



# COMPENSATION ORDINANCES

Flagstaff City Council  
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# HISTORY

- FY 2021 – Evergreen Compensation Study and implement Neo Gov PERFORM Feb 2021
- FY 2022 – Implement Pay Structure, Market-based Pay Ranges, Compression Adjustments, Budgeted Merit Pool
- FY 2023 – Additional Compression Adjustments, Market Adjustment Program, Continue Merit Pool
- FY 2023 – Adopt the updated policies
- FY 2024 – Pay for Performance



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# UPDATES IN GENERAL

- Gender-neutral pronouns
- Reduce duplication of information
- Grammar
- Eliminate unnecessary procedure language and reference to forms that quickly becomes dated
- Consistent and current terminology
- Align with adopted compensation and performance management programs
- Regulatory updates



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# REGULATORY EXAMPLES

- ACA/ASRS Benefit eligibility for part time
- ACA/ASRS and Temporary Employees
- Fire to 106-hour/14-day work period
- Fair Labor Standards Regular Hourly Rate
- Overtime pay



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# COMPENSATION PROGRAM ALIGNMENT

- Reference to consistent Salary Calculation Method
- Market Analysis/Benchmarks
- Internal Hierarchy
- Eliminate Rezone language (Broadband)
- Add Step Plan language



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# CONSISTENCY

- Pay changes effective 1<sup>st</sup> day of a pay period.
- New Classification Date
  - Promotion
  - Voluntary Reassignment
  - Reclassification
  - Transfer
- Market Adjustment vs. Reclassification
- Acting Pay vs. Temporary Promotion
- Voluntary Reassignment vs. Demotion
- Compensatory time maximums and payouts



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# SALARY CALCULATION METHOD – REGULAR PAY PLAN

- Same for new hires, promotions, rehires, reclassified employees.
- Credit prior relatable work experience, education, certifications and credentials above the minimum requirements.
- Collaborative process between HR and hiring Division.
- Offers above range midpoint require Finance approval.
- Offers above salary calculation require internal impact analysis and City Manager approval.
- Pro-rated merits (budgeted merit) included where the classification date is reset.



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# PERFORMANCE EVALUATION

- Aligned with Neo Gov PERFORM.
- Probation for most classified employees is 6 months.
- Probation for Courts, Fire and Police is 1 year.
- Organizational competencies, job specific competencies, goals, professional development.
- Positioned to support pay for performance.



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# REHIRE ENHANCEMENT

- Increase rehire enhancement from 30 days to 12 months.
- New Classification date = Original hire date + number of days gap in service.
- No loss in pay when returning to same or equal level position.
- Assignment to prior vacation tier.
- Restore lost sick leave (minus payouts).
- Access to benefits as soon as allowed by plan documents.



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# Recruitment and Retention

- Consistent rules – employees can trust the compensation program.
- Standardized pay plan structures.
- Standardized salary calculation methodology.
- Maintaining compa ratios in assigned range.
- New hires don't benefit more than current staff.
- Budgeted merit and moving to pay for performance.
- Expand rehire enticement from 30 days to 12 months.



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# QUESTIONS



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