

**HUMAN RESOURCES MEMORANDUM**  
**#6-2022**

**DATE:** July 11, 2022

**TO:** Honorable Mayor Meredith Leighty and City Council Members

**THROUGH:** Heather Geyer, City Manager *hmg*

**FROM:** Tamara Dixon, HR Director/Chief Diversity Officer *TD*

**SUBJECT:** Employee Compensation and Turnover Project

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**PURPOSE**

To provide Council with an update on the City's annual compensation market overview and turnover analysis. This discussion will be the first discussion around employee compensation as part of the 2023 City Budget process intended to provide important background information on the history of the City's pay plans and current market considerations.

**BACKGROUND**

The City completes a market analysis on an annual basis for both the sworn and civilian pay plans. The current City pay plans are included in Attachment 2. The City engaged Graves Consulting, LLC in February 2022 to complete our annual compensation market analysis, pay equity and turnover analysis. Attachment 3 provides a historical snapshot of the City's compensation approach along with FTE growth as a reference point.

**BUDGET/TIME IMPLICATIONS**

The total cost of the compensation market analysis, pay equity analysis and turnover cost study will not exceed \$41,220.00. Staff will be bringing forward a contract amendment for the turnover analysis.

Recommendations will be brought forward in September for Council's consideration. Initial estimates from Graves Consulting are \$1 - \$1.7 million to make the necessary market and pay equity adjustments to the City's plans in order to remain competitive. Following consensus from City Council in September, the 2023 Pay Plan for will be brought forward for Council adoption via resolution on October 24, the same evening that the proposed 2023 City Budget will be brought forward for adoption.

**STAFF RECOMMENDATION**

This item is for informational purposes at this time. Staff will be bringing information back to City Council in September.

**STAFF REFERENCE**

If Council members have any questions, please contact Tamara Dixon, HR Director/Chief Diversity Officer at [tdixon@northglenn.org](mailto:tdixon@northglenn.org) or 303.450.8877.

**ATTACHMENTS**

1. Presentation
2. Current City Pay Plans
3. Compensation and Staffing Growth History



# 2022 Compensation Study & Turnover Analysis

## Part 1: City Council Overview

July 11, 2022

# Who are we?

*Graves Consulting is a Human Resources consulting firm that specializes in the municipal sector. We have worked with dozens of municipalities throughout Colorado, Oklahoma, Wyoming and North Dakota on a variety of projects including compensation, employee retention, organizational culture, employee communication and executive selection.*

## Laurie Graves - President, Graves Consulting, LLC

- ∅ HR/Compensation expert with 25+ years experience - private sector, non-profit and municipal governments

## Eric Marburger - Senior Consultant, Graves Consulting, LLC

- ∅ HR/Compensation expert with 25+ years experience, primarily with municipal governments in Colorado

Primary focus of both is Public Sector Compensation

# Project Intent & Scope

**Intent:** To allow the City to continue to recruit and retain top talent by ensuring all employees are paid competitively to market while maintaining internal equity and providing career progression and sustainable wage growth

**Scope:** Provide recommendations to update the City's Pay Structure based on current, statistically valid market data from a defined market area that is appropriate for the City, including recommendations for implementation and ongoing maintenance

# Process & Methodology

## Foundation:

- u Met with Leadership Team to review scope and process and discuss any areas of concern
- u Reviewed and analyze current wage structure and classification system
- u Met with Department Heads and other leaders as appropriate to ensure a full and complete understanding of all positions and any pay related concerns they have
- u Ensure data is being pulled from a defined market area that is appropriate for the City; this includes jurisdictions in the Denver/Boulder and Northern Colorado areas

# Definition of Market

Cities and Towns			Counties
Arvada	Evans	Lone Tree	Adams
Aurora	Federal Heights	Longmont	Arapahoe
Boulder	Firestone	Loveland	Boulder
Brighton	Fort Collins	Northglenn	Douglas
Broomfield	Frederick	Parker	Jefferson
Castle Pines	Golden	Superior	Larimer
Castle Rock	Greeley	Thornton	Weld
Centennial	Greenwood Village	Wellington	
Commerce City	Johnstown	Westminster	
Denver	Lafayette	Wheat Ridge	
Englewood	Lakewood	Windsor	
Erie	Littleton		

