


Client:		City of Arkansas City, KS		
Project:		Classification & Compensation Plan		
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Senior Architect(s): Phillip Hayes, Vice President Heather Poorman, HR Business Partner			Firm:  	
Proposal Date: May 24, 2024				
Job #		Blueprint Focus: Plan Overview & Recommendations		
Version # 1		Presentation Date: December 16, 2025		

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A	Amplifiers for Public Sector: <ul style="list-style-type: none"> • Legacy systems • Structural limitations • Shifting labor market expectations 		
B	Critical Challenges Threaten: <ul style="list-style-type: none"> • Service delivery • Operational continuity • Long-term sustainability 		
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Public Sector | Workforce Challenges & Realities

Declining Appeal of Public Employment

Government jobs are no longer automatically seen as desirable. Today’s workforce expects more than job security – they want competitive pay, growth opportunities, and workplace flexibility.

Direct Competition with the Private Sector

Public employers are competing with private-sector organizations that offer faster hiring processes, more flexible work environments, and higher compensation packages. Failing to respond to these market conditions results in talent loss.

Shorter Tenure and Higher Turnover

The traditional model of long-term public employment is fading. Younger workers are more mobile, requiring renewed focus on onboarding, engagement, and career development to support retention.

Rising Expectations for Flexibility and Culture

Modern workers value hybrid schedules, meaningful work, professional development, and responsive leadership. Agencies with rigid systems and outdated policies struggle to attract and retain staff.

Outdated Systems and Pay Structures

Many public agencies rely on legacy pay and classification systems that are no longer aligned with modern roles, responsibilities, or market conditions. These outdated structures hinder competitiveness and equity.

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Public Sector | Workforce Challenges & Realities (Cont.)

Looming Retirements and Succession Gaps

A significant portion of the public workforce is nearing retirement, with few pipelines in place to prepare the next generation of leaders. Succession planning is increasingly urgent.

Slow and Bureaucratic Hiring Processes

Extended hiring timelines and overly complex procedures drive candidates away. Streamlined, responsive recruitment processes are essential to compete in today's market.

Increased Demand for Equity and Transparency

Employees and the public expect pay systems to be fair, transparent, and data-informed. Pay equity, internal alignment, and clarity in compensation decisions are vital for trust and retention.

Permanent Labor Market Shifts

These are not temporary disruptions. Workforce shortages, remote work expectations, and rising salary benchmarks are long-term realities that require structural adaptation.

The Cost of Inaction is Growing

Failing to modernize HR systems, compensation structures, and hiring practices leads to rising vacancy rates, overburdened staff, and increased costs tied to turnover and service delays. The cost of inaction is far greater than the cost of improvement.

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	Workforce Realities:		
A	<ul style="list-style-type: none"> Recruitment Shortfalls Retention Concerns Shifting Employee Expectations 		
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Common Comp Assumptions



“We Just Did One Recently.”

Assumption: A compensation study is only needed once every 5-10 years.

Reality: Labor market shifts, inflation, and competition for talent mean pay structures can become outdated quickly. Best practice recommends reviews every 3-5 years.

“We Can Find the Right Pay Data for Free Online.”

Assumption: Publicly available data is sufficient.

Reality: These sources often lack job-specific, regional, and government-aligned detail. Professional studies ensure accurate, defensible benchmarking.

“All We Need Is a List of Salaries.”

Assumption: A salary survey is just a comparison of pay ranges.

Reality: A thorough study addresses classification accuracy, internal equity, market alignment, pay compression, and structural gaps; not just salary snapshots.

“Job Titles Tell Us Everything.”

Assumption: We can benchmark salaries by matching job titles.

Reality: Job duties, scope, and qualifications vary even under the same title. Accurate comparisons require job content analysis, not title-matching alone.

“Internal Equity Isn’t an Issue Here.”

Assumption: Our current pay system ensures fairness.

Reality: Without regular reviews, pay compression, inconsistent classifications, or outdated ranges can still lead to inequities, especially for new hires and promoted staff.

1 2 3

Workforce Realities:

- Recruitment Shortfalls
- Retention Concerns
- Shifting Employee Expectations

Common Comp Assumptions (Cont.)



"Employees Are Lucky to Have These Jobs."

Assumption: Public jobs are stable with good benefits, so people won't leave.

Reality: Job security alone no longer retains employees. Competitive pay, flexibility, and growth opportunities are now key retention drivers.

"Our Benefits Are Better Than the Private Sector."

Assumption: Great benefits make up for any salary shortfall.

Reality: While public benefits are valuable, younger and mid-career employees often prioritize higher wages and flexibility. The market has evolved. Some employees don't take benefits.

Common employee perspectives: *"I can't eat my benefits!"* AND *"My benefits don't pay my bills!"*

"Our Employees Aren't Going Anywhere."

Assumption: Tenured staff are unlikely to leave, even if underpaid.

Reality: Public service loyalty is not guaranteed. Retirement-eligible staff may leave faster than expected, and passive job seekers are being actively recruited by other employers.

"We Don't Have High Turnover."

Assumption: Since turnover is low, there's no compensation issue.

Reality: Low turnover may reflect economic conditions, lack of opportunities, or staff "waiting it out" – not satisfaction. Recruitment struggles and early exits tell a deeper story.

"It Will Cost Too Much to Implement."

Assumption: Even if we complete a study, we can't afford the recommendations.

Reality: Implementation can be phased and budgeted strategically. Many recommendations focus on structure and alignment, not just raises, and are scalable to fit fiscal realities.



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	Workforce Realities:		
A	<ul style="list-style-type: none"> Recruitment Shortfalls Retention Concerns Shifting Employee Expectations 		
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Common Comp Assumptions (Cont.)



“Our Legacy System/Philosophy Has Always Worked.”

Assumption: Our current classification and pay system has worked in the past, so there’s no need to change.

Reality: What worked in the past may not support today’s hiring, retention, or compliance needs. Modernizing doesn’t mean discarding tradition, it means building on it.

“Consultants Just Tell Us to Pay More.”

Assumption: Consultants will recommend expensive across-the-board raises.

Reality: Professional studies use objective data and often propose sustainable strategies like range adjustments, pay structures, or priority-based increases, not blanket changes.

“We Can Handle This Internally.”

Assumption: HR can conduct a full study in-house.

Reality: Internal teams are often short on time, tools, or objectivity. External partners bring efficiency, credibility, and expertise, especially when justifying decisions to stakeholders.

“One Size Fits All.”

Assumption: A single salary structure can apply across all departments.

Reality: Certain roles like law enforcement, public works/road & bridge, or IT, operate in different labor markets and require specialized ranges or structures.

“Pay Is the Only Issue.”

Assumption: Fixing pay will solve all our workforce issues.

Reality: Compensation is important, but so are engagement, leadership, communication, benefits, culture and career paths. A balanced approach is more effective.

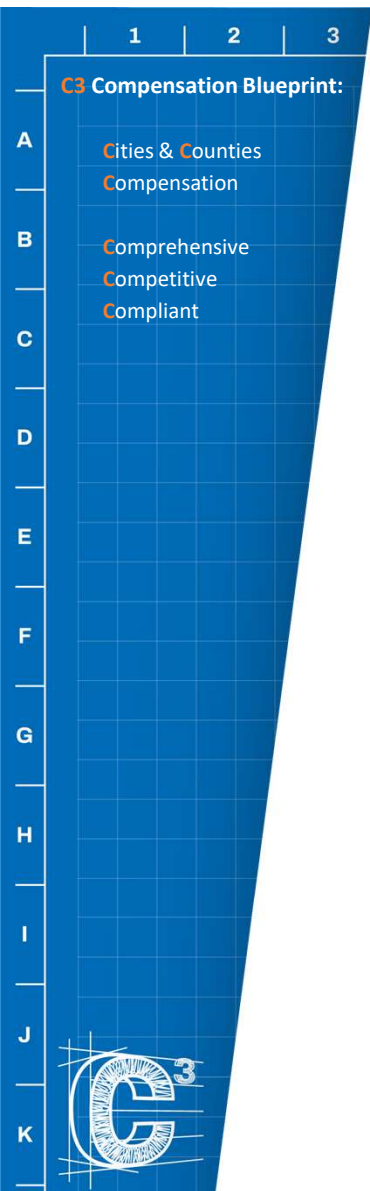
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	Workforce Realities:		
A	• Recruitment Shortfalls		
	• Retention Concerns		
	• Shifting Employee Expectations		
B	Why This Matters?		
	• Market Competitiveness		
	• Workforce Stability		
C	• Equity and Transparency		
	• Fiscal Stewardship		
D	• Modern Workforce Expectations		
	Data-Driven Outcomes:		
E	• Comprehensive		
	• Proactive Leadership		
	• Protects Long-Term Workforce Capacity		
F	• Aligns Community Expectations and Fiscal Responsibility		
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Challenging The Assumptions



Why It Matters:

- Cities and counties across the country are facing unprecedented workforce challenges including recruitment shortfalls, retention concerns, and shifting employee expectations. Yet, long-held assumptions about employee classification, salary surveys, and compensation strategies often stand in the way of meaningful progress.
- Challenging these assumptions is not about abandoning tradition, it's about ensuring today's decisions are informed by current realities and positioned for future success.
- Key reasons to revisit these common assumptions:
 - **Market Competitiveness:** The belief that *"our benefits are better"* or *"employees aren't going anywhere"* no longer reflects today's labor environment. Public employers are competing with private sector wages, remote work options, and fast-moving talent markets.
 - **Workforce Stability:** Assumptions like *"we don't have high turnover"* may mask deeper issues like disengagement, delayed retirements, or difficulty recruiting into key roles – all of which put service delivery at risk.
 - **Equity and Transparency:** Pay equity, fair classification, and consistent hiring practices are more than just best practices, they build trust, reduce risk, and support a strong organizational culture.
 - **Fiscal Stewardship:** Compensation studies don't automatically mean large raises. Instead, they offer structured, phased, and fiscally responsible recommendations to better align pay with market value and internal equity.
 - **Modern Workforce Expectations:** Today's employees value transparency, growth, flexibility, and fairness – all attributes that rigid, legacy systems often fail to deliver without data-informed modernization.
- By engaging in and implementing a comprehensive, data-driven classification and compensation review, your organization demonstrates proactive leadership, protects long-term workforce capacity, and ensures alignment with both community expectations and fiscal responsibility.



