PUBLIC NOTICE
THE ELOY CITY COUNCIL
Meets
MONDAY, MARCH 18, 2024
5:30 PM
ELOY CITY COUNCIL CHAMBERS
595 NORTH C STREET
ELOY, ARIZONA 85131
For a
WORK SESSION

AGENDA

I. Call to Order

II. Roll Call

III. Pledge of Allegiance

IV. Unscheduled Public Appearances

V. Discussion Items

A. Presentation by HR Know Consulting on study findings, results, and recommendations for the City of Eloy Employee Compensation and Classification Study. — David Malewitz

VI. Adjournment

POSTED BY 5:00 P.M., THURSDAY MARCH 14, 2024, AT ELOY CITY HALL, ELOY POST OFFICE, AND CITY WEBSITE: www.eloyaz.gov

THE FACILITY WILL BE OPEN TO THE PUBLIC 30 MINUTES PRIOR TO THE START OF THE MEETING AND SEATING WILL BE AVAILABLE FOR "REASONABLY ANTICIPATED ATTENDANCE."

Mary Myers

Mary Myers, MMC, CPM
City Clerk

INDIVIDUALS WITH SPECIAL ACCESSIBILITY NEEDS MAY CONTACT LORENA LaSALDE-RIOS, ADA COORDINATOR FOR THE CITY OF ELOY AT 520-466-9201 OR 520-466-7455 (TDD). IF POSSIBLE, SUCH REQUESTS SHOULD BE MADE 72 HOURS IN ADVANCE. ONE OR MORE MEMBERS OF THE COUNCIL AND/OR STAFF MAY PARTICIPATE BY TELEPHONIC OR VIDEO MEANS.

CITY OF ELOY
REQUEST FOR COUNCIL ACTION

Agenda Item: V.A.
Date: 3/18/2024

Date submitted: 03/04/2024 **Date requested:** 3/18/2024	**Action:** Formal	**Subject: Presentation by HR Know Consulting on study findings, results, and recommendations for the City of Eloy Employee Compensation and Classification Study.**

TO: Mayor and City Council

FROM: David Malewitz, City Manager

RECOMMENDATION:
City Council to receive a presentation from representatives of HR Know Consulting on the outcomes of the recently completed Employee Compensation and Classification Study.

DISCUSSION:
In 2023, the city retained consultants from HR Know Consulting to conduct an employee compensation and classification study. The study aimed to determine how competitive our employee salaries are compared to other cities and towns in Arizona to whom we are either losing or attracting employees.

Firstly, the yearly raises in Arizona's minimum wage continually surpass the city's initial wage offering. In response to the state's annual increases, the city matches our minimum wage with the new rate from the state. Staff wanted to evaluate the rate at which the city would need to stay at, or above, the state minimum requirement while maintaining a competitive balance in the market. Secondly, over the last several years, the city's leadership team has recognized the growing wage gap and its impact on our ability to attract new hires and remain internally equitable to retain existing employees. Currently, when vacancies occur, the city examines the salary range for the position. Then, we determine whether to offer the new candidate a starting salary that is within our current standards or make an offer that will exceed the minimum salary range to be market competitive. Due to market competition, we have to offer higher starting salaries to attract new hires, resulting in compression. Compression occurs when a new hire's wages are at, or just below, the salary of an employee with more years on the job.

Compression issues were a primary driver for the study's commission. The consultants' goal was to identify disparities in compensation among employees and provide a road map for rectifying them, ensuring fairness across all positions. Benchmarking our compensation structures against comparable municipalities can ensure that our job offerings remain attractive and competitive.

Lastly, the consultants reviewed the job descriptions and classifications to ensure the city's descriptions were accurate and complied with all fair labor standards and regulations. A comprehensive study of this nature helps the city identify and address compliance gaps, mitigating legal risks and liabilities and ensuring that current job descriptions match their classification levels.

In conclusion, the study addressed the growing minimum wage increase set by the state and evaluated 54 positions to be bench-marked as market comparable. In addition, staff incorporated eight new positions based on the anticipated needs of city services to be bench-marked and classified for future expansion and growth within the City. Study results demonstrated that 55% of the general staff and 68% of sworn police personnel were eligible for a market adjustment. In comparison, the remaining percentage of employees would remain within the market for their classifications if a 2% or higher general COLA increase was applied to their salaries.

New Proposed Positions in Study:

- Accountant
- Deputy Finance Director
- Deputy Public Works Director
- Management Analyst
- Plan Reviewer
- Public Information Officer
- Sr. Plan Reviewer
- Utility Manager

FISCAL IMPACT:
None at this time. For presentation and discussion purposes only.

Approved as to Form:

Stephen R. Cooper, City Attorney

2023 CITY OF ELOY PROJECT

Presentation of study findings, results, and recommendations

HR Know Consulting

HR KNOW

HR Know is an independent consulting firm that provides advanced and effective solutions in total rewards and employment analytics

www.hrknow.com

info@hrknow.com

Why US?

