



Town of Frederick
Board of Trustee Agenda
Tuesday, September 15, 2020

**Frederick Board of Trustees
Work Session
Virtual Zoom Meeting
401 Locust Street
Frederick, CO 80530**

5:30 P.M.

1. Financial Update
2. Compensation Philosophy
3. Mayor and Trustee Reports

Join Zoom Meeting

<https://zoom.us/j/96198348709?pwd=R3BSQ3VOUHFHQzNJZTUva0xaY3hzd09>

Meeting ID: 961 9834 8709

Passcode: 691237

One tap mobile

+19294362866,,96198348709# US (New York) 12532158782,,96198348709# US
+(Tacoma)

Dial by your location

- +1 929 436 2866 US (New York)
- +1 253 215 8782 US (Tacoma)
- +1 301 715 8592 US (Germantown)
- +1 312 626 6799 US (Chicago)
- +1 346 248 7799 US (Houston)
- +1 669 900 6833 US (San Jose)

Meeting ID: 961 9834 8709

Find your local number: <https://zoom.us/u/auHnmPbJk>

Built on What Matters.



Town of Frederick Compensation Philosophy

The Town of Frederick is committed to compensating employees fairly and equitably within economically feasible parameters, considering competitive job markets, internal equity and individual performance. Our compensation philosophy is designed around the following key components:

- **Transparency:** We will provide employees at all levels access to job-related content, pay guidelines and salary ranges.
- **Flexibility:** We will accommodate differences and changes in job requirements, job market and the economy, and will review our compensation practices periodically to ensure we are remaining competitive in the market.
- **Consistency:** We will apply the compensation philosophy consistently across all positions within the organization to ensure internal equity and to reinforce the value we place on all employees within the organization.

Our objective is to attract, develop and retain top performers at all levels of the organization. We endeavor to pay wages competitive with those paid by other employers within our industry and within applicable labor markets to ensure that employees are rewarded in a meaningful manner.

Salary is just one component of our compensation philosophy. Other components include employee benefits, retirement contributions, paid time off, flexible work policies, work environment and culture, and other perks that allow us to attract and retain the best people. All of these elements are considered part of an employee's Total Compensation Package.

Our Market

The Town of Frederick has identified 20 other municipalities that will serve as "comparator cities." Our comparator cities were chosen based on their size, location, population, services and amenities offered, cost of living, and whether we could reasonably consider them a competitor for talent. These comparator cities serve as our "market" when we look to compare our salary and benefit offerings. The following cities have been identified as our comparator cities:

- Boulder
- Brighton
- Broomfield
- Commerce City
- Dacono
- Erie
- Firestone
- Fort Collins
- Greeley
- Johnstown
- Lafayette
- Lone Tree
- Longmont
- Louisville
- Loveland
- Parker
- Thornton
- Timnath
- Westminster
- Windsor

Built on What Matters.

Our Pay Structure

As an Employer of Choice in the northern Denver metro area, we are committed to paying our employees competitively relative to our identified labor market. It is our philosophy to place our salary ranges in the 90th percentile relative to our current market. Placing our salary ranges in the 90th percentile, while continuing to offer competitive Total Compensation Packages, will ensure that we are leading the market in terms of salary and benefits. We believe this practice will allow us to reach our goal of attracting top candidates while retaining our highest performing employees.

Our pay structure involves salary ranges which are organized into salary grades and placed in a matrix. Within the matrix there is a 50% spread between the minimum and the maximum within each grade level, and a 5% variance between each pay grade. Supervisor salary grades will typically be approximately 10% higher than those of their employees in order to avoid compression and internal inequity.

Each job is assigned a salary grade that represents employees performing similar work, or utilizing similar knowledge, skills and abilities. Recognizing that employees who are placed in the same grade level may have different levels of experience, skill and education, the Town utilizes quartiles to determine where each employee should be placed in their respective salary grade.

Quartiles are organized as follows:

Minimum of Range	Midpoint of Range		Maximum of Range
1 st Quartile	2 nd Quartile	3 rd Quartile	4 th Quartile
Meets minimum qualifications	Previous related experience	Meets preferred qualifications	Subject matter expert
Has little or no previous experience	Demonstrated ability to perform duties	Demonstrated ability to perform duties independently	Exhibits broad and deep knowledge of job and related areas
Additional training and experience needed to build knowledge and skills.	Gaining skills and experience. Preparing to perform duties independently.	Consistently exhibits core competencies. Performs all duties independently and at a high level.	Senior-level job expertise. Depth of knowledge extends beyond primary responsibilities.