C3 Process & Project Overview

1. Establish a system and method to positively impact recruiting and retention efforts
2. The C3 Blueprint is a best-practice approach to compensation
 - Ensures compensation is competitive in the local market
 - Supports fair, consistent, and appropriate pay adjustments and decisions
3. Address overall market adjustment to current base wages
 - Employment Journeys
 - External RTV experience/skills as well as full internal employment journeys
4. Deliverables will include:
 - CompBook – Designed and built specifically for each client
 - Roll-out recommendations to include timelines, plan implementation steps, compensation administration policy, and related communication messaging

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C3 Compensation Blueprint:			

A	Cities & Counties Compensation
B	Comprehensive
C	Competitive
D	Compliant
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TAG's C3 Foundation



TAG's C3 Building Blocks

1. Fairness & Equity

- Internal Equity
 - Ensures EEs are paid fairly --> relative to roles & responsibilities
- External Competitiveness
 - Ensures compensation is competitive w/ similar positions in the market

2. Attracting & Retaining Talent

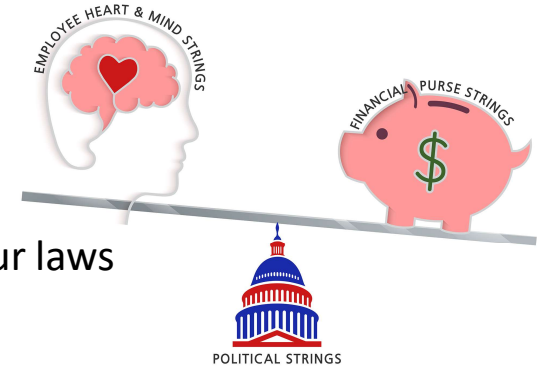
- Consistent practices
- Competitive pay

3. Legal Compliance – Defensible

- Ensures compliance w/ federal, state & local wage/hour laws
- Addresses pay disparities based on protected classes

4. Cost Management

- Budget Planning



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The Hay Method:

- Job Evaluation System
- Widely Used to Evaluate & Compare Jobs w/in an Organization
 - Structured
 - Consistent
- Purposes:
 - Setting Salaries
 - Defining Roles
 - Career Pathing

Compensation Plan | Internal Equity – The HAY Methodology

1. Job Evaluations

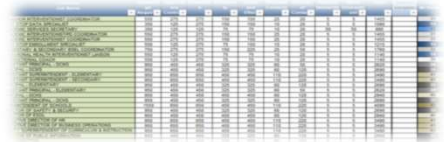
- TAG Reviews Job Descriptions
 - TAG Assessment

2. The HAY Method (*Internal Equity*)

- Point Factor Analysis (PFA) completed on each position
 - Nine Compensable Factors = **PFA Composite Score**
 - PFA Composite Score = **Job Grade**
 - **Defensible** Job Grading System

3. Stakeholder Discussion

- Discuss Job Duties
 - Forced Ranking (“Gut Check”) Discussions
 - TAG / Project Team / Department Heads / Directors
 - Employees only under DH / Director Purview



Compensable Factors:

1. Job Knowledge
2. Supervisory Control
3. Guidelines
4. Scope & Effect
5. Complexity
6. Personal Contacts
7. Purpose of Contacts
8. Physical Demands
9. Work Environment



Point Factor Analysis:

- Most Popular Job Evaluation Method Used in Comp Planning to Establish Internal Equity
- Structured, Quantitative Way to Assign "Points" to Jobs based on Compensable Factors
- Factors Broken Down into Levels: Pt. Values
- Objectively Determine Relative Value of Jobs w/in an Organization
- Helps Place Positions into Pay Grade and Salary Band
- Links Internal Job Value w/ External Market Value to Create A Balanced & Strategic Comp System

Why Use PFA?

- Objectivity
- Internal Equity
- Foundation for Pay Structure
- Defensible
- Transparent
- Scalable



Compensation Plan | Internal Equity – Point Factor Analysis (PFA)

4. Final PFA Determination

Grade Conversion Table					
Operations / Industrial / Clerical / Office Job Grades		Management / Administrative / Professional Job Grades		Executive Job Grades	
Grade	Points	Grade	Points	Grade	Points
10	190 - 300	30	1005 - 1280	40	2805 - 3305
11	300 - 475	31	1280 - 1580		
12	475 - 675	32	1580 - 1905	41	3305 - 3855
13	675 - 900	33	1905 - 2255		
14	900 - 1150	34	2255 - 2630	42	3855 - 4480
15	1150 - 1425	35	2630 - 3030		

Compensable Factors										
Level	Knowledge	Supervisory Control	Guidelines	Complexity	Scope & Effect	Personal Contacts	Purpose of Contacts	Physical Demands	Work Environment	Min Max
1	50	25	25	25	25	10	20	5	5	
2	200	125	125	75	75	25	50	20	20	
3	350	275	275	150	150	60	120	50	50	
4	550	450	450	225	225	110	220			190 4480
5	750	650	650	325	325					
6	950			450	450					
7	1550									
8	1850									

Compensable Factors:

1. Job Knowledge
2. Supervisory Control
3. Guidelines
4. Scope & Effect
5. Complexity
6. Personal Contacts
7. Purpose of Contacts
8. Physical Demands
9. Work Environment

Factor 1: Knowledge - The nature and kind of skills needed and how these knowledge and skills are used in doing the work - that is, how much of a particular kind of knowledge is needed to do a particular task. Depth of knowledge spans from education to work experience to specialized technical and professional skills.

Level 1-1: Knowledge of simple, routine or repetitive tasks or operations or skill to carry out manual tasks. Job typically involves one or two instructions and requires little or no previous training or experience. **50 Points**

Level 1-2: Knowledge of basic or commonly used rules, procedures, or operations. Basic literacy and numeracy plus work instructions for performance of routine operational or clerical duties, which may involve use of common tools and standard single-purpose machines. **200 Points**

Level 1-3: Knowledge of a body of standardized rules, procedures, or operations requiring considerable training and experience to perform the full range of standard assignments and resolve routine problems. Procedures or systematic proficiency, which may involve use of specialized equipment. **350 Points**

Level 1-4: Knowledge of an extensive body of rules, procedures, or operations requiring extended training and experience to perform a wide variety of interrelated or nonstandard procedural assignments and resolve a wide range of problems. Some specialized skills acquired on or off the job, give additional breadth or depth to a generally single function. **550 Points**

Level 1-5: Knowledge acquired through a pertinent bachelor's educational program or equivalent experience, training, or independent study, of basic principles, concepts, and methodology of a professional or administrative occupation, and skill in applying this knowledge to carry out elementary assignments, operations or procedures. Practical knowledge of standard procedures and technical methods, requiring extended training or experience to carry out limited projects involving the use of specialized, complicated techniques. **750 Points**

Level 1-6: Knowledge of the principles, concepts, and methodology of a professional or administrative occupation as defined in Level 5, supplemented by skill gained through job experience to permit independent performance of recurring assignments or the required professional or administrative knowledge gained through relevant graduate study or experience, to provide skill in carrying out assignments, operations, and procedures that are significantly more difficult and complex than those in Level 5. Practical knowledge of a wide range of technical methods, principles, and practices comparable to a narrow area of a professional field, and skill in applying this knowledge to assignments such as the design and planning of difficult but well-precedented projects. **950 Points**

Level 1-7: Knowledge of a wide range of concepts, principles, and practices in a professional or administrative occupation, such as would be gained through extended graduate study or experience, and skill in applying this knowledge to difficult and complex work assignments, or a comprehensive, intensive, practical knowledge of a technical field and skill in applying this knowledge to the development of new methods, approaches, or procedures. **1550 Points**

Level 1-8: Mastery of a professional or administrative field to apply experimental theories and new developments to problems not amenable to treatment by accepted methods or to make decisions or recommendations significantly changing, interpreting, or developing important policies or programs. **1850 Points**

Job Scoring and Grading Example:

Point Factor Analysis (PFA) for Position based on written job description										
PFA Scoring using Compensable Factors		PFA:	550	125	125	75	150	25	20	20
Job Grading using PFA Score		Grade: 14 OR 30?								
Overlap Job Grade Selection: FLSA Exempt Status Survey results should serve as the general governing factor to determine the job grade selection		14 if no FLSA exemption exists 30 if FLSA exemption exists and minimum salary threshold met								

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External Competitiveness:

- How an organization's pay compares to the external job market, using data from salary surveys to guide decisions

Applies to Apples?

