



City of Fayetteville



Classification, Compensation and Benefits Study

February 28, 2017

Presented to: City Council

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President, Johanson Group*

Classification, Compensation & Benefits Study

Project Objectives:

- Maintain a compensation system that provides fair and equitable salaries based on internal job requirements and external pay with comparable positions within the regional area
- Provide a compensation and benefits (Total Rewards) plan that is aligned with and supports the goals of the City

Classification, Compensation & Benefits Study

Project Objectives:

- Balance the desire to competitively pay employees with the financial resources of the City and be fiscally responsible
- Maintain a compensation management system that is flexible to meet the changing needs of the City
- Attract and retain talented employees

Classification and Compensation Study

- **Phase I: Position Descriptions and Ratings**

- Conversion of 300+ position descriptions within the DBCompensation software format
- Comprehensive, complete and compliant with employment regulations
- Rated positions utilizing 15 compensable factors
- Job valuation of all position classifications/titles
- Fine-tuned ratings with City's Executive Leaders

Job Rating Factors

KNOWLEDGE & SKILL REQUIREMENTS

1. Experience – General
2. Experience – Management
3. Education
4. Initiative and Ingenuity
5. Mental Demand
6. Analytical Ability/Problem Solving

RESPONSIBILITIES

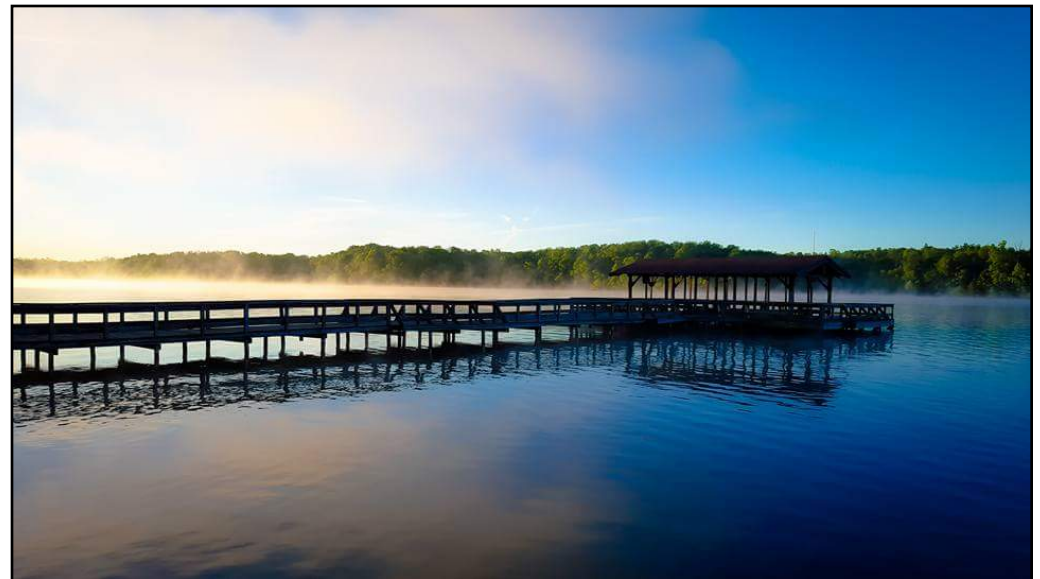
7. Responsibilities for Work of Others (Supervision)
8. Responsibilities for Funds, Equipment, Property, etc.
9. Responsibilities for Accuracy
10. Accountabilities (End Results)

CONTACTS/HUMAN RELATIONS

11. Contacts with Public
12. Contacts with Employees

EFFORTS

13. Machine and Computer Operations
14. Working Conditions/Hazards
15. Physical Demands



Classification, Compensation & Benefits Study

- **Phase II: Market Salary & Benefits Study**
 - Completion of a market pay and benefits study – inclusion of data from 22 regional cities and three published studies including many of the same regional cities surveyed since 2006
 - Comparison of 66 benchmark positions for the merit positions market pay study
 - Comparison of fire and police uniformed positions' step pay plans with market study step pay plans

