ORDINANCE NO. 2677

AN ORDINANCE of the City of Kent, Washington, establishing criteria for determining department director salaries based upon merit and performance for the City of Kent; amending Section 2.40, Kent City Code.

WHEREAS, the City Council has considered a report and comprehensive analysis concerning departmental director (City Administrator, Assistant City Administrator, Public Works Director, City Attorney, Police Chief, Planning Director, Parks and Recreation Director, Fire Chief, Finance Director, and Information Services Director) salaries based upon job merit performance criteria; and has analyzed the financial impact of implementing such study recommendations attached herein as Exhibit A and incorporated by reference herein, including hearings before the Council; and

WHEREAS, it being determined that it is in the best interests of the City of Kent to implement an evaluative system of merit and performance for salary review and promotion of executive department directors and de-emphasizing longevity as the sole basis for salary review and promotion; and determining further that salary assignments of such directors should be based upon factors including but not limited to relative job content, responsibility, competitiveness, attracting and retaining qualified staff; and providing an opportunity to encourage and recognize job excellence; and

WHEREAS, in recognition of the benefits to be derived at the City of Kent from implementing such study recommendations as criteria for establishing a comprehensive evaluative system of executive departmental director salaries; NOW THEREFORE

THE CITY COUNCIL OF THE CITY OF KENT, WASHINGTON DOES HEREBY ORDAIN AS FOLLOWS:
Section 1. Section 2.40.010 Kent City Code (Ordinance 1573) is amended as follows:

2.40.010. SALARIES. With the exception of the salaries of the members of the Kent City Council and the Mayor, the salaries and compensation of all officers, department heads and employees of the City of Kent shall be that as established in the salary schedule, as reflected in the annual budget ordinance adopted by the City Council. (0.1573, §2) Salaries for department directors, including the City Administrator, Assistant City Administrator, Public Works Director, City Attorney, Police Chief, Planning Director, Parks and Recreation Director, Fire Chief, Finance Director, and Information Services Director shall be based upon an evaluation system of merit and performance as described in Exhibit A, "Salary Study and Recommendations for Department Director Positions of the City of Kent dated June 1986", incorporated by reference herein which includes such factors as responsibility, expertise, technical knowledge and competence, management ability, competitiveness, and job content as adopted by the City Administrator and published in the City of Kent Policies and Procedures Manual.

Section 2. Effective date. This Ordinance shall take effect and be in force five (5) days from and after its passage, approval and publication as provided by law.

ATTEST:

[Signature]
MARIE JENSEN, CITY CLERK

APPROVED AS TO FORM:

[Signature]
BILL H. WILLIAMSON, ACTING CITY ATTORNEY
PASSED the 3 day of Dec., 1986.
APPROVED the 4 day of Dec., 1986.
PUBLISHED the 7 day of Nov., 1986.

I hereby certify that this is a true copy of Ordinance No. 2677, passed by the City Council of the City of Kent, Washington, and approved by the Mayor of the City of Kent as hereon indicated.

[Signature]
MARIE JENSEN, CITY CLERK

(SEAL)
EXHIBIT "A"

SALARY STUDY AND RECOMMENDATIONS

FOR

DEPARTMENT DIRECTOR POSITIONS

OF THE

CITY OF KENT

JUNE 1986

JAMES CONSULTING SERVICES
1700 FOURTH & BLANCHARD BUILDING
SEATTLE, WASHINGTON 98121
(206) 441-5900
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I. INTRODUCTION

In May, 1986, James Consulting Services was requested by the City of Kent to conduct a study regarding the City's salary schedules for Department Director positions. This report documents the methodology, findings, and recommendations of the project.

The following positions are included in the project:

- City Administrator
- Assistant City Administrator
- Public Works Director
- City Attorney
- Police Chief
- Planning Director
- Parks & Recreation Director
- Fire Chief
- Finance Director
- Information Services Director
The consultants were requested to develop salary ranges that:

- Provide for a high degree of internal salary equity. Salary assignments should be based upon relative job content and responsibility.

- Assure external competitiveness. The salary ranges developed should permit the City to attract and retain qualified executive staff.

- Provide the opportunity to encourage, recognize and reward exceptional levels of individual job performance.

