

MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: O'LYNDA FETTE, HR DIRECTOR
DIANE MCBRIDE, INTERIM TOWN MANAGER
RE: EMPLOYEE RETENTION & RECRUITMENT
DATE: 02/22/2022

Summary and Background: As presented in the February 8th Town Council meeting under Employee Retention, Recruitment and Resources, Staff has, and continues, to work on our Recruitment and Retention Strategies.

In order to attract the best employees for our summer operation it is our expectation that all summer seasonal Town jobs post to our job board by March 1, 2022. To ensure we are marketing ourselves well, we must have our wage offerings and other non-monetary incentives available to communicate at our job posting launch, job fairs and other recruitment collateral.

With workers quitting their jobs at record rates, many employers are introducing new non-monetary incentives and benefits to help attract and retain employees.

According to Mercer, "employers are advised to focus on how they can enhance the economic stability of their workforce and make front-line hourly jobs more attractive. Pay is one-priority employers should consider, along with benefits such as affordable health care and resources to enhance their financial wellness." Randstad USA found that "U.S. workers are expecting new benefits and perks from their employer."

Non-monetary incentives are non-cash rewards or benefits, which is not computed in an employee's total compensation. Benefits such as medical, dental, vision, retirement, etc., are part of an employee's total compensation.

Staff Analysis:

According to the Society of Human Resource Management (SHRM) article dated February 8, 2022, Why Are So Many Employees Quitting? ...while the turnover rate has jumped rapidly, most U.S. workers who quit in the last nine months didn't do so rashly. Sixty-nine percent had lined up a new job before they walked out the door, the study showed. "People are searching for better compensation, better benefits or a better career path," Decker said. "They are not necessarily quitting just to quit." ...To attract new employees and retain good ones, employers are offering new incentives such as higher salaries, more-flexible schedules, remote-work options, merit increases and referral bonuses. More than two-thirds of organizations (68 percent) said they have increased starting salaries beyond normal yearly increases.

"In today's world, with inflation concerns, money really speaks," said Stephanie Weinstein, an employment lawyer with Marcus & Shapiro in Pittsburgh."

Staff understands that recruiting and retaining employees is an ongoing process that includes a review of wages, benefits, and incentives on a regular basis.

During the summer of 2021, the Town engaged Logic Compensation Group (LCG) to conduct a comprehensive classification and compensation study covering approximately 90 full-time employees and 140 seasonal employees in 90 job titles. The Town's objectives for the study are as follows:

- Ensure positions performing similar work with essentially the same level of complexity, responsibility, knowledge, skills, and abilities are classified together.
- Provide pay/salaries and incentives commensurate with assigned duties, competencies, education, and industry specific qualification/certification.
- Establish justifiable pay differentials between job classes.
- Maintain a competitive position with other comparable government entities within the same geographic area.

The outcome and recommendation of the study will be presented to Town Council in the spring of 2022.

Staff also reviewed the local starting wages within Summit County and found that most non-resort and non-government wages are starting at \$17 to \$18 per hour.

In addition to the compensation study and research, Staff sought feedback from employees to understand what is most important to them and what they value in their job. The following tools were used:

- Recruitment and retention brainstorm meeting – November 2021
- Staff survey – February 2022
- Employee exit interviews - ongoing

Highlights of the staff survey include:

- Non-monetary incentives available to staff based on job status.
 - According to the feedback provided, 44% of full-time year round staff and 40% of seasonal/part-time/variable hours believe the most fair incentive philosophy for the Town is that incentives are available to employees based on their status (full-time year-round vs seasonal/part-time/variable)
 - 24% FTYR and 20% PT/Variable/Seasonal preferred a cafeteria style plan
 - 16% FTYR and 27% PT/Variable/Seasonal preferred all employees receive the same incentives regardless of status or job
 - 16% FTYR and 13% PT/Variable/Seasonal preferred incentives were based on the job
- Non-monetary incentives available to staff based on location/department.
 - As part of the incentive research, Staff considered local businesses and found that most all offer *location/department* specific incentives. According to other entities within Summit County, while non-monetary incentives are available to most all employees, it is a common practice that within the organization, departments have unique incentives for their department employees. Examples: A-Basin F&B employees receive a free shift meal where non-F&B employees receive a discount. Breckenridge Golf employees receive free golf while other Breckenridge Town

employees receive a discount or opt for a golf pass through their cafeteria plan. Copper Transportation employees receive a free shift meal, steep sign-on and end of season bonus, while other non-transportation employees do not.

- The most utilized incentives for full-time year round staff are:
 - Public Works wash bay, free Nordic center pass, free trash / composting, 8 friends and family tubing sessions, 30% off at marina rentals and merchandise, Verizon/Sprint government discount, free Copper Mountain day ticket voucher, Frisco resident pricing for Fun Club & youth programs, 30% off Nordic skiing/rentals for friends/family, free employee tubing access

The above analysis of wages and incentives is part of Phase I & II of the Recruitment and Retention Strategy. Phase III will continue over the 2022 summer where Staff will review current benefit offerings, evaluate cost impacts, research trends, and proposed improvements to be considered for 2023 budgeting.

Financial Impact:

Staff recommends increasing our starting wage from \$15.00 per hour to \$17.00 per hour. The estimated cost increase for 2022 estimated around \$45,000

Cost of increasing base pay to \$17/hr (not including compression correction)

	2022	2023	2024	2025	2026	Total
Summer	\$20,950	\$21,788	\$22,660	\$23,566	\$24,509	\$113,474
Winter	23,590	24,533	25,515	26,535	27,597	\$127,770
Total	\$44,540	\$46,322	\$48,175	\$50,102	\$52,106	\$241,244

Assumptions

Fully staffed at 2019 levels

Total hours per position approximate 2019

Average wage per vacant position equals average of current staffed positions

4% increase per year

Alignment with Strategic Plan: Selection and appointment of seasonal staff along with the ability to retain staff supports the goal to provide quality core services.

Staff Recommendations: Based upon the challenge of recruitment this winter to attract high-qualified candidates who are a good fit for our organization, staff recommends increasing our starting wage from \$15.00 per hour to \$17.00 per hour. Staff also recommends modifying our non-monetary incentives based on job status as well as department specific incentives. It is of Staff opinion that these enhancements will help the Town of Frisco continue to be an employer of choice within Summit County. During the February 22nd Council meeting, staff will review these non-monetary incentives in detail and will seek Council feedback/direction. Questions for the Council to consider:

- Is Town Council supportive of moving the current base hiring wage from \$15 to \$17 for front line positions?
- Is Town Council supportive of non-monetary incentives available to staff based on job *status*?
- Is Town Council supportive of non-monetary incentives available to staff based on job *location/department*?

Approved By:

Diane McBride

Leslie Edwards

Attachments:

- Proposed “2022 Employee Non-monetary Compensation Benefits”
- Summit County base wage rate comparison