Classification, Compensation & Benefits Study

- **Merit, Fire and Police Market Pay Ranges**

- Pay study data collected in October 2016 was adjusted for geographic compensation differentials and aged through the first quarter of 2017
- The current 2013 Merit pay plan is behind the market pay range averages by approximately 11.47%
- The current 2013 Fire and Police step pay plan minimums and maximums are behind the market pay study averages by 12.5% and 15.6% respectively.
- The Fire and Police market pay study averages were adjusted by -3% for the LOPFI-2 total compensation impact

Classification, Compensation & Benefits Study

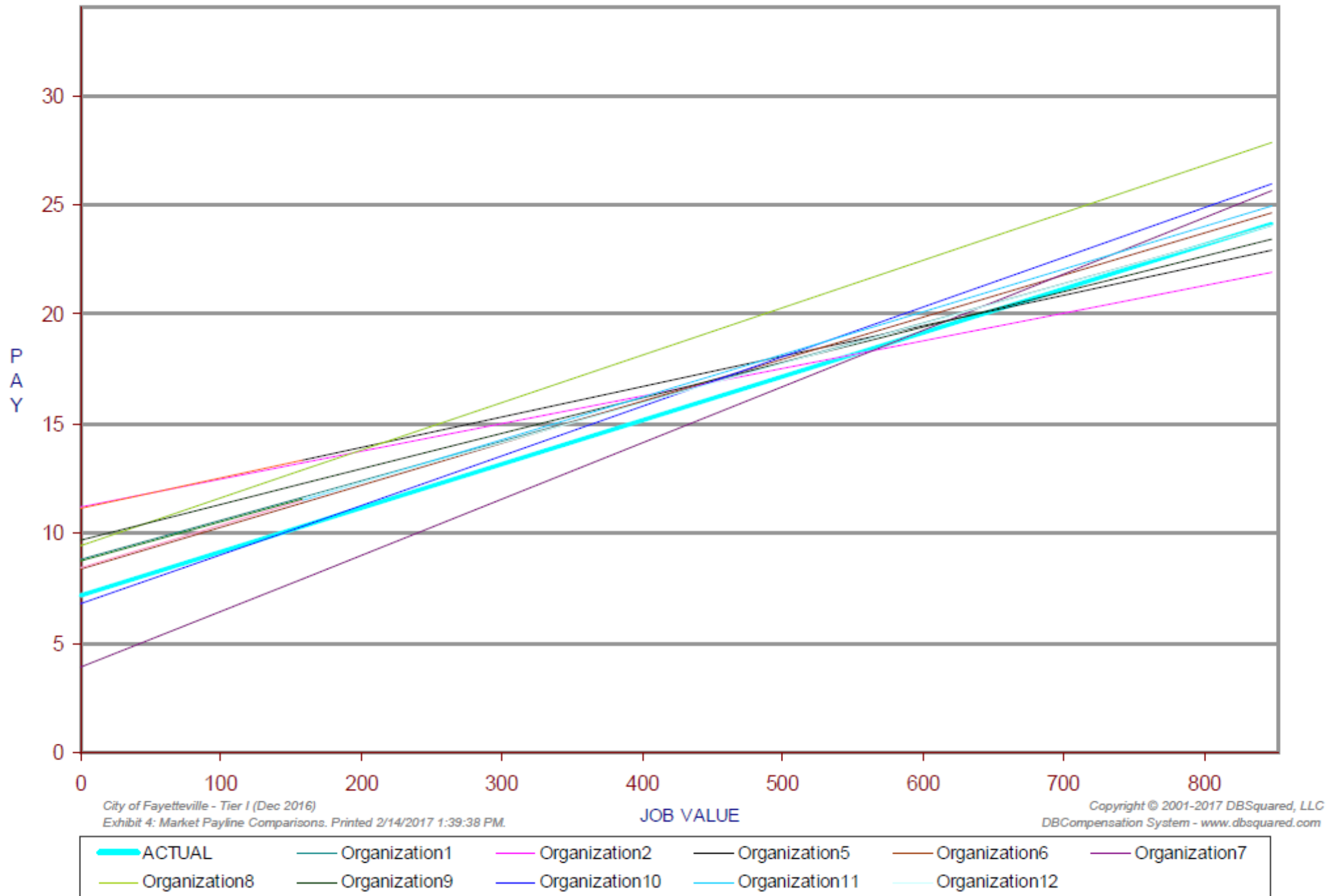
- **Phase II: Salary Administration – 2017 Pay Plans**
 - New pay plan for Merit positions based on the internal job analysis and external market pay study
 - New step pay plans for Fire and Police based on the external market pay study
 - Pay increases for eligible Merit, Fire and Police employees
 - Study results reviewed with City's leadership team
 - Presentation of Classification, Compensation, and Benefits Study overview and recommendations to the City Council

