

EL PASO



COUNTY

COLORADO

County Wide Compensation Investment in Human Capital

November 9, 2017

Nicola Sapp
Deputy County Administrator



Presentation Overview

- ▶ El Paso County Human Capital
 - ▶ History
 - ▶ Comprehensive Compensation Study
 - ▶ Pay for Performance/Cost of Living
 - ▶ Summary



Investment in Human Capital

- ▶ El Paso County is a service based organization
- ▶ Well trained and experienced workforce critical to provide services
- ▶ Even with innovative solutions and maximizing technology
 - ▶ 62% of the 2017 Budget is Personnel
 - ▶ Currently have 2,715 Full-Time Employee (FTEs)
- ▶ Human Capital is the backbone of our organization



Investment in Human Capital History

- ▶ El Paso County Employees have historically been paid less than our peers
- ▶ During the Great Recession, the extensive cuts compounded the issue
 - ▶ 2006-2009 Budget Reductions
 - ▶ Personnel was hit the hardest
 - ▶ Reduction in force of over 12%
 - ▶ Elimination of 195 positions and froze another 100
 - ▶ Employee's individual workloads increased
 - Maintained Compliancy with mandated services
 - ▶ Morale dropped to an all time low



Investment in Human Capital History

▶ November 2013

- ▶ Coming out of the Great Recession, significant personnel issues began to impact operations
 - ▶ After years of carrying additional workloads,
 - ▶ Staff took on an even greater load to effectively address and respond to three natural disasters
 - Burnout and fatigue set in
 - Losing employees in key positions
 - Things slipping through the cracks
- ▶ Board of County Commissioners (BoCC) gave direction to perform a detailed Comprehensive Compensation Study to determine inequities by individual position



Investment in Human Capital Compensation Study

▶ November 2013

- ▶ El Paso County contracted with Mountain States Employer's Council (MSEC) to identify comparable positions within the "Front Range Extra"
 - ▶ Public Sector Comparison - Cities, Towns and Counties along the Front Range from Fort Collins to Pueblo
 - ▶ For some technical positions, comparisons to the private sector were necessary where there was not enough comparable data in the public sector
- ▶ Process was so lengthy, it took almost two years to complete



Investment in Human Capital

2015 Compensation Study

Reviewed 2,128 positions

1. Compared job duties and functions within each job descriptions
 1. Identified comparable positions
2. Compared Pay Ranges for each of those positions
 1. Pay Ranges varied depending on location within the Front Range
 1. Inherently addresses cost of living, comparable salary ranges in major Colorado cities:

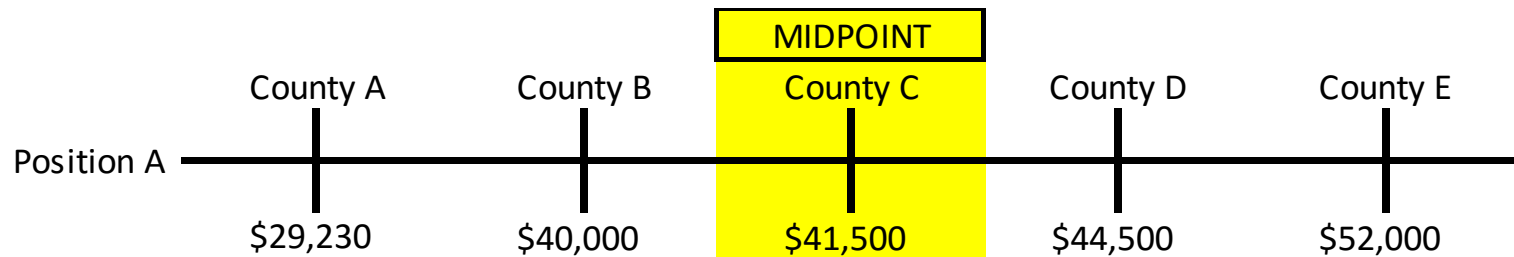
Metro Denver	100%
Fort Collins	94%
Colorado Springs	93%
Pueblo	89%



