



MEMORANDUM

Date: February 27, 2013

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator 

Re: **Employee Compensation**

Attached is a memorandum I recently addressed to Human Resources Director Allyn Bulzomi regarding examination of a number of options relating to employee compensation for Fiscal Year (FY) 2013/14.

There are a number of factors related to employee compensation that should be taken into consideration by the Board. I will provide the Board with a full array of these options, as well as the aggregate benefit cost of our various employee classes. I will also provide information regarding total gross employee compensation based on a number of factors related to base pay, overtime pay, special assignment pay, shift differential and other forms of compensation. I believe it is important to have a clear understanding of total employee compensation and total benefits associated with employee classifications. The benefit costs may vary considerably based on employee classification, primarily due to retirement contribution requirements imposed on the County.

This information will provide the Board with a clearer picture regarding where employee compensation should be targeted for FY 2013/14.

CHH/dph

Attachment

c: Martin Willett, Chief Deputy County Administrator
Tom Burke, Director, Finance and Risk Management
Allyn Bulzomi, Director, Human Resources Department
Robert Johnson, Budget Manager, Finance and Risk Management



MEMORANDUM

Date: February 14, 2013

To: Allyn Bulzomi, Director
Human Resources Department

From: C.H. Huckelberry
County Administrator

Re: Employee Compensation Options

Please begin compiling information and data regarding employee compensation. There is interest in employee compensation increases for Fiscal Year (FY) 2013/14. This would be the first increase in employee compensation in approximately five years.

There will be a great deal of discussion regarding how an employee compensation package should be structured; whether it is:

- a) A fixed percentage;
- b) A lump sum, one-time compensation;
- c) A graduated percentage based on employee compensation; or
- d) A combination of all of the above.

In order to begin evaluation of the various compensation proposals to be considered, please gather data on the history or distribution of employees, their annual salaries and the average median salary. In addition, we often concentrate solely on base employee compensation and do not include special assignment pay or other special pay categories, including overtime. It would be appropriate to include all of these premium pay categories so we have an accurate picture of compensation and classifications of County employees who receive these types of compensation.

For example, I would not expect a great deal of our clerical employees in administration to receive special assignment or overtime pay; however, I would expect to see a substantial number of our law enforcement Sheriff deputies to receive this form of compensation. We need to ensure when considering employee compensation increases that all of these factors are appropriately weighed.

We also need to compare the County's employee fiscal position compared to others within our region for the last five years. For example, the County has not had any significant layoffs or furloughs; whereas the City of Tucson has had these events. These compensation issues need to be included in future compensation discussions. For

Mr. Allyn Bulzomi
Re: Employee Compensation Options
February 14, 2013
Page 2

example, while our overall raises may have been smaller, there has been little risk of significant layoffs or furloughs, which has an economic value to employees.

In this analysis, we need to clearly understand what other area jurisdictions have done regarding compensation over the last five years and what they may anticipate doing this coming fiscal year. A survey of these jurisdictions should be conducted.

Compensation discussions must be taken into consideration in budget deliberations. For this reason, I am providing a copy of this memorandum to Finance Director Tom Burke so he can alert his staff to these discussions and analyses, as it may be necessary for the County's Payroll Division to provide a number of statistical analyses necessary to evaluate many of the options, as well as the data necessary to understand the issues associated with the average and median wage; and the number of employees receiving special assignment pay or overtime, the amounts of same, and how this may affect their average annual compensation.

I would appreciate receipt of the data requested at your earliest convenience, in consultation with the Finance and Risk Management Department.

CHH/dph

c: **Martin Willett, Chief Deputy County Administrator**
Tom Burke, Director, Finance and Risk Management