



Fulton County Board of Commissioners
Agenda Item Summary

18-1033

BOC Meeting Date
 12/19/18

Requesting Agency
 Personnel

Commission Districts Affected
 All Districts

Requested Action *(Identify appropriate Action or Motion, purpose, cost, timeframe, etc.)*
 A presentation by the County Manager and Department of Human Resources Management on the Incremental Compensation Strategy for Fiscal Year 2019 as an alternative to a COLA.

Requirement for Board Action *(Cite specific Board policy, statute or code requirement)*
 Fulton County Policy.

Is this Item related to a Strategic Priority Area? *(If yes, note strategic priority area below)*
 Yes All People trust government is efficient, effective, and fiscally sound

Is this a purchasing item?
 No

Summary & Background *(First sentence includes Agency recommendation. Provide an executive summary of the action that gives an overview of the relevant details for the item.)*

Scope of Work: (Provide a brief project scope of work of the services/work to be provided)

Over the past several years, the Board of Commissioners (BOC) has taken a number of steps to address compensation matters within the County. The first major step was to implement a new classification and compensation system. The second step involved adopting a living wage principle focused on getting the lowest paid workers to \$32,000. The third step updated several HR procedures that allowed (1) all employees to negotiate their entry salary; (2) employees to receive Pay for Performance payments (P4P); (3) permitted elected officials to control the compensation of their personal staff; and, finally (4) permitted employees to request HR to examine their internal salary equity.

While these measures have placed Fulton County on a path to pay our employees fairly, and to be competitive in this tight labor market, these measures have not provided a solution to address the last of the most significant compensation matters facing the County –

1. compensation congestion, which has limited 85% of the workforce to the lower portion of the salary range regardless of the length of their tenure with the County; and,
2. no real means for employees to progress through the salary ranges.

These areas are the final major compensation sore spot for management and our workforce and, if not addressed, will negate all efforts the BOC and Executive Leadership have taken.

This is the concern we hope to correct with our Incremental Compensation Strategy (ICS).

Agency Director Approval		County Manager's Approval
Typed Name and Title	Phone	
Signature	Date	

Revised 03/12/09 (Previous versions are obsolete)

The Strategy seeks to utilize tenure with the County as a rational to, first, distribute the current workforce within their respective salary range. Further, every third year after implementation, allows the workforce to retain their P4P as a base pay adjustment which would create a predictable and manageable means for the workforce to continue to move within the salary range.

The ICS continues the County’s path of addressing compensation matters using a more systematic approach, rather than the issuance of the traditional COLA which has not provided any meaningful, longer term impact on the workforce’s morale and engagement or on the County’s ability to attract and retain top talent. Furthermore, COLA (at least at this juncture) would undermine the County’s focus on performance and outcomes as a key component of service delivery to our citizens.

Community Impact: (Provide the overall impact on community health, whether the impact would be Countywide or to a specific District, if applicable)

This matter has been a consistent theme and source of the low employee morale within the County. If approved, the community would benefit from higher levels of services from a more engaged workforce.

Department Recommendation: (Provide the user department recommendation)

When the resolution is presented, the Department of Human Resources Management recommends approval.

Project Implications: (What are the future implications of the item in terms of potential changes in budget, service provision, or County policy/operations?)

The HR Department has worked with the Finance Department to develop an approach to begin the implementation of this Strategy within the 2019 proposed budgetary parameters.

Community Issues/Concerns: (Identify any issues/concerns raised by constituents or clients concerning the agenda item and if those issues have been addressed?)

There are no community issues or concerns.

Department Issues/Concerns: (Identify any additional department recommendations or concerns including funding, staffing, external/internal partnerships and operational inefficiencies).

There are no departmental issues or concerns.

History of BOC Agenda Item: (Has this item previously been before the BOC? Yes or No. If yes, for non-purchasing item(s), describe what action(s) were taken.)

There is no history of this item on the Board's agenda.

(For purchasing items, provide the project history chart or if a new procurement, insert “New Procurement”.)

Contract & Compliance Information (Provide Contractor and Subcontractor details.)