CITY OF FAYETTEVILLE**Merit Positions Pay Study****TIER I Positions**

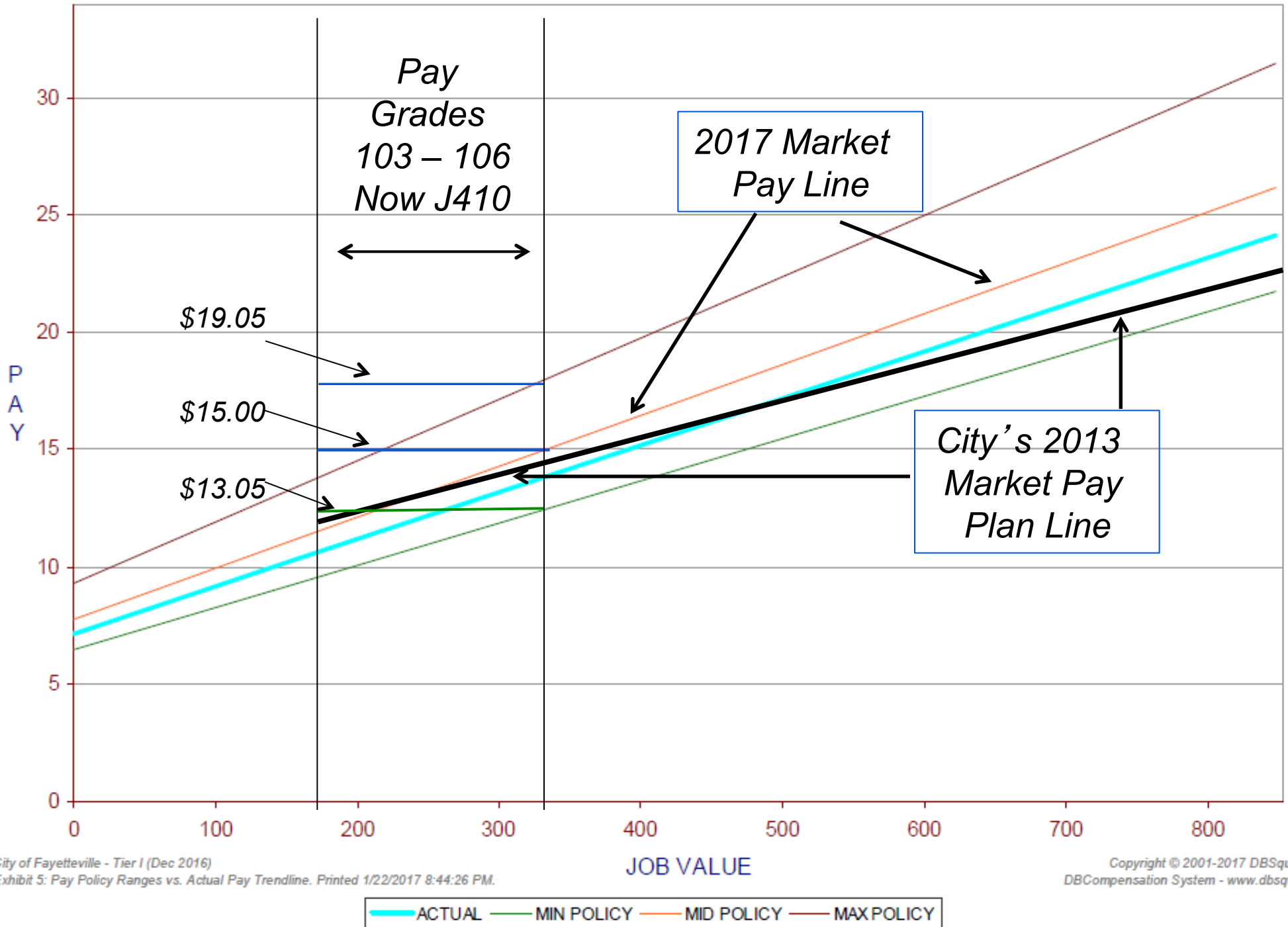
Tier I - Pay Study Benchmarks	Average Market Hourly Rate	Fayetteville Average Salary	Difference at Average
Salary Job Title			
ACCOUNTANT - PAYROLL	\$21.64	\$23.27	7.0%
ACCOUNTING CLERK - PAYABLES	\$17.51	\$18.94	7.6%
ACCOUNTING CLERK - RECEIVABLE	\$17.89	\$17.41	-2.8%
ANIMAL SERVICES OFFICER	\$16.96	\$14.39	-17.9%
BENEFITS ADMINISTRATOR	\$22.00	\$18.05	-21.9%
CODE COMPLIANCE OFFICER	\$18.81	\$16.03	-17.3%
CREW LEADER	\$20.64	\$21.39	3.5%
CUSTODIAN	\$13.22	\$13.03	-1.5%
CUSTOMER SERVICE REPRESENTATIVE	\$16.32	\$15.38	-6.1%
DEPUTY COURT CLERK	\$17.03	\$18.01	5.4%
DISPATCHER	\$17.49	\$13.51	-29.5%
EQUIPMENT MECHANIC I	\$17.73	\$17.59	-0.8%
EQUIPMENT MECHANIC II	\$19.96	\$17.31	-15.3%
FIELD OPERATIONS SUPV. - TRANSPORTATION	\$25.85	\$22.64	-14.2%
