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## **Study Background & Objectives**

- City of Shreveport, LA (the City) contracted with Gallagher Benefit Services (Gallagher) to provide a compensation update and provide recommendations and implementation options for the City to consider inclusive of a \$13.00 per hour pay minimum.

# EXHIBIT B



## Methodology

- In order to update the current City salary structure, Gallagher utilized various survey sources to determine how the market shifted year over year since City's last pay study, which was conducted in 2018.
- Gallagher researched past pay adjustments for 2019, 2020 and 2021 utilizing the following survey sources to collect salary structure movement trends:
  - *WorldatWork* Salary Budget Survey
  - Gallagher Salary Planning survey
- Gallagher reviewed the market changes year over year and determined appropriate percentage adjustments to the City's ranges based on the following geographic and industry data cuts.
  - Geographic Data Cuts
    - National
    - State level- Louisiana
    - Nearest metro area on the WorldatWork Survey: Dallas, TX
  - Industry Data Cuts
    - All Industries
    - Public Sector

# Methodology



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- Gallagher examined potential approaches to develop salary structure adjustments.
- The current city ranges were updated using the following approach:
  - The current salary structure aged utilizing applicable annual trend movement for 2019, 2020, 2021.
  - Since the aged structure for 2021 resulted in a lower starting hourly minimum compared to City's decision to move to \$13.00 hourly pay.
  - Therefore, we adjusted the pay grade minimum for the lowest pay grade (Pay Grade 8) by 14.9% to align with the new hourly pay minimum of \$13.00.
  - Then we applied a consistent increase percentage for the minimums of Pay Grades 9, 10, and 11.
- The next slide provides proposed salary structure.



## Findings & Analysis

- The following table provides a summary of the year over year salary structure movement summarized by survey source, data cut for median salary structure adjustment trends through 2019, 2020 and 2021:

Survey Source/Data Cut	Median Salary Structure Increase		
	2019	2020	2021
World at Work National; All Industries	2.0%	2.0%	2.0%
World at Work Louisiana State; All Industries	2.0%	2.0%	2.0%
World at Work Dallas, TX; All Industries	2.0%	2.0%	2.0%
World at Work National; Public Sector	2.0%	2.4%	2.0%
World at Work Louisiana State; Public Sector	1.8%	2.0%	2.0%
World at Work Dallas, TX; Public Sector	--	2.0%	2.0%
Gallagher Executive Employee Group; All Industries	2.0%	2.0%	1.7%
Gallagher Executive Employee Group; Non-Profit	2.0%	2.0%	1.5%
Gallagher Mgmt All Industries	2.0%	2.0%	2.0%
Gallagher Mgmt Non-Profit	2.0%	2.0%	1.8%
Gallagher Other Exempt All Industries	2.0%	2.0%	2.0%
Gallagher Other Exempt Non-Profit	2.0%	2.0%	1.9%
Gallagher Non-Exempt All Industries	2.0%	2.0%	2.0%
Gallagher Non-Exempt Non-Profit	2.0%	2.0%	2.0%
<b>Average Increase</b>	<b>1.98%</b>	<b>2.03%</b>	<b>1.92%</b>



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# Proposed Salary Structure

- The proposed salary structure, adjusted for aging and the \$13 an hour minimum.