Investment in Human Capital

2015 Compensation Study

2. Took the average of all salaries within that position to arrive at the “Midpoint”



2. Developed a pay range based on the salary average and requirements of the position
 1. The new range established the “Minimum” and “Maximum” by position
 2. Similar to a bell curve, the methodology took the “Midpoint” and established an appropriate Minimum and Maximum Range
 1. Discounting the outliers



Investment in Human Capital

2015 Compensation Study

Study Results:

Compensation Below Minimum:

- ▶ Identified 810 positions (or 38%) are below minimum
- ▶ As much as 32.6% below the minimum

Compensation Below Midpoint:

- ▶ Identified significant deficiencies when compared to midpoint
 - ▶ In 2015, Additional \$16.4M (in aggregate) to get from Minimum to Midpoint



Investment in Human Capital

2015 Compensation Study

- ▶ **For 2016 BoCC addressed compensation below Minimum**
 - ▶ Brought all employees to “at least minimum” comparative pay
 - ▶ Provided an additional 2% Pay for Performance
 - ▶ Started to adjustment from Minimum to Midpoint
- ▶ **For 2017 BoCC established a multi-year plan to step employees from Minimum to Midpoint**
 - ▶ Phase I of 5 Implemented - \$1.6M across the board 2% in 2017



Investment in Human Capital

2015 Compensation Study

- ▶ **Considerations of Multi-year Plan to Adjust from Minimum to Midpoint**
 1. Implementation would be complete by 2021
 1. Comparative Salary Data will be 6 years old
 - If Salary Ranges only move by a minimal 1.5% throughout that timeframe, we will still be 9% below
 2. Does not take into consideration Pay for Performance and Cost of Living
 1. Still need to reward high performers and attempt to maintain a cost of living



Investment in Human Capital

2015 Compensation Study

▶ Considerations of Five Year Plan to Adjust from Minimum to Midpoint

3. Does not address the impact of changing economic conditions
 - When unemployment is down- demand for specialized and highly skilled positions increases
 - Not just competing with other government agencies
 - Losing staff to private sector
 - Need to compete is increased as we continue to lose institutional knowledge
 - Hiring and Retention Issues
 - Public Works- Highway is losing staff to construction companies
 - Planning and Community Development – losing Inspectors to private sector
 - Information Technology has 74 FTEs authorized and has only been able to fill 59
 - County-wide - top candidates for positions are declining offers and accepting positions elsewhere



Investment in Human Capital

2015 Compensation Study

- ▶ Considerations of Five Year Plan to Adjust from Minimum to Midpoint

- 3. Does not address the changing economic conditions

- ▶ Turnover Rates are increasing

Turnover Rates	
2010	9.5%
2011	11.0%
2012	11.6%
2013	12.0%
2014	11.9%
2015	13.3%
2016	13.7%
2017	13.8% <i>(through October)</i>



Investment in Human Capital

Cost of Living / Pay for Performance

- ▶ In order to retain high performing employees
 - ▶ Also need to award high performers through a Pay-for-Performance
 - ▶ Provide Cost of Living adjustments so we do not continue to slip further behind

Projected 2018 Salary Increases	
---------------------------------	--

Metro Denver	3.0%
Boulder/Longmont	3.0%
Northern Colorado	3.4%
Colorado Springs	3.0%
Pueblo	2.7%
Colo. Western Slope	2.8%
Resort Areas	3.2%
<i>All Colorado</i>	<i>3.1%</i>



Investment in Human Capital Summary

- ▶ **Establishment of Financial Roadmap**
 - ▶ Promotes Collaboration
 - ▶ Provides a Clear Direction
 - ▶ Improved our Bond Ratings
 - ▶ Enhances Citizen Confidence in the Fiscal Management of El Paso County as evidenced by strong support of our initiatives at the polls
- ▶ Identifies an effective strategy to Invest in Human Capital
- ▶ Important to maintain the strategy



Questions?