\*We will also include Special Districts and Private Sector data from the Northern Colorado and Denver/Boulder Regions

# Process & Methodology

## Job Matching and Data Analysis

- u We match as many positions as possible to valid, external survey data (EC & CML)
- u Place positions without external benchmarks on pay structure based on internal relative value
- u Blend or adjust benchmarks as necessary to account for span and scope or uniqueness in the City's positions
- u Extract actual wages being paid in the City's defined market to create a Market Average for each job

# Process & Methodology

## Pay Structure:

- u Recommend revisions or complete redesign of Pay Structure and Scales as applicable
- u Recommend placement of each position in revised or redesigned Structure

## Additional Analysis:

- u Review census data for financial impact, pay compression or internal equity concerns; discuss and provide recommendations
- u Provide recommendations for ongoing pay structure maintenance including how to ensure the City stays competitive in the future
- u Complete a Pay Equity analysis under the Colorado Equal Pay for Equal Work Act to ensure compliance and provide Safe Harbor protection



# Process & Methodology

In addition to updating the City's Pay Structure, we will also be reviewing and recommending some additional tools to improve recruiting and retention efforts, including:

- u Hiring and/or Retention Bonuses (position specific and/or city-wide)
- u Pay/Increases for Additional Certifications
- u Progressive Levels of Positions, where applicable
- u Competitive Merit/Market Increases

# Current Plans

- u Step System - sworn employees
  - u Decreased the number of steps in 2018
  - u Updated the methodology and market
  - u System designed from mid-point
- u Open Range - civilian employees
  - u Updated the methodology and market in 2020 from 30-step system with limited number of comparable cities
  - u Ranges designed from mid-point
  - u Includes Police Department Command Staff

# Historical Snapshot of Civilian Plan

Challenges with current plan:

- u Limited movement *within* the open range structure based on merit %
- u Position of employees relative to midpoint
- u Compression resulting from “employee market”
- u Cost of living increases
- u 2021 - COVID-19 Pandemic - ARPA funds used for one-time payments for front line staff

Year	NG Avg Market %*	NG Avg Merit %*	Denver CPI
2018	2%	0%	2.7%
2019	4%	2%	1.9%
2020	0%	3%	2.0%
2021	0%	3%	3.5%
2022	0%	3%	9.1% (March) 8.3% (May)

\*This is for all positions other than Sworn Police

# Historical Snapshot of Sworn Plan

## Challenges with current plan:

- u Remaining competitive with other agencies
- u Evaluation of sergeant positions in a step plan consistent with other agencies
- u Losing officers to other agencies, other agencies offering hiring bonuses, retention bonuses
- u Cost of living increases
- u Specialty pay
- u 2021 - COVID-19 Pandemic - ARPA funds used for one-time payments for first responders

Year	Steps %	NG Avg Market %*	NG Avg Merit %*	Denver CPI
2018	5,5,10,8,8	2%	0%	2.7%
2019	5,5,10,8,8	4%	2%	1.9%
2020	5,5,10,8,8,6	2%	3%	2.0%
2021	5,5,10,8,8,6	2%	3%	3.5%
2022	5,5,10,8,8,6	1.9%	3%	9.1% (March) 8.3% (May)

# Process & Methodology

- u Prepare draft of Final Report for review with Leadership
- u Finalize report, analysis and recommendations
- u Present results to Leadership Team, City Council and Employees