- We are experts in the field
- We have tools, resources, and proven methodologies
- We innovate and do not use cookie cutter products
- Our minimal overhead allows us to pass our savings to clients
- Full transparency in costs, timelines, and delivery format
- We complete projects on time, on budget, & with highest quality

Our Experience:

Recent Local & State Government Projects Our Team Members Participated

- City of Tucson (AZ)
- City of Redmond (OR)
- Town of Oro Valley (AZ)
- City of Hope Health Center (CA)
- Town of Marana (AZ)
- Town of Sahuarita (AZ)
- City of Payson (AZ)
- City of Kingman (AZ)
- Northern AZ Council of Governments (NACOG)
- Southeast AZ Government Organization (SEAGO)

Project Phases

Initial Review	Wage Comparability Study	Pay Structure Review	Assigning Jobs to Pay Grades
Review city's policies, classification & compensation systems	Identify relevant labor market, match jobs to city's benchmarks, collect and analyze wage data	Review and analyze current pay structure. Compare it with market trends	Assign jobs to pay grades based on their internal and external values

Sources of Market Data

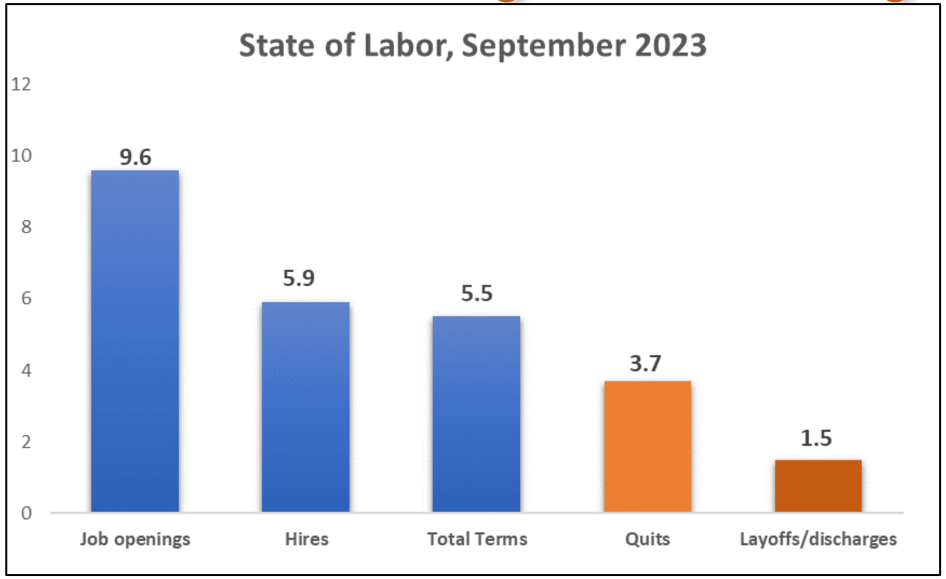
- Comparator agencies selected:
  - City of Casa Grande
  - City of Coolidge
  - Town of Oro Valley
  - City of Florence
  - Town of Marana
  - Pinal County

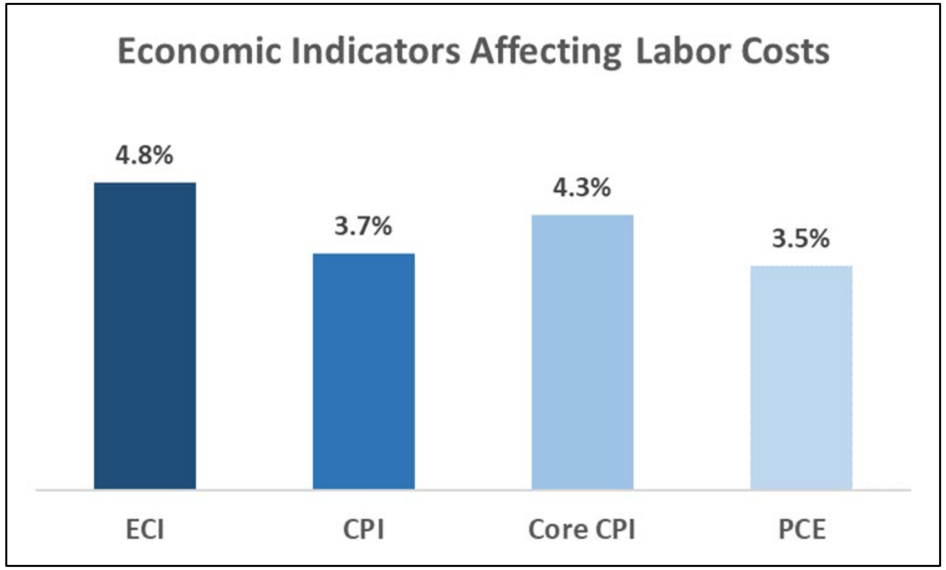
- Reputable salary surveys for validation:
  - ERI (government, AZ segment, 123 FTEs)
  - ERI (all industries, AZ segment, 123 FTEs)

Methodology & Terminology

- Data parameters: 10th, 25th, 50th, 75th, & 90th percentiles
- Medians versus mean when collecting market pay ranges
- Wage compressions & dispersions
- Assigning jobs to pay grades using external and internal job values
- Fair & equitable approach to assigning employees to pay range position
- Employees' "target" rates and "cost to market" calculation

Why are Pay Increases Needed?





- Continuous need to monitor labor markets
- To meet City's business objectives HR must:
  - Stay competitive with labor market
  - Recruit, motivate, and retain qualified staff
  - Invest in professional career growth of its employees

