

BOARD OF MAYOR AND ALDERMEN
TOWN OF NOLENSVILLE
POST OFFICE BOX 547
NOLENSVILLE, TENNESSEE 37135

RESOLUTION #15-25

A RESOLUTION TO ENTER INTO AN AGREEMENT WITH BURRIS, THOMSON & ASSOCIATES FOR A WAGE AND SALARY ADMINISTRATION PLAN

WHEREAS, the Town of Nolensville wishes to attract, motivate, and retain high caliber employees; and,

WHEREAS, the development of a wage and salary administration plan will ensure the Town's pay practices are both competitive and within budgetary parameters; and,

WHEREAS, the Town of Nolensville desires to employ a professional firm to conduct a thorough Compensation Study and develop such a plan; and,

WHEREAS, Burris, Thompson, & Associates, was identified as the firm best able and qualified to perform these duties as described in the attached agreement; and,

NOW THEREFORE, BE IT RESOLVED, by the Board of Mayor and Aldermen of the Town of Nolensville, Tennessee, as follows:

Section 1. The Mayor, or his designee, is hereby authorized to enter into an agreement with Burris, Thompson, & Associates to perform professional services with overall payment of \$4,150.00, not to exceed \$5,000.00.

Section 2. The contract is attached to and made part of this resolution.

RESOLVED this 9th day of July, 2015.

Jimmy Alexander, Mayor

Kali Mogul, Town Recorder

Passed: _____



Steve Thompson
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DRAFT June 16, 2015

Ken McLawhon
Town Administrator
Town of Nolensville
7218 Nolensville Rd, PO Box 547
Nolensville, TN 37135

Dear Ken:

As we discussed, Burris, Thompson & Associates is pleased to respond to your request for assistance in developing and implementing an employee wage and salary administration plan for the Town of Nolensville. Accordingly, we propose to perform the Compensation Study services generally outlined below. Some deviation from the proposed action steps may result from further discussion of pay plan objectives with Town management.

We understand that generally the objectives of the compensation plan are:

- Ensure that the Town's pay administration practices are competitive with the market so that the Town can attract and retain individuals with the desired skills and abilities.
- Ensure that the costs of implementing the pay plan as well as its ongoing operation are within Town budgetary parameters.
- Guide supervisors and managers in administering pay in a fair and consistent manner.

Accordingly, Burris, Thompson & Associates will complete the following:

A. Fact Finding

1. Job Analysis Questionnaire

Burris, Thompson & Associates will develop a job content questionnaire to gather information about all Town jobs to facilitate updating job descriptions, job evaluation/classification, and salary survey job matching. We will modify a questionnaire we have used in past engagements to reflect the desired job description format or other specific needs. Typically, the questionnaire solicits information related to job duties, decision-making, education and skill requirements, internal/external contacts, as well as physical job requirements to support ADA, OSHA, and Workers' Compensation compliance.

The questionnaire would be distributed to all employees for them to complete. Upon completion by employees, supervisors would review and approve/supplement questionnaires. All questionnaires would then be forwarded to Burris, Thompson & Associates.

Burris, Thompson & Associates will review all completed questionnaires.

2. Interview Key Employees

Burris, Thompson & Associates will meet with function heads and other key employees as identified by the Town Administrator to ensure that the consultant has a good understanding of how work is organized and the content of Town jobs. Any anticipated changes in organization, staffing, technology or other factors will be explored.

3. Review and Update Town Job Documentation

Burris, Thompson & Associates will review organization charts and existing job descriptions provided by the Town. If needed, based on the job questionnaires and interviews described in section 2 above, Burris, Thompson & Associates will update existing job descriptions (we anticipate that minimal editing will be required). These will be used as the basis for making valid comparisons to market data.

4. Discussions with Town Administrator and Board of Mayor and Aldermen

In order to define how compensation should be positioned relative to the marketplace and other key study parameters, Burris, Thompson & Associates will meet with the Town Administrator and, if desired, the Board of Mayor and Aldermen at the beginning of the study.

B. Compile Comparative Market Data

Burris, Thompson & Associates will compile market data from the following sources for as many jobs currently recognized by the Town as possible.

- **Burris, Thompson & Associates' 2014 Public Sector Salary Survey** – we will work with Town management to identify the specific survey respondents to include as benchmarks for the Town of Nolensville. Town of Nolensville jobs will be matched to survey jobs based on job duties and required qualifications. Data will be projected to July 1, 2015.

If needed, we will solicit data for this survey from those desired benchmark cities that the Town of Nolensville wishes to include but which may not have responded to our original survey request.

- **Economic Research Institute Salary Assessor** – an automated database we subscribe to that contains data for more than 4,000 job titles for many different industries. Since Nolensville competes with general employers for talent for many jobs, we recommend that data representing general employers in the area be included in the analysis.

C. Compare Current Town of Nolensville Salaries to Market

1. Market Rates

For each Town of Nolensville job for which data are available from the sources indicated above, Burris, Thompson & Associates will determine a "Market Rate". The **Market Rate** will be the weighted average of:

- The median salary for the job match from the **public sector** salary survey.
- The median salary for the job match from the **general business** database.