1. Comp Plan Structures

- None
- Different
- Legacy

2. How is Pay Reported

- Incumbent Actual \$
- Min – Mid – Max

3. Inconsistent Titles

- Titles Vary Wildly
 - Equip. Operator
 - EO I, II, III
- Chasing Every Job Title:
 - Time-Consuming
 - Overcomplicated
 - Risk of Over-paying or Misaligning due to Title Inflation

4. Hierarchy

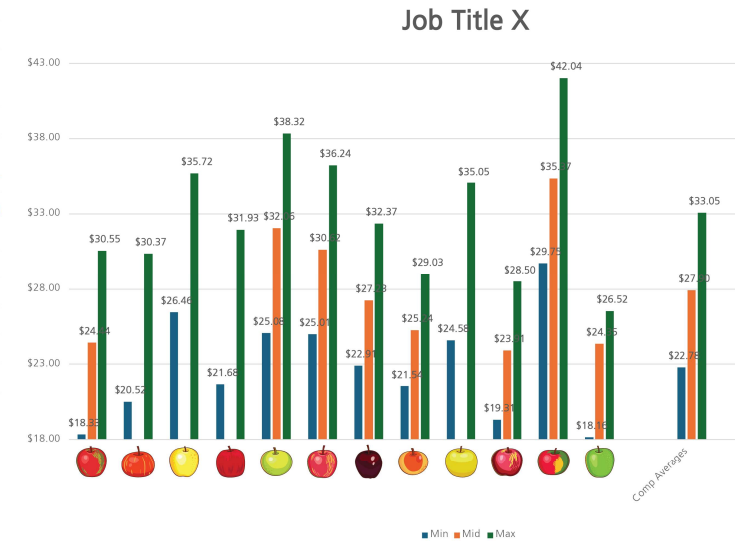
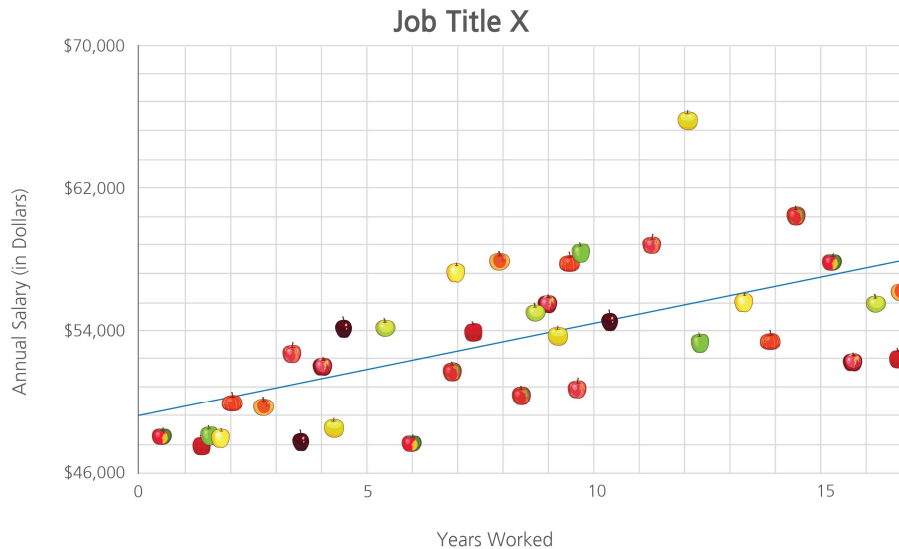
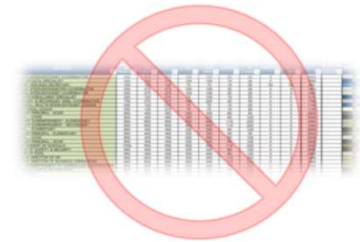
- Flat
- Deep



Compensation Plan | External Competitiveness – Use Caution

5. Salary Surveys (*External Competitiveness*)

- Specific Salary Comps - Job Title
- Not a true apples to apples comparison

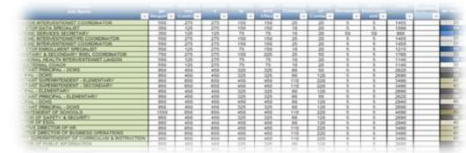


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A	External Competitiveness:		
B	<ul style="list-style-type: none"> How an organization's pay compares to the external job market, using data from salary surveys to guide decisions 		
C	Why It Matters?		
D	<ul style="list-style-type: none"> Attracts & Retains the RIGHT Talent Builds Employer Credibility Reflects Current Market Realities Supports Long-Term Organizational Success 		
E	Benchmark Positions:		
F	<ul style="list-style-type: none"> Common in Market Well-Defined Duties Market Data Available Representative Stable & Consistent 		
G	Strategies:		
H	<ul style="list-style-type: none"> Lead the Market Match the Market Lag the Market Mixed Market 		
I	<ul style="list-style-type: none"> Diff. pay levels for diff. roles or depts based on org. priorities, talent demand or budget. 		
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Compensation Plan | External Competitiveness – Use Benchmarking

5. Salary Surveys (*External Competitiveness*)

- Specific Salary Comps - Job Title
 - Not a true apples to apples comparison
- TAG: Benchmark Positions
 - United States
 - State of Kansas
 - Non-Metro (Balance of State)
 - Local Area IV
 - Wichita, KS Metro
 - Cowley County, KS



Realistic Pay Scales:

- Ensures Fairness, Competitiveness, & Sustainability – both for the employee experience and organization's bottom line

Why It Matters:

- Attracting Talent
- Employee Retention
- Internal Equity
- External Competitiveness
- Budget Control
- Compliance & Legal Protection

Compensation Plan | Putting It All Together

- Employment Journeys
 - External RTV – Applies to the role each candidate applied to & is hired for
- Compensation Policy
- Realistic Pay Scales



New External Hire / Internal Transfer Pay Scale Alignment Form

Purpose: This form is used to determine proper pay scale placement for new hires or internal transfers based on relevant, transferable, and verifiable experience. It ensures alignment with the organization's compensation philosophy and budget oversight.

Section 1: Position & Candidate Information:

Position Title:	Admin Assistant	Candidate Name:	Sam Houston
Department:	Finance	Candidate Type:	<input checked="" type="checkbox"/> New External Hire
Hiring Manager:	Nell Armstrong		<input type="checkbox"/> Internal Transfer
Job Grade:	14	Grade Minimum:	\$19.15

Section 2: External Relevant, Transferable, & Verifiable (RTV) Candidate Experience Evaluation:

External work experience based on the job: required experience/skills/certifications, scope, autonomy, personal/purpose of contacts, etc.

Company Name & Position (as represented on resume/application OR discovered during interview process)	Criteria Type Direct Experience (Same Role/Function) Related Exp. (Comparable Field) Supervisory or Specialized Responsibilities Technical / Certification Requirements Other Relevant Experience	Relevant Y/N	Transferable Y/N	Verifiable (if Years Verified and by whom (Initials))
Town of Mead, KS - Admin Clerk/Dep. Clerk	Related	Y	Y	3.0 PH
We Set It, LLC - Exec. Admin Asst/ Bookkeeper	Direct	Y	Y	4.0 PH
Wardum Homes - Trans Coord/AP Clerk	Direct	Y	Y	0.2 PH
BLISSFUL Construction - Office Manager	Related	Y	Y	0.4 PH
LMNOP Container - Office Manager	Related	Y	Y	0.8 PH
L&M Energy - Store Support Analyst	N/A	N/A	N/A	
TOTAL RTV:	8 yrs, 4 mo	Applied RTV Variable / Step:	4.0	

Section 3: Additional Summary/Justification for Recommended Grade/Step and Pay Rate:

Attach relevant resumes, reference checks, or experience documentation. Summary to support recommended pay placement:

Section 4: Final Wage Recommendation – Final Offer should not be extended to candidate until all approvals are received.

Recommended Grade, Step and Starting Wage: Grade: **14** | Step: **1** | Starting Wage: **\$21.55** ☒ Hrly ☐ Salary

Section 5: Approvals

Hiring Manager:

Name & Signature: _____ Date: _____

Human Resources:

Name & Signature: _____ Date: _____

☐ Experience verified and aligned with internal policy ☐ Pay level consistent with compensation structure

Finance / Budget Officer:

Name & Signature: _____ Date: _____

☐ Funding source and salary budget confirmed ☐ Pay level approved for offer extension

Internal Promotion Pay Scale Alignment Form

Purpose: This form is used to evaluate and document appropriate pay scale placement for internal promotions. It ensures alignment with compensation policies based on the employee's expanded duties, increased scope, and relevant, verifiable experience.

