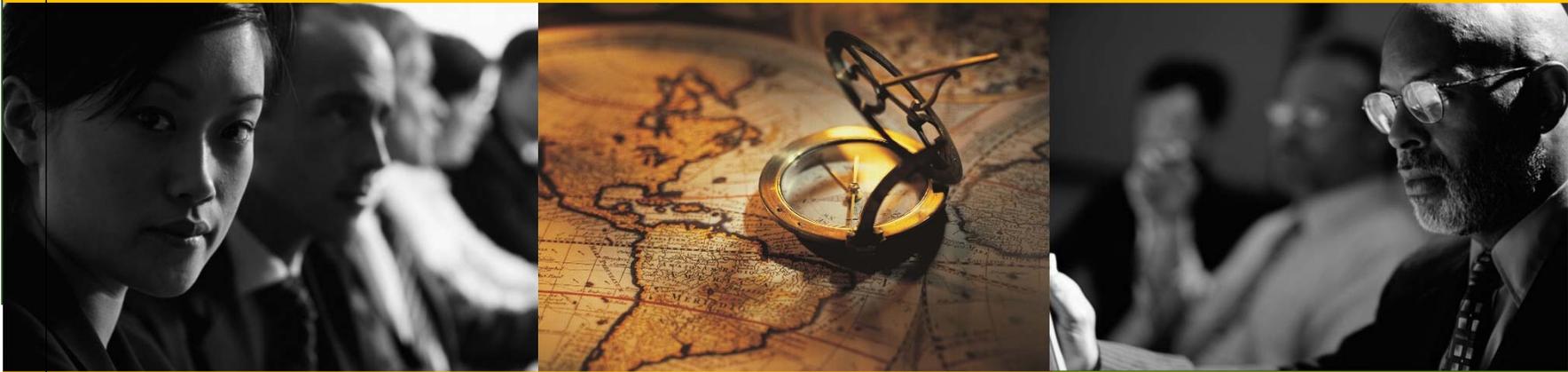


Classification Study and Compensation Survey for the City of Page, AZ



Presentation of Results



27 October 2016

Agenda

- Study Process
- Summary of Employee Outreach
- Analysis of Current Conditions
- Compensation Philosophy Review
- Classification Review
- Compensation Review
- Implementation Options
- Recommendations



Study Process

Completed:

- ✓ Conducted employee outreach; summarized findings.
- ✓ Reviewed current conditions of compensation system.
- ✓ Reviewed the City's Compensation Philosophy.
- ✓ Analyzed **internal equity** and reviewed classifications utilizing Job Assessment Tool (JAT) results.
- ✓ Conducted salary survey to analyze **external equity** of the current compensation system.
- ✓ Utilized internal and external equity results to develop new pay plan aligned and slotted all classifications.



Study Process (cont.)

Completed (cont.):

- ✓ Developed options and estimated annualized salary costs to implement the new pay plan.
- ✓ Reviewed all classifications for Fair Labor Standards Act (FLSA) status; based on current and proposed rules.
- ✓ Provided Draft Report.

Remaining:

- Finalize study results; provide Final Report.
- Revise/provide job descriptions utilizing existing descriptions and input from employee JATs.



Outreach Summary

Employees stated they:

- Enjoyed working for the City; serving the community in which they live; and the positive relationships with their coworkers.
- Appreciated the City's provided health benefits.
- Believed that turnover was high in some areas; and recruiting was challenging due to the City's location.
- Were concerned that compensation had not progressed at levels consistent with their peers.
- Believed the City should conduct performance evaluations on a consistent basis.