GIS TECHNICIAN	\$21.22	\$20.98	-1.2%
INSPECTOR/COMMERCIAL & RESIDENTIAL	\$22.59	\$24.40	7.4%
MAINTENANCE WORKER II PARKS	\$15.03	\$11.88	-26.5%
MAINTENANCE WORKER III TRANSPORTATION	\$16.81	\$12.97	-29.6%
MAINTENANCE WORKER III WATER SEWER	\$17.33	\$13.49	-28.5%
MAINTENANCE WORKER IV ASPHALT	\$17.99	\$17.06	-5.5%
METER READER	\$16.39	\$14.92	-9.8%
OFFICE MANAGER - W&S	\$20.61	\$18.18	-13.4%
OPERATIONS ASSISTANT - PARKS	\$17.18	\$17.69	2.9%
PLANNER	\$22.82	\$22.22	-2.7%
POLICE CUSTOMER SERVICE REPRESENTATIVE	\$16.48	\$15.71	-4.9%
ROUTE DRIVER	\$17.86	\$18.23	2.0%
SHELTER ATTENDANT	\$13.96	\$11.78	-18.5%
OVERALL VARIANCE			-8.59%

CITY OF FAYETTEVILLE - TIER I

EXHIBIT 4: MARKET PAYLINE COMPARISONS



CITY OF FAYETTEVILLE - TIER I
EXHIBIT 5: PAY POLICY RANGES vs. ACTUAL PAY TRENDLINE



PAY PLAN GRID EFFECTIVE 2017

Annualized amounts are based on hourly rates.

