PUBLIC NOTICE
THE ELOY CITY COUNCIL
Meets
MONDAY, JANUARY 26, 2026
5:00 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. Employee Compensation and Classification Study Presentation and Discussion

VI. Adjournment

POSTED BY 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."

Celine A. Kidwell

Celine A. Kidwell, CMC, FCRM
City Clerk

INDIVIDUALS WITH SPECIAL ACCESSIBILITY NEEDS MAY CONTACT MICHELLE HALL, 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: 1/26/2026

Date submitted: 01/20/2026	**Action:** Other	**Subject: Employee Compensation and Classification Study Presentation and Discussion**
Date requested: 1/26/2026		

TO: Mayor and City Council

FROM: Sylvia Lopez, HR Director

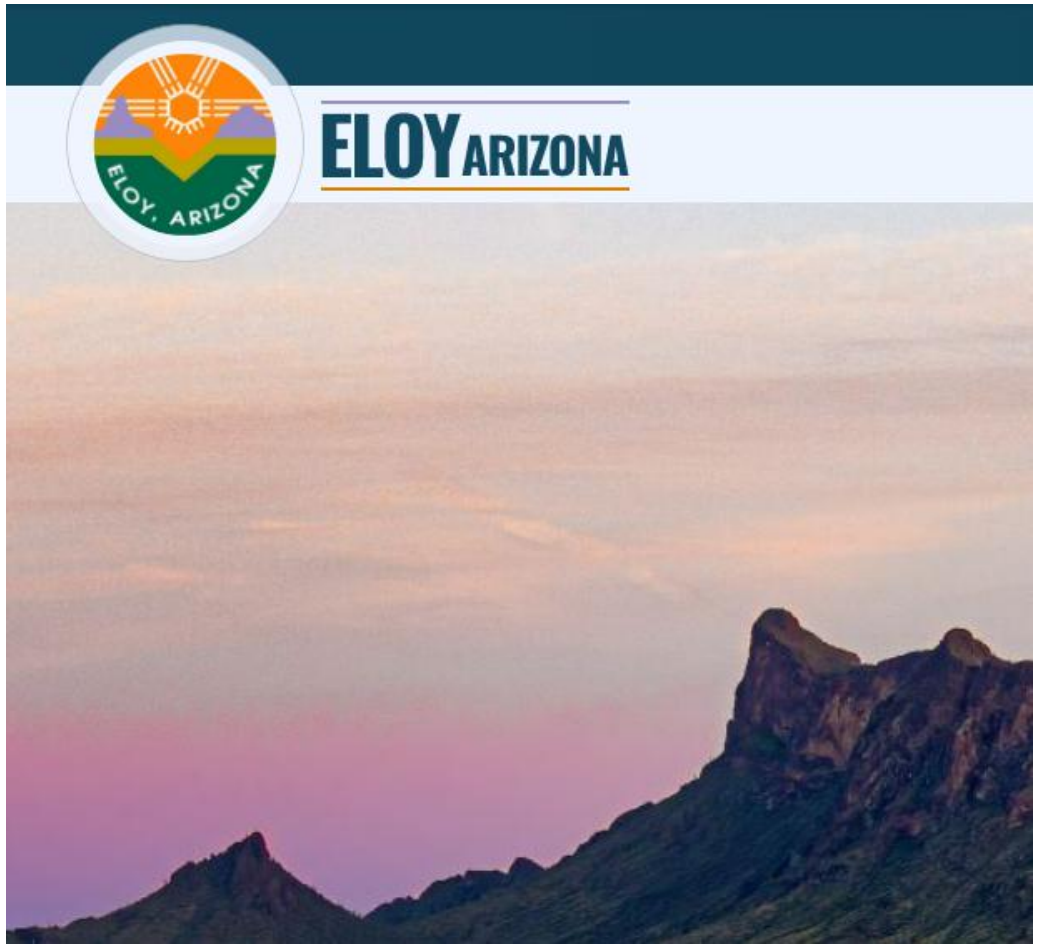
RECOMMENDATION:
No recommendation for this item as it is intended for informational purposes only.