SOURCE: BLS, BEA, HRKNOW

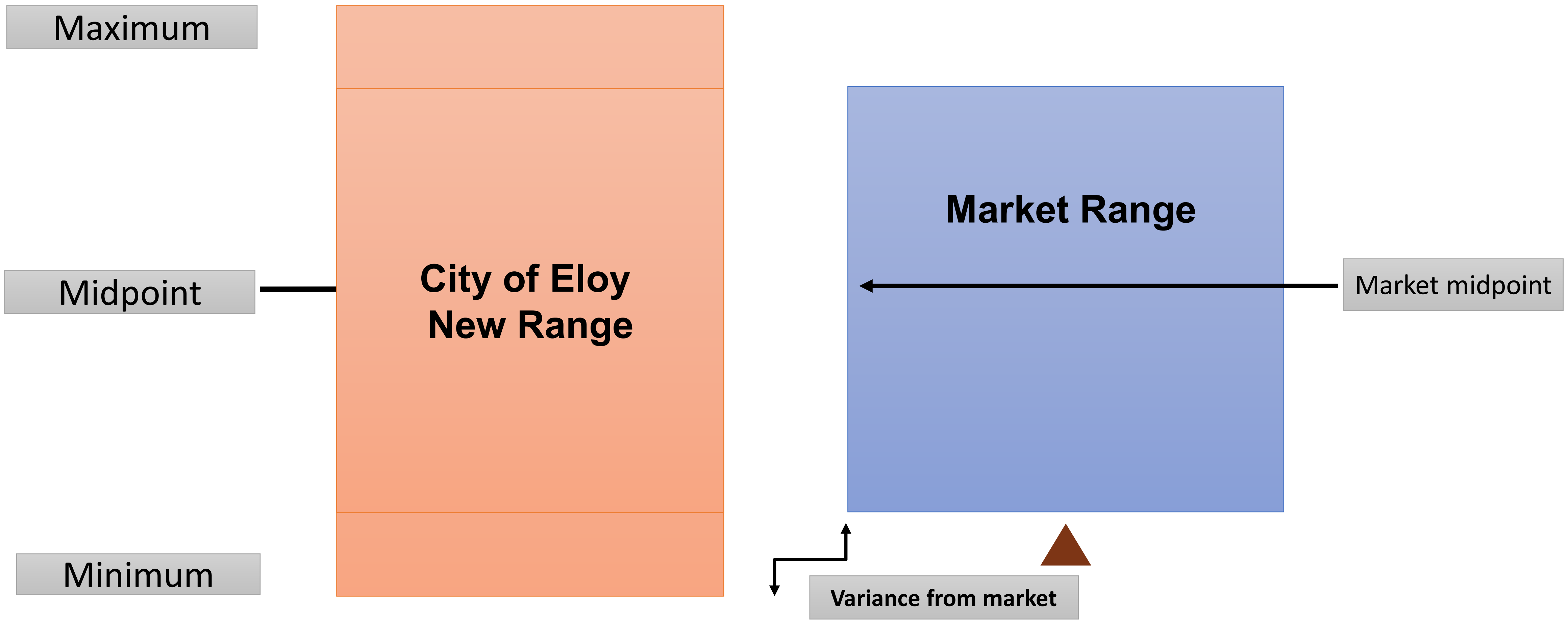
Proposal to Adjust Current Pay Structure

- City has 65 pay grades
- Ranges are 55% wide…
  - *…too wide for low-wage jobs*
- Separation between grades is 2.5%...
  - *…too small for management jobs*
- Range spread is not consistent with labor market practice
  - *…more common 40% for low-wage jobs*
  - *…50% for professional jobs*
  - *…60% for management jobs*

Permanent Salary Range Table

Jan 1 2021	Minimum	Midpoint	Maximum	Hourly	Range Width	Grade Separation
1	$24,960	$31,824	$38,688	$12.00	55.0%	
2	$25,584	$32,620	$39,655	$12.30	55.0%	2.5%
3	$26,224	$33,435	$40,646	$12.61	55.0%	2.5%
4	$26,879	$34,271	$41,663	$12.92	55.0%	2.5%
5	$27,551	$35,128	$42,704	$13.25	55.0%	2.5%
6	$28,240	$36,006	$43,772	$13.58	55.0%	2.5%
7	$28,946	$36,906	$44,866	$13.92	55.0%	2.5%
8	$29,670	$37,829	$45,988	$14.26	55.0%	2.5%
9	$30,412	$38,774	$47,137	$14.62	55.0%	2.5%
10	$31,172	$39,744	$48,316	$14.99	55.0%	2.5%
11	$31,951	$40,737	$49,524	$15.36	55.0%	2.5%
12	$32,750	$41,756	$50,762	$15.75	55.0%	2.5%
13	$33,569	$42,800	$52,031	$16.14	55.0%	2.5%
14	$34,408	$43,870	$53,332	$16.54	55.0%	2.5%
15	$35,268	$44,966	$54,665	$16.96	55.0%	2.5%
16	$36,150	$46,091	$56,031	$17.38	55.0%	2.5%
17	$37,054	$47,243	$57,432	$17.81	55.0%	2.5%
18	$37,980	$48,424	$58,868	$18.26	55.0%	2.5%
19	$38,929	$49,635	$60,340	$18.72	55.0%	2.5%
20	$39,903	$50,875	$61,848	$19.18	55.0%	2.5%

Why Aligning Range Spread with Comparators Important?



Proposed Pay Structure

- Reduce pay grades from 65 to 35
- Increase separation between grades from 2.5% to 5.0%.
- Make range spread consistent with labor market practice
  - *...more common 40% for low-wage jobs*
  - *...50% for professional jobs*

