

CITY COUNCIL AGENDA TOPIC

Ordinance amending Ordinance 6764, as previously amended, to replace the existing Executive (E), Mid-Management (M), and General (G) Pay Plans with updated salary schedules and a job classification listing with pay grades.

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EXECUTIVE SUMMARY**ACTION**

This Ordinance replaces the existing E, M, and G Pay Plans previously established by Ordinance 6764 with revised salary schedules and a job classification listing, incorporating recommended changes following a market study of the salaries provided to non-represented staff.

RECOMMENDATION

Move to adopt Ordinance No. 6793

BACKGROUND/ANALYSIS

The City identified a need to broadly assess the non-represented jobs' pay ranges, to ensure that the compensation system is competitive with the market and effective at attracting and retaining a diverse, talented, and productive workforce, while being fiscally sustainable and equitably administered. Such an assessment had not been performed since the pre-existing salary structure for these positions was adopted for the 2001-2002 budget. Management believed that some recent challenges in hiring and retaining staff for certain positions were due to pay and illustrated the need to conduct such a survey.

In 2023, the City contracted with Segal, a prominent benefits and Human Resources consulting firm, to conduct the market study in collaboration with Bellevue's Human Resources Department (HR) with input from department directors, deputy directors, and assistant directors and under guidance of the City Managers and Budget Offices. Segal conducted a study of salaries at peer organizations in similar jurisdictions, and incorporated private sector data, to determine "market rates" for the most used roles in the City's compensation system. The results of the study indicated that the City was providing "at market" compensation for slightly less than half of the surveyed roles (47 percent), that it was slightly "behind market" for half of the surveyed roles (49 percent) and was "leading the market" for a few of the roles (4 percent). On average, the midpoints of the City's salary ranges were 8 percent behind market.

Segal, using these results, helped City HR staff develop updated salary ranges and slot current classifications into the updated ranges. Roles "behind market" were moved up in ranges. Those roles that were already "at market" were kept at or near their prior pay ranges. The few roles already leading the market will remain in ranges that are approximate to the City's 2023 rates when the study

commenced.

In addition to aligning the overall pay structure with the new market rates, for those classifications behind the market, the city is also providing a general market wage increase of up to 4 percent based upon how much the pay range had shifted in the new structure to align with the market rates found by the study.

The City is not reducing salaries or eliminating positions as a result of the study. These updated E, M, and G salary schedules incorporate the salary study results. Changes to base pay rates will be implemented in late June and early July, with the base pay rate changes retroactive to January 1, 2024, for current employees.

POLICY & FISCAL IMPACTS

Policy Impact

The City's core values of exceptional public service, stewardship, commitment to employees, integrity, innovation, and diversity, equity and inclusion guide compensation decisions. Bellevue's total compensation package contributes to these core values and objectives of One City by attracting, engaging, and retaining a high-performing, diverse workforce.

Fiscal Impact

Assuming current staffing, the proposed updated pay ranges would increase spending on salaries by approximately \$3.5 million per year and increase variable benefits tied to salaries by \$590,000 per year. Sufficient funds are available within the 2023-2024 budget to fund the costs for 2024. The costs for 2025 and 2026 will be included in the 2025-2026 budget proposals.

OPTIONS

1. Adopt the Ordinance amending Ordinance 6764, as previously amended, to replace the existing Executive (E), Mid-Management (M), and General (G) Pay Plans with updated salary schedules and a job classification listing with pay grades.
2. Do not adopt the Ordinance and provide alternative direction to staff.

ATTACHMENTS

- A. 2024 Salary Schedules E, M, & G
 - B. Classification Titles with Pay Grades
- Proposed Ordinance No. 6793

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N/A