

# SALARY SURVEY FINDINGS AND RECOMMENDATIONS

for the City of San Luis

Presented June 2024

By Kay Tilzer, Consultant

# PROJECT SCOPE

- Survey the City's competitive labor market to determine its level of competitiveness.
- Develop a salary plan that is internally equitable and externally competitive.

# PROJECT GOALS

- Develop a competitive salary plan and fiscally responsible salary administration policy.
- “Price” jobs to be both externally competitive and internally equitable.
- Develop a salary administration policy that is readily understood by employees and easy to administer.

# SURVEY OBJECTIVES

- Compare the City's compensation to the "Competitive market"
- Modify existing or develop a new compensation plan that is
  - Externally competitive
  - Internally equitable
  - Affordable
  - Sustainable
- Identify the City's desired competitiveness policy
- Develop implementation strategies to move the City's compensation offerings closer to the prevailing rates

# SURVEY COMPARATORS

Apache Junction	Maricopa
Buckeye	Oro Valley
Casa Grande	Prescott Valley
Florence	Sierra Vista
Lake Havasu City	Yuma
Marana	

Private sector salary data for the San Luis area was obtained from Economic Research Institute's (ERI) salary assessor.

# SALARY SURVEY

- Data gathered from comparators pay plans
- Org charts, budgets, and job descriptions used to identify similar jobs
- The salary survey will answer the question of “where are we?”
- Implementation answers the question “where do we want to be?”

# SALARY SURVEY METHODOLOGY

- Salary plans were collected during 1st quarter of 2024
- Pay plans in effect at the time of collection – no adjustments to data have been made
- Salary range Midpoints were averaged to calculate the prevailing rates for each survey benchmark
  - Midpoint represents the value of a journey-level, competent performer in an occupation

# SURVEY RESULTS

- PSPC surveyed:
  - 11 comparators
  - 93 job classes benchmarked
  - 780+ comparable jobs included in survey
- The City is more than 5% below the market for 83% of the benchmarked job classes.

<b>Salary Only Summary</b>	<b># of Benchmarks</b>	<b>% of Survey</b>
<b>More than 5% Below Market</b>	<b>77</b>	<b>83%</b>
<b>Comparable – within 5% of Market</b>	<b>14</b>	<b>15%</b>
<b>More than 5% Ahead of Market</b>	<b>2</b>	<b>2%</b>