Section 1: Employee & Position Information:

Employee Name:	Sam Houston	Current Position:	Admin Assistant
Current Grade Step:	14 7	Current Pay:	\$22.65
Proposed Position Date:	09/05/25	Proposed Position:	Office Manager
Grade & Step Alignment:	20 4	Promotion Policy Calculation:	\$24.92

Section 2: Basis for Promotion:

Summary for the promotion: job changes, leadership roles, additional responsibilities, and demonstrated readiness for advancement:

Section 3: Experience & Performance Summary:

Discussion Criteria	Examples or Evidence
1. Experience in Current Role	RTV was considered when hired, step increases account for increase.
2. Readiness for Higher-Level Responsibilities	Y/N? - Provide examples/evidence to support decision.
3. Leadership or Team Contributions	Anything beyond what is expected, essential duty of current role.
4. Relevant Certifications or Training	Part of PFA process, does it prepare you for current role or future roles?
5. Exceptional Performance or Initiative	Typically stand outs in current role, ready for promo and exhibiting additional traits for next level?
6. Prior External RTV Not Previously Applied	6 years management at ABC Company not previously considered for Admin Assistant role as management wasn't relevant to first role.
TOTAL Prior RTV Not Considered:	6
Additional, New-RTV:	3

Section 3: Additional Summary/Justification for Proposed Pay:

Summary comments to support recommended pay that differs from the calculated promotion policy calculation:

Section 4: Final Wage Recommendation – Promotion is not final until all approvals are received.

Recommended Grade, Step & Promotion Wage: Grade: **20** | Step: **2** | Starting Wage: **\$26.15** ☐ Hrly ☒ Salary

Section 5: Approvals

Supervisor / Manager:

Name & Signature: _____ Date: _____

Department Director (if applicable):

Name & Signature: _____ Date: _____

Human Resources:

Name & Signature: _____ Date: _____

☐ Verified eligibility and internal equity ☐ Pay level approved for promotion

Finance / Budget Officer:

Name & Signature: _____ Date: _____

☐ Funding source and salary budget confirmed ☐ Pay level approved for promotion

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	Purpose of PS Alignment:		
A	• Ensure internal equity		
B	• Maintain external competitiveness		
C	• Provide transparent, predictable, & consistent compensation growth		
D	• Support strategic workforce planning, engagement, and retention		
	Why It Matters:		
E	• Promote internal equity		
F	• Enhance external competitiveness		
G	• Support talent strategy		
H	• Improve budget control and planning		
I	• Ensure compliance and reduces legal risk		
J	• Encourages transparent career paths		
K			

Compensation Plan | RTV for Pay Scale Alignment

Pay Scale Alignment is a critical component of strategic compensation management. It ensures that employee pay is fair, competitive, and aligned with business goals. By implementing structured pay grades, defined pay ranges, and consistent progression criteria, the organization achieves:

- **Fairness & Equity:** Aligns pay with job responsibilities and employee experience, fostering trust and minimizing internal disparities.
- **Market Competitiveness:** Keeps compensation aligned with external benchmarks to attract and retain top talent.
- **Transparency & Engagement:** Provides employees with clear expectations for growth and earning potential.
- **Operational Consistency:** Standardizes pay decisions for promotions, transfers, and hiring, reducing risk and enhancing compliance.
- **Financial Discipline:** Enables proactive workforce planning and cost control through predictable, scalable compensation structures.

Aligned pay structures support talent strategy, reduce turnover, and strengthen organizational performance.

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A	Pay Compression:		
B	Pay Compression Examples:		
C	Why Does It Happen?		
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Wage & Salary Administration | Bridging the GAP

- A. Employee Wage Compression / Pay Misalignment *(and why it's a problem)*
 - Hurts morale among longer-term or more experienced employees
 - Leads to high turnover... especially if people feel undervalued
 - Affects team dynamics, especially if EEs doing more complex work aren't paid accordingly
- B. Employee Journeys
 - External RTV – Experience/Skills
 - Internal:
 - Promotions
 - Transfers
 - Demotions
 - Market Adjustments
- C. Pay Scales
 - Current Employees: Full Employment Journey **Current Pay Alignment**
 - New Employees: **Starting Pay Rate Alignment**
 - Different starting pay rates based on relevant & transferable experience/skills



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A	Why Use Job Identifiers: <ul style="list-style-type: none"> • Built on Core Compensation Framework <ul style="list-style-type: none"> • Integrated - Maintains Consistency • Market-Specific & Operational Flexibility • Guide Positions in Same Base Grade to be Compensated Differently 		
B			
C	Benefits: <ul style="list-style-type: none"> • Internal Equity <ul style="list-style-type: none"> • Maintain fairness (PFA) • Market Responsiveness <ul style="list-style-type: none"> • Tailored adjust. for roles w/ atypical labor market conditions • Administrative Simplicity <ul style="list-style-type: none"> • Unified structure • Clear notation for flexibility • Scalability <ul style="list-style-type: none"> • Supports growth and workforce segmentation w/o restructuring full plan 		
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Wage & Salary Administration | Job Identifiers

Strategic, data-driven job identifiers are built on core framework

- Point Factor Analysis (PFA) = Base Job Grade
 - Pay ranges for base grades remain constant across the organization, preserving internal equity alignment
- Each job is assigned to a base job grade and may include a **job identifier reflecting its workforce segment or market category/geography**
- Job identifiers allow for strategically designed variation within the core compensation framework and base job grades:
 - **C** – Corrections
 - **D** – Dispatch / Communications
 - **F** – Fire / EMS
 - **M** – Hybrid / Mixed Market Positions
 - **O** – Other Critical Identified Roles
 - **S** – Sworn / Law Enforcement



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Employment Journey:

- Full timeline of candidate's career progression, starting w/ exp. brought into org. and continuing through all internal roles, promotions, lateral moves, and development opportunities
- For new hires, it begins with evaluation of RTV to determine job placement, pay alignment, and career trajectory within the organization

Key Elements:

- Pre-Hire Experience
 - All relevant work hist. education, skills, & certifications, acquired prior to hire
- Initial Role Alignment
 - Assesses external exp. to determine appropriate job classification, grade, & pay alignment
- Career Pathing
 - Once hired, the EJ continues with internal opportunities for growth, advancement, and skill enhancement

CE³

Note: The following serves only as an illustrative example

Employment Journey Example

Factor scoring → Total points → Pay grade → Range placement

Example A:
0 RTV | 0 Promotions / Demotions

	5		EE-EJ ID:		14		– 5 Year(s) of Service										100% \$23.27 \$0.99																					
			Current Pay:		\$22.28																																	
			Calculated EJ Target Pay:		\$23.27																																	
			Calculated EJ Impact:		\$0.99																																	
			Calculated EJ Position:		Under Calculated EJ Target																																	
First Name		Last Name	Job Grade	Promotion / Demotion %	Hiring Rate of Pay	EJ Alignment																																
			14	N/A	\$20.07	0																																
First Name		Last Name	Job Grade	Promotion / Demotion %	Pro / Demotion \$	EJ Alignment																																
			14	0.00%	\$20.67	1																																

EJ Step 1 Grade																								
14	\$20.07	\$20.67	\$21.29	\$21.93	\$22.59	\$23.27	\$23.89	\$24.47	\$24.98	\$25.43	\$25.81	\$26.20	\$26.59	\$26.99	\$27.40	\$27.81	\$28.23	\$28.65	\$28.88	\$28.88	\$28.88	\$28.88	\$28.88	\$28.88
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23

EJ Step 2 Grade																								
14	\$20.07	\$20.67	\$21.29	\$21.93	\$22.59	\$23.27	\$23.89	\$24.47	\$24.98	\$25.43	\$25.81	\$26.20	\$26.59	\$26.99	\$27.40	\$27.81	\$28.23	\$28.65	\$28.88	\$28.88	\$28.88	\$28.88	\$28.88	\$28.88
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23

1 2 3

Employment Journey:

- Full timeline of candidate's career progression, starting w/ exp. brought into org. and continuing through all internal roles, promotions, lateral moves, and development opportunities
- For new hires, it begins with evaluation of RTV to determine job placement, pay alignment, and career trajectory within the organization

Key Elements:

- Pre-Hire Experience
 - All relevant work hist. education, skills, & certifications, acquired prior to hire
- Initial Role Alignment
 - Assesses external exp. to determine appropriate job classification, grade, & pay alignment
- Career Pathing
 - Once hired, the EJ continues with internal opportunities for growth, advancement, and skill enhancement


Note: The following serves only as an illustrative example

Employment Journey Example

Factor scoring → Total points → Pay grade → Range placement

Example B:

12 = 6 RTV | 2 Promotions | Voluntary Job Change | 2 Promotions

			EE-EJ ID:		1		<div>– 10 Year(s) of Service</div> <div>– Grade 34</div>															100%								
			Current Pay:		\$38.55																	\$39.76								
			Calculated EJ Target Pay:		\$39.76																	\$1.21								
			Calculated EJ Impact:																											
			Calculated EJ Position:		Under Calculated EJ Target																									
First Name	Last Name	Job Grade	Promotion / Demotion %	Hiring Rate of Pay	EJ Alignment																									
		13	N/A	\$22.32	6																									
First Name	Last Name	Job Grade	Promotion / Demotion %	Pro / Demotion \$	EJ Alignment																									
		15	10.00%	\$25.14	5																									
First Name	Last Name	Job Grade	Promotion / Demotion %	Pro / Demotion \$	EJ Alignment																									
		30	5.00%	\$28.58	6																									
First Name	Last Name	Job Grade	Promotion / Demotion %	Pro / Demotion \$	EJ Alignment																									
		13	-15.00%	\$24.49	11																									
First Name	Last Name	Job Grade	Promotion / Demotion %	Pro / Demotion \$	EJ Alignment																									
		32	15.00%	\$28.57	0																									
First Name	Last Name	Job Grade	Promotion / Demotion %	Pro / Demotion \$	EJ Alignment																									
		34	10.00%	\$34.29	0																									

