

CITY OF SAFFORD • CITY COUNCIL WORK SESSION • FRIDAY, NOVEMBER 15, 2019 at 8:00 am
MEETING LOCATION: SAFFORD LIBRARY PROGRAM ROOM • 808 S. 7TH AVE SAFFORD, ARIZONA
“The mission of the City of Safford is to make Safford a great place to live, work, and visit”

- 1. WELCOME AND CALL TO ORDER:** (Reminder: Please turn off cell phones)
- 2. ROLL CALL:**
- 3. PLEDGE OF ALLEGIANCE:**
- 4. OPENING PRAYER:**
- 5. COLONIAS GRANT FOR CARRASCO WELLHEAD TREATMENT:** (Staff, Morgan Seale)
INFORMATION/DISCUSSION
- 6. COMPENSATION PLAN:** (Staff, Lydia Newkirk)
INFORMATION/DISCUSSION
- 7. FEE WAIVER DISCUSSION:** (Staff, Susan Anderson)
INFORMATION/DISCUSSION
- 8. TEXT AMENDMENTS UPDATE:** (Staff, Susan Anderson)
INFORMATION/DISCUSSION
- 9. DISCUSSION OF RESIDENTIAL IN C2 ZONING DISTRICT:** (Staff, Susan Anderson)
INFORMATION/DISCUSSION
- 10. SIGN REGULATIONS:** (Staff, Susan Anderson)
INFORMATION/DISCUSSION
- 11. LAND EXCHANGE (HATCH PROPERTY/CENTRAL AVE PROPERTY):** (Staff, Horatio Skeete)
INFORMATION/DISCUSSION
- 12. SANTIAGO SILVERCREEK ANNEXATION:** (Staff, Horatio Skeete)
INFORMATION/DISCUSSION
- 13. COS LABOR RATES AND LINE EXTENSIONS:** (Staff, Horatio Skeete)
INFORMATION/DISCUSSION
- 14. BUDGET GOALS AND OBJECTIVES:** (Staff, Horatio Skeete)
INFORMATION/DISCUSSION
- 15. OTHER ITEMS OF INTEREST FOR DISCUSSION AND STAFF RESEARCH:**
INFORMATION/DISCUSSION
- 16. ADJOURN:**

Tamara Webster, CMC, Deputy City Clerk

Posted: November 13, 2019

*In accordance with Section 2.04.120 of the Municipal Code of the City of Safford, and Arizona Revised Statutes §§38-431.01 et seq., and 38-431.02 et seq., notice is hereby given to the members of the general public that the City of Safford will hold the above Council Meeting. Members of the City of Safford Council may attend either in person or by telephone conference call. The City Council reserves the right to take action upon any item on the agenda. **DECLARATION ON CONFLICT OF INTEREST:** Council members and staff have a right to declare a conflict of interest. The declaration of a conflict of interest must be made prior to discussion of any agenda item in which Council members or staff member determine they have a conflict of interest. The Council may adjourn at any time into executive session. Meeting Agendas are available on the city's website at: www.cityofsafford.us.*



CITY COUNCIL COMMUNICATION

TO: Mayor and Council
FROM: Lydia Newkirk, Human Resource Officer
SUBJECT: Compensation Plan
DATE: Friday, November 15, 2019, at 8:00 a.m.

Purpose: This is a request for Mayor and Council to have open discussion with staff on a newly developed, written compensation plan.

Background: Current administration of compensation is held with Human Resources and each Department Head/Division Manager and the City Manager with utilizing the current salary schedule as our guide.

The proposed written compensation plan is not policy but would serve as a written standard operating procedure for administration and communication of how compensation is administered in a fair and consistent manner. This compensation plan was written from current practice with very few changes.

Current project: HR is revising the pay grade table, currently known as the salary schedule. An internal pay study is being done which includes studying each position within each department to determine job worth in the job worth hierarchy for positioning jobs in the pay grade table. Salary data has been gathered from the Arizona League of Cities and Towns salary survey and of neighboring entities of like industries to determine the starting and ending of each pay grade of the pay grade table. The revised pay grade table will be presented to Council for approval when complete.

Next phase of the current project: HR will look at each employee within their pay grade and determine if any adjustments need to be made with their current salary. This information will be presented to Council during the budgeting process for request of approval for salary changes, if any.