At the discretion of Town management, the analysis may target some point above or below the market median in one or both data sources and the public sector data may be weighted more heavily than the general business data. Note: for the few Town of Nolensville jobs for which no good private sector comparable job exists, the median public sector survey salary will be the Market Rate.

2. Salary Market Index

Burris, Thompson & Associates will calculate a Salary Market Index for each Town of Nolensville employee. The Salary Market Index is the ratio of the employee's current **salary** to the **Market Rate** for the employee's job.

$$\text{Salary Index} = \text{Employee Salary} \div \text{Job Market Rate}$$

Individual and aggregate Salary Index numbers will allow comparison of current Town of Nolensville employee salaries to market practice.

D. Facilitate Town Staff Review of Data

As desired, Burris, Thompson & Associates can present the market data to individual function heads to obtain feedback. We can answer questions about matches of Town of Nolensville jobs to survey database jobs, data trends, and other points of concern. If appropriate, we may revise survey job matches based on feedback.

E. Recommend Pay Structure

Burris, Thompson & Associates will help the Town Administrator identify and evaluate alternative pay plan designs. Based on direction from the Town Administrator, we will develop a pay structure consisting of pay grades and pay steps or ranges. We follow a market based approach – jobs are slotted into pay grades based on their Market Rates. Jobs with similar Market Rates are assigned to the same pay grade.

F. Develop Pay Administration Policy and Implementation Plan

1. Revise/Develop Pay Policy

Burris, Thompson & Associates will work with Town department heads and the Human Resources Director to develop or update the supporting policies and procedures needed to manage and administer pay under the new pay plan. We will present an initial policy draft and submit it for review and discussion with Town staff. Addressed will be pay plan objectives and design, methods for periodically updating the pay structure, starting pay rates, individual employee pay adjustments, procedures for adjustments for promotions and changes in job duties, 'on-call' pay, "comp time", and pay issues related to acting status, disability or other leaves of absence, and light duty job assignments.

2. Implementation Plan

Burris, Thompson & Associates will assist the Town create a plan for implementing the new pay plan. The plan would include proposed effective date of pay changes, communication schedule (see G "Employee Communications" below), and pay change procedures as applicable. We will

determine the potential cost of implementing the pay plan. If deemed to be excessive given current budgetary constraints, we would develop a plan for implementing the proposed increases over a two year period.

G. Employee Communications

Employee communication during the course of the project will be important for general acceptance and understanding of how pay is determined. We will work with the Town to develop the following:

- Initial announcement and overview of the pay study.
- Background and instructions for completing the job questionnaires.
- Explanation of the Compensation study findings and proposed pay plan (probably in a Questions and Answers format).
- Scripts for supervisors to use to explain the pay plan to employees.
- Other communications as needed.

Although we believe that communications concerning pay programs should come mostly from Town management – it is their program not ours – there may be instances in which Burris, Thompson & Associates may appropriately present findings of the Compensation Study and explain the development and implementation of the new pay plan.

We will help Town staff create a communications plan/schedule for implementing the various communications components.

H. Present Final Report

Burris, Thompson & Associates will prepare a final report that includes:

- Explanation of the pay study methodology.
- Market rates for all jobs.
- Comparison of current Town of Nolensville employee salaries to those market rates.
- Assignment of all jobs to pay grades.
- Recommended pay steps or pay ranges for all pay grades.
- Recommended individual employee pay adjustments resulting from implementation of the pay plan and calculation of the total implementation costs.
- Recommended plan implementation schedule.
- Recommended pay policy.
- Pay plan implementation communication materials.

If desired, Burris, Thompson & Associates will present the findings and recommendations to the Board of Mayor and Aldermen.

Timetable

We anticipate that completion of this project will require approximately 60 days, depending upon the timely cooperation of organizations submitting salary survey data (if necessary) and availability of Town of Nolensville staff.

Fee Estimate

Based on the scope of our services outlined above we estimate our fees for the project, including expenses, will be as follows:

Project Activity	Professional Fees
1) Fact finding; administer/review job questionnaires and update job descriptions.	\$ 1,500
2) Compile market data and develop Town of Nolensville market comparisons; facilitate Nolensville staff review.	\$ 1,050
3) Recommend Pay Structure	\$ 600
4) Develop pay policy.	\$ 300
5) Develop cost projections.	\$ 100
6) Develop employee communications.	\$ 200
7) Final report/presentation.	\$ 400
TOTAL (includes all expenses)	\$ 4,150

We anticipate the project will require approximately 40 consulting hours and that our fees will not exceed **\$4,150**. If the scope of the project is significantly increased by the Town of Nolensville from the services outlined above, we will bill additional hours at the rate of \$100 per hour. Such hours would be subject to your approval in advance.

We appreciate the opportunity to work with you on this project. Please call me if you have any questions concerning our proposal.

Your signature below will indicate agreement with the scope of services outlined above and our estimated fees for the project.

Sincerely,

Steven J. Thompson
Vice President

Accepted.

Signature: _____
Town of Nolensville Representative

Title: _____ Date: ___/___/___