# CURRENT SALARY STRUCTURE

Pay Grade Schedule - FY 2023-24 (eff 1/1/24) rec'd 3/6/24														
Grade	Hourly Rates			Annual at 2080 hrs / year			Salary Range Spread	Mdpt. Progress	Min. Wage Increase %	Sep at Min	sep at Designated MP	sep @ calc'd MP	Sep at Max	Range Width
	Min	Designated Mid	Max	Min	Designated Mid	Max								
103	\$14.35	\$16.70	\$19.04	\$29,848.00	\$34,736.00	\$39,611.00	32.71%		3.61%	--		--	--	32.71%
104	\$14.54	\$17.45	\$20.36	\$30,243.20	\$36,296.00	\$42,348.80	40.03%	4.49%		1.32%	4.49%	4.511%	6.91%	40.03%
105	\$15.27	\$18.63	\$21.99	\$31,761.60	\$38,750.40	\$45,739.20	44.01%	6.76%		5.02%	6.76%	6.762%	8.01%	44.01%
106	\$16.34	\$19.93	\$23.53	\$33,987.20	\$41,454.40	\$48,942.40	44.00%	6.98%		7.01%	6.98%	7.005%	7.00%	44.00%
107	\$17.48	\$21.33	\$25.17	\$36,358.40	\$44,366.40	\$52,353.60	43.99%	7.02%		6.98%	7.02%	6.973%	6.97%	43.99%
108	\$18.71	\$22.82	\$26.94	\$38,916.80	\$47,465.60	\$56,035.20	43.99%	6.99%		7.04%	6.99%	7.034%	7.03%	43.99%
109	\$20.02	\$24.42	\$28.82	\$41,641.60	\$50,793.60	\$59,945.60	43.96%	7.01%		7.00%	7.01%	6.988%	6.98%	43.96%
200	\$22.02	\$27.52	\$33.03	\$45,801.60	\$57,241.60	\$68,702.40	50.00%	12.69%	calc & insert grade 110?	9.99%	12.69%	12.715%	14.61%	50.00%
201	\$24.22	\$30.27	\$36.33	\$50,377.60	\$62,961.60	\$75,566.40	50.00%	9.99%		9.99%	9.99%	9.991%	9.99%	50.00%
202	\$26.64	\$33.30	\$39.96	\$55,411.20	\$69,264.00	\$83,116.80	50.00%	10.01%		9.99%	10.01%	9.992%	9.99%	50.00%
203	\$29.30	\$36.63	\$43.96	\$60,944.00	\$76,190.40	\$91,436.80	50.03%	10.00%		9.98%	10.00%	10.000%	10.01%	50.03%
204	\$32.23	\$40.29	\$48.35	\$67,038.40	\$83,803.20	\$100,568.00	50.02%	9.99%		10.00%	9.99%	9.992%	9.99%	50.02%
205	\$35.46	\$44.32	\$53.19	\$73,756.80	\$92,185.60	\$110,635.20	50.00%	10.00%		10.02%	10.00%	10.015%	10.01%	50.00%
206	\$39.00	\$48.76	\$58.51	\$81,120.00	\$101,420.80	\$121,700.80	50.03%	10.02%		9.98%	10.02%	9.994%	10.00%	50.03%
207	\$42.90	\$53.63	\$64.36	\$89,232.00	\$111,550.40	\$133,868.80	50.02%	9.99%		10.00%	9.99%	9.999%	10.00%	50.02%
208	\$47.20	\$60.51	\$73.82	\$98,176.00	\$125,860.80	\$153,545.60	56.40%	12.83%		10.02%	12.83%	12.829%	14.70%	56.40%
209	\$51.91	\$66.56	\$81.20	\$107,972.80	\$138,444.80	\$168,896.00	56.42%	10.00%		9.98%	10.00%	9.990%	10.00%	56.42%
300	\$57.11	\$73.21	\$89.32	\$118,788.80	\$152,276.80	\$185,785.60	56.40%	9.99%	ACM & CA	10.02%	9.99%	10.007%	10.00%	56.40%
301	\$62.82	\$80.53	\$98.25	\$130,665.60	\$167,502.40	\$204,360.00	56.40%	9.99%	not assigned	10.00%	10.00%	9.998%	10.00%	56.40%
302	\$69.10	\$88.59	\$108.08	\$143,728.00	\$184,267.20	\$224,806.40	56.41%	9.99%	CM	10.00%	10.01%	10.002%	10.01%	56.41%

↑ ↑ ↑ ↑ ↑

Current structure is inconsistent at all comparison points between ranges (i.e. Min, MP, Max).

Salary Range Spread			
Administrative/Operative	40%	not consistent - varies from 33% to 44%	
Professional/Management	50%	includes directors	
Executives	50-65%	OM, ACM, and City Attorney	

Salary Range: Midpoint Progression			
Administrative/Operative	5-10%	front line staff	
Professional/Management	10-15%	includes directors	
Executives	15-20%	OM, ACM, and City Attorney	

# CHARACTERISTICS OF CURRENT STRUCTURE

Salary Schedule	No. of Grades	Approx. Grade Width	Approx. % Between Grades	No. of Steps
Administrative/Operative	7	33% to 44%	4% to 7%	N/A
Professional/Management	10	50%	10% to 13%	N/A
Executive	3	50% to 65%	10%	N/A

# PROPOSED SALARY STRUCTURE

- 75 ranges encompass the 2024 prevailing rates
- Range separation is 2.5% at the Midpoint
- Widths vary similar to the City's current structure
- Salary range 1 Minimum updated to reflect the new Minimum wage of \$15.00 per hour effective January 1, 2025.
- Salary range 1 Midpoint and Maximum were not recalculated to maintain the structures consistency.

