



Peter R.  
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Company

CITY OF WILMINGTON  
Union 320

2023 SALARY ADMINISTRATION PROGRAM

FINAL

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Strategic Compensation Solutions. Valuable Results

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# METHODOLOGY

## Introduction

Peter R. Johnson & Company (PRJ), specialists in compensation consulting, was retained by the City of Wilmington for the purpose of conducting a compensation review for its Union 320 positions.

The following information details the project methodology.

- Initially, Peter R. Johnson & Company (PRJ) gathered organizational information in the form of base compensation, and other data, as necessary.
- Conducted interviews with key senior leaders.
- Reviewed published surveys for competitive labor market comparisons.
- “Matched” positions to survey job descriptions to ensure appropriate comparisons.
- Competitive labor market has been defined to include organizations of a similar size (operating budget, number of employees), geographic region and industry.
- Data was extracted and tabulated from the published surveys based upon the cluster comparisons noted above. Percentiles and medians were also utilized in the analysis.
- The data was adjusted econometrically from the date of the data collection to July 2023.
- The survey data utilized and resulting average rates of base compensation are displayed for all positions.

Once competitive labor market rates were identified, the consultant developed the salary structure which reflects the trend of data. Average rates of pay for the positions provide the foundation for the grade midpoint, or average market rate for the position.

After updating the salary ranges, a financial analysis (or compa-ratio) was developed to determine the competitive compensation posture of the City of Wilmington’s Union 320 employees. The compa-ratio analysis compares the current rate of pay for the incumbent to the proposed grade midpoint.

If the employee makes \$50,000, and the grade midpoint is \$50,000, a compa-ratio of 100% would result. This could be interpreted that the employee is receiving 100% of the current market rate for the position.

Peter R. Johnson & Company consultants recommend utilizing the first third of the proposed salary structure as a targeted hiring range for most positions.

# METHODOLOGY

## The Development of a Salary Administration Program



## EXECUTIVE SUMMARY

This section highlights top level findings and results from the Salary Administration program review.

KEY FINDINGS	COMMENT
<b>Position Levels</b> <ul style="list-style-type: none"><li>8 Levels – 320 - 01 through 320 - 11</li></ul>	Level 320- 08 is vacant to allow for additional higher level positions in this program.
<b>Range Spreads</b> <ul style="list-style-type: none"><li>40%</li></ul>	Range spreads of 40% are common in salary administration programs for manual labor jobs. These spreads are twice as wide as the previous ranges.
<b>Compa-Ratio</b> <ul style="list-style-type: none"><li>85.9%</li></ul>	A compa-ratio of 85.9% suggests that in the aggregate, employees are paid 14% below market.
<b>Employees Under Range Minimum</b> <ul style="list-style-type: none"><li>54 Employees - \$84,799</li></ul>	
<b>Compa-ratio After Minimum Adjustment</b> <ul style="list-style-type: none"><li>87.1%</li></ul>	We recommend bringing all employees to the range minimum.
<b>Employees Over Range Maximum</b> <ul style="list-style-type: none"><li>None</li></ul>	
<b>Observations</b> <ul style="list-style-type: none"><li>Job descriptions for job families with multiple levels (e.g., Laborer, Equipment Operator, Maintenance Mechanic) delineated very little differentiation between the levels. It was unclear to us how incumbents' experience or skills were differentiated among the levels. Too many levels exist for these roles which are not supported by the market data. We recommend a thorough review of these positions and suggest the roles be collapsed to fewer positions.</li><li>We suggest collapsing the job titles of Technical Maintenance Mechanic I to the generic Maintenance Mechanic I position. The job descriptions were essentially the same.</li><li>We have re-numbered the levels to avoid comparisons with old grades.</li><li>We recommend changing the title of Equipment Operator IV to Equipment Operator</li><li>We recommend changing the title of Equipment Operator V to Equipment Operator, Sr.</li></ul>	

## EXTERNAL SALARY SOURCES

PRJ utilized the following external resources throughout the compensation project. All our research is based on an appropriate array of current and validated data sources to access the most relevant market data by industry, geography, and organization size, thus ensuring the necessary levels of source integrity and objectivity.

