



**Classification & Compensation Study
Council Presentation
February 16, 2022**

Town of Queen Creek



Logic Compensation Group
Total Rewards Consulting

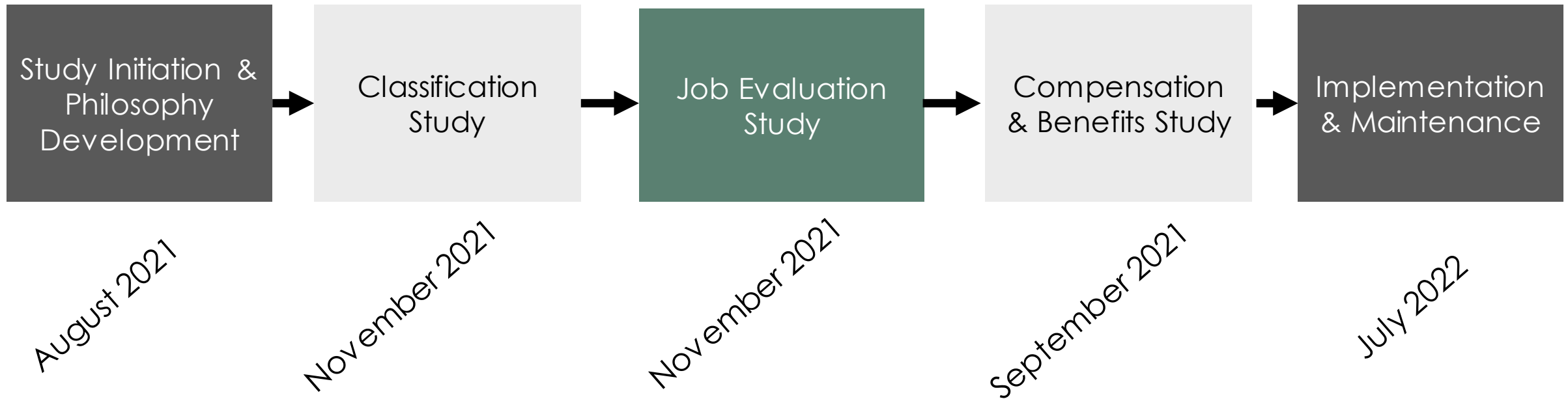
OVERVIEW

Presentation topics

- ❖ Study Objectives & Key Deliverables
- ❖ Study Overview
- ❖ Study Initiation & Philosophy Development
 - Compensation Philosophy
- ❖ Classification Study
- ❖ Job Evaluation Study
- ❖ Compensation Study
- ❖ Proposed Implementation Costs
 - General
 - Sworn
- ❖ Administrative Recommendations

STUDY OVERVIEW

Frequent meetings with the Town throughout the Study Process



STUDY INITIATION & PHILOSOPHY DEVELOPMENT

Organizational assessment

- ❖ Meeting with the Town's Project Team to understand the current and **desired state** of the classification and compensation systems.
- ❖ Development and confirmation of a **timeline** for study completion.
- ❖ Collection and review of a variety of documents related to the Town's classification and compensation administration, including current job descriptions, pay plans, policies and procedures, employee census data, and organizational charts.
- ❖ Meetings with Town department directors to **share study goals** and obtain additional information specific to **areas for improvement in the systems and those aspects of the Town's systems that are working well.**
- ❖ Worked with the Town to identify **comparator organizations** for the compensation survey.
- ❖ Worked with the Town to update its **Compensation Philosophy and Supporting Strategies.**

THE TOWN'S UPDATED COMPENSATION PHILOSOPHY

- The Town of Queen Creek believes that its employees are critical in achieving the Town's mission, goals, and objectives. To be successful, the Town must employ and retain qualified and productive people.
- In order to be a high performing organization, The Town will attract and retain employees who are customer focused and team players. The Town will attract and retain employees who demonstrate initiative, while also accepting responsibility and accountability for their work performance.
- To support, encourage and reward employees, the Town will use a classification and compensation system and operate that system in an open, fair and equitable fashion. The Town will operate the classification and compensation system with emphasis on recognizing and rewarding employees for their success and continuing professional development. The Town will offer appropriate developmental and advancement opportunities to retain the most qualified and productive employees.