Min Wage $ 14.54

	HOURLY			ANNUAL				
Grade	**Min**	**Mid**	**Max**	**Min**	**Mid**	**Max**	**BW**	**Mid Sep**
101	$14.54	$17.45	$20.36	$30,243	$36,292	$42,340	40%	
102	$15.27	$18.32	$21.37	$31,755	$38,106	$44,458	40%	5%
103	$16.03	$19.24	$22.44	$33,343	$40,012	$46,680	40%	5%
104	$16.83	$20.20	$23.56	$35,010	$42,012	$49,014	40%	5%
105	$17.67	$21.21	$24.74	$36,761	$44,113	$51,465	40%	5%
106	$18.56	$22.27	$25.98	$38,599	$46,319	$54,038	40%	5%
107	$19.48	$23.38	$27.28	$40,529	$48,635	$56,740	40%	5%
108	$20.46	$24.55	$28.64	$42,555	$51,066	$59,577	40%	5%
109	$21.48	$25.78	$30.08	$44,683	$53,620	$62,556	40%	5%
110	$22.56	$27.07	$31.58	$46,917	$56,301	$65,684	40%	5%
111	$23.68	$28.42	$33.16	$49,263	$59,116	$68,968	40%	5%
112	$24.87	$29.84	$34.82	$51,726	$62,071	$72,417	40%	5%
113	$26.11	$31.33	$36.56	$54,312	$65,175	$76,037	40%	5%
114	$26.32	$32.90	$39.48	$54,747	$68,434	$82,120	50%	5%
115	$27.64	$34.55	$41.46	$57,484	$71,855	$86,226	50%	5%
116	$29.02	$36.27	$43.53	$60,359	$75,448	$90,538	50%	5%
117	$30.47	$38.09	$45.70	$63,376	$79,221	$95,065	50%	5%
118	$31.99	$39.99	$47.99	$66,545	$83,182	$99,818	50%	5%
119	$33.59	$41.99	$50.39	$69,873	$87,341	$104,809	50%	5%
120	$35.27	$44.09	$52.91	$73,366	$91,708	$110,049	50%	5%
121	$37.04	$46.29	$55.55	$77,034	$96,293	$115,552	50%	5%
122	$38.89	$48.61	$58.33	$80,886	$101,108	$121,329	50%	5%
123	$40.83	$51.04	$61.25	$84,930	$106,163	$127,396	50%	5%
124	$42.87	$53.59	$64.31	$89,177	$111,471	$133,765	50%	5%
125	$45.02	$56.27	$67.53	$93,636	$117,045	$140,454	50%	5%

Assigning Jobs to Pay Grades

(Example, subject to HR approval)

- Use comparability study to determine appropriate pay grade for each job
- Consider internal job equity
- Review job families and level jobs appropriately
- Ensure appropriate separations between jobs

HR KNOW consulting

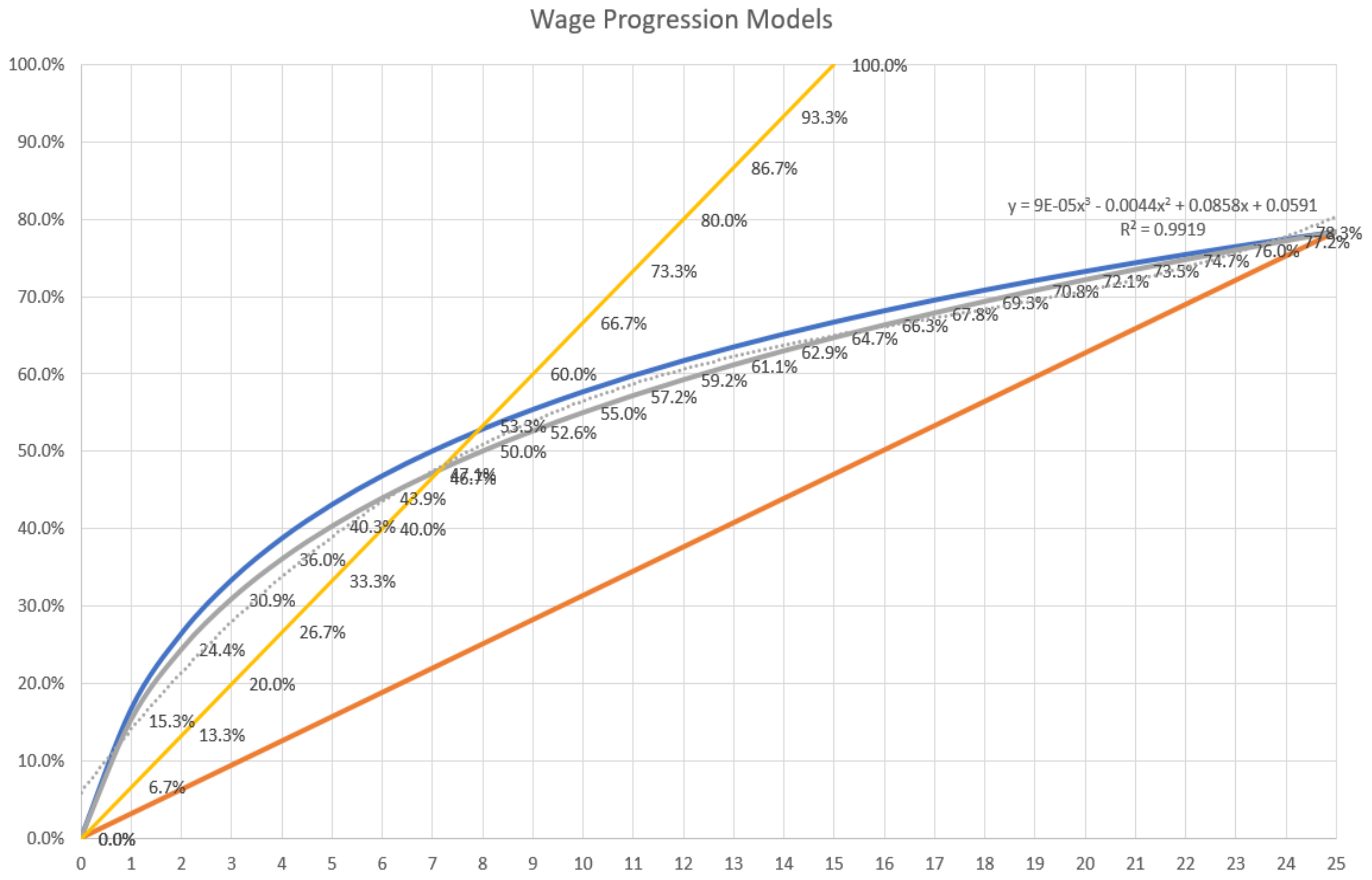
		Hourly		
Title	New Pay Grade	Min	Mid	Max
Accountant	113	26.11	31.33	36.56
Accounting Specialist	107	19.48	23.38	27.28
Adminstrative Assistant	106	18.56	22.27	25.98
Assist Rec Prg Super	107	19.48	23.38	27.28
Associate Librarian	107	19.48	23.38	27.28
Auto Mechanic	109	21.48	25.78	30.08
Building Inspector	111	23.68	28.42	33.16
Cemetery/Maintenance Worker	105	17.67	21.21	24.74
Cemetery/Park Maintenance Worker	105	17.67	21.21	24.74
Chief Utility Plant Operator	114	26.32	32.90	39.48
City Clerk	125	45.02	56.27	67.53
Clerical Specialist	103	16.03	19.24	22.44
Code Enforcement Officer	109	21.48	25.78	30.08
Communications Disptacher	108	20.46	24.55	28.64
Communications Lead	109	21.48	25.78	30.08
Community Development Director	127	49.63	62.04	74.45
Community Service Manager	118	31.99	39.99	47.99