The remainder of this report presents the findings of the study and the consultants' recommendations.
II. METHODOLOGY

Briefing

The success of any project of this kind depends in large measure on the understanding and support of those individuals affected by it. Particular attention was given to communicating completely and candidly with the staff included in the project. At the onset of this project, a meeting was held with the directors to explain the project, its objectives, the background and reason for it being undertaken, the methods to be used, and the possible outcomes, as well as to respond to employee questions. The staff also had an opportunity to provide input to project design.

Job Content Data

It is important that the consultants have accurate and complete information about the nature of each position's duties and responsibilities. This information is critical to assure the accuracy of the salary survey matching and that the position evaluations are reflective of job content.

This position content information was obtained through two sources:

- The consultants reviewed the existing position descriptions and other pertinent information.

- Each incumbent was personally interviewed by a consultant. The purpose of the interview was to make sure that the consultants had up-to-date information concerning job duties and that the employee had an opportunity to communicate the nature of his position.
### III. EXTERNAL SALARY COMPARISONS

**Survey Participants**

Assessing the competitive posture of the City's salary practices for managerial positions requires making comparisons with the salary levels of other organizations. In order to furnish this information, the consultants conducted a special survey of salary practices among a group of Puget Sound area public employers. The sample of survey participants was selected jointly between the consultants and City staff to be representative of jurisdictions comparable in size and complexity to the City of Kent and those within the City's recruiting base for executives. The survey included the following organizations:

<table>
<thead>
<tr>
<th>Cities</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auburn</td>
<td>Lynnwood</td>
</tr>
<tr>
<td>Bellevue</td>
<td>Mercer Island</td>
</tr>
<tr>
<td>Bellingham</td>
<td>Olympia</td>
</tr>
<tr>
<td>Bremerton</td>
<td>Redmond</td>
</tr>
<tr>
<td>Edmonds</td>
<td>Renton</td>
</tr>
<tr>
<td>Kirkland</td>
<td>Vancouver</td>
</tr>
<tr>
<td>Longview</td>
<td>King County</td>
</tr>
<tr>
<td></td>
<td>Port of Seattle</td>
</tr>
<tr>
<td></td>
<td>Municipality of Metropolitan Seattle</td>
</tr>
</tbody>
</table>
Survey Benchmarks

As it is not feasible to survey for all included positions, the benchmarking approach was employed. This process involved the selection of a group of key positions -- or benchmarks -- to be used as the basis for the external comparisons.

The survey benchmarks were selected by the consultants on the basis of the following criteria:

- Typically found in the survey jurisdictions.
- Relatively unambiguous in their structure and design.
- Susceptible to clear summary descriptions.

The following positions were included as benchmarks:

City Administrator  
City Attorney  
Director of Public Works  
Finance Director  

Police Chief  
Planning Director  
Director, Parks & Recreation  
Information Services Director
<table>
<thead>
<tr>
<th>Benchmark</th>
<th>City of Kent Salary Range</th>
<th>Number of Organizations Matching</th>
<th>ADJUSTED ** SURVEY FINDINGS</th>
<th>Average Actual Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Administrator</td>
<td>4242</td>
<td>4700</td>
<td>5157</td>
<td>8</td>
</tr>
<tr>
<td>City Attorney</td>
<td>3659</td>
<td>4057</td>
<td>4454</td>
<td>9</td>
</tr>
<tr>
<td>Director, Public Works</td>
<td>3659</td>
<td>4057</td>
<td>4454</td>
<td>15</td>
</tr>
<tr>
<td>Finance Director</td>
<td>3234</td>
<td>3586</td>
<td>3937</td>
<td>14</td>
</tr>
<tr>
<td>Police Chief</td>
<td>3234</td>
<td>3586</td>
<td>3937</td>
<td>14</td>
</tr>
<tr>
<td>Fire Chief</td>
<td>3234</td>
<td>3586</td>
<td>3937</td>
<td>13</td>
</tr>
<tr>
<td>Planning Director</td>
<td>3234</td>
<td>3586</td>
<td>3937</td>
<td>12</td>
</tr>
<tr>
<td>Director, Parks &amp; Recreation</td>
<td>3234</td>
<td>3586</td>
<td>3937</td>
<td>14</td>
</tr>
<tr>
<td>Information Service Director*</td>
<td>3081</td>
<td>3415</td>
<td>3749</td>
<td>11</td>
</tr>
</tbody>
</table>

* Private sector data for this position averages $4,667.