- 1) Economic Research Institute - Salary Assessor
  - Cluster 1 – Wilmington + 100 miles, Government and Municipal Workers
  - Cluster 2 – Wilmington + 100 miles, All Industries
  
- 2) CompAnalyst
  - Cluster 1 - Philadelphia Region, Government and Municipal Workers, \$200-\$500 mm Budget
  - Cluster 2 - Philadelphia Region, All Industries, \$200-\$500 mm Budget
  - Cluster 3 - Philadelphia Region, Government and Municipal Workers, 1000-1500 Employees
  - Cluster 4 - Philadelphia Region, All Industries, 1000-1500 Employees
  - Cluster 5 – Mid-Atlantic Region, Government and Municipal Workers, \$200-\$500 mm Budget
  - Cluster 6 – Mid-Atlantic Region, All Industries, \$200-\$500 mm Budget
  - Cluster 7 – Mid-Atlantic Region, Government and Municipal Workers, 1000-1500 Employees
  - Cluster 8 – Mid-Atlantic Region, All Industries, 1000-1500 Employees
  
- 3) Peter R. Johnson & Company Confidential Client Files

## 2023 POSITION LEVEL SUMMARY

This page illustrates the Position Levels and the placement of each position/title. Placement is based on market-based compensation similarities, and relative value among positions within this structure.

<u>New Level</u>	<u>Title</u>
320 - 01	General Laborer I
320 - 02	General Laborer II
320 - 03	General Laborer III
320 - 03	Maintenance Mechanic I
320 - 03	Nursery Technician
320 - 03	Technical Maintenance Mechanic I
320 - 04	Labor Foreman 1
320 - 04	Maintenance Mechanic II
320 - 04	Pool Mechanic
320 - 04	Sanitation Worker
320 - 04	Traffic Technician II
320 - 04	Tree Climber I
320 - 05	Equipment Operator * (previously Equipment Operator IV)
320 - 05	Maintenance Mechanic III
320 - 05	Sanitation Driver
320 - 05	Traffic Maintenance Technician II
320 - 06	Building Technician I
320 - 06	Equipment Operator, Sr * (previously Equipment Operator V)
320 - 06	Maintenance Mechanic IV
320 - 06	Plant Operator III
320 - 06	Signal Electrician
320 - 07	Plant Mechanic
320 - 07	Senior Signal Electrician
320 - 07	Small Engine Mechanic
320-08	Vacant Level

\* Name Change recommendations

## 2023 EXTERNAL SALARY COMPARISONS

This analysis highlights key pieces of comparative information for each Position Level:

- 1) External Survey Data: reports the average salary data per our market research
- 2) Middle Third: the majority of survey data will fall within the “middle third” of the proposed salary range.

<u>New Level</u>	<u>Title</u>	<u>Market Data</u>	<u>Middle Third</u>	<u>Min-Max</u>
320 - 01	General Laborer I	\$35,797	\$35,360 - \$39,520	\$31,200 - \$43,680
320 - 02	General Laborer II	\$39,832	\$38,189 - \$42,681	\$33,696 - \$47,174
320 - 03	General Laborer III	\$44,429	\$41,253 - \$46,107	\$36,400 - \$50,960
320 - 03	Maintenance Mechanic I	\$44,720		
320 - 03	Nursery Technician	\$43,202		
320 - 04	Labor Foreman 1	\$48,103	\$44,553 - \$49,795	\$39,312 - \$55,036
320 - 04	Maintenance Mechanic II	\$47,819		
320 - 04	Pool Mechanic	\$48,214		
320 - 04	Sanitation Worker	\$45,648		
320 - 04	Traffic Technician II	\$48,006		
320 - 04	Tree Climber I	\$49,184		
320 - 05	Maintenance Mechanic III	\$53,082	\$48,109 - \$53,769	\$42,449 - \$59,429
320 - 05	Sanitation Driver	\$51,308		
320 - 06	Building Technician I	\$54,454	\$51,960 - \$58,072	\$45,847 - \$64,185
320 - 06	Plant Operator III	\$56,680		
320 - 06	Maintenance Mechanic IV	\$56,202		
320 - 07	Plant Mechanic	\$58,261	\$56,125 - \$62,727	\$49,522 - \$69,330
320 - 07	Senior Signal Electrician	\$63,190		
320 - 07	Small Engine Mechanic	\$58,115		
320-08	Vacant Level	NA	\$60,623 - \$67,755	\$53,491 - \$74,887