Current Conditions

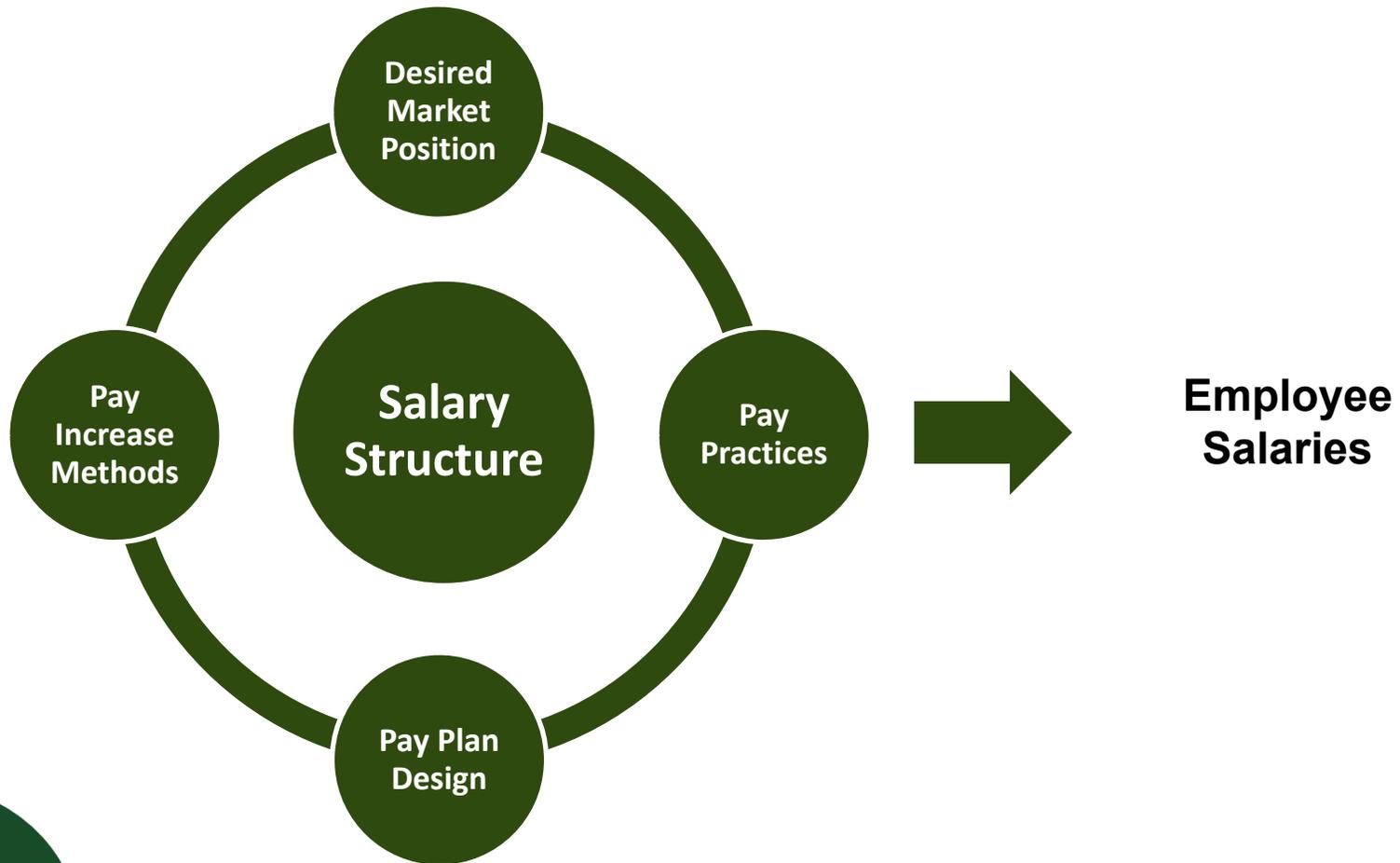
Analyzed current compensation structure:

- An open-range pay plan providing a clear structure (with ranges) within which employees could expect to progress salaries.
- Pay grade range spreads were constant at about 69%.
- Employees' salaries were concentrated (80.0 %) below the midpoints of the pay ranges.
- Employees' salaries were even more concentrated (62.7 %) in the first quartile of the pay ranges.