** The reported survey rates were adjusted to reflect differences in job content between the City of Kent's positions and those of the survey participants. The following rating scale was used:
Data Collection

A consultant personally contacted each of the survey participants to verify information regarding current salary ranges and actual salaries paid.

At the same time, the consultants collected information regarding the size (budgets, number of subordinates), reporting relationships and functions of the participants' jobs. This job content information was used to calculate the job match factor.

Analysis

Table I, following page, summarizes the results of the salary survey. Shown on the table are:

- Benchmark title.
- The City of Kent's current salary range for the benchmark.
- The number of jurisdictions with a matching position.
- Survey Findings.* The average of the participants' salary ranges and actual salaries paid.

*NOTE: An adjustment factor has been added to the survey data to reflect differences in job content between the City of Kent's position and those in the surveyed organizations.
Table I - continued

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) The survey participant's job has substantially greater tasks and responsibilities.</td>
<td>-20%</td>
</tr>
<tr>
<td>2) The survey participant's job has slightly greater tasks and responsibilities.</td>
<td>-10%</td>
</tr>
<tr>
<td>3) The survey participant's job is essentially comparable to this description.</td>
<td>0</td>
</tr>
<tr>
<td>4) The survey participant's job has slightly less tasks and responsibilities.</td>
<td>+10%</td>
</tr>
<tr>
<td>5) The survey participant's job has substantially less tasks and responsibilities.</td>
<td>+20%</td>
</tr>
</tbody>
</table>

For example, if one of the survey jurisdictions had a job with a monthly salary of $4,000 but was rated a 1 (substantially greater tasks and responsibilities than Kent's matching position), then the salary would have been adjusted to $3,200. The application of this adjustment factor permits inclusion of a wider range of survey observations.
Conclusions

The City of Kent's salary range midpoints for the included positions are, on the average, approximately 3½ percent below the adjusted survey average midpoint, and close to 10 percent below the average of actual salaries paid. The maximums of the City's ranges are approximately 5½ percent below those of the survey participants.
IV. POSITION RANKINGS

In order to assure a salary plan emphasizing internal equity, it is necessary to evaluate the relative job content of the included City positions.

The consultants examined each of the positions based upon the following factors:

- Technical knowledge
- Complexity and diversity of functions managed
- Dimensions (such as budgets and number of subordinates)

As a result of this analysis, we viewed the positions as falling into the following clusters:

**Level 1** - City Administrator  
**Level 2** - Director of Public Works  
                      Police Chief  
                      Fire Chief  
                      Director of Parks & Recreation

**Level 3** - Finance Director  
              Director of Planning  
              City Attorney  
              Information Services Director  
              Assistant City Administrator
V. RECOMMENDATIONS

Salary Plan

Table II, following page, displays a summary of the study findings and the consultants' recommended salary ranges and salary placement.

Shown on the table are:

- The suggested grouping of the positions by level.
- The City's current salary range.
- Survey findings.
- The recommended salary range for each level. The control (or mid) point of each salary range was set at the average of the actual salaries for the survey positions within that level. The minimums and maximums are set at 82\% and 1.17\%, respectively, of the control point, thus allowing for a range width of approximately 35 percent.
<table>
<thead>
<tr>
<th>Level</th>
<th>Position</th>
<th>Current</th>
<th>Midpoint</th>
<th>Midpoint</th>
<th>Actual</th>
<th>Min. Control</th>
<th>Max.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>City Administrator</td>
<td>$4700</td>
<td>$5320</td>
<td></td>
<td></td>
<td>$4390</td>
<td>$5320</td>
</tr>
<tr>
<td>Level 2</td>
<td>Director of Public Works</td>
<td>4057</td>
<td>4043</td>
<td>4121</td>
<td></td>
<td>3530</td>
<td>4280</td>
</tr>
<tr>
<td></td>
<td>Police Chief</td>
<td>3586</td>
<td>4042</td>
<td>4209</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fire Chief</td>
<td>3586</td>
<td>4072</td>
<td>4349</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>* City Attorney</td>
<td>4057</td>
<td>3969</td>
<td>4792</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Director of Parks &amp; Recreation</td>
<td>3586</td>
<td>3766</td>
<td>3917</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level 3</td>
<td>Finance Director</td>
<td>3586</td>
<td>3795</td>
<td>3961</td>
<td></td>
<td>3175</td>
<td>3850</td>
</tr>
<tr>
<td></td>
<td>Director of Planning</td>
<td>3586</td>
<td>3760</td>
<td>3743</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Information Services Director</td>
<td>3415</td>
<td>3398</td>
<td>**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Assistant City Administrator</td>
<td>3154</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Raised a level to recognize survey findings.