- **First Quartile:** The first quartile of the range is usually intended for employees who are new to the grade, are in a learning situation, and/or do not have substantial experience in the new position.
- **Second Quartile:** The second quartile of the range is intended for employees who have gained experience and skill and who are becoming more proficient in the position for which they were hired.
- **Midpoint:** The midpoint represents the market rate for this position, and represents fully experienced employees at that level.
- **Third Quartile:** The third quartile is typically reserved for experienced employees who perform all tasks independently and consistently exceeds expectations in exhibiting the core competencies of the position.
- **Fourth Quartile:** The fourth quartile of the range is normally reserved for individuals who are considered the subject matter expert in their position with a depth of knowledge that extends beyond their primary responsibilities.

Salary Placement

When determining pay, the employee's knowledge, experience and skills will be considered as they relate to the job for which they are being evaluated. The minimum of the salary range equates to the minimum qualifications required of the position. Employees who meet only the minimum qualifications of the position will likely be compensated in the first quartile.

The midpoint of the salary range is considered market value of the position, and it is expected that employees at this salary point are fully productive in the position and have considerable experience performing the duties of the job. Typically, assuming an average learning curve and good job performance, it is expected that it would take an employee approximately five to seven years to move from the minimum of their job grade to the midpoint.

Employing the use of quartiles in our compensation practices allows for the natural progression of employee compensation to move fairly quickly through the first two quartiles, while progression through the third and fourth quartiles will be naturally slower as employees become more proficient and competent in their job duties.

Salary ranges and grade levels are established as follows:

Salary Range	Minimum	Midpoint	Maximum	Salary Range	Minimum	Midpoint	Maximum
1	\$18,720	\$23,400	\$28,080	26	\$63,393	\$79,241	\$95,089
2	\$19,656	\$24,570	\$29,484	27	\$66,562	\$83,203	\$99,843
3	\$20,639	\$25,799	\$30,958	28	\$69,890	\$87,363	\$104,835
4	\$21,671	\$27,088	\$32,506	29	\$73,385	\$91,731	\$110,077
5	\$22,754	\$28,443	\$34,131	30	\$77,054	\$96,318	\$115,581
6	\$23,892	\$29,865	\$35,838	31	\$80,907	\$101,133	\$121,360
7	\$25,087	\$31,358	\$37,630	32	\$84,952	\$106,190	\$127,428
8	\$26,341	\$32,926	\$39,511	33	\$89,200	\$111,500	\$133,800
9	\$27,658	\$34,572	\$41,487	34	\$93,660	\$117,075	\$140,490
10	\$29,041	\$36,301	\$43,561	35	\$98,343	\$122,928	\$147,514
11	\$30,493	\$38,116	\$45,739	36	\$103,260	\$129,075	\$154,890
12	\$32,018	\$40,022	\$48,026	37	\$108,423	\$135,528	\$162,634
13	\$33,618	\$42,023	\$50,428	38	\$113,844	\$142,305	\$170,766
14	\$35,299	\$44,124	\$52,949	39	\$119,536	\$149,420	\$179,304
15	\$37,064	\$46,330	\$55,596	40	\$125,513	\$156,891	\$188,269
16	\$38,918	\$48,647	\$58,376	41	\$131,789	\$164,736	\$197,683
17	\$40,863	\$51,079	\$61,295	42	\$138,378	\$172,973	\$207,567
18	\$42,907	\$53,633	\$64,360	43	\$145,297	\$181,621	\$217,945
19	\$45,052	\$56,315	\$67,578	44	\$152,562	\$190,702	\$228,843
20	\$47,305	\$59,131	\$70,957	45	\$160,190	\$200,237	\$240,285
21	\$49,670	\$62,087	\$74,505	46	\$168,199	\$210,249	\$252,299
22	\$52,153	\$65,192	\$78,230	47	\$176,609	\$220,762	\$264,914
23	\$54,761	\$68,451	\$82,141	48	\$185,440	\$231,800	\$278,160
24	\$57,499	\$71,874	\$86,248	49	\$194,712	\$243,390	\$292,068
25	\$60,374	\$75,467	\$90,561	50	\$204,447	\$255,559	\$306,671