DISCUSSION:
The City Council will receive a high-level overview of the Compensation and Classification Study conducted by HR Know Consulting. The presentation summarizes the study's methodology, key findings, and general market trends affecting the City of Eloy's pay structure and job classifications, including positions identified as below market and compliance with Arizona minimum wage requirements. The overview is intended to provide context and inform future Council discussion and direction at the upcoming budget retreat as part of the Fiscal Year budget development process.

FISCAL IMPACT:
There is no fiscal impact associated with this item at this stage; this presentation is for informational purposes only. Formal direction and fiscal implications will be identified during the budget retreat.

Approved as to Form:

Stephen R. Cooper, City Attorney



2025 Compensation Study: Methodology, process, & recommendations

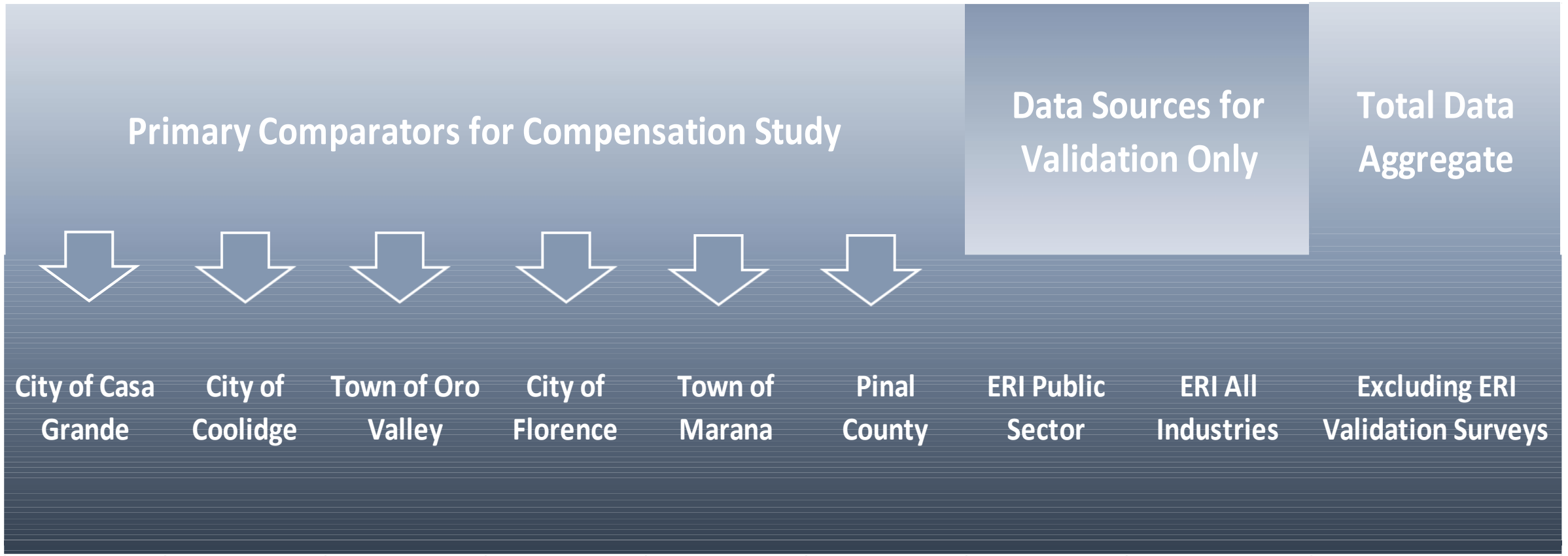
Background

- HR Know Consulting was retained by City of Eloy to conduct comprehensive compensation study
- Study included comparing City pay ranges with those in the relevant labor market
- Relevant labor market was defined as similar cities and counties within Eloy geographic region
- City and HR Know collaboratively developed methodology and scope of the study