Continued

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Signature	Date	

Revised 03/12/09 (Previous versions are obsolete)

Solicitation Information	NON-MFBE	MBE	FBE	TOTAL
No. Bid Notices Sent:				
No. Bids Received:				

Total Contract Value	.
Total M/FBE Values	.
Total Prime Value	.

Fiscal Impact / Funding Source *(Include projected cost, approved budget amount and account number, source of funds, and any future funding requirements.)*
 .

Exhibits Attached *(Provide copies of originals, number exhibits consecutively, and label all exhibits in the upper right corner.)*

Source of Additional Information *(Type Name, Title, Agency and Phone)*

Agency Director Approval		County Manager's Approval
Typed Name and Title	Phone	
Signature	Date	

Revised 03/12/09 (Previous versions are obsolete)

Procurement			
Contract Attached: .		Previous Contracts: .	
Solicitation Number: .	Submitting Agency: .	Staff Contact: .	Contact Phone: .
Description:.			
FINANCIAL SUMMARY			
Total Contract Value:		MBE/FBE Participation:	
Original Approved Amount: .		Amount: .	%. .
Previous Adjustments: .		Amount: .	%. .
This Request: .		Amount: .	%. .
TOTAL: .		Amount: .	%. .
Grant Information Summary:			
Amount Requested: .	<input type="checkbox"/>	Cash	
Match Required: .	<input type="checkbox"/>	In-Kind	
Start Date: .	<input type="checkbox"/>	Approval to Award	
End Date: .	<input type="checkbox"/>	Apply & Accept	
Match Account \$: .			
Funding Line 1: .	Funding Line 2: .	Funding Line 3: .	Funding Line 4: .
KEY CONTRACT TERMS			
Start Date: .		End Date: .	
Cost Adjustment: .		Renewal/Extension Terms: .	
ROUTING & APPROVALS (Do not edit below this line)			
X	Originating Department:	Hermon, Kenneth	Date: 12/10/2018
.	County Attorney:	.	Date: .
.	Purchasing/Contract Compliance:	.	Date: .
.	Finance/Budget Analyst/Grants Admin:	.	Date: .
.	Grants Management:	.	Date: .
X	County Manager:	Anderson, Dick	Date: 12/10/2018



Incremental Compensation Strategy

The Last Piece of the Puzzle



Fulton County Department of Human Resources Management
Kenneth L. Hermon, Jr., SHRM-SCP, IPMA-SCP
Chief Human Resources Officer



Compensation Philosophy Evolution and Opportunities

Actions Already Taken by BOC

\$10M

Implemented Archer Classification and Compensation Study

\$6.5M

Implemented Living Wage Strategy

\$10M

Implemented Pay for Performance Program

\$4.5M

Revamped HR Compensation Policies

Remaining Compensation Opportunities

- 85 % of the workforce is **limited** to the 1st quartile of the salary range
- Employees in same classification with **20+ years** of services (YOS) make the **same or minimally higher** than co-worker with less service
- County has **no means** to advance employees through salary ranges



Steps to Implement Incremental Compensation Strategy



Step 1 - Change Direction & Redistribution

- Migrate away from the Living Wage & freeze pay plan at 2018.
- Effective July 2019, increase County's minimum starting salary from \$ 23,480 to \$ 32,000 or \$15.38 per hour.
- Develop a one-time step pay plan.
- Redistribute workforce based on their tenure, as of January 1, 2019, within the range -
 - Only Permanent (P) and Part-time (PT) staff with salaries below their respective step will have their salaries adjusted
 - Phase 1 – Effective July 2019 - \$ 6MM – 2,900+ impacted
 - Phase 2 – Effective July 2020 - \$ 6MM

Step 2 – Salary Progression

- Every 3rd year from implementation (ie 2021, 2024), Pay for Performance earned will be added to an employee's base pay

Investment	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
P4P Payment	X	X		X	X		X	X		X	X	
P4P ICS	X	X	X			X			X			X
Salary Survey		X					X					X





