approval of market adjustments to the salary structure for each occupational group. If approved, the market adjustments will increase the 2011 payroll budget by 2.4%. This is in addition to the requested 1.3% budget increase required to finance step adjustments for a total payroll budget increase of 3.7% in 2011.

The recommendation for market adjustments is based on the results of several wage and salary surveys provided by the Mountain States Employers Council (MSEC) and the American Water Works Association (AWWA). AWWA surveyed 43 utilities for Denver Water in a special cut of similar utilities. The survey data from MSEC was collected from 456 organizations along the Front Range, 118 public employers and 341 organizations that participated in the IT survey. The MSEC and AWWA surveys show an overall cost of labor increase of 2.2%. MSEC also reported that 86% of reporting organizations did not eliminate jobs, 83% did not freeze pay and 94% did not implement furloughs.

WorldatWork, the certifying organization for compensation professionals, projects 2011 payroll budgets will increase on a national level by 3% for Utilities. Mercer, an organization providing HR and Finance related services, published a survey for US Compensation Planning in 2010/2011 which shows an average increase of 3.0% for the Utilities-Energy industry.

In a national survey of 2,500 organizations by WorldatWork, the data was broken down into the following categories:

	Actual 2010		Projected 2011	
	Mean	Median	Mean	Median
General increase/COLA (Market)	1.4%	1.0%	1.8%	2.0%
Merit Increase	2.3%	2.5%	2.8%	3.0%
Other increase, i.e. bonuses (not promotional)	0.9%	0.5%	1.0%	0.5%
Total Increase	2.5%	2.7%	2.9%	3.0%

These results mirror the survey results reported by MSEC, AWWA and Mercer.

The Board decided to table the previous Board item and asked staff to bring back options for consideration. Those options, and the budget impact, are summarized below.

Options	
A	No Steps*, No Market Payroll Budget Impact 0%
B	Steps + Market Payroll Budget Impact 3.7%
C	Steps + ½ Market Payroll Budget Impact 2.5%
D	Steps + No Market Payroll Budget Impact 1.3%
E	No Step*, Across-the-Board Market Adjustment of 2.4%
	Payroll Budget Impact 2.4%

**Options that include no step adjustment would require changes to the Personnel Policies*

Summary

Of the options presented above, those involving no step increases in 2011 would require changes to the Personnel Policies. For options involving market adjustments, except Option E, the following percentages would be used to determine structure movement for each occupational group:

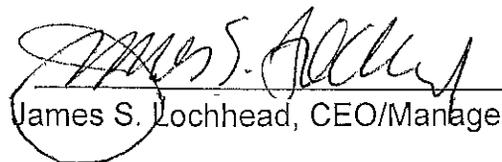
- Legal Services LS 1.5%
- Information Technology IT 2.1%
- Administrative and Technical Support ATS 1.9%
- Operations and Trades OT 2.6%
- Executive, Management and Professional EMP 1.2%
- Engineering, Scientific and Technical EST 3.7%
- Engineering, Scientific and Professional ESP 1.5%

Approvals:

Respectfully submitted,



Director of Human Resources
Carla Elam-Floyd



James S. Lochhead, CEO/Manager