Salary Range	Minimum	Midpoint	Maximum		Salary Range	Minimum	Midpoint	Maximum
1	\$31,200	\$37,310	\$41,638		39	\$76,282	\$95,353	\$114,423
2	\$31,741	\$37,210	\$42,679		40	\$78,189	\$97,736	\$117,284
3	\$32,535	\$38,140	\$43,746		41	\$80,144	\$100,180	\$120,216
4	\$33,348	\$39,094	\$44,840		42	\$82,147	\$102,684	\$123,221
5	\$34,182	\$40,071	\$45,961		43	\$84,201	\$105,251	\$126,302
6	\$35,037	\$41,073	\$47,110		44	\$86,306	\$107,883	\$129,459
7	\$35,913	\$42,100	\$48,287		45	\$88,464	\$110,580	\$132,696
8	\$36,810	\$43,152	\$49,494		46	\$90,675	\$113,344	\$136,013
9	\$37,731	\$44,231	\$50,732		47	\$92,942	\$116,178	\$139,413
10	\$38,674	\$45,337	\$52,000		48	\$95,266	\$119,082	\$142,899
11	\$39,641	\$46,470	\$53,300		49	\$97,647	\$122,059	\$146,471
12	\$40,632	\$47,632	\$54,633		50	\$100,089	\$125,111	\$150,133
13	\$41,648	\$48,823	\$55,998		51	\$102,591	\$128,239	\$153,886
14	\$42,689	\$50,044	\$57,398		52	\$105,156	\$131,444	\$157,733
15	\$43,756	\$51,295	\$58,833		53	\$107,784	\$134,731	\$161,677
16	\$44,850	\$52,577	\$60,304		54	\$110,479	\$138,099	\$165,719
17	\$44,310	\$55,387	\$66,464		55	\$113,241	\$141,551	\$169,862
18	\$45,417	\$56,772	\$68,126		56	\$116,072	\$145,090	\$174,108
19	\$46,553	\$58,191	\$69,829		57	\$118,974	\$148,717	\$178,461
20	\$47,717	\$59,646	\$71,575		58	\$117,253	\$152,435	\$187,617
21	\$48,909	\$61,137	\$73,364		59	\$120,185	\$156,246	\$192,308
22	\$50,132	\$62,665	\$75,198		60	\$123,189	\$160,152	\$197,116
23	\$51,385	\$64,232	\$77,078		61	\$126,269	\$164,156	\$202,043
24	\$52,670	\$65,838	\$79,005		62	\$129,426	\$168,260	\$207,094
25	\$53,987	\$67,484	\$80,980		63	\$132,661	\$172,467	\$212,272
26	\$55,337	\$69,171	\$83,005		64	\$135,978	\$176,778	\$217,579
27	\$56,720	\$70,900	\$85,080		65	\$139,377	\$181,198	\$223,018
28	\$58,138	\$72,672	\$87,207		66	\$142,862	\$185,728	\$228,594
29	\$59,591	\$74,489	\$89,387		67	\$146,433	\$190,371	\$234,308
30	\$61,081	\$76,351	\$91,622		68	\$150,094	\$195,130	\$240,166
31	\$62,608	\$78,260	\$93,912		69	\$153,846	\$200,008	\$246,170
32	\$64,173	\$80,217	\$96,260		70	\$157,693	\$205,009	\$252,325
33	\$65,778	\$82,222	\$98,667		71	\$161,635	\$210,134	\$258,633
34	\$67,422	\$84,278	\$101,133		72	\$165,676	\$215,387	\$265,098
35	\$69,108	\$86,385	\$103,662		73	\$169,818	\$220,772	\$271,726
36	\$70,835	\$88,544	\$106,253		74	\$174,063	\$226,291	\$278,519
37	\$72,606	\$90,758	\$108,909		75	\$178,415	\$231,948	\$285,482
38	\$74,421	\$93,027	\$111,632					