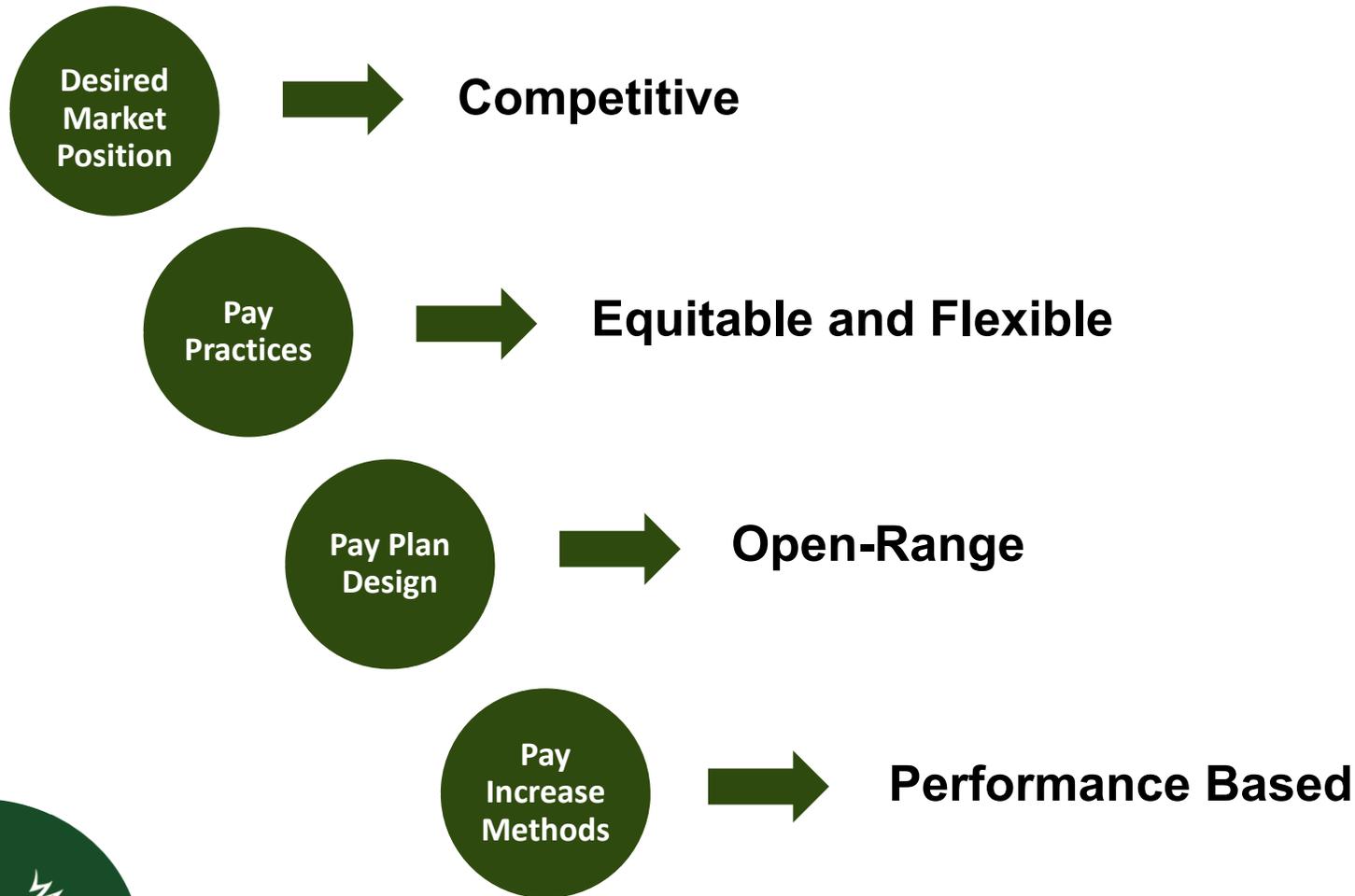
Compensation Philosophy

Components of a Compensation Philosophy impacts Salaries:



Compensation Philosophy

City's Compensation Philosophy:



Classification

Conducted a review of JATs and the current structure and made appropriate recommendations, e.g.:

Current Class Title	Recommended Class Title
ACCOUNT CLERK II	Account Clerk
ACCOUNT CLERK III	Account Clerk Senior
CLERK/TYPIST	Court Clerk
REC DIV DIRECTOR	Recreation Department Manager
YOUTH SERVICES SUPERVISOR	Library Assistant



Compensation

Conducted salary range data from *18 peers for 49 benchmark classifications:

Peer Data Collected
City of Camp Verde, AZ
City of Coolidge, AZ
City of Cottonwood, AZ
City of Flagstaff, AZ
City of Globe, AZ
City of Holbrook, AZ
City of Kingman, AZ
City of Sedona, AZ
City of Show Low, AZ
City of St. George, UT
City of Winslow, AZ
Town of Payson, AZ
Town of Wickenburg, AZ
Coconino County, AZ
Kane County, UT
Mohave County, AZ
Navajo County, AZ
Yavapai County, AZ

* Collected data were adjusted for cost of living.



Compensation (cont.)

Compared the salary range data for benchmark classifications to the **average** of the peers' data:

Benchmark Classifications	Differential at Range Minimum	Differential at Range Midpoint	Differential at Range Maximum
Overall Average	-15.4%	-5.6%	0.2%



Midpoint is typically considered “market” as employees receiving pay at this point should be proficient and satisfactorily performing the duties of their classification.

* Results do not indicate that all benchmarks (classifications) were ahead or behind.



Compensation (cont.)

New, competitive open-range pay plan:

- 32 pay grades
- increasing range spreads
 - 55% grades 201-210
 - 60% grades 211-220
 - 65% grades 221-232
- easy to administer
- aligns with compensation philosophy

Grade	Minimum	Midpoint	Maximum
201	\$ 19,375.20	\$ 24,703.38	\$ 30,031.56
202	\$ 20,440.84	\$ 26,062.07	\$ 31,683.30
203	\$ 21,565.08	\$ 27,495.48	\$ 33,425.88
204	\$ 22,751.16	\$ 29,007.73	\$ 35,264.30
205	\$ 24,002.48	\$ 30,603.16	\$ 37,203.84
206	\$ 25,322.61	\$ 32,286.33	\$ 39,250.05
207	\$ 26,715.36	\$ 34,062.08	\$ 41,408.80
208	\$ 28,184.70	\$ 35,935.49	\$ 43,686.28
209	\$ 29,734.86	\$ 37,911.94	\$ 46,089.03
210	\$ 31,370.28	\$ 39,997.10	\$ 48,623.93
211	\$ 33,095.64	\$ 43,024.33	\$ 52,953.02
212	\$ 34,915.90	\$ 45,390.67	\$ 55,865.44
213	\$ 36,836.28	\$ 47,887.16	\$ 58,938.04
214	\$ 38,862.27	\$ 50,520.95	\$ 62,179.63
215	\$ 40,999.70	\$ 53,299.60	\$ 65,599.51
216	\$ 43,254.68	\$ 56,231.08	\$ 69,207.49
217	\$ 45,633.69	\$ 59,323.79	\$ 73,013.90
218	\$ 48,143.54	\$ 62,586.60	\$ 77,029.66
219	\$ 50,791.43	\$ 66,028.86	\$ 81,266.29
220	\$ 53,584.96	\$ 69,660.45	\$ 85,735.94
221	\$ 56,532.13	\$ 74,905.08	\$ 93,278.02
222	\$ 59,641.40	\$ 79,024.86	\$ 98,408.31
223	\$ 62,921.68	\$ 83,371.23	\$ 103,820.77
224	\$ 66,382.37	\$ 87,956.64	\$ 109,530.91
225	\$ 70,033.40	\$ 92,794.26	\$ 115,555.11
226	\$ 73,885.24	\$ 97,897.94	\$ 121,910.65
227	\$ 77,948.93	\$ 103,282.33	\$ 128,615.73
228	\$ 82,236.12	\$ 108,962.86	\$ 135,689.60
229	\$ 86,759.11	\$ 114,955.81	\$ 143,152.52
230	\$ 91,530.86	\$ 121,278.38	\$ 151,025.91
231	\$ 96,565.05	\$ 127,948.70	\$ 159,332.34
232	\$ 101,876.13	\$ 134,985.87	\$ 168,095.62