Attachments: COS Human Resources Department Compensation Plan

COS HUMAN RESOURCES DEPARTMENT

COMPENSATION PLAN

COMPENSATION PHILOSOPHY

The City of Safford's total rewards programs are designed to attract, motivate, and retain top talent committed to the success and safe operations of the City. The City of Safford is a progressive organization where employees are valued as the greatest asset. As employees, we represent integrity, creativity, dignity, and respect for ourselves, co-workers, and the community. As stewards of city resources, we foster open and consistent communication throughout the organization. As trained professionals, we are empowered to make decisions while providing superior service.

We offer a competitive compensation program, which includes performance-based compensation that rewards individual initiative, achievements, and overall performance. We strive to provide a base salary that is competitive locally when employees are fully proficient and meeting expectations. In addition, the City of Safford offers a generous benefits package that includes core health, dental, and vision, retirement plans and paid time off (Sick Leave and Vacation).

We continually monitor the rewards other employers in our industry and geographic region offer and make changes when necessary. It is the City's goal to offer a competitive mix of pay, benefits, positive work environment, work-life family balance, and development opportunities to retain and engage high performing employees.

RESPONSIBILITY FOR ADMINISTRATION

The City Council reviews and approves the overall Compensation Plan presented by the City Manager. Through the annual budget process, they also review and approve the funding for the upcoming year. The City Manager is responsible for presenting the funding plan during the budget for the approved compensation plan. The Human Resources Department is responsible for the administration of compensation. Each department head/manager is responsible for effectively communicating the elements of compensation to their employees.

METHODOLOGY

Compensation will be determined by a thorough job analysis and documentation to include the job description and other forms of written documentation for determining the job worth hierarchy. Human Resources will participate in compensation surveys prepared by The Arizona League of Cities and Towns on an annual basis, of like positions for determining a base pay structure and will be used to analyze the wages paid at the City. Every effort will be made to ensure the City maintains a pay range that represents between a range of 40%-60% of the State average.

Based upon the analysis, each position is assigned a pay grade on the pay grade table. Most staff positions are nonexempt under the Fair Labor Standards Act. Other executive, management, and some professional or specialty positions are exempt under the Fair Labor Standards Act. These

positions have unique minimum qualifications and responsibilities. Specifics to exempt and nonexempt positions are listed on each job description.

COMPENSATION PRINCIPLES

The following procedures provide established guidelines for administering compensation in a fair and consistent manner. These guidelines deal specifically with common personnel activities where the human resources department must make important decisions regarding an employee's compensation. Such actions include new hires starting pay, premium and differential pay, probation increases, annual merit increases and/or merit checks, promotions, longevity, and transfers, among others.

1. The Pay Grade Table: The pay grade table is the pay ranges for all positions. Every three years, a job study to determine job worth and a market analysis will be done to determine if the pay grade table will need to be revised. Market adjustments may be processed for employees that may be lower than a new minimum rate on the adjusted pay grade table, for employees that need an adjustment for prior work experience, or for positions that have moved up a grade. Employees that reach the maximum rate on the pay grade table will be **red circled** and will no longer receive annual merit increases, but will receive a lump sum merit check, until there is an adjustment in the pay grade table. An approved Cost of Living Adjustment (COLA) will increase the starting and ending pay of the pay grade table accordingly.
2. Base Pay: Human Resources shall determine the appropriate starting rate for newly appointed employees, department transfers, and promotions within the assigned pay grade. Human Resources has the discretion to initially assign the new employee to a rate higher than the minimum rate, but not to exceed the 50th percentile for experienced individuals. Determining factors for starting a new employee at a rate higher than the minimum will include prior work experience specifically related to the position, education, certifications, skills and abilities as listed on the job description. The human resources department shall document in the respective employee's personnel file the reasons or justification for initially assigning the employee to a rate higher than the minimum. Internal equity must be considered when determining a new employee's starting base pay.
3. Probation Increases: Newly hired employees, transferred employees, or promoted employees may receive a pay increase or merit check at the end of their twelve (12) month probationary period. At the completion of the employee's probationary period, a performance evaluation will be conducted and, continued upon a passing evaluation, the employee's current base pay rate may be increased. Employees completing probation prior to July 1st will receive their pay increase along with all other staff. Employees completing probation between July 1st and December 31st will receive their pay increase on their anniversary date. The amount of a probation increase is determined by an approved budget percentage, depending on the rating of the performance evaluation.
4. Annual Merit Increases and/or Merit Checks: At the close out of the City's annual evaluation cycle (i.e. January 1 – December 31), all regular, full time and part time

employees will receive an annual merit increase and/or merit check, as approved in the budget for that fiscal year. Increases and merit checks will be determined after the completion of the employee's performance evaluation. Merit increases and/or checks will be issued the first pay period of the new fiscal year. All increases and merit checks are discretionary upon the City's financial ability as approved budgeted funds allow. All employees must successfully complete their evaluation to qualify for a merit increase/check.

