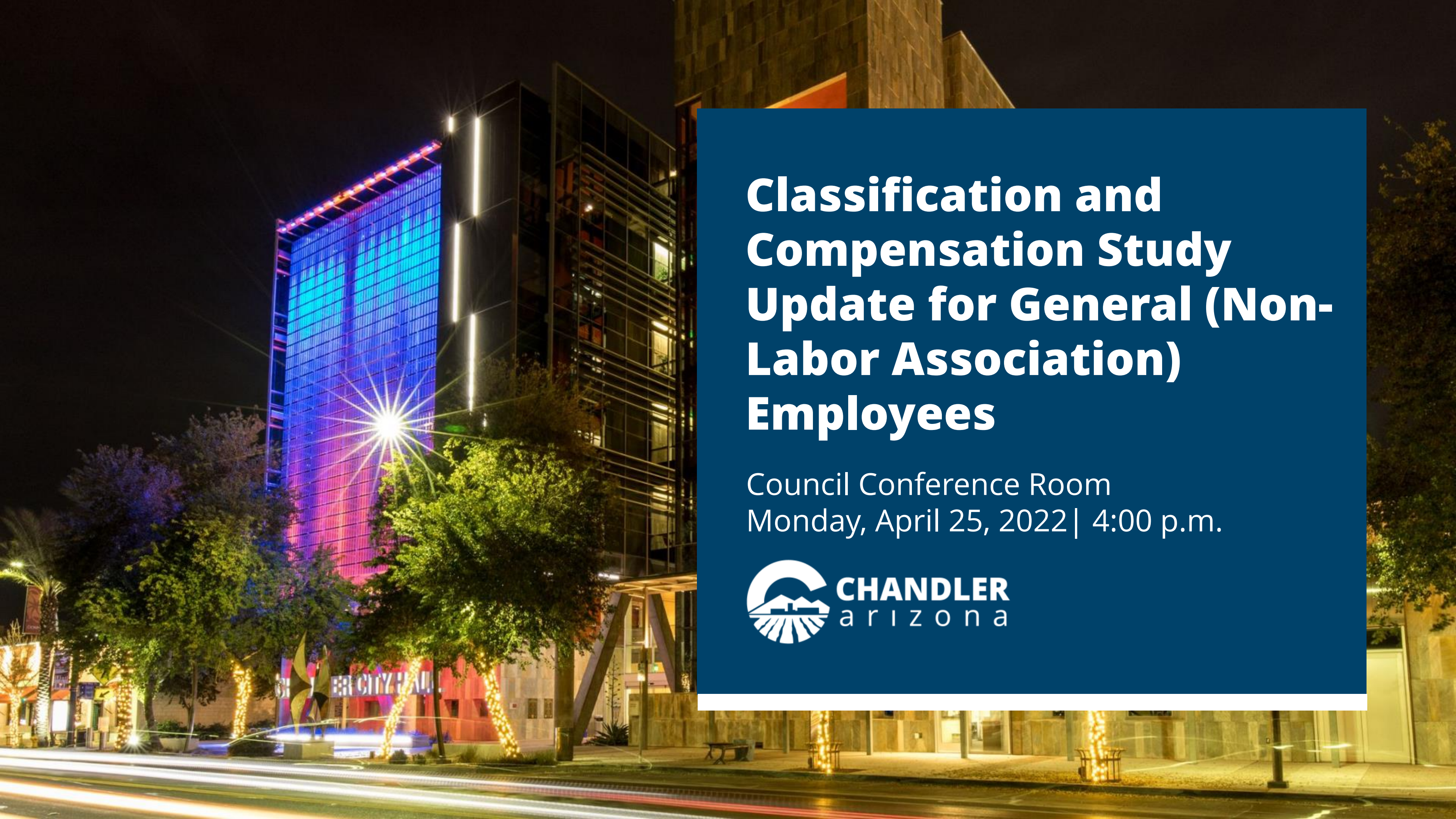




Classification and Compensation Study Update for General (Non- Labor Association) Employees

Council Conference Room
Monday, April 25, 2022 | 4:00 p.m.



Agenda

- Study Update
- Current Compensation Strategy
- Proposed Compensation Strategy
- Recommendations and Timeline



Classification and Compensation Study



Council Work Session Completed	June 21, 2021
RFP Process Completed-Logic Compensation Group Selected	October 2021
City Council Approved Contract	December 9, 2021
Study Process began	December 2021

Overall Study Goals

The overall goal is to have a new classification system that accurately reflects the job requirements and responsibilities of our employees. Additionally, we must have a classification system that is easy to understand and administer and that gives us the flexibility we need to update classifications and job duties.