# Overview of Timeline

Category	Project Milestones	Estimated Completion
Foundation	Review of Current State and Kick Off Meetings	April 30, 2022
Job Matching	Analysis of Jobs, Matching to Survey Data	June 15, 2022
Data Analysis	Pull 2022 Survey Data; Create Market Averages	July 15, 2022
Pay Structure	Recommend Pay Structure and Classification Listing Revisions	July 31, 2022
Additional Analysis	Perform Pay Equity Analysis	July 31, 2022
<i>2023 Budget Study Session</i>	<i>Department Presentations</i>	<b>August 1, 2022</b>
Additional Analysis <i>Placeholder for Study Session</i>	Perform Financial Impact Analysis <i>2023 Budget - Department Presentations if second meeting is needed</i>	August 15, 2022
Project Conclusion	Review and Vet Recommendations	August 31, 2022
Project Conclusion	Final Report	September 15, 2022
<i>Budget Presentation to City Council</i>	<i>Present Budget Implications from Comp Study</i>	<i>September 19, 2022</i>

# Why is a Comp Study Needed?

- u For context on inflation, the Social Security Cost of Living adjustment for 2022 was 5.9%, the largest increase since 1982. The average over the last 10 years was 1.9%
- u The Bureau of Labor Statistics reports that the Consumer Price Index for the Denver area has increased 9.1% over the 12-months ending in March 2022, 8.3% end of May 2022
- u In June, the Federal Reserve increased interest rates by .75%, the most since 1994
- u In this labor market and inflationary time, the City is going to be forced to incur increased labor costs *whether you implement a new wage structure or not*

# Why is a Comp Study Needed? Cont'd.

- u Turnover is very costly when you include recruiting and hiring costs, training, certifications, the cost of rework when mistakes are made, overtime, etc.
- u Additionally, when you hire new employees to replace those that leave, the City will have to pay market rates for those employees which makes compression even worse for existing employees and will require more pay increases
- u The implementation costs of an increased wage structure can be spread over a couple of budget cycles, if that is necessary



# Annual Costs

Year	Sworn	Non-Sworn	Total
2017	\$ 484,000	\$ 472,000	\$ 956,000
2018	\$ 237,000	\$ 196,000	\$ 433,000
2019	\$ 482,000	\$ 450,000	\$ 932,000
2020	\$ 454,000	\$ 500,000	\$ 954,000
2021	\$ 216,000	\$ 217,000	\$ 433,000
2022	\$ 205,000	\$ 303,000	\$ 508,000

\* Budget impact of total cost of the approved market/merit/step plan increases over a six-year period.

# Annual Rate of Turnover

- u Bureau of Labor Statistics average rate of turnover in U.S. is about 12-15%
- u Healthy turnover rate for an organization is 10%

Year	Total % Turnover	Breakdown in #s
2017	17.11%	Civilian - 37 Sworn - 8
2018	19.92%	Civilian - 41 Sworn - 12
2019	19.22%	Civilian - 36 Sworn - 16
2020	16.17%	Civilian - 36 Sworn - 9
2021	20.52%	Civilian - 51* Sworn - 12
2022	12.76%**	Civilian - **40 Sworn - **2

\*City of Northglenn not exempt from "The Great Resignation."

\*\*Annualized rate of turnover as of July 5, 2022.

*These figures do not include seasonal employees or Council members.*

# Turnover Analysis

City of Northglenn - Cost of Turnover Estimate						
Position	Total Salary	Benefit Load	Total Wages	Turnover Cost	# of Est. Employees Who Left	Total Turnover Cost
Police Officer	\$639,496	1.3	\$831,345	0.25	9	\$207,836
Police Sergeant	\$228,259	1.3	\$296,737	0.25	2	\$74,184
Neighborhood Services Officer	\$99,237	1.3	\$129,008	0.25	2	\$32,252
Police Records Specialist	\$121,930	1.3	\$158,509	0.25	3	\$39,627
MSW (all levels)	\$419,536	1.3	\$545,397	0.25	8	\$136,349
Parks Maint Worker (all levels)	\$273,187	1.3	\$355,143	0.25	6	\$88,786
Engineers (all levels)	\$169,333	1.3	\$220,133	0.25	2	\$55,033
Recreation Coordinator	\$121,306	1.3	\$157,698	0.25	2	\$39,424
All other terms (last 12 months)	\$859,237	1.3	\$1,117,008	0.25	18	\$279,252
<b>Total Annualized Cost</b>					<b>52</b>	<b>\$952,744</b>