5. A longevity check of 5% of an employee's base pay will be issued for employees that have reach milestones in 5-year increments for years of service (i.e. 5, 10, 15, 20 years and so on).
6. Premium Pay: Certain staff positions, that are nonexempt under the Fair Labor Standards Act, may receive a type of premium pay, in addition to their base pay. Types of premium pay include:
 - a. On Call and Call Back Pay: Based on the needs of the City, employees pay need to respond to situations outside of their normal work schedule. See on-call policy found in the Human Resources Policy and Procedure Manual.
7. Differential Pay: Certain positions, whether exempt or nonexempt under the Fair Labor Standards Act, may receive a type of differential pay, in addition to their base pay. Types of differential pay may include:
 - a. Language Differential: When a position is critical to having an employee that is bilingual for translation and interpretation purposes, a differential pay of 5% will be added to the employee's base rate when it is verified that the employee can proficiently read, write, and speak the second language.
 - b. Degree Differential: When an employee completes a degree program that significantly improves their knowledge, skills, and abilities in their line of work and is not listed under the minimum qualifications on the job description, employees may receive up to a 5% pay increase from their base rate (i.e. 2.5% Associate's and 5% Bachelor's/Master's Degree).
 - c. Certification Differential: Certain staff positions either have the requirement for obtaining and maintaining certifications or is highly encouraged for obtaining certifications to equip staff with better knowledge, skills, and abilities to perform at the highest level. Pay increases for obtaining certifications must be directly related to their current position or a higher position within their same field of work to prepare them for potential promotional opportunities.
 - i. Increase amount: Positions that require the certification for continued employment, will receive a flat rate of \$1.50 per hour added to their base rate for each certification obtained. All other increase amounts for obtaining certifications that are not required for continued employment but is highly encouraged will receive a flat rate of \$0.75 per hour added to their base rate for each certification obtained.

Positions that have requirements on the job description such as education, experience and/or certifications to perform the essential functions of the job that were used to place

the position within a high level within the job worth hierarchy on the pay grade table are not eligible under this section for differential pay.

8. Step Increases: For positions that are in a step program, pay increases will be placed when reaching each milestone within the step program and with a successful completion of meeting expectations on their annual performance evaluation and any other requirements needed to be met to move to the next step. When an employee reaches the max of the step program, the employees wage will be red circled and will not increase until there is a change within the pay table or when the employee moves into another position that is higher on the pay table.
9. Promotions and Transfers: A promotion and/or transfer are acts of placing an employee in a position which requires different or greater knowledge, skills, and abilities to perform more complex and responsible work and which is normally assigned to a higher pay range. Promotions and transfers will be placed on probation for one year. An employee promoted will be given a promotion increase based on the pay grade with prior experience considered, but not less than 5%. If an employee transfers to a position that is on the same pay grade as their current job and the knowledge, skills and abilities are equal, the employee will have a lateral transfer and no pay raise will be given. If an employee is transferring to a position that is on a lower pay grade, the employees pay will be decreased according to the transfer policy found in the Human Resources Policy and Procedure Manual.
10. Temporary Assignments: A temporary assignment is an assignment of an individual employee to a different position or duties, which has substantially different duties other than what the employee would normally perform. Temporary assignment pay may increase an employee's base rate up to 5% and with Council approval up to 10%. In order to receive a temporary increase, the City must determine that an employee will be performing duties that are substantially higher level of responsibility than the employee's current position. A temporary assignment may be given by the City due to illness, emergencies, vacancies, succession planning, or any other special circumstances to meet the operational needs of the City. Temporary assignments are not for the purpose for disciplinary purposes or for providing coverage during routine absences or vacation. Upon completion of the temporary assignment, the employee shall return to the employee's previous rate of pay.
11. Specialty Assignments: A specialty assignment is an assignment of individual employee that would perform specific functions, possibly in addition to their regular position, that requires additional training, knowledge, skills and abilities. Specialty assignment pay may increase an employee's base rate up to 5% while assigned. Specialty assignments are not promotions and are reviewed annually to determine needs for continuation of the assignment. Development and continuation of the specialty assignments and are based upon organizational needs.

Once documentation is received that supports the pay increase, request for approval will be submitted through a personnel action request form. Effective dates for pay increases will be

effective the first day of the following pay period. The City Manager has discretion to make exceptions, such as equity adjustments, where it is in the best interest of the City.