Other goals include:

- Aligning our classification system
 - Establishing job families
- Reviewing positions that experience high turnover or recruitment challenges
 - Streamlining job description format
- Assessing the labor market to ensure the City is competitive in its pay and benefits
 - Updating policies to reflect best practices

Review of Classification vs. Compensation Study Deliverables

Review and Update Current Classification System

- Benchmark positions
- Update class specifications
- Evaluation of positions or group of positions

Analysis of Compensation System including Salaries, Policies and Pay Practices

- Analyze current pay practices to determine if we are competitive

Market Comparisons Best Practices

- Where does City want to be in the market to remain competitive and attract top talent?
- Does the current compensation methodology need to change?
- Does our market need to change?

Employee Communication



— Dedicated Classification and Compensation Study page on ChanWeb. Updated by Human Resources throughout the process.

— City Manager messages through QuickLook and city-wide email.

— Quarterly meetings with the Employee Advisory Committee to provide updates and answer questions.

— Human Resources staff attendance at department meetings. Frequent phone communication with individual employees.

— Employee Focus groups to be held in May or June 2022 for specific job families identified by the consultant.

Current Recruitment Initiatives



Established Hiring Incentives for Police Sworn, Dispatch, and Detention Officer positions beginning July 1, 2021.



Enhanced marketing strategies through outreach and technology.

Increased attendance at off-site hiring events. Internship partnership with CGCC.



Leveraging technology to streamline recruitment and hiring processes.

Additional recruitment processes added to increase hiring numbers.



Mobility initiatives and updated telework regulation to allow for more flexible work arrangements when appropriate.

Personnel Policy changes forthcoming to remove barriers.

What's Working Well/Areas Of Opportunity

Department Director Input

Strengths

- Reclassification process & treatment
- Good general benefits
- Police & Fire Bargaining groups treated fairly in the MOUs (outside scope of the study)
- Responsiveness of Human Resources

Weaknesses

- Employees working out of class
- Reward for employees topped out
- Executive benefits lag market
- Opportunities for career growth
- Comparator market limited in definition
- Retention tools
- Job matching with other organizations
- Compression with new hires

Opportunities

- Create career ladders
- Update market
- "Better job definition" and job matching (dual roles create match issues)
- Conduct study in a transparent way and make substantive changes
- Create better pay ranges/increase widths

Threats

- Staffing levels
- Employee morale due to staffing and recruitment challenges
- Affordability of study recommendations or failure to act on study recommendations

Current Compensation Strategy



"4th Market" Strategy

Total Cash Compensation measures include:

- Base pay
- City contribution to deferred compensation
- Retirement Health Savings contribution
- Longevity (Public Safety only)
- Additional Retirement Health Savings contribution (Fire only)

Current market is 8 cities:

- | | |
|------------|--------------|
| ○ Chandler | ○ Peoria |
| ○ Gilbert | ○ Phoenix |
| ○ Glendale | ○ Scottsdale |
| ○ Mesa | ○ Tempe |

Benchmark surveys completed annually

Recommended Compensation Strategy

75 Percentile Market Placement

Compensation measures include:

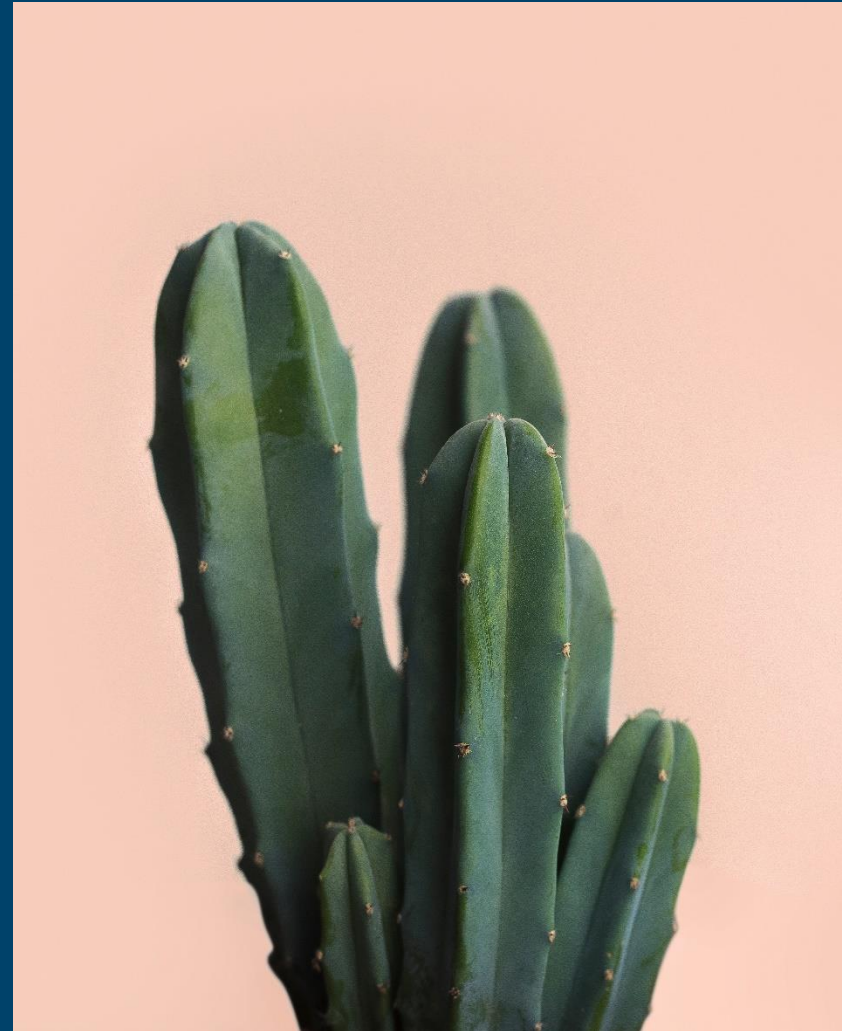
- Base pay
- Longevity (Public Safety only)

Comparator market of 9 cities:

- Chandler
- Gilbert
- Glendale
- Mesa
- Peoria
- Scottsdale
- Tempe
- Avondale
- Goodyear
- Queen Creek

Remove Phoenix based on differences in retirement system, size of City, and positions not applicable for comparison.

Add three new cities to comparator group based on market and better comparator for City of Chandler.



Compensation Philosophy Statement

Compensation levels should reflect the public sector labor market in which the City competes for talent. The value of compensation offered to City employees shall be consistent with that offered by the public sector agencies identified as comparators.

Examples of Market Change Effect

RECOMMENDED
↓

		Current Practice "4th market"		"4th Market" with proposed new market and base pay only.		Proposed New Methodology	
Classification Sampling	Current Salary Range	Average of Rank	Average of Market Percentile: Current	Average of Rank	Average of Market Percentile: Using 4th Market methodology with addition of new cities and base pay only.	Percent Increase to 75th Percentile	75th Percentile New Salary Range
Position A	\$63,419 - \$87,869	5	50%	6	50%	3.10%	\$65,387 - \$90,595
Position B	\$39,811 - \$53,768	3	75%	6	56%	1.87%	\$40,557 - \$54,775
Position C	\$73,306 - \$102,628	2	88%	2	89%	-2.13%	\$71,748 - \$100,446
Position D	\$55,390 - \$75,358	4	63%	4	67%	0.74%	\$55,801 - \$75,917
Position E	\$55,390 - \$75,358	6	38%	10	20%	15.90%	\$64,199 - \$87,343
Position F	\$43,805 - \$59,218	5	33%	7	25%	7.55%	\$47,114 - \$63,692
Position G	\$51,771 - \$68,869	2	88%	4	67%	2.45%	\$53,039 - \$70,555
Position H	\$51,771 - \$68,869	2	88%	2	89%	-4.25%	\$49,569 - \$65,939

Consultant Comments:

- Best Practice is to identify a percentage to target pay; rank is not a common practice in the market.
- Using 75th percentile provides for a cleaner, more quantitative approach in determining pay.

Recommendations

Adopt the recommended new labor market with removal of Phoenix and addition of Avondale, Goodyear, and Queen Creek as comparators.

Utilize percentile vs. rank to provide a more quantitative approach when determining market pay.

Remove deferred compensation and retirement health savings dollars from analysis. Include base pay and longevity (if applicable) only.

Explore alternative compensation options for topped out employees.

If an employee's pay is above the maximum of the new market range, no pay will be decreased as a result. The position will remain at their current pay but will not receive additional market adjustments until such time the pay range is adjusted based on market data.



Next Steps

2022 Classification & Compensation Study Progress



PHASE 1
Study Initiation &
Strategy Development



PHASE 2
Classification &
Internal Equity

PHASE 3
Job Evaluation &
Job Descriptions

PHASE 4
Compensation Study

PHASE 5
Reports &
Recommendation

Completion and implementation of study results
targeted for year-end 2022.

Thank You