*Estimated costs of turnover for 12-month period June 21-June 22*

# Next Steps

- u Graves Consulting will complete analysis
- u Staff will bring back recommendations/options for Council consideration
  - u Recommendations will be affordable and sustainable (both short-term and long-term focus)
  - u Look at all options (may be a phased approach between 2022 and 2023)
- u Keep a pulse on what other communities are doing:
  - u Mid-year adjustments
  - u One-time bonus, flat amount
  - u Across the board % increases
  - u Hourly wage increase, more for lower wage earners and less for higher wage earners
- u 2023 - look at other benefits such as retirement plan vesting, contribution levels, etc.

# Questions & Comments

- u Does Council support the outlined approach? Any concerns or recommendations?
- u Does City Council have any questions not addressed in this presentation that need to be considered as part of next steps?
- u Overall feedback?

2022 Pay Plan

Salary Grade	City of Northglenn Job Title	FLSA Exemption Status	Range Minimum	Range Midpoint	Range Maximum
10	Cashier Drop in Sports Supervisor Pedal Boat Attendant Scorekeeper Seasonal Trainee Slide Attendant Youth Sports Supervisor		\$31,200 \$15.00	\$35,880 \$17.25	\$40,560 \$19.50
20	Clerical Assistant Day Camp Aide Lifeguard Preschool Aide Seasonal Laborer Seasonal Park Ranger		\$32,600 \$15.67	\$37,500 \$18.03	\$42,400 \$20.38
30	Administrative Clerk Aquatics Instructor - Non Certified Custodian Day Camp Leader Fitness Instructor - Non Certified Guest Relations Specialist Intern Lifeguard/Swim Instructor Seasonal Specialist Theatre Instructor		\$34,300 \$16.49	\$39,500 \$18.99	\$44,700 \$21.49
40	Day Camp Director Head Lifeguard Municipal Services Worker I - Sanitation Municipal Services Worker I - Streets Municipal Services Worker I - Utilities Parks Maintenance Worker I Recreation Assistant Special Events Assistant		\$35,000 \$16.83	\$42,000 \$20.19	\$49,000 \$23.56
50	Administrative Specialist Aquatics Instructor - Certified FISS Customer Service Representative Fitness Instructor - Certified Municipal Services Worker II - Sanitation Municipal Services Worker II - Streets Municipal Services Worker II - Utilities Parks Maintenance Worker II Police Records Specialist Preschool Instructor Utility Plant Operator D		\$39,000 \$18.75	\$46,850 \$22.52	\$54,700 \$26.30
60	Accounting Specialist Administrative Assistant Community Services Coordinator Court Clerk Digital Specialist Economic Development Coordinator Facilities Maintenance Technician Fleet Services Technician Heavy Equipment Operator Lab Technician		\$44,600 \$21.44	\$54,600 \$26.25	\$64,600 \$31.06

Lead Police Records Specialist  
 Meter Technician  
 Municipal Services Worker III - Sanitation  
 Municipal Services Worker III - Streets  
 Municipal Services Worker III - Utilities  
 Parks Maintenance Worker III  
 Parks Ranger  
 Planning Technician  
 Probation Officer  
 Sales Tax Specialist  
 Traffic Operations Technician  
 Utility Locate Maintenance Worker  
 Utility Plant Operator C  
 Utility Technician

70

**\$48,600**      **\$59,500**      **\$70,400**  
 \$23.37      \$28.61      \$33.85

Administrative Technician  
 Animal Control Officer  
 Central Records Coordinator  
 Community Resource Navigator  
 Construction Inspector  
 Lead Facilities Maintenance Technician  
 Lead Municipal Services Worker  
 Neighborhood Services Officer  
 Parks Coordinator  
 Planner I  
 Property Evidence Custodian  
 Recreation Coordinator  
 Tech Support Specialist II  
 Theatre Technical Director  
 Utility Plant Operator B