## 2023 BASE SALARY STRUCTURE - STANDARD

<u>Position Level</u>	<u>Minimum</u>	<u>1/3</u>	<u>Midpoint</u>	<u>2/3</u>	<u>Maximum</u>	<u>Spread</u>
<b>320 - 01</b>	\$31,200	\$35,360	\$37,440	\$39,520	\$43,680	40.0%
<b>320 - 02</b>	\$33,696	\$38,189	\$40,435	\$42,681	\$47,174	40.0%
<b>320 - 03</b>	\$36,400	\$41,253	\$43,680	\$46,107	\$50,960	40.0%
<b>320 - 04</b>	\$39,312	\$44,553	\$47,174	\$49,795	\$55,036	40.0%
<b>320 - 05</b>	\$42,449	\$48,109	\$50,939	\$53,769	\$59,429	40.0%
<b>320 - 06</b>	\$45,847	\$51,960	\$55,016	\$58,072	\$64,185	40.0%
<b>320 - 07</b>	\$49,522	\$56,125	\$59,426	\$62,727	\$69,330	40.0%
<b>320 - 08</b>	\$53,491	\$60,623	\$64,189	\$67,755	\$74,887	40.0%

**2023 BASE SALARY STRUCTURE – STEPS**

<u>Position Level</u>	<u>Step 1 Minimum</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>	<u>Step 5</u>	<u>Step 6 Midpoint</u>	<u>Step 7</u>	<u>Step 8</u>	<u>Step 9</u>	<u>Step 10</u>	<u>Step 11 Maximum</u>	<u>Spread</u>
<b>320 - 01</b>	\$31,200	\$32,448	\$33,696	\$34,944	\$36,192	\$37,440	\$38,688	\$39,936	\$41,184	\$42,432	\$43,680	40.0%
<b>320 - 02</b>	\$33,696	\$35,044	\$36,392	\$37,739	\$39,087	\$40,435	\$41,783	\$43,131	\$44,478	\$45,826	\$47,174	40.0%
<b>320 - 03</b>	\$36,400	\$37,856	\$39,312	\$40,768	\$42,224	\$43,680	\$45,136	\$46,592	\$48,048	\$49,504	\$50,960	40.0%
<b>320 - 04</b>	\$39,312	\$40,884	\$42,457	\$44,029	\$45,602	\$47,174	\$48,746	\$50,319	\$51,891	\$53,464	\$55,036	40.0%
<b>320 - 05</b>	\$42,449	\$44,147	\$45,845	\$47,543	\$49,241	\$50,939	\$52,637	\$54,335	\$56,033	\$57,731	\$59,429	40.0%
<b>320 - 06</b>	\$45,847	\$47,681	\$49,515	\$51,348	\$53,182	\$55,016	\$56,850	\$58,684	\$60,517	\$62,351	\$64,185	40.0%
<b>320 - 07</b>	\$49,522	\$51,503	\$53,484	\$55,464	\$57,445	\$59,426	\$61,407	\$63,388	\$65,368	\$67,349	\$69,330	40.0%
<b>320 - 08</b>	\$53,491	\$55,631	\$57,770	\$59,910	\$62,049	\$64,189	\$66,329	\$68,468	\$70,608	\$72,747	\$74,887	40.0%

## COMPA-RATIO ANALYSIS BASED ON 2023 BASE SALARY STRUCTURE

This page illustrates the Compa-Ratio for each level, by comparing current pay to the midpoint of newly proposed salary range. This is useful for identifying market-competitiveness issues.