CLASSIFICATION STUDY

Objectives & Key Deliverables

Understanding Town's System	Job Analysis	Classification System Update	Classification Policies	Job Descriptions	Job Evaluation
<ul style="list-style-type: none"> • Review of classification system documentation • Meeting with Town's Project Team to classification desires • Meetings with Department Heads obtain opinions on the state of the Town's current systems 	<ul style="list-style-type: none"> • Administer the PDQ document to employees • Conduct of focus groups with employees • Conduct of meetings with Department Heads 	<ul style="list-style-type: none"> • Review completed employee PDQs • Ensure like jobs are classified together • Create draft classification structure • Review draft structure with Department Heads 	<ul style="list-style-type: none"> • Provide the Town with recommendations on policy and procedure issues associated with reclassification methodologies, maintenance, and related issues. 	<ul style="list-style-type: none"> • Review employee PDQs and other pertinent job information to update job descriptions • Evaluate existing job descriptions utilizing a standardized job evaluation methodology to develop an internal hierarchy of jobs. 	<ul style="list-style-type: none"> • Introduce the Town to the various job evaluation methodologies available • Implementation of selected job evaluation methodology • Meetings with Department Heads to review job evaluation ratings
DELIVERABLES					
Determination of desire with classification direction	Updates to employee job titles and job hierarchy	Clearly outline career paths/promotional opportunities and provide recognizable compensation growth Draft and final classification structures Allocation of employees to proposed structure	Classification policy recommendations	Job description template created Job descriptions updated/ developed	Job evaluation methodology applied to Town jobs and finalized Training provided to HR on selected methodology

Communication Feedback Loops Throughout the Study Process

CLASSIFICATION STUDY

Process & Results

- ❖ Employees completed Position Description Questionnaires (PDQ)
- ❖ LCG facilitated employee focus groups to confirm information in the PDQs
- ❖ LCG followed up with Department Directors regarding results and made adjustments if necessary
- ❖ Resulting classification structures served as the basis for the Town's updated job architecture:
 - Standardized job titling
 - Clear career paths within job families
 - Broad class structures where appropriate
 - More focus on functional areas of responsibility to enhance recruitment efforts
 - Consistent methodology for determining the hierarchy of jobs in the Town

JOB EVALUATION STUDY

Review of completed employee PDQs and current job descriptions & development of a job hierarchy

- ❖ Logic Leveling methodology, which utilizes set criteria for evaluating jobs, was applied to all jobs
 - Organizational role
 - Nature of work
 - Requirements for entry (i.e., education, experience, licenses, certifications)
 - Level of accountability and responsibility
 - Supervision exercised and received

- ❖ Process provides an objective approach to aligning jobs within the internal hierarchy

- ❖ Results reviewed with Town staff

- ❖ Job evaluation results were integrated with the market data collected in the compensation study to develop the proposed salary structure

COMPENSATION STUDY

Objectives & Key Deliverables

Pay Strategy	Identify Labor Market	Survey Market	Update Pay Plan	Identify Cost	Plan to Maintain System
<ul style="list-style-type: none"> • Define desired market position • Serves as a framework for conducting the study 	<ul style="list-style-type: none"> • Who the Town competes with for talent • Similar to Town's size and characteristics 	<ul style="list-style-type: none"> • Evaluate data for reliability and validity • Understand current market position 	<ul style="list-style-type: none"> • Aligned with market • Aids in recruitment & retention • Maintains internal alignment 	<ul style="list-style-type: none"> • Mitigate compression • Consistent approach for all employees • Fiscally responsible & sustainable 	<ul style="list-style-type: none"> • Annual process that is consistent • Fiscally responsible • Ensure desired level of competitiveness
DELIVERABLES					
Documented Total Rewards Philosophy & Supporting Strategies	Labor Market Identified	Custom Survey Instrument Developed & Disseminated	Pay Structure Aligned with Market	Implementation Costing for all Employees	Documented Approach to Keep System Up-to-Date