** Not used because of variation between public and private salary levels.
CITY OF KENT
DEPARTMENT DIRECTOR POSITIONS
PERFORMANCE PAY PROGRAM
SALARY ADJUSTMENT GUIDE

%  

Maximum 117.5  

108.75  

104  

Control Point 100  

Increment +8%  

91.25  

Increment +6%  

Minimum 82.5  

Increment +4%  

Far Exceeds Requirements  

Exceeds Requirements  

Fully Proficient  

Progressing  

Unsatisfactory  

Perfomance Rating
Executive Salary Administration

Your salary program should provide for equitable treatment of all employees who come within its scope. Normally an individual's salary should be a function of:

- The position's evaluated worth, establishing internal fairness;
- The salary policy, establishing external competitiveness; and
- The level of job performance of the employee, which determines his or her relative position within the range.

Salary Adjustment Guide

The Salary Adjustment Guide, facing page, provides for salary action that is consistent with sound salary administration concepts. In addition, it has the advantage of being responsive to changes in the rate of movement of salaries from one year to another, yet does not require changes in the percentages shown on the Guide. A major advantage is that it is a means of informing individual employees as to the basis for salary movement within ranges.

As its name implies, the Salary Adjustment Guide is intended as a tool to assist management in making appropriate and consistent salary determinations. It is expected that some latitude be exercised in actual increases granted, based upon judgments regarding individual situations.
The Guide contains three principal features:

1. **Performance Zones**

   Of major importance in setting an individual's salary level is that employee's level of job performance. Your pay practice should reward accomplishment which contributes to achieving overall city objectives. Employees should view their salaries as reasonably reflecting their individual contributions. The level of pay should contribute to the employee's motivation to achieve and should lend to his or her general satisfaction with the work situation.

   Five levels of performance are included in the Guide. They are defined on the succeeding page.
## CITY OF KENT
### DEPARTMENT DIRECTOR POSITIONS
#### PERFORMANCE EVALUATION LEVELS

<table>
<thead>
<tr>
<th>Level</th>
<th>Definition</th>
<th>Normal Distribution of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAR EXCEEDS</td>
<td>Consistently and in all major job areas, performance is substantially in excess of job's expectations. Significant contributions to City and department success are documented.</td>
<td>0-10%</td>
</tr>
<tr>
<td>REQUIREMENTS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EXCEEDS</td>
<td>Performance is clearly better than required by the job. Performance level is documented.</td>
<td>20%</td>
</tr>
<tr>
<td>REQUIREMENTS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FULLY</td>
<td>The expectations of the job are being met.</td>
<td>60-70%</td>
</tr>
<tr>
<td>PROFICIENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROGRESSING</td>
<td>Progressing satisfactorily; performance is below the expectations of the job, but the employee is progressing on schedule.</td>
<td>0-10%</td>
</tr>
<tr>
<td>UNSATISFACTORY</td>
<td>Improvement needed; performance falls short of meeting the job's requirements in one or more significant areas.</td>
<td>0-10%</td>
</tr>
</tbody>
</table>
2. **Salary Range**

A salary control point is shown, which identifies the level of salary to which most employees would tend to move over time. It is not considered a "ceiling" for all employees, but does indicate the pay standard appropriate for most employees. The control point is shown as 100 percent on the Guide and is intended to represent the market average for each position.

To provide for proper compensation recognizing the varying performance levels, a salary range is afforded. The minimum is 82½ percent of the control point; the maximum is 117½ percent of the control point.