Grade	SCHEDULE	6 MONTHS (15)													
		MIN	(0)	MONTHS	1	2	3	4	5	6	7	8	9	10	11
8HR		\$13.00	\$13.22	\$13.45	\$14.04	\$14.51	\$15.03	\$15.55	\$16.11	\$16.68	\$17.25	\$17.89	\$18.58	\$19.29	\$20.01
9HR		\$13.66	\$13.89	\$14.14	\$14.76	\$15.27	\$15.82	\$16.37	\$16.96	\$17.57	\$18.19	\$18.86	\$19.59	\$20.34	\$21.11
10HR		\$14.35	\$14.60	\$14.86	\$15.52	\$16.06	\$16.65	\$17.24	\$17.86	\$18.51	\$19.18	\$19.88	\$20.66	\$21.45	\$22.27
11HR		\$15.08	\$15.34	\$15.62	\$16.32	\$16.90	\$17.52	\$18.16	\$18.81	\$19.49	\$20.22	\$20.95	\$21.79	\$22.63	\$23.49
12HR		\$15.84	\$16.12	\$16.42	\$17.16	\$17.79	\$18.43	\$19.12	\$19.81	\$20.53	\$21.32	\$22.09	\$22.98	\$23.86	\$24.78
13HR		\$17.28	\$17.58	\$17.91	\$18.73	\$19.42	\$20.12	\$20.88	\$21.63	\$22.46	\$23.29	\$24.17	\$25.12	\$26.10	\$27.11
14HR		\$18.86	\$19.20	\$19.56	\$20.45	\$21.20	\$22.00	\$22.80	\$23.66	\$24.53	\$25.46	\$26.43	\$27.48	\$28.55	\$29.65
15HR		\$20.58	\$20.97	\$21.36	\$22.35	\$23.17	\$24.04	\$24.94	\$25.88	\$26.84	\$27.86	\$28.91	\$30.10	\$31.25	\$32.47
16HR		\$22.50	\$22.92	\$23.34	\$24.43	\$25.36	\$26.29	\$27.29	\$28.32	\$29.39	\$30.50	\$31.66	\$32.96	\$34.23	\$35.57
17HR		\$24.58	\$25.06	\$25.53	\$26.73	\$27.74	\$28.78	\$29.88	\$31.01	\$32.19	\$33.41	\$34.68	\$36.11	\$37.51	\$38.97
18HR		\$26.89	\$27.40	\$27.92	\$29.26	\$30.34	\$31.50	\$32.71	\$33.95	\$35.24	\$36.59	\$38.00	\$39.58	\$41.13	\$42.73
19HR		\$29.45	\$30.01	\$30.58	\$32.02	\$33.24	\$34.52	\$35.84	\$37.20	\$38.62	\$40.11	\$41.65	\$43.39	\$45.08	\$46.85
20HR		\$32.25	\$32.87	\$33.48	\$35.09	\$36.43	\$37.82	\$39.26	\$40.78	\$42.35	\$43.97	\$45.67	\$47.60	\$49.44	\$51.40
21HR		\$35.33	\$35.99	\$36.69	\$38.44	\$39.92	\$41.46	\$43.05	\$44.71	\$46.44	\$48.23	\$50.09	\$52.20	\$54.27	\$56.38
22HR		\$38.71	\$39.45	\$40.22	\$42.15	\$43.78	\$45.45	\$47.21	\$49.04	\$50.95	\$52.91	\$54.97	\$57.29	\$59.54	\$61.88
23HR		\$42.44	\$43.26	\$44.10	\$46.22	\$48.01	\$49.87	\$51.80	\$53.81	\$55.88	\$58.06	\$60.32	\$62.88	\$65.35	\$67.93
24HR		\$ 41.32	\$ 56.09	\$ 56.09	\$ 56.09	\$ 56.09	\$ 56.09	\$ 56.09	\$ 56.09	\$ 56.09	\$ 56.09	\$ 56.09	\$ 56.09	\$ 56.09	\$ 56.09
SpecWk2		\$ 11.32	\$ 12.28	\$ 14.23	\$ 14.54	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



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## Recommendations and Costs

- The following table outlines costs associated with progressing employees into the proposed structure ranges.
- We reviewed the following three cost models to implement the new salary structure:
  - **Cost Model 1: Bring to Minimum-** Bring employees with current salary below proposed range minimum up to range minimum.
  - **Cost Model 2: Bring the salary to the current step-** Place employees to current step salary rate in the proposed range.
  - **Cost Model 3: Bring the salary to the equivalent step based on tenure-** Bring employees to a defined point in the salary range based on time in current position, assuming a step increase per year for implementation.



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## Recommendations and Costs

- The following table summarizes the costs associated with the total increase across the three cost models.
- Additionally we calculated a 3-Year phased implementation model.

Current Payroll		\$30,456,989.84							
Total Employee Count		918							
Implementation Option	Implementation Costs	Implementation Costs			TOTAL - All 3 Years				
		Year 1	Year 2	Year 3					
Cost Model 1: Bring to Minimum	Total Implementation Cost	\$623,592	\$623,592	\$623,592	\$1,870,777				
	% of Payroll	2.0%	2.0%	2.0%	6.1%				
	# of Increases	662	662	662	662				
	# above Max	0	0	0	0				
Cost Model 2: Bring to Current Step	Total Implementation Cost	\$1,007,684	\$1,007,684	\$1,007,684	\$3,023,053				
	% of Payroll	3.3%	3.3%	3.3%	9.9%				
	# of Increases	918	918	918	918				
	# above Max	0	0	0	0				
Cost Model 3: Bring to Step based on Time in Position	Total Implementation Cost	\$1,070,878	\$1,070,878	\$1,070,878	\$3,212,634				
	% of Payroll	3.5%	3.5%	3.5%	10.5%				
	# of Increases	750	750	750	750				
	# above Max	0	0	0	0				



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## Recommendations and Costs

- It is Gallagher's recommendation that the City of Shreveport implement the salary structure adjustment by bringing all employees to their appropriate step based off of their time in position.
- This approach would cost \$3,023,053 over a three year period, accounting for 3.5% of payroll on a given year with 750 employees receiving increases.
- We further examined the proposed employee salary increases for pay compression. We reviewed two types of compression among the City identified positions:
  - Type 1: Compression with the same job title
  - Type 2: Compression with adjacent grade

## Recommendations and Costs



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- We identified the following positions receiving additional pay increases above the salary structure adjustment to mitigate pay compression issues:
- **Type 1 Compression Adjustments:**
  - Supervisor, Public Works (Pay Grade 13):  
Recommend increasing proposed salary rate (based on tenure in Cost Model 3) from \$19.42 to \$19.6. Overall annual increase is \$565.
- **Type 2 Compression Adjustments**
  - Recreation Supervisor II (Pay Grade 12):  
Recommend increasing proposed salary rate (based on tenure in Cost Model 3) from \$15.84 to \$16.80 for the three identified employees. Overall annual increase for the three employees is \$1,721
- Compression costs with this approach will total \$2,285, accounting for compression within the same job title and compression with adjacent grades.