EJ Step 1 Grade	13	\$18.75	\$19.31	\$19.89	\$20.49	\$21.10	\$21.74	\$22.32	\$22.86	\$23.34	\$23.76	\$24.12	\$24.48	\$24.84	\$25.22	\$25.60	\$25.98	\$26.37	\$26.76	\$26.98	\$26.98	\$26.98	\$26.98	\$26.98	\$26.98	\$26.98	\$26.98
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23		
EJ Step 2 Grade	15	\$21.48	\$22.12	\$22.79	\$23.47	\$24.18	\$24.90	\$25.57	\$26.19	\$26.74	\$27.22	\$27.63	\$28.04	\$28.46	\$28.89	\$29.32	\$29.76	\$30.21	\$30.66	\$30.91	\$30.91	\$30.91	\$30.91	\$30.91	\$30.91	\$30.91	\$30.91
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23		
EJ Step 3 Grade	30	\$23.42	\$24.13	\$24.85	\$25.59	\$26.36	\$27.15	\$27.97	\$28.81	\$29.58	\$30.29	\$30.93	\$31.49	\$31.96	\$32.44	\$32.93	\$33.42	\$33.92	\$34.43	\$34.95	\$35.47	\$36.00	\$36.54	\$37.02	\$37.02	\$37.02	\$37.02
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23		
EJ Step 4 Grade	13	\$18.75	\$19.31	\$19.89	\$20.49	\$21.10	\$21.74	\$22.32	\$22.86	\$23.34	\$23.76	\$24.12	\$24.48	\$24.84	\$25.22	\$25.60	\$25.98	\$26.37	\$26.76	\$26.98	\$26.98	\$26.98	\$26.98	\$26.98	\$26.98	\$26.98	\$26.98
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23		
EJ Step 5 Grade	32	\$28.34	\$29.19	\$30.07	\$30.97	\$31.90	\$32.86	\$33.84	\$34.86	\$35.80	\$36.66	\$37.43	\$38.10	\$38.67	\$39.25	\$39.84	\$40.44	\$41.04	\$41.66	\$42.29	\$42.92	\$43.56	\$44.22	\$44.80	\$44.80	\$44.80	\$44.80
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23		
EJ Step 6 Grade	34	\$34.29	\$35.32	\$36.38	\$37.47	\$38.60	\$39.76	\$40.95	\$42.18	\$43.32	\$44.36	\$45.29	\$46.10	\$46.79	\$47.50	\$48.21	\$48.93	\$49.66	\$50.41	\$51.17	\$51.93	\$52.71	\$53.50	\$54.21	\$54.21	\$54.21	\$54.21
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23		

1 2 3

Employment Journey:

- Full timeline of candidate's career progression, starting w/ exp. brought into org. and continuing through all internal roles, promotions, lateral moves, and development opportunities
- For new hires, it begins with evaluation of RTV to determine job placement, pay alignment, and career trajectory within the organization

Key Elements:

- Pre-Hire Experience
 - All relevant work hist. education, skills, & certifications, acquired prior to hire
- Initial Role Alignment
 - Assesses external exp. to determine appropriate job classification, grade, & pay alignment
- Career Pathing
 - Once hired, the EJ continues with internal opportunities for growth, advancement, and skill enhancement


Note: The following serves only as an illustrative example

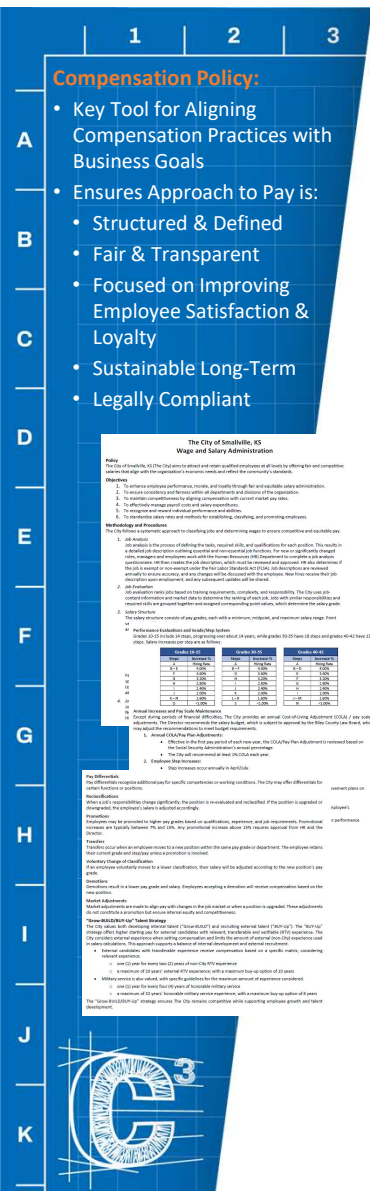
Employment Journey Example

Factor scoring → Total points → Pay grade → Range placement

Example C:

2 = 1 RTV | 1 Promotion | 1 Demotion | 2 Promotions

											EE-EJ ID:		65		– 9 Year(s) of Service																				100%
											Current Pay:		\$36.06																						\$38.25
											Calculated EJ Target Pay:		\$38.25		– Grade 33S																				\$2.19
											Calculated EJ Impact:		\$2.19																						
											Calculated EJ Position:		Under Calculated EJ Target																						
First Name	Last Name	Job Grade	Promotion / Demotion %	Hiring Rate of Pay	EJ Alignment	EJ Step 1 Grade																													
		30S	N/A	\$26.30	1	30S		\$25.53	\$26.30	\$27.09	\$27.90	\$28.73	\$29.60	\$30.48	\$31.40	\$32.25	\$33.02	\$33.71	\$34.32	\$34.84	\$35.36	\$35.89	\$36.43	\$36.97	\$37.53	\$38.09	\$38.66	\$39.24	\$39.83	\$40.35	\$40.35				
					2			0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23				
First Name	Last Name	Job Grade	Promotion / Demotion %	Pro / Demotion %	EJ Alignment	EJ Step 2 Grade																													
		32S	10.00%	\$30.89	0	32S		\$30.89	\$31.82	\$32.77	\$33.76	\$34.77	\$35.81	\$36.89	\$37.99	\$39.02	\$39.96	\$40.79	\$41.53	\$42.15	\$42.78	\$43.43	\$44.08	\$44.74	\$45.41	\$46.09	\$46.78	\$47.48	\$48.20	\$48.83	\$48.83				
					1			0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23				
First Name	Last Name	Job Grade	Promotion / Demotion %	Pro / Demotion %	EJ Alignment	EJ Step 3 Grade																													
		31S	-5.00%	\$30.23	2	31S		\$28.08	\$28.93	\$29.79	\$30.69	\$31.61	\$32.56	\$33.53	\$34.54	\$35.47	\$36.32	\$37.09	\$37.75	\$38.32	\$38.89	\$39.48	\$40.07	\$40.67	\$41.28	\$41.90	\$42.53	\$43.17	\$43.81	\$44.39	\$44.39				
					2			0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23				
First Name	Last Name	Job Grade	Promotion / Demotion %	Pro / Demotion %	EJ Alignment	EJ Step 4 Grade																													
		32S	5.00%	\$33.19	2	32S		\$30.89	\$31.82	\$32.77	\$33.76	\$34.77	\$35.81	\$36.89	\$37.99	\$39.02	\$39.96	\$40.79	\$41.53	\$42.15	\$42.78	\$43.43	\$44.08	\$44.74	\$45.41	\$46.09	\$46.78	\$47.48	\$48.20	\$48.83	\$48.83				
					2			0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23				
First Name	Last Name	Job Grade	Promotion / Demotion %	Pro / Demotion %	EJ Alignment	EJ Step 5 Grade																													
		33S	5.00%	\$37.60	3	33S		\$33.98	\$35.00	\$36.05	\$37.13	\$38.25	\$39.39	\$40.58	\$41.79	\$42.92	\$43.95	\$44.87	\$45.68	\$46.37	\$47.06	\$47.77	\$48.49	\$49.21	\$49.95	\$50.70	\$51.46	\$52.23	\$53.02	\$53.71	\$53.71				
					3			0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23				



Wage & Salary Administration | *Sample Policy*

Policy

The Organization aims to attract and retain qualified employees at all levels by offering fair and competitive salaries that align with the organization's economic needs and reflect the community's standards.

Objectives

1. To enhance employee performance, morale, and loyalty through fair and equitable salary administration.
2. To ensure consistency and fairness within all departments and divisions of the organization.
3. To maintain competitiveness by aligning compensation with current market pay rates.
4. To effectively manage payroll costs and salary expenditures.
5. To recognize and reward individual performance and abilities.
6. To standardize salary rates and methods for establishing, classifying, and promoting employees.

Additional Components

Additional language recommended to promote a transparent and consistent compensation structure policy through a set of guidelines and rules that define how employees are paid and rewarded for their work.

Defined strategy to assist in attracting and retaining talent, aligning your pay practices with your business goals, and foster a culture of fairness and trust.