Communication Feedback Loops Throughout the Study Process

COMPENSATION STUDY

Market Comparator Organizations

- ❖ Municipalities of similar budget, population, employee size, organizational conditions, and/or service offerings
- ❖ Location/proximity to the Town
- ❖ Competition for talent

Comparators

City of Avondale, AZ
City of Buckeye, AZ
City of Chandler, AZ
City of Goodyear, AZ
City of Mesa, AZ
City of Peoria, AZ
City of Phoenix, AZ
City of Scottsdale, AZ
City of Surprise, AZ
City of Tempe, AZ
Town of Gilbert, AZ

COMPENSATION STUDY

Benchmark jobs

Accounting Manager	IT Program Manager	Senior Administrative Assistant
Applications & Business Analyst	Maintenance & Operations Specialist (Utilities)	Senior Financial Services Analyst
Assistant Town Manager	Maintenance & Operations Assistant (Grounds)	Senior Project Manager
Building Official	Maintenance & Operations Crew Leader (Streets)	Streets Superintendent
Chief Of Police	Maintenance & Operations Technician (Streets)	Systems Administrator
Code Compliance Supervisor	Mechanic	Town Clerk
Customer Service Coordinator	Municipal Grounds Superintendent	Town Engineer
Customer Service Representative	Payroll Supervisor	Traffic Engineer
Customer Service Supervisor	Planner I	Traffic Signal Technician
Day Porter	Police Records Supervisor	Utilities Customer Services Manager
Department Director - Development Services	Principal Engineer	Utilities Director
Department Director - Economic Development	Procurement Officer	Utilities Services Coordinator
Department Director Finance	Project Manager	Utility Field Supervisor
Deputy Director - Finance	Recreation Coordinator	Utility Services Technician
Deputy Director - Public Works	Recreation Manager	Firefighter
Emergency Management Coordinator	Recreation Supervisor	Fire Engineer
Engineering Technician	Senior Human Resources Analyst	Fire Captain
Facility Services Technician	Senior Inspector (Development Services)	Fire Marshal
Field Operations Superintendent	Senior IT Technician	Fire Battalion Chief
Fire Chief	Senior Park Ranger	Police Officer
Human Resources Specialist	Senior Plans Examiner	Police Sergeant
Inspector (Utilities)	Senior Facility Services Specialist	Police Lieutenant

