



NEWS RELEASE

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City Council hears MAG Classification & Compensation Study Report *Study Includes \$2.3 Million in Total Compensation for City Employees*

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MURFREESBORO, Tenn. – In presenting details of the first pay plan developed for the City of Murfreesboro since 2004, Management Advisory Group (MAG) Executive Vice-President Carolyn Long provided the Murfreesboro City Council with an overview of the finalized draft Classification and Compensation Study first initiated in August 2013.

“We believe the study is fair and equitable,” said City Manager Rob Lyons. “The same formula was applied to every employee in placement in the draft report. It also addressed internal equity issues by crediting each day of service in an employee’s current position.”

To correct pay inequities by achieving both external and internal equity and to relieve compression (no recognition for time and grade due to the economic recession), the study recommends approximately \$2.3 million in pay increases across the City.

MAG is recommending that, in addition to an across the board increase of 2 percent, and an adjustment to the new proposed minimum pay range, the City take steps to address the questions of internally equitable (within the range) salary placement for every employee. The recommendations include the following:

- Bring about a greater measure of internal salary equity for employees.
- Standardize the salary plan for internal administration.
- Provide a simple, easy to understand plan for employees.
- Simplify future adjustments to the structure to accommodate market changes.

MAG’s Classification and Compensation study involved employee engagement at all levels of the process. More than 900 employees, from the City Manager to Park & Recreation staff, filled out online Job Analysis Questionnaires (JAQs). Employee participation in the study also included a follow-up listening session participated by 18 employees from 13 City departments.

City Manager Lyons went on to say “Employee engagement is a key factor in how the plan is constructed. The plan is based upon the participation of over 900 City employees who completed a Job Analysis Questionnaire (JAQ) A cross section of employees also provided input on the benchmarked organizations and positions.”

To score the job skills and responsibilities for external equity, the MAG study utilized benchmark comparisons from 22 local and regional communities from North Carolina to Texas, including competing cities like Brentwood and Franklin, as well as peer cities such as Chattanooga, Knoxville and Germantown. The benchmarked positions covered 691 employees or almost 60 percent of total city employees.

The draft report also provides for significant increases in pay. It recommends annualized employee pay increases totaling over \$2.3 million, which are explained in the report. The cost breakdown of the plan is as follows:

• Total Cost of 2% Flat Adjustment	\$846,460
• Adjustment to Range Minimum	\$440,229
• Equity Adjustment toward Max	\$797,133
• Step Adjustment (Public Safety only)	<u>\$210,011</u>
• Total Cost Adjustment	\$2,311,833

The report will not be final until its adoption by City Council, which is targeted for early April.

“While much care has been taken to ensure accuracy and correctness, a report of this scope and size may still contain errors. In order to address this in the best possible manner, a formal administrative review process has been developed for employees to submit concerns,” added Lyons.

The full 300-page MAG report document can be viewed on the City of Murfreesboro Human Resources webpage at <http://www.murfreesborotn.gov/Index.aspx?NID=148>.

MAG <http://www.maginc.org/>, a full service management consulting firm, has been providing human resource management and consulting services for over 30 years in 24 states for 500 clients.

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Photo attached captions:

1. *MAG.jpg*