Determine Employees' Position within Range

- Once jobs are assigned to competitive grades, determine employee position within grade range
- Ensure individual pay equity
- Use consistent systematic approach to determining employee pay
- Police scale based on time in position within 15 years span
- All staff time in position span – 25 years
- Use logarithmic pay progression

Employee's Position within Range

How to determine employee's position within the pay range



SOURCE: HR Know Proprietary Statistical Models

- Select legitimate pay driver
- Modify the curve; bring employees to "adjusted target"
- Cost may vary based on the curve
- Steeper curve – more competitive pay
- Automated tool adjust curve
- Adjusting curve will affect labor cost

Cost of Market Adjustments

(Illustrative Only, subject of HR approval)

- Recommend COLA flat increase of 4% first
- Recommend market adjustments for all staff
- Option to reduce market adjustments from 100% as financially feasible
- Option to phase market adjustments in 2 years

Enter percent of general increase (optional) in the shaded box 4.0%

Enter percent of market amount if you decide to pay a portion 100.0%

Enter percent of market amount for Police 100.0%

OPTIONAL COLA INCREASE	4.0%	$252,430
COST TO MARKET ALL (no police):	2.8%	$125,111
COST TO MARKET POLICE:*	8.5%	$159,581
TOTAL ANNUAL COST:**	8.5%	$537,122

** Police adjustments are based on 15-year to maximum linear progression.*

*** All costs are based on 8-year to midpoint progression, except Police. To change progression, move the scroll bar shown above the chart.*

Employees Affected

- Recommend COLA flat increase of 4% first
- All staff received COLA
- Selected staff receives market adjustments
- 52% of general staff receives market
- 68% police staff receives market
- Salaries of remaining staff are found competitive

Category	Total Count	Receiving Market Adjustments	Not Receiving Market Adjustments
ALL STAFF	81	42	39
POLICE	28	19	9

QUESTIONS?

City of Eloy
2024 Compensation & Classification Study – Funding Sources for Study Recommendations

Presenters:

- David Malewitz, City Manager
- Sylvia Payne, Human Resources Director
- Brian Wright, Finance Director

Agenda

1. Goals of the Compensation & Classification Study
2. How are Increases Currently Funded?
3. Options for Funding Salary Increases
    - Option 1 – Standard Revenue Sources
    - Option 2 – Reallocate 2% Food for Home Base Consumption
    - Option 3 – Enterprise Lease Funding
    - Option 4 – Pay-Off Debt
    - Option 5 – Mix of Sources
4. Other Budgetary Considerations
5. Funding Expense Scenarios
6. Questions & Discussion