COMPENSATION STUDY

Custom Survey Data & Validation

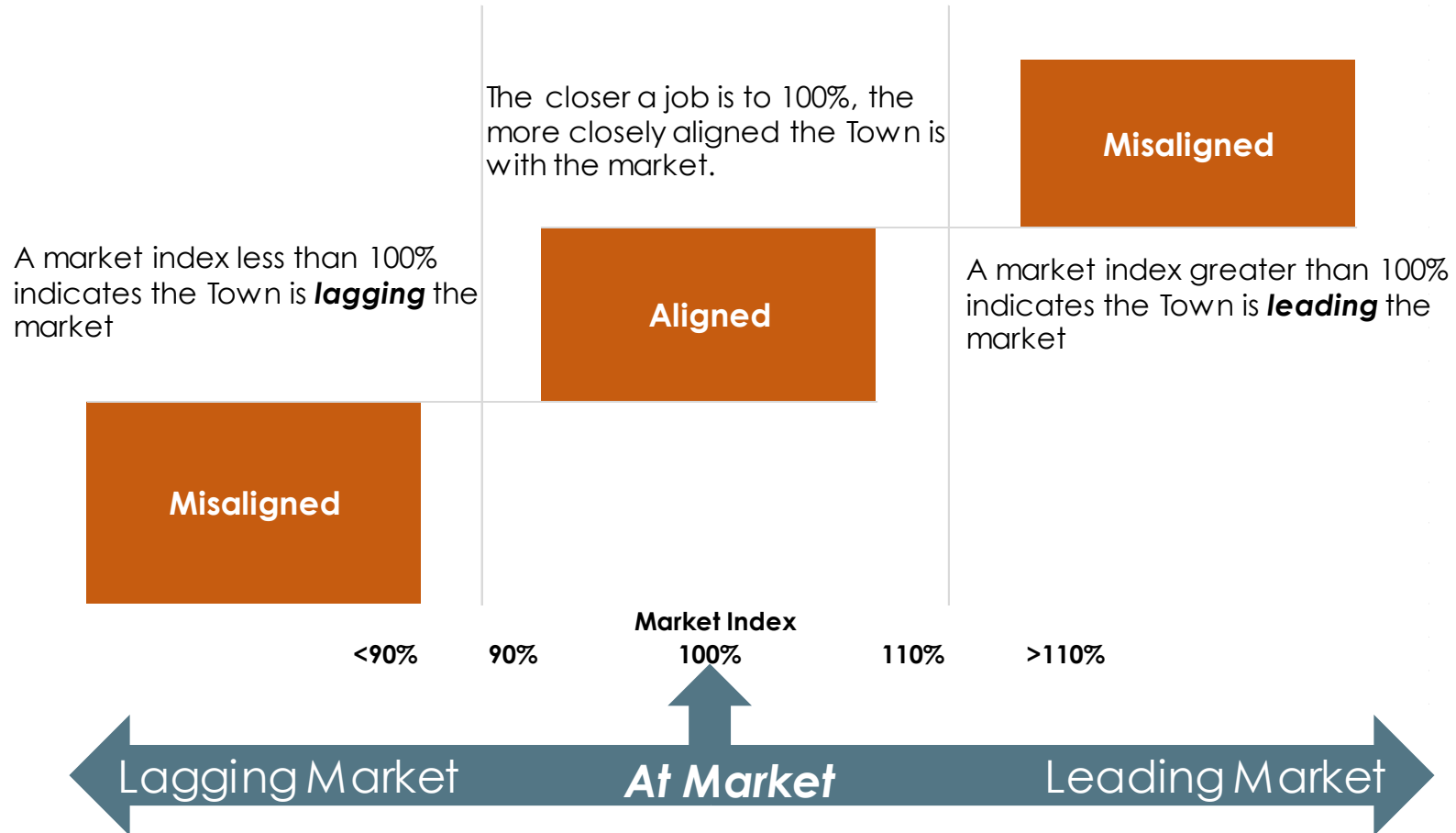
- ❖ The data for matched jobs from comparators included:
 - job title
 - number of incumbents
 - average time in position
 - average actual salary
 - salary range

- ❖ Several data validation steps were completed to ensure the reliability of collected survey data:
 - Follow-up calls initiated by LCG to clarify missing or questionable data submissions
 - Outlier analysis was performed on reported salary data to identify extreme data
 - Survey inputs were reviewed by multiple LCG staff to ensure the integrity and validity of the data

COMPENSATION STUDY

Summary of Findings: Base Pay

Market Index Alignment Levels



COMPENSATION STUDY

Summary of Findings

- ❖ Consistent with the Town's pay strategy of targeting pay at the 60th percentile of the market, the following strategies were applied:
 - **General and sworn management:** Town's range midpoints were compared to the 60th percentile of actual salaries in the market
 - **Sworn non-management fire:** Town's range maximums compared to market range maximums
 - **Sworn non-management police:** Town's range minimums compared to market range minimum

Jobs	City Midpoint Indexed to Market Actual Salary	Range Minimum Index	Range Maximum Index
General	94.9%		
Fire Sworn			105.1%
Police Sworn		100.1%	

