

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution 06-13

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, 2006.

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 Consultants and Actuaries 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 recommended trending the Executive Management pay scale 2.5%, the Management pay scale 2.5%, and the Supervisory/Technical/ Administrative pay scale 2.6% for FY2006-07; 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:

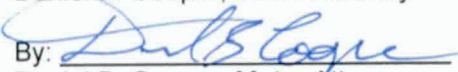
1. Effective July 1, 2006, Executive Management full-time, non-represented pay ranges are increased by 2.5%; Management pay ranges are increased by 2.5% and Supervisory/Technical/Administrative full-time, non-represented pay ranges are increased by 2.6%.
2. The Commission authorizes the General Manager to implement the pay range changes effective July 1, 2006, 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 June 28, 2006.


Chair

Secretary-Treasurer

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

By: 
Daniel B. Cooper, Metro Attorney

MERC STAFF REPORT

Agenda Item/Issue: CONSIDERATION OF RESOLUTION 06-13 FOR THE PURPOSE OF MAINTAINING THE INTEGRITY OF THE PAY-FOR-PERFORMANCE PROGRAM

Resolution no. 06-13

Date: June 28, 2006

Presented by: Rachel Bertoni

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 Consultants and Actuaries was asked to trend salary ranges for the year 2006-07; this Resolution implements their recommendation, which is attached.

RESOLUTION 06-13:

Increases Executive Management salary ranges by 2.5%, Management salary ranges by 2.5% and Supervisory/Technical/Administrative salary ranges by 2.6%.

SHORT RANGE FISCAL IMPACT:

Implementation costs to bring to the minimum any employees who drop below the new range will be approximately \$6925.

LONG RANGE FISCAL IMPACT:

The salary ranges moving 2.5%, 2.5% or 2.6% 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 06-13.



Milliman

Consultants and Actuaries

1301 Fifth Avenue, Suite 3800
 Seattle, WA 98101-2605
 Tel. +1 206 824.7940
 Fax +1 206 340.1380
 www.milliman.com

June 8, 2006

Ms. Rachel Bertoni
 Human Resources Manager
 Metropolitan Exposition-Recreation Commission
 777 NE MLK Jr Blvd
 Portland, Oregon 97232

Re: 2006 Market trend analysis for salary structures

Dear Rachel:

Per your request, Milliman has completed a market trend analysis for MERC's 2006 salary structure. The process we followed for this analysis was identical to what we provided for 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 2006 Portland Area Cross-Industry Survey, Milliman's 2006 Oregon Public Employers Salary Survey, and WorldatWork's 2006 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 percentage that organizations are increasing their salary structures in 2006, as opposed to average actual increases to employee pay (i.e. COLA, merit, promotion). Similar to last year's recommendation, there is a slightly higher increase recommendation for each employee group compared to 2005's recommendation.

<i>Employee Group</i>	<i>Recommended Increase Salary Structure</i>
Executive Management	2.5%
Management	2.5%
Supervisory/Technical/Administrative	2.6%



Ms. Rachel Bertoni
June 8, 2006
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Rachel, please let me know if you have any questions. I can be reached at (206) 504-5965.

Sincerely,

Greg McNutt
Senior Compensation Consultant