

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution 05-14

For the purpose of approving the trending of the pay ranges included in the Pay-For-Performance program, and authorizing the General Manager to implement the new pay ranges effective July 1, 2005.

Whereas, the Commission, in accordance with MERC Personnel Policies, maintains a Pay-for-Performance program for its full-time, non-represented staff; and,

Whereas, the Commission performs a trend analysis each year to ensure that its non-represented pay ranges stay comparable with the market place; and

Whereas, the Commission finds that it is important to perform this trend analysis on an annual basis in order to assure that the Commission is able to recruit and retain highly qualified staff; and

Whereas, Commission staff requested Milliman, USA to perform a trend analysis of the current market conditions with regard to pay ranges for those positions that are included in the Pay-for-Performance program; and

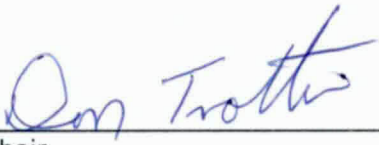
Whereas, Milliman, USA recommended trending the Executive Management pay scale 1.7%, the Management pay scale 1.8%, and the Supervisory/Technical/Administrative pay scale 2.0% for FY2005-06; and

Whereas, the Commission finds that a comprehensive classification/compensation study in lieu of the trend analysis should be performed every 5 years to ensure the classification descriptions are accurate and up-to-date,

THEREFORE BE IT RESOLVED:

1. Effective July 1, 2005, Executive Management full-time, non-represented pay ranges are increased by 1.7%; Management pay ranges are increased by 1.8% and Supervisory/Technical/Administrative full-time, non-represented pay ranges are increased by 2.0%; except that pay ranges that were frozen in the 2002-2003 classification and compensation study shall not be increased.
2. The Commission authorizes the General Manager to implement the pay range changes effective July 1, 2005, and to increase the salaries of those employees who fall below the new minimum pay for their classification.
3. The Commission continues to direct the General Manager to perform a yearly trend analysis in those years in which a classification/compensation study is not being performed.

Passed by the Commission on May 25, 2005.



Chair



Secretary-Treasurer

Approved As To Form:
Daniel B. Cooper, Metro Attorney

By: 

Lisa Umscheid, Senior Attorney

MERC STAFF REPORT

Agenda Item/Issue: CONSIDERATION OF RESOLUTION 05- FOR THE PURPOSE OF MAINTAINING THE INTEGRITY OF THE PAY-FOR-PERFORMANCE PROGRAM

Resolution no. 05-14

Date: May 25, 2005

Presented by: Tanya Collier

BACKGROUND:

In 1998, the MERC Commission adopted a Pay-for-Performance Program that rewards the performance and contribution of full-time, non-represented employees. Pay increases are tied to the achievement of individual and group goals and to specific performance factors identified through a goal setting process. Each classification is assigned a pay range that is competitive in the labor market. The ranges are made up of a minimum and a market target. Employees are able to earn increases to base pay up to the market target of their range. Once an employee is at market target, future performance increases are delivered as a one time only lump sum not to exceed the maximum of their salary range.

Milliman U.S. A. Consultants were asked to trend salary ranges for the year 2005; this Resolution implements their recommendation. (Exhibit A)

RESOLUTION 05-14:

Increases Executive Management salary ranges by 1.7%, Management salary ranges by 1.8% and Supervisory/Technical/Administrative salary ranges by 2.0%. Excepted from this range adjustment are those classifications that were frozen at the time the 2002-03 classification/compensation study was implemented.

SHORT RANGE FISCAL IMPACT: None

LONG RANGE FISCAL IMPACT:

The salary ranges moving 1.7%, 1.8% or 2.0% means the market target in the salary range will also move by that percentage. Employees who are nearing or at the market target will be eligible for a pay-for-performance increase to their base salary as opposed to only a bonus if they were already at their market target.

RECOMMENDATION:

Staff recommends approval of Resolution 05-14.



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May 12, 2005

Ms. Tanya Collier
Human Resources Manager
Metropolitan Exposition-Recreation Commission
777 NE MLK JR Blvd
Portland, Oregon 97232

Re: 2005 Market trend analysis for salary structures

Dear Tanya:

Per your request, Milliman has completed a market trend analysis for MERC's 2005 salary structure. The process we followed for this analysis was identical to that when we provided MERC's market trend analysis last year. In summary, we based our recommendations on information gathered from three different salary structure planning surveys representing both public and private sector organizations in the Portland metropolitan market. The surveys utilized were Milliman's 2005 Portland Area Cross-Industry Survey, Milliman's 2005 Oregon Public Employers Salary Survey, and WorldatWork's 2005 Total Salary Increase Budget Survey.

Our findings are split into MERC's pay plan categories (Executive Management, Management, and Supervisory/Technical/Administrative).

The table below displays the amount that organizations are increasing their salary structures in 2005, as opposed to average actual increases to employee pay (i.e. COLA, merit, bonus). You'll note that this is a slightly higher increase recommendation for each employee group compared to 2004's recommendation.

<i>Employee Group</i>	<i>Recommended Increase Salary Structure</i>
Executive Management	1.7%
Management	1.8%
Supervisory/Technical/Administrative	2.0%

Tanya, please let me know if you have any questions. I can be reached at (206) 504-5965.

Sincerely,

Greg McNutt

Senior Compensation Consultant