Salary ceilings have been established within each performance zone. For "fully proficient" employees, for example, the maximum salary is 104 percent of the control point; for "far exceeds requirement" staff, however, the ceiling is 117.5 percent of control point. These varying ceilings are intended to permit recognition and encouragement of superior performance levels.

New incumbents in a position would normally start at the minimum for that position, unless the incumbent had been promoted to the position from another internal position and was already paid at a rate above the minimum or is experienced at the level and kind of accountabilities performed. Under normal circumstances, an employee will move from minimum of the salary range to control point in approximately four years.

Under normal circumstances, a new hire should not be hired at a rate exceeding 90% of control point salary.
3. **Salary Adjustment**

As suggested, differing levels of performance should be reflected in different rates of pay in order to enhance the fairness of the plan. Therefore, each zone of performance has a maximum or ceiling rate as well as different suggested salary increase amounts.

The maximum salary adjustments are expressed as percentages of the employee's base salary.

Salary increases up to the respective performance ceiling are identified on the Salary Adjustment Guide as increments plus percentages appropriate to the different zones of performance. The value of an increment is determined annually by management and is normally equal to the annual salary range adjustment.

**To illustrate:** If the average increase in the salary ranges is 5 percent, an increment would equal 5 percent. A Fully Proficient performer, assuming a maximum allowable adjustment, could receive up to a 9 percent increase (5 percent plus 4 percent) or would have his or her salary moved to 104% of the control point, whichever is less.

Each performance zone provides for the same one-increment increase based on the rationale that, faced with current economic conditions, a part of any employee's salary increase is intended to reflect change in the market value of the position. An exception is provided in the Unsatisfactory performance zone, since there may be specific instances where job performance is so poor that awarding any salary increase in inappropriate.
Incentive Award

In addition to the performance pay program, we suggest that the City implement an incentive award program. The award would only be granted to those directors who have:

- Reached 104% of their control point and
- Have exceeded the standards and expectations of their position.

The amount of the award would vary between two and ten percent of salary based upon individual performance level and the City's economic conditions.
Implementation

We suggest that the program be implemented as follows:

. In 1986, the incumbents' salaries should be moved to 104% of control point or increased by 4%, whichever is less. No one should experience a salary reduction.

. In 1987 and thereafter, the full salary adjustment guide should be used.

The table on the following page displays the proposed implementation plan.
### CITY OF KENT
### DEPARTMENT DIRECTOR POSITIONS
### IMPLEMENTATION PLAN

<table>
<thead>
<tr>
<th>Position Title</th>
<th>Name of Incumbent</th>
<th>Current Salary</th>
<th>Control Point Salary</th>
<th>Recommended Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Administrator</td>
<td>B. McFall</td>
<td>$4,677</td>
<td>$5,320</td>
<td>$4,864</td>
</tr>
<tr>
<td>Director of Public Works</td>
<td>D. Wickstrom</td>
<td>4,469</td>
<td>4,280</td>
<td>4,469</td>
</tr>
<tr>
<td>Police Chief</td>
<td>R. Frederiksen</td>
<td>3,573</td>
<td>4,280</td>
<td>3,716</td>
</tr>
<tr>
<td>Fire Chief</td>
<td>N. Angelo</td>
<td>3,947</td>
<td>4,280</td>
<td>4,105</td>
</tr>
<tr>
<td>City Attorney</td>
<td></td>
<td></td>
<td>4,280</td>
<td></td>
</tr>
<tr>
<td>Director of Parks and Recreation</td>
<td>B. Wilson</td>
<td>3,952</td>
<td>4,280</td>
<td>4,110</td>
</tr>
<tr>
<td>Finance Director</td>
<td>L. McCarthy</td>
<td>3,947</td>
<td>3,850</td>
<td>4,004</td>
</tr>
<tr>
<td>Director of Planning</td>
<td>J. Harris</td>
<td>3,952</td>
<td>3,850</td>
<td>4,004</td>
</tr>
<tr>
<td>Information Services Director</td>
<td>R. Spang</td>
<td>3,749</td>
<td>3,850</td>
<td>3,899</td>
</tr>
<tr>
<td>Assistant City Administrator</td>
<td>M. Webby</td>
<td>3,494</td>
<td>3,850</td>
<td>3,634</td>
</tr>
</tbody>
</table>

**TOTAL**  
$35,760  
$36,805