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Grade & Step Pay Structure:

- Grades reflect PFA Scores

PFA Compensable Factors:

- Job Knowledge
- Supervisory Control
- Guidelines
- Scope & Effect
- Complexity
- Personal Contacts
- Purpose of Contacts
- Physical Demands
- Work Environment

A

B

C

D

E

F

G

H

I

J

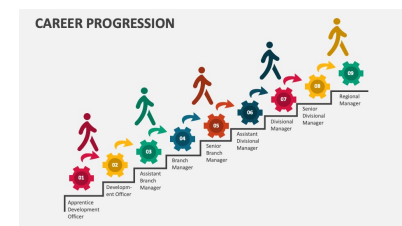
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3

Pay Scales | Recommended Pay Scales

Realistic pay scales are about balance:

- Competitive enough to attract and keep great people
- Fair enough to maintain internal harmony
- Strategic enough to support business goals long-term



Operations, Industrial, Clerical, and Office

	Base Grade	Min Mid Max		
		Min	Mid	Max
Annually	10	\$29,016	\$35,381	\$41,766
Monthly		\$2,418	\$2,948	\$3,481
Bi Weekly		\$1,116	\$1,361	\$1,606
Hourly		\$13.95	\$17.01	\$20.08
Annually	11	\$31,200	\$38,043	\$44,907
Monthly		\$2,600	\$3,170	\$3,742
Bi Weekly		\$1,200	\$1,463	\$1,727
Hourly		\$15.00	\$18.29	\$21.59
Annually	12	\$33,550	\$40,893	\$48,256
Monthly		\$2,796	\$3,408	\$4,021
Bi Weekly		\$1,290	\$1,573	\$1,856
Hourly		\$16.13	\$19.66	\$23.20
Annually	13	\$36,046	\$43,950	\$51,875
Monthly		\$3,004	\$3,663	\$4,323
Bi Weekly		\$1,386	\$1,690	\$1,995
Hourly		\$17.33	\$21.13	\$24.94
Annually	14	\$38,584	\$47,029	\$55,494
Monthly		\$3,215	\$3,919	\$4,625
Bi Weekly		\$1,484	\$1,809	\$2,134
Hourly		\$18.55	\$22.61	\$26.68
Annually	15	\$41,288	\$50,336	\$59,405
Monthly		\$3,441	\$4,195	\$4,950
Bi Weekly		\$1,588	\$1,936	\$2,285
Hourly		\$19.85	\$24.20	\$28.56

Management, Administrative, Sales, Creative, and Professional

	Base Grade	Min Mid Max		
		Min	Mid	Max
Annually	30	\$42,786	\$55,207	\$67,629
Monthly		\$3,566	\$4,601	\$5,636
Bi Weekly		\$1,646	\$2,123	\$2,601
Hourly		\$20.57	\$26.54	\$32.51
Annually	31	\$47,540	\$61,341	\$75,143
Monthly		\$3,962	\$5,112	\$6,262
Bi Weekly		\$1,828	\$2,359	\$2,890
Hourly		\$22.86	\$29.49	\$36.13
Annually	32	\$52,821	\$68,156	\$83,492
Monthly		\$4,402	\$5,680	\$6,958
Bi Weekly		\$2,032	\$2,621	\$3,211
Hourly		\$25.39	\$32.77	\$40.14
Annually	33	\$58,104	\$74,972	\$91,841
Monthly		\$4,842	\$6,248	\$7,653
Bi Weekly		\$2,235	\$2,884	\$3,532
Hourly		\$27.93	\$36.04	\$44.15
Annually	34	\$63,915	\$82,470	\$101,026
Monthly		\$5,326	\$6,873	\$8,419
Bi Weekly		\$2,458	\$3,172	\$3,886
Hourly		\$30.73	\$39.65	\$48.57
Annually	35	\$70,306	\$90,717	\$111,129
Monthly		\$5,859	\$7,560	\$9,261
Bi Weekly		\$2,704	\$3,489	\$4,274
Hourly		\$33.80	\$43.61	\$53.43

Executive and Highly Specialized

	Base Grade	Min Mid Max		
		Min	Mid	Max
Annually	40	\$88,303	\$103,885	\$119,468
Monthly		\$7,359	\$8,657	\$9,956
Bi Weekly		\$3,396	\$3,996	\$4,595
Hourly		\$42.45	\$49.94	\$57.44
Annually	41	\$101,548	\$119,468	\$137,389
Monthly		\$8,462	\$9,956	\$11,449
Bi Weekly		\$3,906	\$4,595	\$5,284
Hourly		\$48.82	\$57.44	\$66.05
Annually	42	\$116,781	\$137,389	\$157,998
Monthly		\$9,732	\$11,449	\$13,167
Bi Weekly		\$4,492	\$5,284	\$6,077
Hourly		\$56.14	\$66.05	\$75.96

	1	2	3
	Pay Scale Tempo:		
A	<ul style="list-style-type: none"> Pace or frequency pay adjustments occur How quickly/slowly employees move through a pay range based on: <ul style="list-style-type: none"> Performance Tenure Market Changes Policy 		
B			
C	Tempo Influencers:		
D	<ul style="list-style-type: none"> Organizational Budget Pay Philosophy Employee Performance Positional Tenure Market Shifts/Inflation Contracts 		
E			
F	Why It Matters:		
G	<ul style="list-style-type: none"> Sets expectations Manages Internal Equity Budget Predictability Tempo Influences Retention <ul style="list-style-type: none"> Too slow... <ul style="list-style-type: none"> EEs Leave Too fast... <ul style="list-style-type: none"> Unsustainable 		
H			
I			
J			
K			

Comp Plan Findings | Pay Scale Variables & Employee Impact

Pay Scale Variables:

- Primary Pay Scale Tempo Variable: 3.00%
- Pay Scale Decelerators Applied (*common, strategic pacing mechanism*)
 - Total Number of Steps:
 - Grades 10-15: 17 Steps
 - Grades 30-35: 22 Steps
 - Grades 40-42: 14 Steps

10-15 Variable Annual Increase:		100.00%	100.00%	100.00%	100.00%	100.00%	90.00%	80.00%	70.00%	60.00%	50.00%	50.00%	50.00%	
10-15 Std Annl Inc %:		3.000%	3.000%	3.000%	3.000%	3.000%	2.700%	2.400%	2.100%	1.800%	1.500%	1.500%	1.500%	
30-35 Variable Annual Increase:		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	90.00%	80.00%	70.00%	60.00%	50.00%	
30-35 Std Annl Inc %:		3.000%	3.000%	3.000%	3.000%	3.000%	3.000%	3.000%	2.700%	2.400%	2.100%	1.800%	1.500%	
40-42 Variable Annual Increase:		100.00%	100.00%	100.00%	100.00%	90.00%	80.00%	70.00%	60.00%	50.00%	50.00%	50.00%	50.00%	
40-42 Std Annl Inc %:		3.000%	3.000%	3.000%	3.000%	2.700%	2.400%	2.100%	1.800%	1.500%	1.500%	1.500%	1.500%	
Job Grades & Steps		A	B	C	D	E	F	G	H	I	J	K	L	M
Grade	Vertical Count	0.0	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0

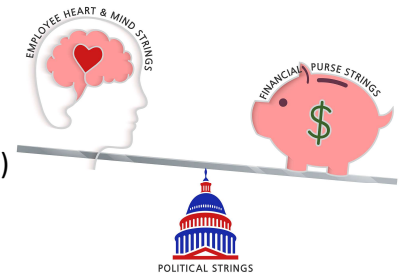
Employee Annual Impact Summary:

- 39 Employees with No Pay Compression
- 0 Employees Over Max Proposed Pay Scale
- 31 Employees Under Min Proposed Pay Scale
 - \$124.80 (least) | \$7,430.74 (most) | \$3,240.20 (average)
- 82 Employees with Pay Compression
 - \$20.80 (least) | \$18,175.52 (most) | \$5,161.39 (average)

Comp Plan Adoption | Project Implementation Options

Total Implementation Cost Options:

- A. 6.76% | \$432,669 (2.775% Rolling Midwest CPI 12 Mo. Avg. w/ 0.00% Compression)
- B. 7.94% | \$507,862 (2.775% Rolling Midwest CPI 12 Mo. Avg. w/ 100.00% Compression)
- C. 6.19% | \$396,011 (2.775% Rolling Midwest CPI 12 Mo. Avg. w/ 50.00% Compression)



Implementation Scenario Impact Summary: (Filtered Employee Record Totals)			
COLA:	0.00%	Compression:	100.00%
Scenario 1: PS Mins - COLA - Compression			
Pay Scale Minimums		\$103,796.18	
000% COLA (Hourly) Impact:		\$0.00	
000% COLA (Lump Sum) Impact:		\$0.00	
100.00% Pay Alignment / Compression Impact:		\$328,873.06	
Total Investment / Cost:		\$432,669.25	
Total Cost - Annual Impact %		6.76%	
Impact Summary:			
Addresses Compression			
All Employees Cascade Proportionally			
Best Employee Psyche Alignment			
Best Employee Messaging			
1) Adopt Pay Scale; 2) All EEs Receive X% COLA; 3) Market Adjustments Applied			
GAP Remaining to 100% Compression:		\$0.00	

Individual Employee Annual Impact	
Most \$	\$18,175.52
Average	\$3,046.97
Least \$	\$0.00