Goals of the Compensation & Classification Study

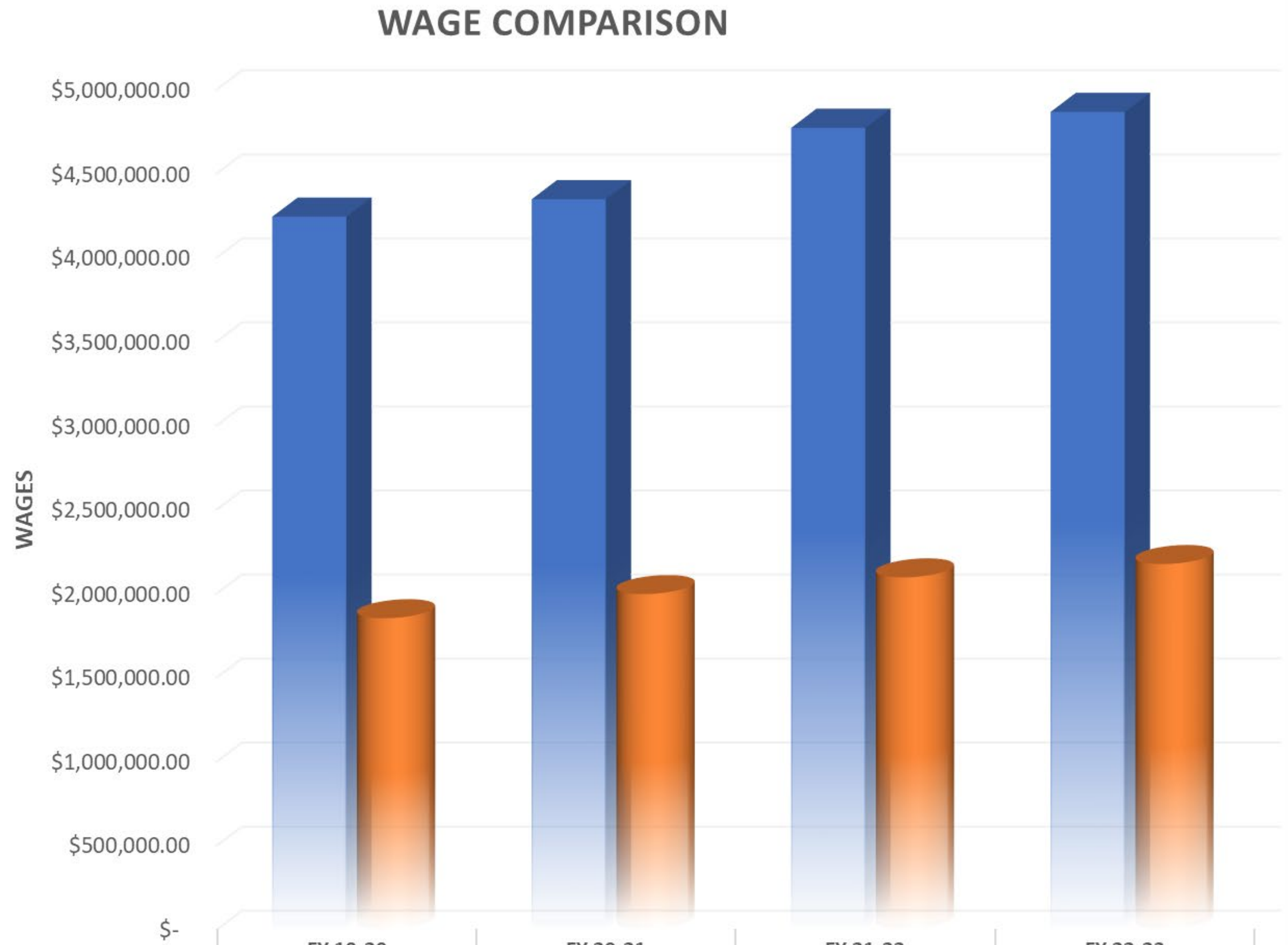
- Competitive Pay
- Reduce Pay Compression within Salaries
- Marketability to Neighboring Localities
- Recruitment
- Retention
- Employee Moral

How Are Increases Currently Funded?

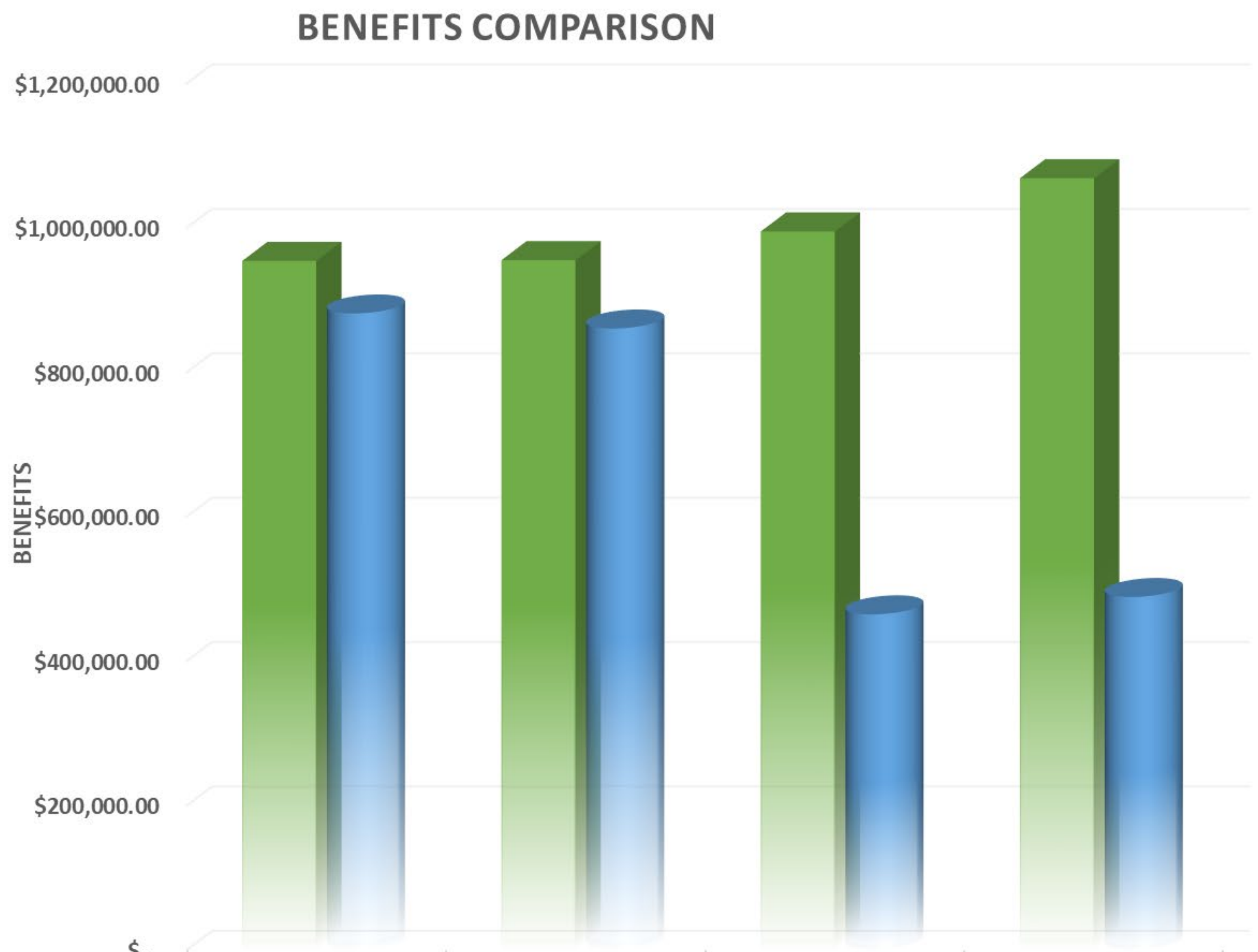
- Generally, funding for any COLAs are supported through the following:

  Standard Revenue Sources
  - General Fund Revenues
  - Highway User Revenues
  - Water Revenues
  - Sewer Revenues
  - Sanitation Revenues
  - Cemetery Revenues

- Do not use revenue accounts earmarked as “one-time” revenues



	FY 19-20	FY 20-21	FY 21-22	FY 22-23
All Employees Except Police Officers	$4,243,444.10	$4,347,261.12	$4,772,137.39	$4,867,190.73
Police Officers	$1,853,439.34	$1,997,189.03	$2,096,546.93	$2,176,113.05



	FY 19-20	FY 20-21	FY 21-22	FY 22-23
All Employees Except Police Officers	$954,302.32	$955,407.91	$995,066.06	$1,068,867.10
Police Officers	$881,487.87	$860,688.18	$464,822.30	$488,830.58

Funding Option 1:
Standard Revenue Sources for Increases

- General Fund Revenues
  - Estimated to increase by 5.2% or **$691,395** over last year's budget
- Highway User Revenue
  - Estimated to increase by 7% or **$112,400** over last year's budget
- Cemetery Revenue
  - Estimated to increase by 3% or **$5,155** over last year's budget
- Enterprise Revenue (Water, Sewer and Sanitation)
  - Estimated to increase by 5.3% or **$248,413** over last year's budget

Funding Option 1:
Standard Revenue Sources

- Monies Available for Funding Salary Adjustments

$	691,395	General Fund Revenues
$	112,400	Highway User Revenues
$	248,413	Enterprise Revenues
$	5,155	Cemetery Revenue
$	**1,057,363**	

- Recommendation
  - Continue to use Standard Revenue Sources towards funding salary increases year after year, including market adjustments.

Funding Option 1: Standard Revenue Sources

PROS

- Revenues have historically increased by 4-6%
- Charges for Services will continue to rise as a result of projects
- Stable local sales tax collection
- Maintain maximum property tax rate
- Water and Sewer Revenue will increase annually for the next three years by 4%, 10% & 10%

CONS

- Operational funding DECREASES with revenues for salary and benefits increasing
- Affects by the reduction in State Income Tax
- May have to increase taxes & fees for services to support ongoing market and compensation adjustments
- Continues to be the only source for funding increases
- Other costs in the general fund continue to increase too

Funding Option 2:
Reallocate 2% Food for Home Based Consumption

- **$404,240** Collected in FY2022-2023 Budget
- **$444,125** Estimated for FY2023-2024 Budget

- $1,390,449 Total Fund Balance as of 12/31/2023

- Recommendation
  - Amend Ordinance 15-850
    - Funding dedicated to the Economic & Community Development Fund
  - Revenue towards funding salary increases year after year, including market adjustments.

Funding Option 2:
Reallocate 2% Food for Home Based Consumption

PROS

- Provides a stable and dedicated revenue source
- Allows for budget flexibility in the General Fund for salaries, market adjustments, or other expenses
- Does not affect any other revenue streams

CONS

- Reduces revenue for Community and Economic Development projects
- $600K is currently dedicated to Shedd Rd. Project in the CIP
- Funding is not available for market & salary adjustments until 30 days after the adoption of the Ordinance revision
- Funding could go away if legislation changes in the future

Funding Option 3:
Enterprise Leases for Vehicles

- General Fund revenues fund the Enterprise vehicle lease payments.
  - Public Safety, Community Services, Community Development, and Administration

- Expenses
  - **$200,000** FY 23-24
  - **$225,000** FY 24-25 (estimated)

- Recommendation
  - Re-allocate funding for the Enterprise vehicle lease payments
  - Move funding source from General Fund revenues to one-time budgeting within the Capital Improvement Plan
  - **$225,000** is estimated to be available towards funding salary/market adjustment increases year after year in the General Fund budget

Funding Option 3: Enterprise Leases for Vehicles

PROS

- Allows budget flexibility in the General Fund
- Funding can be used towards funding salary/market adjustment increases year after year in the General Fund budget

CONS

- Reduces funding for other Capital Projects
- Vehicle replacement plans may be affected when weighted against other priority projects in the CIP

Funding Option 4:
Paying Off General Excise Bonds

- 2017 General Excise Tax Bond (City Hall)
  - **$4,895,000** Outstanding Debt as of 1/01/24
    - Debt matures on 7/01/42
    - If paid off, save $2,168,000 in future interest payments
  - **$386,820** Annual Bond Payment

- 2021 General Excise Tax Bond (Police HQ)
  - **$4,375,000** Outstanding Debt as of 1/01/24
    - Debt matures on 07/01/41
    - If paid off, save $1,286,325 in future interest payments
  - **$318,165** Annual Bond Payment

- Recommendation
  - Pay off City Hall debt and reallocate annual bond payments of **$386,280** towards funding salary increases year after year, including market adjustments.