Study Objectives

Pay Structure Analysis	Review current pay structure & make necessary adjustments for 2026.
Competitiveness of City of Eloy Pay Ranges	Compare City's pay ranges for all jobs to the relevant labor market and recommend adjustments.
Job Equity	Reassign jobs to pay grades according to external labor market and internal job equity.
Individual Pay Adjustments	Recommend pay increases to ensure competitive position of each employee in 2026.
Compliance & Systematic Approach	Ensure all recommendations applied in fair and consistent manner, and in compliance with employment laws and regulations.

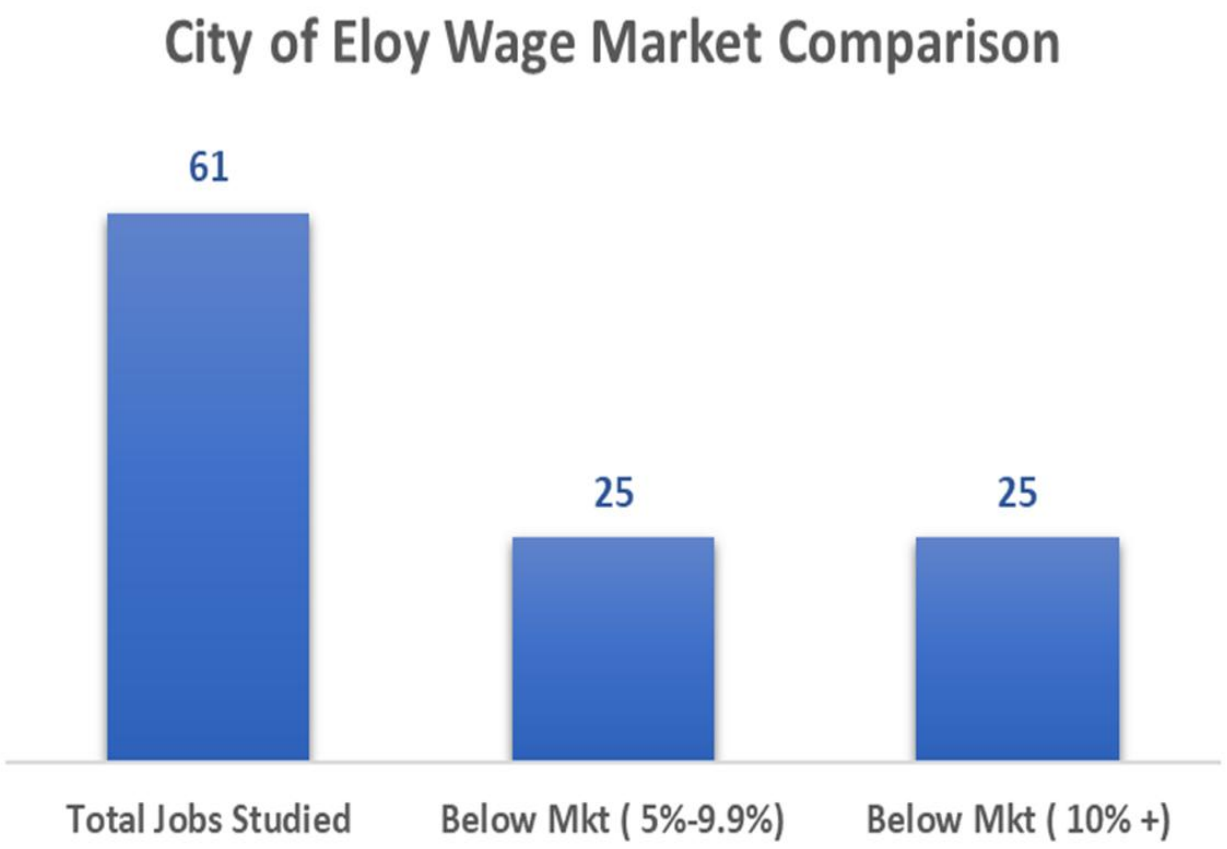
Sources of Compensation Data



Data Collection Methodology

- Data collected from relevant market segments (location, industry, revenue size, etc.)
- 10th, 25th, 50th, 75th, 90th percentiles of the matching jobs
- Data aging and leveling applied as needed
- Weight distribution between sources was applied as needed