GRADE/DESC		HOURS	HOURLY RATE			ANNUALIZED		
			MIN	MID	MAX	MIN	MID	MAX
MERIT EMPLOYEES								
J410	T1	2080	\$13.05	\$15.00	\$19.05	\$27,144.00	\$31,200.00	\$39,624.00
J411	T1	2080	\$13.66	\$16.46	\$19.75	\$28,412.80	\$34,236.80	\$41,080.00
J412	T1	2080	\$14.12	\$17.01	\$20.41	\$29,369.60	\$35,380.80	\$42,452.80
J413	T1	2080	\$15.02	\$18.10	\$21.72	\$31,241.60	\$37,648.00	\$45,177.60
J414	T1	2080	\$15.92	\$19.18	\$23.02	\$33,113.60	\$39,894.40	\$47,881.60
J415	T1	2080	\$16.83	\$20.27	\$24.33	\$35,006.40	\$42,161.60	\$50,606.40
J416	T1	2080	\$17.73	\$21.36	\$25.63	\$36,878.40	\$44,428.80	\$53,310.40
J417	T1	2080	\$18.63	\$22.45	\$26.93	\$38,750.40	\$46,696.00	\$56,014.40
J418	T1	2080	\$19.53	\$23.53	\$28.24	\$40,622.40	\$48,942.40	\$58,739.20
J419	T1	2080	\$20.43	\$24.62	\$29.54	\$42,494.40	\$51,209.60	\$61,443.20
J420	T1	2080	\$21.34	\$25.71	\$30.85	\$44,387.20	\$53,476.80	\$64,168.00
J421	T2	2080	\$21.37	\$25.75	\$30.90	\$44,449.60	\$53,560.00	\$64,272.00
J422	T2	2080	\$22.19	\$26.73	\$32.08	\$46,155.20	\$55,598.40	\$66,726.40
J423	T2	2080	\$23.05	\$27.77	\$33.32	\$47,944.00	\$57,761.60	\$69,305.60
J424	T2	2080	\$24.34	\$29.33	\$35.20	\$50,627.20	\$61,006.40	\$73,216.00
J425	T2	2080	\$26.07	\$31.41	\$37.69	\$54,225.60	\$65,332.80	\$78,395.20
J426	T2	2080	\$27.80	\$33.49	\$40.19	\$57,824.00	\$69,659.20	\$83,595.20
J427	T2	2080	\$29.52	\$35.57	\$42.68	\$61,401.60	\$73,985.60	\$88,774.40
J428	T2	2080	\$31.25	\$37.65	\$45.18	\$65,000.00	\$78,312.00	\$93,974.40
J429	T2	2080	\$32.98	\$39.73	\$47.68	\$68,598.40	\$82,638.40	\$99,174.40
J430	T2	2080	\$34.70	\$41.81	\$50.17	\$72,176.00	\$86,964.80	\$104,353.60
J431	T3	2080	\$34.53	\$41.61	\$49.93	\$71,822.40	\$86,548.80	\$103,854.40
J432	T3	2080	\$36.38	\$43.83	\$52.60	\$75,670.40	\$91,166.40	\$109,408.00
J433	T3	2080	\$38.23	\$46.06	\$55.27	\$79,518.40	\$95,804.80	\$114,961.60
J434	T3	2080	\$40.08	\$48.29	\$57.95	\$83,366.40	\$100,443.20	\$120,536.00
J435	T3	2080	\$41.93	\$50.52	\$60.62	\$87,214.40	\$105,081.60	\$126,089.60
J436	T3	2080	\$43.78	\$52.75	\$63.30	\$91,062.40	\$109,720.00	\$131,664.00
J437	T3	2080	\$45.63	\$54.98	\$65.97	\$94,910.40	\$114,358.40	\$137,217.60
J438	T3	2080	\$47.48	\$57.21	\$68.65	\$98,758.40	\$118,996.80	\$142,792.00
J439	T3	2080	\$49.33	\$59.43	\$71.32	\$102,606.40	\$123,614.40	\$148,345.60
J440	T3	2080	\$51.19	\$61.68	\$74.02	\$106,475.20	\$128,294.40	\$153,961.60
J441	T3	2080	\$53.05	\$63.91	\$76.69	\$110,344.00	\$132,932.80	\$159,515.20
J442	T3	2080	\$54.90	\$66.14	\$79.37	\$114,192.00	\$137,571.20	\$165,089.60
J443	T3	2080	\$57.24	\$68.96	\$82.75	\$119,059.20	\$143,436.80	\$172,120.00
FIRE EMPLOYEES (2912)								
232	Firefighter	2912	\$11.81		\$17.13	\$34,390.72		\$49,882.56
235	Driver	2912	\$14.59		\$19.07	\$42,486.08		\$55,531.84
238	Captain	2912	\$18.21		\$24.03	\$53,027.52		\$69,975.36
242	Battalion Chief	2912	\$20.84		\$27.50	\$60,686.08		\$80,080.00
POLICE EMPLOYEES (2080)								
330	Officer	2080	\$17.60		\$25.24	\$36,608.00		\$52,499.20
332	Corporal	2080	\$20.87		\$27.69	\$43,409.60		\$57,595.20
335	Sergeant	2080	\$23.07		\$31.30	\$47,985.60		\$65,104.00
337	Lieutenant	2080	\$26.06		\$34.88	\$54,204.80		\$72,550.40