Funding Option 4:
Paying Off 2017 General Excise Tax Bonds

PROS

- Allows budget flexibility in the General Fund
- $2,168,000 in interest savings for the City Hall bond payoff

CONS

- Reduces uncommitted fund balance
- Reduces revenue earned from savings account interests

Funding Option 5:
Mix of Sources

	Funding Option 1 Standard Revenue Increases	Funding Option 2 Reallocate 2% Food for Home Base	Funding Option 3 Enterprise Lease	Funding Option 4 Pay off 2017 General Excise Bond
Revenue Sources	$1,056,789	$444,125	-	-
Expenditure Sources	-	-	$225,000	$389,280

Funding Option 5: Mix of Sources

PROS

- Fully funds 100% market adjustment and COLA
- Allows budget flexibility
- Not taking all of the monies out of one funding source to fund increases and market adjustments
- Allows for funding changes year after year depending on the uncertainty of revenue streams

CONS

- No defined method of securing year-over-year funding for market adjustments & increases
- Uncertainty in revenue sources may cause one source to have to fund more than another
- Have to use expenditure sources rather than revenue streams

Other Budgetary Considerations

- Large Expenses Coming Out of the Uncommitted Fund Balance
  - Expenses are difficult to recover from due to the small growth in revenues

$27,173,694	Fund Balance as of 12/31/2023
-$5,090,000	Water/Wastewater from American Rescue Plan Funds
-$5,000,000	Committed Funds for Economic Development purposes such as Water & Wastewater Infrastructure, Land Development, Bldg. Enhancement (RES #23-1562)
- $4,750,000	Sewer Main Line Expansion for 11 Mile Corner Rd. from Battaglia to the WWTP
- $2,325,000	Bulldozer, Compactor, Landfill Scale, and Landfill Study
$10,008,694	Remaining Uncommitted Fund Balance ($8 – 10 million Recommended Amount of Uncommitted Reserve Fund Balance)

- **Effects of Revenue Reductions Due to Flat State Income Tax Rate**

-$483,048	FY 24-25
-$365,546	FY 25-26
$151,719	FY 26-27
$177,746	FY 27-28

Other Budgetary Considerations

- Benefits Package
  - 12.29% Arizona State Retirement System
  - 12.92% Public Safety Retirement System
  - 7.65% Social Security/Medicare
  - 2.8% Workers Comp (avg.)
    - For general COLA increase benefit expenses estimated at $57,389

- Other Departmental Salary Costs Expected to Increase
  - Overtime / Holiday / Holiday Worked / Call Back / On Call

- Interest Income on Savings
  - Diversify local funds and capitalize on banks offering Higher Yield Accounts
  - Return on Investments can help fund future operational needs
    - EX: $5M invested at 4.25% APY over 5 yrs. equals **$221,385** in yearly return

Funding Scenario 1:
4% General Increase and 100% of Market

- 4% General Increase of (All Employees) $252,430
- 100% Market Cost
  - Police $159,581
    - Effects 19 out of 28 officers
  - Everyone Else $125,111
    - Effects 44 out of 80 employees
- Total Cost of 4% General Increase and 100% Market $537,122
- Total Cost Including Salary, Benefits, and Other Pay Calculations $759,264

Funding Scenario 2:
4% General Increase and 80% of Market

- 4% General Increase of (All Employees) $252,430
- 80% Market Cost
  - Police $127,665
    - Effects 19 out of 28 officers
  - Everyone Else $100,089
    - Effects 44 out of 80 employees
- Total Cost of 4% General Increase and 80% Market $480,184
- Total Cost Including Salary, Benefits, and Other Pay Calculations $689,378

Funding Scenario 3:
Mix – 4% Gen. Incr. & 80% of Market

- Non-Police Employees
  - 80% Market to Employees & NO 4% General Incr. $ 81,325
  - 4% Increase for Employees NOT Receiving Market Adjustment $114,908
  - Mkt. Adjustment + 4% Incr. for Employees Receiving Below a $1000 Market Adj. $ 31,483
- Total for Combo 80% Market Adjustment & 4% (All Employees) $227,716
- Police
  - 4% General Increase for ALL Police Officers $ 75,067
  - 80% Market Cost $127,665
    - Effects 19 out of 28 officers
- Total Cost of Mix 4% General Increase and 80% Market $430,448
- Total Cost Including Salary, Benefits, and Other Pay Calculations $627,338

Scenario Cost Overview

	Scenario 1 4% Incr. for ALL & 100% Mkt	Scenario 2 4% Incr. for ALL & 80% Mkt	Scenario 3 Mix 4% Incr & 80% Mkt
4% General Increase	$252,430	$252,430	$189,975
Combo 80% Mkt Adj. & 4% COLA for Mkt Adj. Under $1000	-	-	$31,483
100% Market Cost	$284,692	-	-
80% Market Cost	-	$227,754	$208,990
Total Cost of General Increase and Market	$537,122	$480,184	$430,448
Total Cost Including Salary, Benefits, and Other Pay Calculations	$759,264	$689,378	$627,338

Staff Recommendation:
Mix – 4% Gen. Incr. & 80% of Market
Funding – 2% Food for Home Consumption

PROS

- Almost to 100% market
  - Complete 20% of the remaining market in next year – or – spread out evenly for next 2 yrs.
- None mkt. adjusted employees still receive an increase
- Addresses compression equitably
  - Years in position factor for salary increases
- New salary ranges are competitive
  - Eloy is far behind other localities
- Can comfortably be funded right now not knowing full outcome of revenues and state shared revenue component

CONS

- Not everyone receives a market adjustment
- Still have to fund the 20% gap to 100% market
- Maintaining year-after-year funding for increases
- 2% can no longer be used for economic development
- Uncertainty in revenue streams to continually support increase

Questions & Discussion

Thank you!