80

**\$56,300**      **\$69,000**      **\$81,700**  
 \$27.07      \$33.17      \$39.28

Agenda and Licensing Coordinator  
 Accountant II  
 Community Outreach Coordinator  
 Crisis Response Co-Responder  
 Electrical Mechanical Technician I  
 HR Business Partner  
 Industrial Pretreatment Specialist  
 Planner II  
 Public Communications Specialist  
 Records Supervisor  
 Sales Tax Auditor II  
 Special Events Coordinator  
 Specialized Fitness Instructor  
 Utility Plant Operator A

90

**\$63,700**      **\$78,000**      **\$92,300**  
 \$30.63      \$37.50      \$44.38

Deputy City Clerk  
 Economic Development Specialist  
 Executive Assistant  
 Facility Maintenance Supervisor  
 Fleet Services Supervisor  
 Lab Analyst  
 Lead Operator  
 Master Electrician  
 Municipal Services Supervisor - Sanitation  
 Municipal Services Supervisor - Streets  
 Municipal Services Supervisor - Utilities  
 Neighborhood Services Supervisor  
 Parks Supervisor  
 Project Manager  
 Recreation Programs Supervisor  
 Revenue Supervisor  
 Risk Manager  
 Special Events Supervisor  
 Sr. Public Communications Specialist  
 Stormwater Coordinator  
 Water Quality Coordinator  
 Water Resources Analyst

100

**\$69,000**      **\$84,500**      **\$100,000**  
 \$33.17      \$40.63      \$48.08

Chief Plant Operator  
 Criminal Information Systems Coordinator  
 Crisis Response Program Manager

	Civil Engineer I Crime Analyst Criminalist Electrical/Mechanical Supervisor GIS Specialist IT Resource Coordinator PIO Senior HR Business Partner			
110		<b>\$73,200</b>	<b>\$91,500</b>	<b>\$109,800</b>
		\$35.19	\$43.99	\$52.79
	Lab Supervisor Sr. Deputy City Clerk Senior Planner			
120		<b>\$82,800</b>	<b>\$103,500</b>	<b>\$124,200</b>
		\$39.81	\$49.76	\$59.71
	Civil Engineer II Municipal Court Supervisor Sales Tax Manager Senior Network Administrator Software Engineer Water Resources Administrator			
130		<b>\$91,200</b>	<b>\$114,000</b>	<b>\$136,800</b>
		\$43.85	\$54.81	\$65.77
	Accounting Manager Assistant to City Manager Environmental Manager Ops Manager - Maintenance & Operations Ops Manager - Utilities Planning Manager Recreation Manager Senior Engineer			
140		<b>\$107,200</b>	<b>\$134,000</b>	<b>\$160,800</b>
		\$51.54	\$64.42	\$77.31
	Engineering Manager			
150		<b>\$120,000</b>	<b>\$150,000</b>	<b>\$180,000</b>
		\$57.69	\$72.12	\$86.54
	City Clerk Director of Communications Director of Economic Development Director of Finance Director of Human Resources/Chief Diversity Officer Director of Parks, Recreation, and Culture Director of Planning and Development Director of Technology			
160		<b>\$132,800</b>	<b>\$166,000</b>	<b>\$199,200</b>
		\$63.85	\$79.81	\$95.77
	Director of Public Works			
City Manager		<b>\$178,200</b>	<b>\$222,800</b>	<b>\$267,400</b>
		\$85.67	\$107.12	\$128.56