Implementation Options

Bring Employees to New Minimums

A calculation is performed so that each employee's salary is adjusted to the minimum of his/her classification's proposed pay grade. If his/her salary is already within the proposed pay range, no adjustment is made.

Tenure Adjustment Capped at Midpoint and 5% Adjustment

A calculation is performed to adjust salaries toward the midpoint based on relative tenure (time an employee has been with the organization relative to others in the organization). Each employee's tenure is ranked among the range of tenures within the organization. The salaries are then adjusted within the range based on this statistic; e.g., an employee with 0 years of tenure (percent rank of 0) would not have his/her salary adjusted toward the midpoint. However, an employee with 25 years of tenure (percent rank of 0.95) would have his/her salary placed at 95 percent of the midpoint. If the employee's salary is already above the new midpoint, no adjustment is proposed. Then, employee salary adjustments are also capped at a five percent adjustment.

*This option includes the Bring to Minimum cost.



Implementation Options

Current Range Penetration – Capped at Midpoint

A calculation is performed to determine the relative position of an employee's salary in the current pay range. The employee's recommended salary calculation is based on the employee's new salary being placed at the same relative position in the proposed range. For example, if an employee's salary is 40% into the current pay range, the proposed salary is placed at 40% into the recommended pay range. This places an employee's salary in the new range based on the relative position in the current range, yet does not place any salary beyond new midpoints unless the salary is already above that point, and no employee salary is reduced.

*This option includes the Bring to Minimum Cost.

Current Range Penetration – Capped at Midpoint and 5% Adjustment

A calculation is performed to determine the relative position of an employee's salary in the current pay range. The employee's recommended salary calculation is based on the employee's new salary being placed at the same relative position in the proposed range. For example, if an employee's salary is 40% into the current pay range, the proposed salary is placed at 40% into the recommended pay range. This places an employee's salary in the new range based on the relative position in the current range, yet does not place any salary beyond new midpoints unless the salary is already above that point, no employee salary is reduced, and no employee's salary is adjusted more than five percent.

*This option includes the Bring to Minimum Cost.



Implementation Options

Bring Employees to New Minimums

- Total annualized estimated cost for this option **\$112,284**
- # employees who would receive adjustments = 42

Tenure Adjustment Capped at 5% Adjustment

- Total annualized estimated cost for this option **\$162,106**
- # employees who would receive adjustments = 81

Current Range Penetration – Capped at Midpoint

- Total annualized estimated cost for this option **\$327,830**
- # employees who would receive adjustments = 83

Current Range Penetration – Capped at Midpoint and 5% Adjustment

- Total annualized estimated cost for this option **\$159,136**
- # employees who would receive adjustments = 83

* Cost estimates are salary only and do not include the cost of benefits.



Recommendations

- Determine most appropriate method to implement the new plan.
- Communicate the results to the employees.
- Review pay practices; revise as necessary to align with compensation philosophy and be competitive with peers.
- Administer and maintain the new plans; make pay grade/range adjustments as necessary.
- Conduct a comprehensive study every three to five years.



Thank You

Additional Questions?