Classification, Compensation and Benefits Study Recommendations

- Adopt a new merit pay plan in 2017
 - Move employees whose pay is below the new pay grade minimum to the minimum amount on the new plan
 - If this pay increase is 4% or greater, the employee is not eligible for a merit increase
 - If this pay increase is less than 4%, employees who meet the criteria to be eligible for a merit increase may receive the remaining difference as a merit increase
 - Example: John received 3.5% to move to the new pay grade minimum of the plan, he is eligible to receive .5% as a merit increase
 - Employees whose pay is within the new pay plan range are eligible to receive a 4% merit increase based on the established merit criteria

Classification, Compensation and Benefits Study Recommendations - continued

- Adopt new step pay plans for uniformed Fire and Police employees in 2017
 - Adjust existing step pay plans for a partial implementation of 25% of the full market pay study step plan implementation
 - Partial implementation of the full market study in 2017 represents an average pay increase of 6.2% for employees eligible for a step – pay plan adjustment plus a step
- Partial implementation of the full market study will create competitive Fire and Police step pay plans when compared to large Arkansas cities

Classification, Compensation and Benefits Study Recommendations

- There were no recommended additions to the City's benefit plan offerings for 2017 based on the 2016 Market Employee Benefits Study which included 20 municipal survey respondents.
- The City of Fayetteville's health insurance premium cost share with its employees is very competitive with the High Deductible Health Plan.
- The City of Fayetteville is above the survey average with offering an HDHP Health Plan, Section 125 Plan, Flexible Spending Account and a Health Savings Account.

Classification, Compensation and Benefits Study Recommendations

- The City offers a slightly lower pharmacy PPO co-pay expense compared to the market study average.
- The City is competitive with its employer retirement plan offered for non-uniformed employees and above the market average with the LOPFI 2 retirement plan for fire and police uniformed employees.
- There is opportunity for the City of Fayetteville to enhance its health and wellness program by evaluating other wellness plans offered by the municipalities that shared information on their respective programs.