Implementation Scenario Impact Summary: <i>(Filtered Employee Record Totals)</i>			
COLA:	2.775%	Compression:	100.00%
Scenario 1: PS Mins - COLA - Compression			
Pay Scale Minimums			\$103,796.18
2.775% COLA (Hourly) Impact:			\$155,599.42
2.775% COLA (Lump Sum) Impact:			\$24,765.02
100.00% Pay Alignment / Compression Impact:			\$223,701.49
Total Investment / Cost:			\$507,862.11
Total Cost - Annual Impact %			7.94%
Impact Summary:			
Addresses Compression			
All Employees Cascade Proportionally			
Best Employee Psyche Alignment			
Best Employee Messaging			
1) Adopt Pay Scale; 2) All EEs Receive X% COLA; 3) Market Adjustments Applied			
GAP Remaining to 100% Compression:			\$0.00

Individual Employee Annual Impact	
Most \$	\$18,175.52
Average	\$3,576.49
Least \$	\$124.68

Implementation Scenario Impact Summary: <i>(Filtered Employee Record Totals)</i>			
COLA:	2.775%	Compression:	50.00%

Scenario 1: PS Mins - COLA - Compression	
Pay Scale Minimums	\$103,796.18
2.775% COLA (Hourly) Impact:	\$155,599.42
2.775% COLA (Lump Sum) Impact:	\$24,765.02
50.00% Pay Alignment / Compression Impact:	\$111,850.75
Total Investment / Cost:	\$396,011.37
Total Cost - Annual Impact %	6.19%

Impact Summary:	
Addresses Compression	
All Employees Cascade Proportionally	
Best Employee Psyche Alignment	
Best Employee Messaging	
1) Adopt Pay Scale; 2) All EEs Receive X% COLA; 3) Market Adjustments Applied	
GAP Remaining to 100% Compression:	\$111,850.75

Individual Employee Annual Impact	
Most \$	\$11,474.24
Average	\$2,788.81
Least \$	\$124.68

	1	2	3
	Implementation Approaches:		
A	<ul style="list-style-type: none"> • All-at-Once • Phased • Use a Pay Governor 		
B	Pay Governor:		
	<ul style="list-style-type: none"> • Control Mechanism / Limiter 		
C	Ensures All Adjustments:		
	<ul style="list-style-type: none"> • Stay within Budget • Maintain Internal Equity • Avoid Overcorrections 		
D	Without a Governor:		
E	<ul style="list-style-type: none"> • Disrupt Salary Structure • Cause Pay Compression • Create Resentment • If an EE suddenly gets an excessively large bump in pay 		
F	Why Use a Governor?		
G	<ul style="list-style-type: none"> • Manage Costs • Ensure Fairness • Preserve Structure 		
H			
I			
J			
K			

Comp Plan Adoption | Recommendation

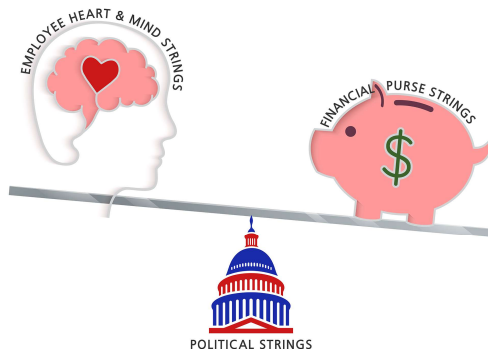
TAG's Final Recommendation for 2026:

6.39% Pay Impact

\$487,695 Total Cost

2.775% Rolling Midwest CPI 12 Mo. Avg.

100% EE Compression / Pay Alignment



Implementation Impact - Summary: <small>(Filtered Employee Record Totals)</small>				
Employee COLA:	2.775%	% Pay Alignment / Compression:	100.00%	\$ Limiter: \$100,000
Pay Scale Mins --> COLA --> Pay Scale Alignment / Compression				
Pay Scale Minimums:				\$87,653.94
2.775% COLA (Hourly) Impact:				\$189,711.08
2.775% COLA (Lump Sum) Impact:				\$15,737.00
100.00% Pay Alignment / Compression Impact:				\$174,593.30
Total Investment / Cost:				\$467,695.32
Total Cost - Annual Impact %				6.39%
Implementation Impact Summary:				
Addresses Pay Alignment / Compression				
All Employees Cascade Proportionally				
Best Employee Psyche Alignment				
Best Employee Messaging				
1) Adopt Pay Scale; 2) All EEs Receive X% COLA; 3) Market Adjustments Applied				
Implementation Impact with Limiter(s), if any:				
GAP Remaining to 100% Pay Alignment / Compression:				\$0.00
Individual Employee Annual Impact				
Most \$				\$19,702.88
Average				\$2,960.10
Least \$				\$106.82

1 2 3

Grade & Step Pay Structure:

- Grades reflect PFA Scores

PFA Compensable Factors:

- Job Knowledge
- Supervisory Control
- Guidelines
- Scope & Effect
- Complexity
- Personal Contacts
- Purpose of Contacts
- Physical Demands
- Work Environment

- Steps (A-T) w/in each grade represent incremental increases in pay, often based on time-in-service and/or performance

CPI / COLA Impact:

- Proportional
- Applies to the entire pay scales, not just current salaries
- Every Grade & Step amount increases
- New Hires
- Long-Term Employees



Note: The following serves only as an illustrative example

Compensation Plan | Example Annual PS Maintenance – CPI / COLA

Consumer Price Index (CPI) %											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	1.237%	4.693%	8.007%	4.138%	2.952%	3.075%	2.908%	2.775%	2.785%	2.643%	2.515%
Pay Scale Annual COLA % Adjustment											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
3 Year Averages	1.831%	2.581%	4.646%	5.613%	5.032%	3.388%	2.978%	2.919%	2.823%	2.734%	2.648%
CPI / COLA % Pay Scale Adjustment:							1.000%	1.000%	1.000%	1.000%	1.000%

A COLA/CPI pay scale maintenance variable is an external adjustment applied across the entire pay scale, not tied to performance or tenure.

COLA % Adjustment Applied to Benchmark Grade Mid-Point

CY2025

Operations / Industrial / Clerical / Office Job Grades

	Hourly			Annually		
	Min	Mid	Max	Min	Mid	Max
10	\$13.89	\$18.51	\$23.14	\$28,891	\$38,501	\$48,131
11	\$14.69	\$19.58	\$24.48	\$30,555	\$40,726	\$50,918
12	\$15.54	\$20.71	\$25.89	\$32,323	\$43,077	\$53,851
13	\$16.44	\$21.91	\$27.39	\$34,195	\$45,573	\$56,971
14	\$17.34	\$23.12	\$28.90	\$36,067	\$48,090	\$60,112
15	\$18.30	\$24.40	\$30.50	\$38,064	\$50,752	\$63,440

Management / Administrative / Professional Job Grades

	Hourly			Annually		
	Min	Mid	Max	Min	Mid	Max
30	\$21.31	\$27.32	\$33.34	\$44,330	\$56,833	\$69,337
31	\$23.04	\$29.54	\$36.04	\$47,924	\$61,441	\$74,959
32	\$24.91	\$31.93	\$38.96	\$51,810	\$66,422	\$81,035
33	\$26.93	\$34.52	\$42.12	\$56,010	\$71,807	\$87,605
34	\$28.95	\$37.11	\$45.28	\$60,211	\$77,193	\$94,176
35	\$31.12	\$39.90	\$48.67	\$64,727	\$82,983	\$101,240

Executive Job Grades

	Hourly			Annually		
	Min	Mid	Max	Min	Mid	Max
40	\$39.57	\$48.26	\$56.95	\$82,315	\$100,383	\$118,452
41	\$45.51	\$55.50	\$65.49	\$94,662	\$115,441	\$136,221
42	\$52.34	\$63.83	\$75.31	\$108,862	\$132,758	\$156,655

CY2030

Operations / Industrial / Clerical / Office Job Grades

	Hourly			Annually		
	Min	Mid	Max	Min	Mid	Max
10	\$14.52	\$19.36	\$24.20	\$30,202	\$40,269	\$50,336
11	\$15.36	\$20.48	\$25.60	\$31,949	\$42,598	\$53,248
12	\$16.26	\$21.67	\$27.09	\$33,821	\$45,074	\$56,347
13	\$17.20	\$22.93	\$28.67	\$35,776	\$47,694	\$59,634
14	\$18.15	\$24.20	\$30.25	\$37,752	\$50,336	\$62,920
15	\$19.16	\$25.54	\$31.93	\$39,853	\$53,123	\$66,414

Management / Administrative / Professional Job Grades

	Hourly			Annually		
	Min	Mid	Max	Min	Mid	Max
30	\$22.64	\$29.03	\$35.42	\$47,100	\$60,384	\$73,669
31	\$24.48	\$31.38	\$38.29	\$50,919	\$65,280	\$79,642
32	\$26.46	\$33.93	\$41.39	\$55,047	\$70,572	\$86,098
33	\$28.61	\$36.68	\$44.75	\$59,510	\$76,294	\$93,079
34	\$30.76	\$39.43	\$48.11	\$63,974	\$82,017	\$100,061
35	\$33.06	\$42.39	\$51.71	\$68,772	\$88,169	\$107,567