Separation @ MP
2.50%

Range Spread	
40.00%	Ranges 1 thru 16
50.00%	16 thru 57
60.00%	58 thru 75

Note: The Minimum for salary range 1 has been increased to reflect the \$15.00 per hour Minimum wage effective 1/1/25. The Midpoint and Maximums for salary range 1 were not recalculated to preserve the structural separation of 2.5% between the Midpoints and Maximums of salary ranges 1 and 2.

# SALARY RANGE ASSIGNMENTS

**Assignment of a Job to a Salary Range** – Each benchmark job was assigned to the salary range Midpoint is closest to the Market.

**Assignment of Non-benchmark Jobs** – Each non-benchmark job will be assigned a salary range based on its relationship to other benchmark jobs in its job family.

**Relative worth** as determined by current internal relationships.

City Human Resources has reviewed to verify the internal relationships still appropriate.

# ASSIGNING RANGE PLACEMENTS TO BENCHMARK JOBS

## Sample Job: Widget Analyst I

- Market = \$45,272  
(average of the Market Midpoints)
- Closest Midpoint in structure = Range 9

Market	\$45,272
Range 9 MP	<u>\$45,459</u>
Diff	
(\$187) Range 9 closer	
Market	\$45,272
Range 8 MP	<u>\$44,350</u>
Diff	
\$922	

Salary Range	Minimum	Midpoint	Maximum
1	\$31,200	\$37,310	\$41,638
2	\$31,741	\$38,243	\$42,679
3	\$32,535	\$39,199	\$43,746
4	\$33,348	\$40,179	\$44,840
5	\$34,182	\$41,183	\$45,961
6	\$35,037	\$42,213	\$47,110
7	\$35,913	\$43,268	\$48,287
8	\$36,810	\$44,350	\$49,494
9	\$37,731	<u>\$45,459</u>	\$50,732
10	\$38,674	\$46,595	\$52,000
11	\$39,641	\$47,760	\$53,300
12	\$40,632	\$48,954	\$54,633
13	\$41,648	\$50,178	\$55,998
14	\$42,689	\$51,432	\$57,398
15	\$43,756	\$52,718	\$58,833
16	\$44,850	\$54,036	\$60,304
17	\$44,310	\$55,387	\$66,464
18	\$45,417	\$56,772	\$68,126



75 Ranges

# SAMPLE RANGE ASSIGNMENT PROCESS

Current Title	Current		Market Data			Illustrative Grade for FY 2023		
	Grade	Minimum	Survey Minimum	Variance	Nearest Grade	Salary Grade	Minimum	Comment
<b>Public Works Job Family</b>								
Mechanic, Lead	6	\$54,510				6	\$54,510	
Mechanic II	4	\$45,046				5	\$49,551	
Mechanic I	3	\$40,945	\$47,496	-16.00%	4	4	\$45,046	
Parks Caretaker III	3	\$40,945				3	\$40,945	
Parks Caretaker II	2	\$37,219				2	\$37,219	
Parks Caretaker I	1	\$33,835	\$34,200	-1.08%	1	1	\$33,835	PCI "at Market" already. No change to series.

Move benchmark job class to the range whose Midpoint is closest to the Market.

Adjust jobs in the series, if needed, to maintain current internal alignment.

- Parks Caretaker is "at Market" so no change to series
- Mechanic I moves up one range to reflect Market, so Mechanic II moves up one grade also
- Lead Mechanic stays adjusting separation to more appropriate 10% between each level.
  - *If current job content supports a 20% pay separation, then Lead Mechanic would also move up one range.*

# COST TO IMPLEMENT PROPOSED 2.5% STRUCTURE AT WITH A 100% SALARY COMPETITIVENESS POLICY

100% Prevailing Rates Competitiveness Policy means jobs assigned to a job class closest to the Market.

