



Staff Compensation and Benefits Philosophy

Governance Section: Finance

Revision Date: 9/29/2023

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Purpose

WSTIP seeks to attract, retain, and motivate committed, hardworking and thoughtful employees who support WSTIP's mission, vision, and core values and who are excited and energized by the possibilities and opportunities that emerge as we strive for continual improvement of our organization.

Authority

1. Bylaws, Article IX: Employees

Policy Statement

1. WSTIP strives to demonstrate a commitment to their employees that reinforces service excellence and customer satisfaction. To that end, it is important for the Pool to attract and retain employees who are Member-focused, innovative team players that exhibit initiative, accept responsibility, and are accountable for their work performance.
2. To attract, retain, and motivate these kinds of individuals, the Pool has a compensation system that is commensurate with the individual's ability, responsibility, and contribution toward the Pool's goals. The Pool is committed to a program that recognizes and rewards performance, and that achieves internally equitable and externally competitive market compensation.
3. There are a variety of strategies, as detailed in the following sections, that the Pool will employ to achieve the compensation philosophy, while maintaining a system that is fiscally sound and cost effective and that complies with federal, state, and local regulations.

Compensation Philosophy

The compensation philosophy will reflect internal equity and external parity within the specified labor market in which the Pool competes. The compensation philosophy is intended to reward employees who perform at an acceptable level within their respective jobs and longevity within the organization. The Executive Director will administer the pay plan/step structure/salary range, which establishes an hourly/salary range for each position. The Executive Committee must approve the pay plan and any subsequent changes to the pay plan (such as is done after a salary survey).

Salary and Wage Schedule – The Pool maintains an eight-step salary range structure, with 3.5% between each step. This approach recognizes an employee's increasing knowledge, skills, longevity, and performance. Positions that are similar in terms of skills, responsibility, and work complexity may be placed together into salary bands.

An employee may receive a step increase upon satisfactory completion of their introductory period as determined by the Executive Director. Thereafter, step increases shall be based on the employee being deemed in good standing by the Executive Director in the job as determined through performance evaluations. An employee who is not meeting expectations will not receive the step increase until performance improves. The determination of whether an employee is in good standing and therefore eligible for a step increase is at the sole discretion of the Executive Director.



Hiring Range - The hiring range will be from Step 1 to Step 4 in the salary range based on new hire qualifications, internal alignment, dependent on market conditions, and at the discretion of the Executive Director. Hiring above Step 4, but not to exceed the maximum, may be allowed subject to the approval of the Executive Committee.

When a new position is created, the Executive Director will develop a job description and gather appropriate peer market salary data for the proposed position. The Executive Director will seek approval from the Board to increase employee head count.

General Wage Increase (GWI) – The Executive Director may propose a GWI annually. GWI proposals will utilize the July-to-July change in US Bureau of Labor Statistics Consumer Price Index: West Region (CPI-U), all items less food and energy (Core CPI or Sticky CPI). If this number is less than 1%, 1% will be used for the GWI. If this number is 6% or more, 6% will be used for the GWI. If this number is between 1% and 6%, then the reported July-to-July change in Core CPI will be used for the GWI proposal. Any GWI approved in the budget will be implemented in January the following year by updating the top step of the salary schedule resulting in all other steps increasing incrementally. In the event the GWI is not implemented in January, it will be paid retroactively once implemented.

Under unusual circumstances the Executive Director may make a recommendation to the Board of a GWI that falls outside the range as adopted by this policy.

Compensation and Benefits Review – Every three years, the Pool will conduct a compensation survey. Every six years, the Pool will also include a survey on benefits. The Executive Committee may direct either or both surveys be conducted in a shorter time span in consideration of market conditions. Further, the Executive Director may recommend to the Executive Committee adjustments in the Salary and Wage Schedule based upon unusual market changes or circumstances.

Compensation Survey Elements

Job Descriptions – Job descriptions will be reviewed and updated prior to any compensation survey.

Competitive Labor Market - Compensation levels will reflect the labor market in which the Pool competes for talent. The value of compensation offered to Pool employees shall be consistent with that offered by other public risk pools. For example, these public risk pools have been utilized in the past as comparable public risk pools:

1. Idaho Counties Risk Management Program, Boise, ID
2. Montana Municipal Interlocal Authority, Helena, MT
3. City-county Insurance Services, Lake Oswego, OR
4. Special Districts Association of Oregon/Special District Insurance Services, Salem, OR
5. Association of WA Cities Risk Management Service Agency, Olympia, WA
6. Enduris Washington, Spokane, WA
7. Synchron, Vancouver, WA
8. Washington Cities Insurance Authority, Tukwila, WA
9. Washington Counties Risk Pool, Tumwater, WA



10. Washington School Risk Management Pool, Tukwila, WA

Comparable public risk pools may change from survey to survey based on their responsiveness to the prior survey.

In rare case-by-case instances, the Executive Director has the authority to look outside this competitive labor market for wage comparisons when necessary to achieve recruitment objectives. Any subsequent changes would require Executive Committee approval. Examples where this might be necessary include: (1) executive management jobs and/or (2) jobs where the supply of a specific skill set is rare and/or in short supply.

Benchmark Jobs - Attempts will be made to collect competitive labor market pay information for all positions at the Pool to ensure a pay system that meets the Pool's overall market position objectives.

1. All jobs will be benchmarked, but the Executive Director's compensation will not be part of the salary structure. The Executive Director's compensation is established by employment contract.
2. Positions for which there is no available market data (e.g., specialized jobs without peers in the marketplace) should be placed in the salary structure based upon their internal relationship with other jobs at the Pool as determined through a standardized job evaluation process and at the discretion of the Executive Director.

Implementation of a Salary Survey – The Executive Committee will decide if the salary survey will be implemented, which is generally done in conjunction with the budget process. If salary survey is implemented, incumbents will be placed at the step closest to their current salary without any reduction to pay.

Amendment

This policy may be amended by the Board of Directors.


Policy History


This policy was new in 2023.


Passed by the Board of Directors on September 29, 2023.

Attest:

Approved as to form:

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