Compensation Study Results



Studies 61 jobs our of 90

- Remaining jobs were linked to studied benchmarks by relevance (i.e., market pay range for Accountant was used to adjust range for Senior Accountant)

Identified jobs that are 5% below the market

- This segment included 25 jobs that were found 5% below up to 9.9% below the market range
- ***NOTE: Jobs with ranges +/-5% are considered aligned with labor market ranges***

Identified jobs that are 10% or more below the market ranges

- This segment included 25 jobs that were found 10% or more below the market range

Recommended Pay Structure Adjustment

Grade	Min	Mid	Max	BW	Mid Sep
101	$15.15	$18.18	$21.21	40%	
102	$15.91	$19.09	$22.27	40%	5%
103	$16.70	$20.04	$23.38	40%	5%
104	$17.54	$21.05	$24.55	40%	5%
105	$18.41	$22.10	$25.78	40%	5%
106	$19.34	$23.20	$27.07	40%	5%
107	$20.30	$24.36	$28.42	40%	5%
108	$21.32	$25.58	$29.84	40%	5%
109	$22.38	$26.86	$31.34	40%	5%
110	$23.50	$28.20	$32.90	40%	5%
111	$24.68	$29.61	$34.55	40%	5%
112	$25.91	$31.09	$36.28	40%	5%
113	$27.21	$32.65	$38.09	40%	5%
114	$27.42	$34.28	$41.14	50%	5%
115	$28.80	$36.00	$43.19	50%	5%
116	$30.24	$37.79	$45.35	50%	5%
117	$31.75	$39.68	$47.62	50%	5%
118	$33.34	$41.67	$50.00	50%	5%
119	$35.00	$43.75	$52.50	50%	5%
120	$36.75	$45.94	$55.13	50%	5%
121	$38.59	$48.24	$57.88	50%	5%
122	$40.52	$50.65	$60.78	50%	5%
123	$42.54	$53.18	$63.82	50%	5%
124	$44.67	$55.84	$67.01	50%	5%
125	$46.91	$58.63	$70.36	50%	5%

Establish minimum at $15.15

- Maintain Arizona minimum wage (Prop 206) legislation

Maintain fixed 5% grade separation between midpoints

- This will ensure consistent administration of pay policies

Note: *Due to the transition from a 40% to a 50% range spread (Grades 113–114), the minimum-to-minimum separation of grade 114 will be less than 5%, while midpoint separation remains at 5%.*