\$1.5m (9.1%) of current base payroll

Cost for payroll related benefits NOT included in this estimate

Only 5 employees above Midpoint.

*Note: 321 below Midpoint includes the 257 below Minimum*

<b>Number of Employees</b>	326
Total Payroll	\$16,214,215
<b>Number of Employees Below Minimum</b>	257
As % of total employees	78.83%
Total \$ below Minimum	\$1,504,542
As % of total payroll	9.28%
Average amount below Minimum	\$5,854
<b>Number of Employees Below Midpoint</b>	321
As % of total employees	98.47%
\$ to Bring to Midpoint	\$5,365,747
As % of total payroll	33.09%
<b>Number of Employees Above Maximum</b>	0
As % of total employees	0.00%
Total \$ over Maximum	\$0
As % of total payroll	0.00%
Average amount over Maximum	\$0

# COST TO ADOPT LESS THAN 100% COMPETITIVENESS POLICY

<b>Salary Competitiveness Policy</b>	<b>No of EE's Below Minimum</b>	<b>Cost to Increase to Minimum</b>	<b>As % of current base payroll</b>
100% of Prevailing Rates	257	\$1.5 m	9.3%
97.5% of Prevailing Rates	235	\$1.2 m	7.4%
95% of Prevailing Rates	206	\$940 k	5.8%
92.5% of Prevailing Rates	181	\$713 k	4.4%

There is 2.5% between each salary range.

At 100%, the closest range is assigned.

At 97.5%, one range less than the closest range is assigned

at 95%, two ranges less than the closest range is assigned

at 92.5%, three less than the closest range is assigned.


Multi-year approach:

Each year, every job class is bumped up one range until 100% of Market is achieved.

No current employees with more than 19 years.

Table continues at a rate of 2.5% per year until 100% SRP.

Years in Position (YIP)	No. of Employees	Target SRP
0	108	0.0%
1	62	0.0%
2	30	0.0%
3	13	2.5%
4	16	5.0%
5	23	7.5%
6	13	10.0%
7	14	12.5%
8	7	15.0%
9	6	17.5%
10	7	20.0%
11	6	22.5%
12	1	25.0%
13	2	27.5%
14	3	30.0%
15	0	32.5%
16	0	35.0%
17	3	37.5%
18	5	40.0%
19	4	42.5%



# OPTIONAL IN-RANGE ADJUSTMENTS COST

In-Range Adjustment	Salary Competitiveness Policies							
	100%		97.5%		95%		92.5%	
	Total	% of P/R	Total	% of P/R	Total	% of P/R	Total	% of P/R
Option 1 - Maintain SRP	\$1.1m	6.8%	\$985k	6.1%	\$861k	5.3%	\$687k	4.2%
Option 2 - Adjust SRP	\$307k	1.9%	\$247k	1.5%	\$181k	1.1%	\$121k	0.8%

- Option 1 - Maintenance of SRP places employees in the new range according to their current salary range progression. This approach does not correct any existing SRP inconsistencies.
- Option 2 - Adjustment of SRP places employees in the range according to the number of years they have been in their current position. This approach will adjust any existing SRP inconsistencies.
- Costs are in addition to the below minimum costs. SRP adjustments are made after the market adjustments are applied.

# INITIAL IMPLEMENTATION STEPS

- Adopt the proposed 2.5% Salary Structure
- Adopt a market competitiveness policy: 100%, 97.5%, 95%, or 92.5%
- Adopt the recommended salary ranges for the chosen market competitiveness policy.
- Increase employee salaries so no employee is below the proposed, new Minimum

# SALARY PLAN MAINTENANCE

- Periodically refresh the market data using the City's comparators.
- Compute the prevailing rates.
- Confirm the desired salary competitiveness policy.
- Adjust salary ranges based on the prevailing rates.
- Increase all salaries to the new minimum.
- Determine if in-range adjustments are needed to mitigate compression.

QUESTIONS?