COMPENSATION STUDY

Summary of Findings: Pay Practices & Benefits

Town Leads Market	Town Lags Market	Town Comparable with Market
Lump Sums for Over Max Employees	Defining origin of callback pay (home vs. work)	Pay Plan Designs
Police Hiring Bonuses	Tax Deferred Retirement	Anniversary Date Reviews
Lump Sums for Having/Obtaining Education	Tuition Reimbursement Amount	Variable increases for non-sworn employees; same increases for sworn employees
Bilingual Pay	Vacation Cash Out Minimum Balance	Sworn Supplemental Pay
Contribution Amounts to HSA	Sick Leave Payout at Termination	Offering Tuition Reimbursement & Requiring Payback upon Termination
Opt-Out Payments for those not Electing Group Medical Insurance	Base Life Insurance Coverage for Employees with Salaries >\$50K & Life Insurance Maximum	Not Offering Paid Parental Leave
PPO Medical EE Only, PPO Dental, PPO Vision	PPO Medical EE + Family	Not Offering Sick Leave Donation
		Base Life Insurance Coverage up to \$50k
		Wellness Offerings

COMPENSATION STUDY

Development Parameters for Salary Structures

- ❖ Three salary structures developed:
 1. General Structure
 2. Sworn Fire Structure
 3. Sworn Police Structure

- ❖ Market data and job evaluation used to create the proposed General salary structures

- ❖ Grouped like-positions, set ranges based on market data

- ❖ Current range widths maintained

- ❖ Sworn Police and Fire market data used to create Police and Fire salary structures

COMPENSATION STUDY

General Salary Structure

Grade	Range Min	Range Mid	Range Max
2	\$29,544	\$35,453	\$41,361
3	\$31,716	\$38,059	\$44,403
4	\$34,729	\$41,675	\$48,621
5	\$38,029	\$45,634	\$53,240
6	\$41,641	\$49,969	\$58,298
7	\$45,597	\$54,717	\$63,836
8	\$49,929	\$59,915	\$69,900
9	\$54,672	\$65,607	\$76,541
10	\$57,305	\$70,199	\$83,093
11	\$61,317	\$75,113	\$88,909
12	\$65,609	\$80,371	\$95,133
13	\$70,201	\$85,997	\$101,792
14	\$75,116	\$92,017	\$108,918
15	\$80,374	\$98,458	\$116,542
16	\$86,000	\$105,350	\$124,700
17	\$92,020	\$112,724	\$133,429
18	\$98,461	\$120,615	\$142,769
19	\$105,353	\$129,058	\$152,762
20	\$111,506	\$139,383	\$167,259
21	\$120,427	\$150,533	\$180,640
22	\$130,061	\$162,576	\$195,091
23	\$140,466	\$175,582	\$210,698
24	\$148,728	\$189,628	\$230,529
25	\$160,626	\$204,799	\$248,971
26	\$170,140	\$221,183	\$272,225
27	\$183,752	\$238,877	\$294,003