Impact of Incremental Compensation Strategy

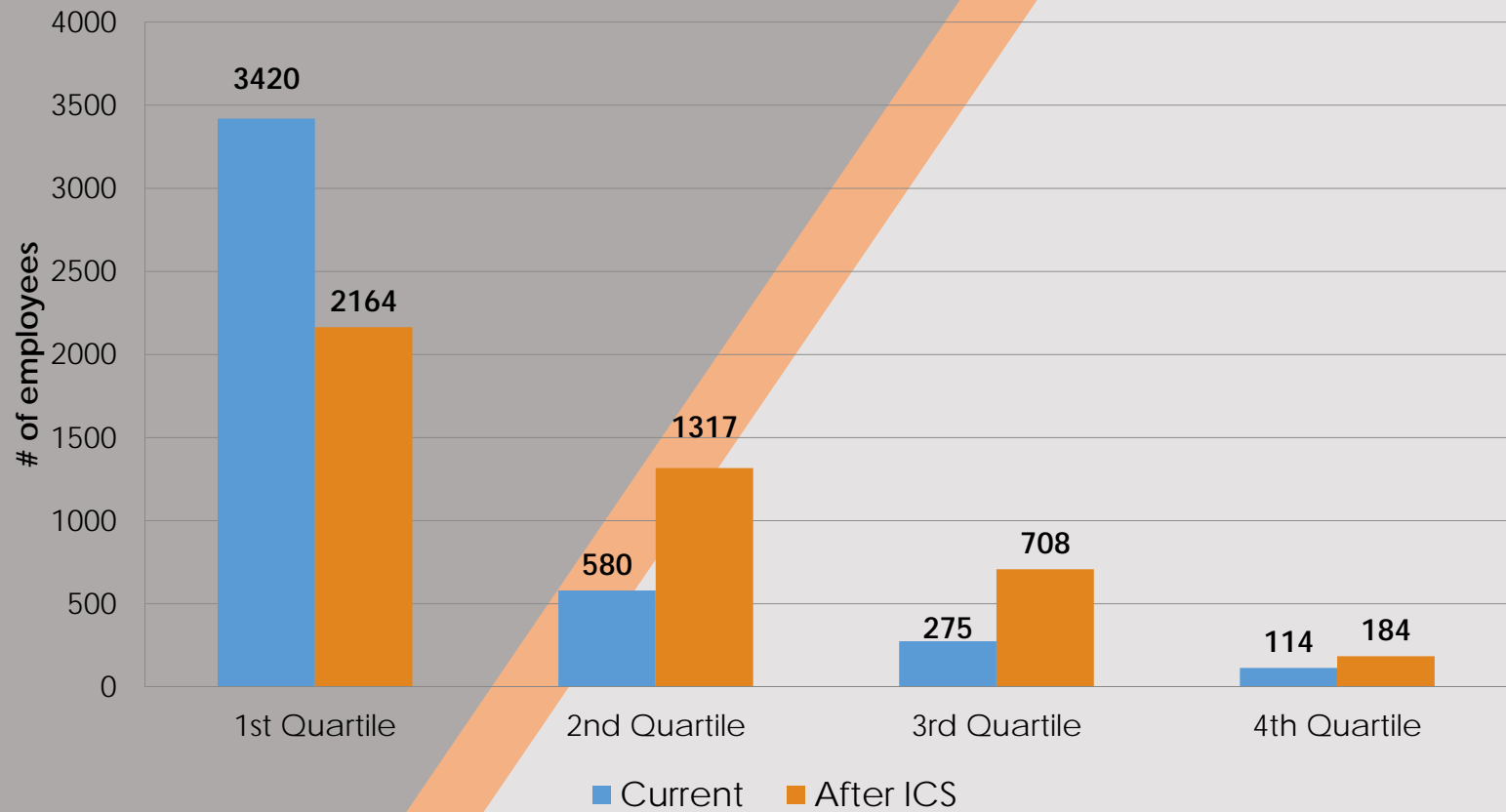
Impact

- Long-term impact on **employee morale**
- Creates an avenue to **attract and retain talent**
- **Enhances our performance** base culture
- Resolves County's **salary congestion** issues
- Creates a predictable/defensible means for **compensation progression**





Distribution of Fulton County's Workforce Grouped into Quartiles





The Benefits of Investing in an ICS vs COLA

	COLA	ICS
Improve Morale/Engagement		
Resolves Salary Congestion		
Improves Turnover/Retention		
Allows for Salary Progression		
Attracts Talent		
Enhances our Performance Culture		
Achieves Living Wage		