Keep 40% and 50% spread for City jobs

- This is consistent with the market compensation patterns and best practices

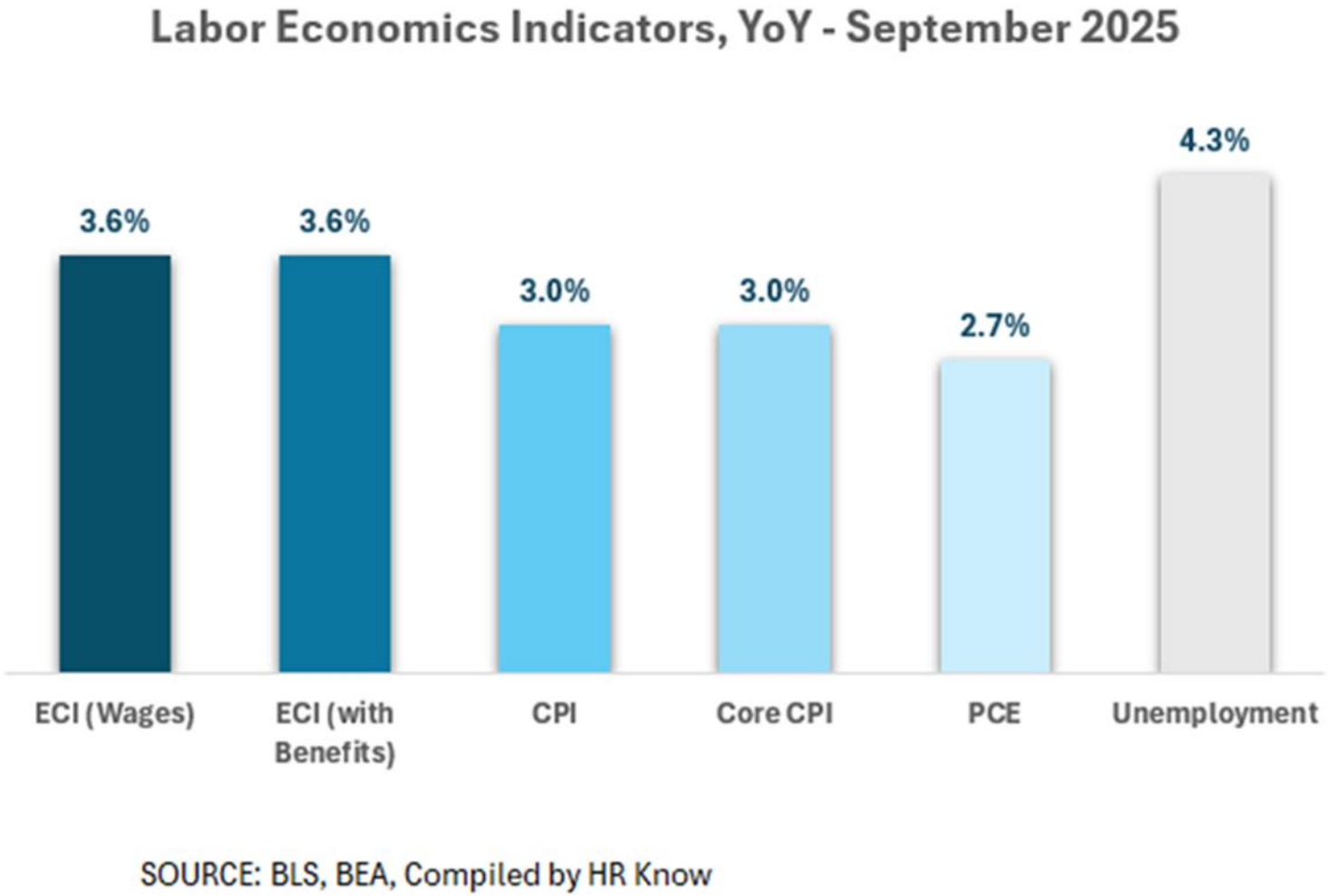
Study Recommendations

- **Adjust pay structure to reflect AZ minimum wage increase**
  - Updates the pay structure to maintain compliance with state law and prevent entry-level positions from compressing at the minimum wage.
  - Preserves appropriate pay differentiation based on experience, skill, and responsibility.

- **Assign all jobs to pay grades based on labor market ranges**
  - Aligns each job to a consistent pay grade using competitive labor market data.
  - Ensures internal equity across positions and provides a clear, defensible structure for pay decisions.

- **HR Know recommends administering 3%–5% market increases**
  - Reflects recent labor market movement and helps the City remain competitive in recruitment and retention.
  - The final adjustment level can be selected based on budget capacity and strategic priorities.

Labor Data Used to Determine Pay Increases



Why Not Use Cost of Living for Increases?

- CPI is too volatile to follow
- ECI is a better predictor of wage growth and easier to justify wage increases

QUESTIONS?

www.hrknow.com

info@hrknow.com