## 2022 Pay Plan - Sworn Officers

Job Title	Range Minimum	Range Midpoint	Range Maximum				
Sergeant	<b>\$94,200</b> \$45.29	<b>\$110,700</b> \$53.22	<b>\$127,200</b> \$61.15				
Lieutenant	<b>\$96,700</b> \$46.49	<b>\$118,500</b> \$56.97	<b>\$140,300</b> \$67.45				
Commander	<b>\$106,100</b> \$51.01	<b>\$130,000</b> \$62.50	<b>\$153,900</b> \$73.99				
Deputy Chief	<b>\$114,700</b> \$55.14	<b>\$143,385</b> \$68.94	<b>\$172,070</b> \$82.73				
Chief	<b>\$129,700</b> \$62.36	<b>\$162,150</b> \$77.96	<b>\$194,600</b> \$93.56				
Police Officer	2022 Step Plan						
	<b>\$61,000</b>	<b>\$64,050</b>	<b>\$67,253</b>	<b>\$73,978</b>	<b>\$79,896</b>	<b>\$86,288</b>	<b>\$91,465</b>
	\$29.33	\$30.79	\$32.33	\$35.57	\$38.41	\$41.48	\$43.97
Step	1	2	3	4	5	6	7
% spread between steps:		5.00%	5.00%	10.00%	8.00%	8.00%	6.00%

Compensation & Staffing Growth History

Sworn				Non-Sworn			Notes	Denver CPI	Staffing Level Total FTEs	FTE Increase	FTE Increase %	Sworn FTE	Compensation Adjustments	Sworn	Non-Sworn	Total	% Comp to Sworn	Sworn FTE % of Total	
Year	Steps/Amount per yr.	Market %	*Merit %	Market %	Merit %														
2010							Recessionary Years - one-time stipends for all, 1%		246.91										
2011							Recessionary Years - one-time stipends for all, 2%		247.28	0.37									
2012	Y	5, 5, 10, 8, 8	2	3	2	3		1.9%	247.16	-0.12	-0.05%								
2013	N	5, 5, 10, 8, 8	6	2	2	2	No steps but officers at 7% below market and given market 'catch-up' of 6%	2.8%	247.32	0.16	0.06%								
2014	Y	5, 5, 10, 8, 8	2	3	2,4,6	3	Scaled market based on how far behind (1-5, 6-10, 11+)	2.8%	250.32	3.00	1.21%								
2015	Y	5, 5, 10, 8, 8	3	3	3-11, 21	3	Large market adj. to bring to market	1.2%	258.44	8.12	3.24%								
2016	Y	5, 5, 10, 8, 8	1	3	1,2,3	3		2.8%	258.94	0.50	0.19%								
2017	Y	5, 5, 10, 8, 8	5	3, 10	1-5	3	5% market and 5% for the new 'senior' officer positions	3.4%	262.94	4.00	1.54%	68	2017	\$ 484,000	\$ 472,000	\$ 956,000	51%	26%	
2018	Y	5, 5, 10, 8, 8	2	0	2	0		2.7%	266.09	3.15	1.20%	68	2018	\$ 237,000	\$ 196,000	\$ 433,000	55%	26%	
2019	Y	5, 5, 10, 8, 8	4	2	2, 4, 6	2	Scaled market based on how far behind market (1-5, 6-10, 11+)	1.9%	270.49	4.40	1.65%	70	2019	\$ 482,000	\$ 450,000	\$ 932,000	52%	26%	
2020	Y	5, 5, 10, 8, 8, 6	2	3	0	3	New PD 7-Step schedule; new open range pay grades; \$15 minimum wage; equity adjustments.	2.0%	278.29	7.80	2.88%	73	2020	\$ 454,000	\$ 500,000	\$ 954,000	48%	26%	
2021	Y	5, 5, 10, 8, 8, 6	2	3	0	3	New PD structure w/ deputy and lieutenants; equity adjustments.	3.5%	307.05	28.76	10.33%	77	2021	\$ 216,000	\$ 217,000	\$ 433,000	50%	25%	
2022	Y	5, 5, 10, 8, 8, 6	1.9	3	0	3		9.1% (March), 8.3% (May)	328.79	21.74	7.08%	78	2022	\$ 205,000	\$ 303,000	\$ 508,000	40%	24%	
										65.85									

\*those not in Step program