

**Budget Questions and Requests for Information**  
**2013-14 Recommended Budget**  
**QUESTION 17**

**QUESTION:** Why are we recommending an across the board pay adjustment rather than merit based increases?

**RESPONDENT:** Frances Russell, Human Resource Development Director

**RESPONSE:** The recommendation for an across the board pay increase is for FY2013-14 only. The implementation of phase I and phase II of the Class and Compensation study will not benefit all employees equally. Some employees would receive no increase without an across the board salary adjustment. Addressing this result was a primary basis for the recommendation by the Employee Forum that we balance the application of resources to the implementation of the compensation and classification recommendations with an across the board increase.

Typically a merit increase is tied to a performance management plan. We will be implementing our new Employee Performance Management and Development System (EPMDS) in September of this year. During the first year we will be focusing on learning and building trust in the new system. We know that employees had little faith in previous systems we were using and may be skeptical about the new system, so it is important that we take the time to train employees and supervisors in the new system and build an understanding of how the new system works in order to regain their trust.

Also, during the first year of implementation, we will be evaluating our systems and processes to determine how to best align pay and performance. Existing processes such as career development, longevity pay and skill-based pay are important elements of how we manage performance. Our goal is to think about our various compensation strategies as a system based on the Council developed Compensation Philosophy and focused on development of a nimble and well trained workforce. I think it is important that we have these discussions and solicit input from our employees before deciding how we proceed. Our plan is to present the results of those conversations to Council in January as a prelude to the Council Planning Retreat.