

Compensation Study - Council Questions

1. Why the item is necessary: Provide a concise explanation of the issue or opportunity the item addresses and why it is essential to act.

A compensation study is necessary to achieve the Strategic Priority “Outstanding Service—Employees” objectives and actions.

- Objective: Ensure competitive salaries and benefits that align with market standards to attract and retain the top talent necessary for achieving the City’s mission and goals.
- Action: Conduct a comprehensive compensation survey to analyze the City’s pay structure and targeted pay practices against its market comparators and receive recommendations to maintain a competitive position in the market.

The City will begin the meet-and-confer process in December 2025 with the El Mirage Fire Fighters Employee Association (EMFFA) to negotiate the next Memorandum of Understanding (MOU). The study's recommendations will be used to establish competitive pay structures and targeted pay practices for the next Fire Memorandum of Understanding (MOU). Recommendations will also be incorporated into the FY2026-2027 budget process.

2. How the item benefits the City: Summarize the positive outcomes or improvements the item will bring to City operations, services, or long-term strategic goals.

A compensation study benefits the City by reviewing its pay structure and practices compared to its market competitors, determining the market value of positions, proposing equitable salary ranges that attract, engage, and retain employees, and demonstrating that it values its employees and the community they serve.

Competitive pay can influence an employee's overall job satisfaction. Workers who feel they're being paid fairly are more likely to stay motivated and go the extra mile to help the City achieve its goals. Competitive salaries can also lead to lower employee turnover, which can save the City money on overtime, hiring, and training costs.

3. How it impacts residents: Highlight the direct or indirect effects on the community, focusing on how residents will experience changes or improvements.

A compensation study indirectly impacts residents by recommending competitive pay structures and practices that help the City attract and retain highly skilled and qualified employees. This

results in improved service delivery to residents and may potentially draw more residents who wish to live in a City that offers quality public services.

4. Statutory requirements or Code provisions involved: Please note any legal mandates, compliance requirements, or policy guidelines that require this item.

The City's 2026-2028 Strategic Priorities, adopted by Resolution R25-05-08. The Strategic Priority of "Outstanding Service – Employees" includes the objective of ensuring competitive salaries and benefits that align with market standards to attract and retain the top talent necessary for achieving the City's mission and goals. The action to achieve this objective is to conduct a comprehensive compensation survey to analyze the City's pay structure and targeted pay practices against its market comparators and receive recommendations to maintain a competitive position in the market.

The City's administrative policy on employee retention states in part: A compensation and classification survey is conducted biennially, or as designated by the City Manager, to establish market comparisons to the current level of compensation paid to job classifications. The term biennially is defined as every two years.

5. Whether the item is critical or time-sensitive and why it needs to be voted on at this particular meeting.

The compensation study is time-sensitive and needs to be voted on at this meeting, as the City wishes to initiate the comprehensive compensation study in July 2025. This involves gathering and evaluating data through August, receiving project outputs through November, and completing a final report by December 2025. This timeline allows the City to make informed, data-driven decisions during the Meet and Confer process with the El Mirage Fire Fighters Employee Association (EMFFA) and through the annual budgetary process for fiscal year 2025-2026, both starting in December 2025.