

MEMORANDUM

TO: J. William Sanborn, Chair
Salary Commission

FROM: Glenn Hara, Chair
Tier Review Committee

DATE: October 6, 2003

SUBJECT: Final Report on Study of a Tiered Compensation System

The Tier Review Committee (TRC), consisting of Mr. Glenn Hara, Chair; Mr. Paul Mann, Vice Chair; Mr. Joe Tanaka, and Mr. Gerald Kita, was established by the Salary Commission at its meeting of July 7, 2003 to study salary tiering for departments and agencies.

Criteria

The TRC decided to adopt the criteria for evaluating the various departments established in 1991 by a prior commission. Its first step was to ask the departments/agencies for comments and recommendations on the established criteria (see Attachment 1) to assist the TRC in evaluating the criteria for relevancy and appropriateness. A minor addition was made to criteria #5, whereby departments/agencies were asked to indicate whether their salary inversion problem was significant, serious, or a potential one.

To assist in rating this particular criteria on salary inversion, the TRC requested updated information on departments with EMs making more than the department head, to include a projection of others moving up, and listing the top EM positions by department (Attachment 2). Subsequently, the TRC concluded that it would disregard this criteria initially, noting that inversion, in the final analysis, would either exist or not exist in a department and the matter would be taken into consideration at a later point in the review if a department/agency in fact had an inversion problem.

Tier Rating Worksheet

Departments and agencies were subsequently asked to rank themselves, following the criteria, on a tier rating worksheet using a scale of 1-3 (1=below average, 2=average, 3=above average). The TRC then plotted its own ranking on the worksheet, comparing it with the prior commission's ranking. A tier rating worksheet showing the TRC's preliminary ranking is enclosed for your review (Attachment 3).

The Mayor was asked to do an overall evaluation (ranking) of the department and agency heads on the worksheet. To date, the TRC has not received the completed worksheet; however, it will be forwarded to the Commission upon receipt.

Tiers

The TRC tentatively determined that there will be four tiers:

- Tier 1 – Mayor
- Tier 2 – Managing Director, Prosecuting Attorney
- Tier 3 – Departments/agencies (see below for list)
- Tier 4 – Departments/agencies (see below for list)

The TRC's assumption is that deputies will receive a salary 5% below the department head, and, therefore, deputies were not ranked on the rating worksheet.

Upon acceptance of the recommendations in this report, it is envisioned that the full Commission will invite each department and agency head to appear before the Commission to comment on the TRC's report and recommendations.

Establishment of Committee to Study Council Salaries

The TRC recognizes that the Council adheres to different criteria from the department/agency heads. In view of this, and to expedite the process, the TRC recommends that the Chair establish a second committee to study Council salaries.

Recommendations

1. The TRC recommends that the Salary Commission adopt the TRC's recommendations below for the purpose of circulating them as the Salary Commission's proposed action on executive salaries for comment from County departments/agencies and the public.

- A. The department/agencies be assigned to tiers indicated below.

Tier 3 –Corporation Counsel
Civil Service
Environmental Management
Finance
Fire
Housing
Planning
Police
Public Works

Tier 4 –Data Systems
Liquor
Parks & Recreation
Research & Development
Mass Transit
Legislative Auditor
County Clerk

- B. The tiers be allocated to the pay grades indicated below:

Tier 1 - A-20
Tier 2 - A-19
Tier 3 - A-18 (Deputies at A-17)
Tier 4 – A-17 (Deputies at A-16)

The TRC also recommends that department heads and deputies start at step A, except for Police and Fire, who are currently at A-18(C), and Public Works, who, because of the existing inversion problem, should also start at step C.

- C. That the Commission adopt the pay schedule at Attachment 4.
2. Additionally, the TRC recommends that the Chair establish another committee to study and report on Council members salary, which was not addressed by the Tier Review Committee.