<u>Position Level</u>	<u>Current Salary</u>	<u>Number of Incumbents X Midpoint</u>	<u>Compa- Ratio</u>
320 - 01	\$143,357	4 X \$37,440	$\frac{\$143,357}{\$149,760} = 95.7\%$
320 - 02	\$929,118	26 X \$40,435	$\frac{\$929,118}{\$1,051,310} = 88.4\%$
320 - 03	\$453,910	12 X \$43,680	$\frac{\$453,910}{\$524,160} = 86.6\%$
320 - 04	\$1,455,313	34 X \$47,174	$\frac{\$1,455,313}{\$1,603,916} = 90.7\%$
320 - 05	\$1,734,640	40 X \$50,939	$\frac{\$1,734,640}{\$2,037,560} = 85.1\%$
320 - 06	\$1,248,255	28 X \$55,016	$\frac{\$1,248,255}{\$1,540,448} = 81.0\%$
320 - 07	\$275,216	6 X \$59,426	$\frac{\$275,216}{\$356,556} = 77.2\%$
		<b>Total:</b>	$\frac{\$6,239,809}{\$7,263,710} = 85.9\%$

## GLOSSARY OF SALARY ADMINISTRATION TERMS

<b>Base Compensation:</b>	The wages/salary paid to an employee without bonus or overtime.
<b>Benefit:</b>	Generally, non-cash compensation paid to an employee. Some are mandated by law (social security, unemployment compensation, and workers' compensation); others vary by firm or industry (health/medical insurance, life insurance, medical plan, paid vacation, pension/retirement, etc.)
<b>Compa-ratio:</b>	An employee's annual salary divided by the job range midpoint. The compa-ratio illustrates an employee's pay as a percentage of the market rate for that position.
<b>Compensation:</b>	A general term describing the full spectrum of wages and benefits, both current/direct and deferred, that workers receive out of their employment.
<b>Equity:</b>	A policy of being fair and impartial when determining employee compensation, taking into consideration individual ability, performance, and tenure.
<b>Exempt:</b>	A salaried employee who is not entitled to overtime pay according to the Fair Labor Standards Act.
<b>Incumbent:</b>	An existing employee who holds a specific position within an organization.
<b>Internal Equity:</b>	A policy of fairly and impartially considering the individual ability and performance of a newly appointed employee while taking internal/departmental wage levels into account. Internal equity is the reconciliation or balancing of "market" compensation levels with actual internal wage levels.
<b>Job Description:</b>	A formal record of the principal functions, duties, and responsibilities of a position.

## GLOSSARY OF SALARY ADMINISTRATION TERMS

<b>Maximum Salary:</b>	The highest salary that may be paid to any individual in a position within a position level or grade.
<b>Midpoint:</b>	The salary midpoint is the middle point of a salary range's minimum and maximum. The "market-rates" provide the foundation for midpoints.
<b>Minimum Salary:</b>	The lowest salary that may be paid to any individual who demonstrates satisfactory performance in an assigned level.
<b>New Hire:</b>	A newly hired employee of the organization.
<b>Non-exempt:</b>	An hourly employee who is entitled to overtime pay according to the Fair Labor Standards Act.
<b>Performance Management / Performance Appraisal:</b>	Concepts and tools used to clarify expectations, measure employee effectiveness, identify actions for development or improved performance, and to provide a means of communicating overall performance with the employee.
<b>Position Level: (aka "Job Grade")</b>	A grouping of positions whose internal responsibilities and/or external labor market rates fall within a similar range.
<b>Range Spread:</b>	The distance between the minimum and the maximum salary range. The width of the range may vary when greater or lesser flexibility is required.
<b>Salary Administration:</b>	A system of practices to guide consistent, fair, and defensible compensation decisions which are made during normal business operations: new hires, promotions, transfer, changes in the labor market, etc. A salary administration program ensures overall integrity of the structure.
<b>Salary Range:</b>	Displays the amount of compensation paid for a specific position. A salary range includes a low, mid-point, and maximum salary that could be paid for a specific position.

## GLOSSARY OF SALARY ADMINISTRATION TERMS

<b>Salary Structure:</b>	A series of salary ranges which progress in an orderly alignment from the lowest level to the highest level of positions covered.
<b>Salary Survey:</b>	A standard method of finding out what other organizations are paying for specific jobs, or job classes. Typically, salary data is compared for representative positions drawn by industry, geography, and organization size.
<b>Salary:</b>	Earnings of an employee for services performed during a specific period of time.
<b>Starting Salary:</b>	The salary normally paid to an individual hired in or promoted to a given position.
<b>Total Compensation:</b>	Employee's base salary plus bonus compensation.