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Pay Grade Assignments

Recommended Class Title	Grade	Proposed Minimum	Proposed Midpoint	Proposed Maximum
Sports Official	201	\$ 19,375.20	\$ 24,703.38	\$ 30,031.56
Cook's Assistant Library Aide Transportation Aide	202	\$ 20,440.84	\$ 26,062.07	\$ 31,683.30
Custodian	203	\$ 21,565.08	\$ 27,495.48	\$ 33,425.88
Kitchen Supervisor/Cook P/T Seasonal Concession	204	\$ 22,751.16	\$ 29,007.73	\$ 35,264.30
Court Clerk	205	\$ 24,002.48	\$ 30,603.16	\$ 37,203.84
Library Outreach Coordinator	207	\$ 26,715.36	\$ 34,062.08	\$ 41,408.80
Records Clerk Reserve EMT Reserve Firefighter	208	\$ 28,184.70	\$ 35,935.49	\$ 43,686.28
Children's Coordinator Circulation Assistant Court Data Clerk Maintenance Worker Recreation Assistant	209	\$ 29,734.86	\$ 37,911.94	\$ 46,089.03



Pay Grade Assignments

Recommended Class Title	Grade	Proposed Minimum	Proposed Midpoint	Proposed Maximum
Account Clerk Administrative Assistant Circulation Lead Community Enhancement Technician Court Clerk Senior Maintenance Worker Lead Office Manager Streets Maintenance Worker	210	\$ 31,370.28	\$ 39,997.10	\$ 48,623.93
Account Clerk Senior Animal Control Officer Evidence Technician	211	\$ 33,095.64	\$ 43,024.33	\$ 52,953.02
Communication Specialist Community Development Coordinator Deputy City Clerk Human Resources Coordinator Special Projects Coordinator	212	\$ 34,915.90	\$ 45,390.67	\$ 55,865.44
Auto Technician Court Supervisor Dispatch Supervisor Finance Analyst Heavy Equipment Technician	213	\$ 36,836.28	\$ 47,887.16	\$ 58,938.04



Pay Grade Assignments

Recommended Class Title	Grade	Proposed Minimum	Proposed Midpoint	Proposed Maximum
Building Inspector Electrician Information Technology Technician Library Assistant Planner	214	\$ 38,862.27	\$ 50,520.95	\$ 62,179.63
GIS Technician Information Technology Specialist Parks & Cemetery Supervisor Streets Supervisor	215	\$ 40,999.70	\$ 53,299.60	\$ 65,599.51
Economic Development Coordinator EMT/Firefighter Recreation Department Manager Reserve EMT/Firefighter	216	\$ 43,254.68	\$ 56,231.08	\$ 69,207.49
CEP/Engineer Reference Librarian Reserve CEP/Firefighter	217	\$ 45,633.69	\$ 59,323.79	\$ 73,013.90
Detective Patrol Officer	218	\$ 48,143.54	\$ 62,586.60	\$ 77,029.66



Pay Grade Assignments

Recommended Class Title	Grade	Proposed Minimum	Proposed Midpoint	Proposed Maximum
Assistant Magistrate CEP/Captain	219	\$ 50,791.43	\$ 66,028.86	\$ 81,266.29
Detective Sergeant Patrol Sergeant	220	\$ 53,584.96	\$ 69,660.45	\$ 85,735.94
City Clerk Public Works Manager	221	\$ 56,532.13	\$ 74,905.08	\$ 93,278.02
Patrol Lieutenant Support Lieutenant	222	\$ 59,641.40	\$ 79,024.86	\$ 98,408.31
Assistant Fire Chief Police Captain	225	\$ 70,033.40	\$ 92,794.26	\$ 115,555.11
Community Services Director Human Resources Director Information Technology Director	226	\$ 73,885.24	\$ 97,897.94	\$ 121,910.65
Community Development Director Finance Director	227	\$ 77,948.93	\$ 103,282.33	\$ 128,615.73
Chief of Police Fire Chief Public Works Director	228	\$ 82,236.12	\$ 108,962.86	\$ 135,689.60
City Attorney City Magistrate	229	\$ 86,759.11	\$ 114,955.81	\$ 143,152.52
City Manager	232	\$ 101,876.13	\$ 134,985.87	\$ 168,095.62