PROPOSED IMPLEMENTATION COSTS

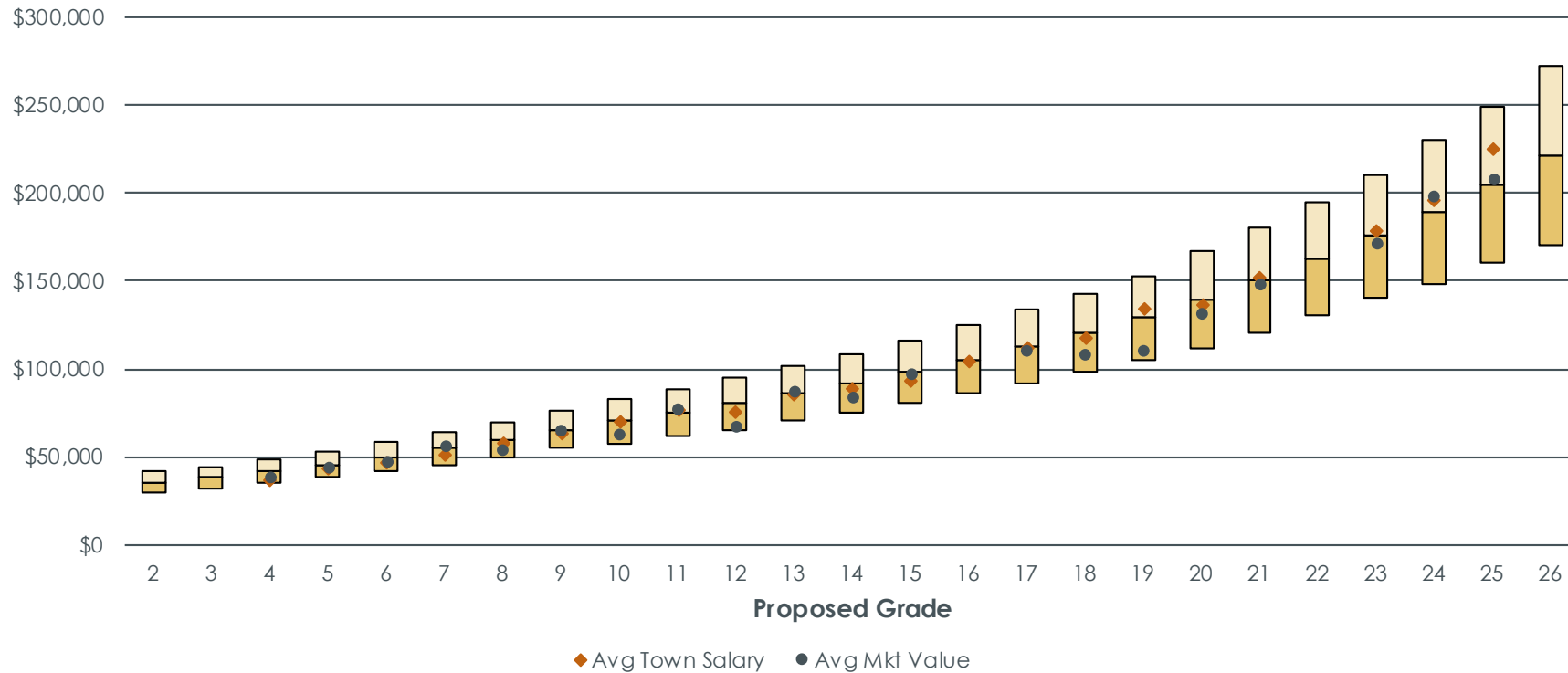
Implementation Considerations & Criteria

- ❖ All employees will be paid at least at the new minimums
- ❖ Employee pay placement in the range will be maintained, but will be capped at 10%
- ❖ All employees receive the market adjustment, which is estimated to be between 2-3%
- ❖ Sworn employees will maintain their current step
- ❖ If current salary exceeds new range maximum, pay frozen until range increases to include salary; increase paid as a lump sum
- ❖ Total cost of implementation is currently being evaluated and will be part of FY23 budget approvals.

PROPOSED IMPLEMENTATION COSTS

New Salaries in New Structure

Town of Queen Creek
Proposed Average Salaries & Average Market Data in Proposed Salary Structure



ADMINISTRATIVE RECOMMENDATIONS

Maintenance of the compensation system

- ❖ Annual adjustments to the salary structure based on cost of labor changes
 - Helps to ensure the salary structure remain externally competitive
 - Sources:
 - Use of published survey data (*WorldatWork's* annual Salary Budget Survey)
 - City survey of comparator organizations
 - Employment Cost Index (ECI) for Local Government Workers and Consumer Price Index (CPI) for the Western Region

- ❖ Annual increases in employee pay
 - Helps to ensure employee pay aligns with market movement
 - Supports retention and employee value to organization

- ❖ Conduct a salary survey approximately every three (3) years
 - Validate competitiveness of the pay system with City's comparator market to ensure alignment with desired market position

QUESTIONS





Thank You

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