Executive Job Grades

	Hourly			Annually		
	Min	Mid	Max	Min	Mid	Max
40	\$43.07	\$52.53	\$61.98	\$89,592	\$109,258	\$128,925
41	\$49.53	\$60.41	\$71.28	\$103,031	\$125,647	\$148,264
42	\$56.96	\$69.47	\$81.97	\$118,486	\$144,495	\$170,505

123

Grade & Step Pay Structure:

- Grades reflect PFA Scores

PFA Compensable Factors:

- Job Knowledge
- Supervisory Control
- Guidelines
- Scope & Effect
- Complexity
- Personal Contacts
- Purpose of Contacts
- Physical Demands
- Work Environment

Steps (A-T) w/in each grade represent incremental increases in pay, often based on time-in-service and/or performance

CPI / COLA Impact:

- Proportional
- Applies to the entire pay scales, not just current salaries
- Every Grade & Step amount increases
- New Hires
- Long-Term Employees

10

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30

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42

Grade / Promotion

Step Increases: Position Tenure and Performance

10-15 Variable Annual Increase:

10-15 Std Annl Inc %:

30-35 Variable Annual Increase:

30-35 Std Annl Inc %:

40-42 Variable Annual Increase:

40-42 Std Annl Inc %:

Job Grades & Steps

10 | CY 2025

10 | CY 2026

10 | CY 2027

10 | CY 2028

10 | CY 2029

10 | CY 2030

10-15 Variable Annual Increase:

10-15 Std Annl Inc %:

30-35 Variable Annual Increase:

30-35 Std Annl Inc %:

40-42 Variable Annual Increase:

40-42 Std Annl Inc %:

Job Grades & Steps

10 | CY 2025

10 | CY 2026

10 | CY 2027

10 | CY 2028

10 | CY 2029

10 | CY 2030

1

2

3

Note: The following serves only as an illustrative example

Compensation Plan

Example PS Maintenance & Steps/Performance

Consumer Price Index (CPI) %

20202021202220232024202520262027202820292030

1.237%4.693%8.007%4.138%2.952%3.075%2.908%2.775%2.785%2.643%2.515%

Pay Scale Annual COLA % Adjustment

20202021202220232024202520262027202820292030

1.831%2.581%4.646%5.613%5.032%3.388%2.978%2.919%2.823%2.734%2.648%

3 Year Averages

1.831%2.581%4.646%5.613%5.032%3.388%2.978%2.919%2.823%2.734%2.648%

CPI / COLA % | Pay Scale Adjustment:

1.000%1.000%1.000%1.000%1.000%

COLA % Adjustment Applied to Benchmark Grade Mid-Point

10-15 Variable Annual Increase:

10-15 Std Annl Inc %:

30-35 Variable Annual Increase:

30-35 Std Annl Inc %:

40-42 Variable Annual Increase:

40-42 Std Annl Inc %:

Job Grades & Steps

10 | CY 2025

10 | CY 2026

10 | CY 2027

10 | CY 2028

10 | CY 2029

10 | CY 2030

10-15 Variable Annual Increase:

10-15 Std Annl Inc %:

30-35 Variable Annual Increase:

30-35 Std Annl Inc %:

40-42 Variable Annual Increase:

40-42 Std Annl Inc %:

Job Grades & Steps

10 | CY 2025

10 | CY 2026

10 | CY 2027

10 | CY 2028

10 | CY 2029

10 | CY 2030

Grade / Promotion

Step Increases: Position Tenure and Performance

Cumulative Effect of COLA with Step Increases

1. Most EEs will also receive step increases annually.

2. COLA stacks on step increases, leading to a compound effect on pay.

3. Maintains internal equity and external competitiveness.

Performance Eval: Satisfactory

No Performance Demerits: Past Year

Meets Attendance Standard: PTO

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	1	2	3
	Predictable Budgeting:		
A	<ul style="list-style-type: none"> Plan Ahead Maintain Cash Flow 		
	Why It Matters?		
B	<ul style="list-style-type: none"> Ensures Financial Stability 		
	<ul style="list-style-type: none"> Supports Long-Term Workforce Planning 		
C	<ul style="list-style-type: none"> Helps Manage Compensation Equity 		
	<ul style="list-style-type: none"> Aligns w/ Business Strategy 		
D	<ul style="list-style-type: none"> Builds Trust with Employees 		
	<ul style="list-style-type: none"> Improves Stakeholder Confidence 		
E	<ul style="list-style-type: none"> Supports Market & Merit Adjustments 		
	<ul style="list-style-type: none"> Prevents Overpromising 		
F	<ul style="list-style-type: none"> Helps Avoid Reactive Decision-Making 		
G			
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Annual Budgeting | *Forecasting w/ Confidence & Predictability*

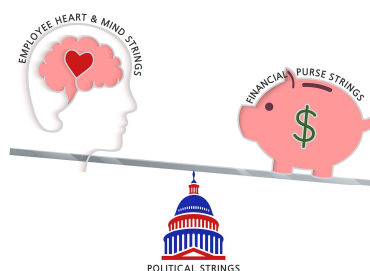
2026
Grade / Step Progression
(Performance)
+\$110,199

Beginning in 2027

Pay Scale Maintenance
(PSM)

COLA / CPI

Grade / Step Progression
(Performance)



Out Year Impact Examples:

Annual Pay Scale Maintenance (PSM):

- Compensation Policy
 - Recommended Annual PSM Minimum: 1.00%**
- Midwest CPI – Rolling 12 Months = *3.00% (WAG), but we can be optimistic for a 2.00% target*

2026: 3.00% PSM | 2027: 3.00% PSM

Budgeted Pay Impact *Examples* w/ Annual PSM and Grade/Step Progression (Avg. 1.99%):

- 2026 Step Increases (w/ no PSM for 2026):
 - \$140,590 (**1.99% Effective Impact**)
- Example 1 (low-low):**
 - 2027 – 1.00% PSM: \$244,696 (**2.99% Effective Impact**)
 - 2028 – 1.00% PSM: \$252,012 (**2.99% Effective Impact**)
- Example 2 (low-mid):**
 - 2027 – 1.00% PSM: \$ 244,696 (**2.99% Effective Impact**)
 - 2028 – 2.00% PSM: \$336,297 (**3.99% Effective Impact**)
- Example 3 (low-high):**
 - 2027 – 1.00% PSM: \$ 244,696 (**2.99% Effective Impact**)
 - 2028 – 3.00% PSM: \$420,582 (**4.99% Effective Impact**)

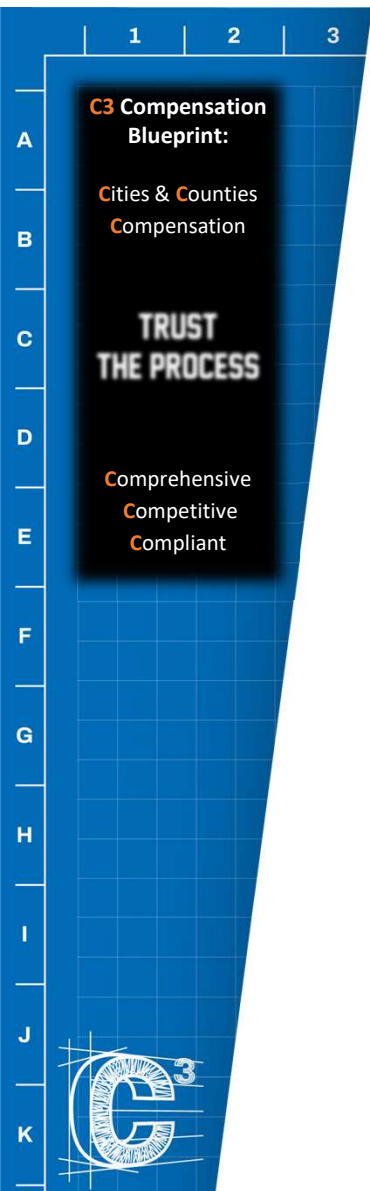
	1	2	3
	Strategies for Consideration:		
A	• Modernize Comp and Benefits		
	• Invest in Recruitment and Branding		
B	• Enhance Workforce Flexibility		
	• Develop Internal Talent		
C	• Adopt Strategic Workforce Planning		
	• Improve Organizational Culture		
D	• Leverage Partnerships and Shared Services		
	• Update Policy Constraints		
E			
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In the News...

- Howard County, NE (2025):** The Howard Co. Sr. Center temporarily closed in April 2025 due to inability to hire essential staff, including a cook and site director.
- Geary, OK (2024):** In October 2024, the entire police department of Geary, Oklahoma, resigned, including the chief of police. The resignations were attributed to the town's failure to meet the department's needs, including inadequate support and resources from political leaders.
- Marble Hill, MO (2024):** In August 2024, all members of the Marble Hill Police Department resigned due to budget constraints. Police Chief Kristin Nenninger stated that the city's budget cuts made it impossible to support her officers and provide adequate law enforcement services to the community.
- Goodhue, MN (2023) – Entire Police Department Resigns Over Pay Concerns:** In August 2023, the entire police force including the police chief, one full-time officer, and five part-time officers, resigned citing low wages and the demanding nature of the job. Police Chief Josh Smith highlighted the difficulty in recruiting officers at the offered wage of \$22 per hour, which was below the national average for law enforcement officers. Despite a recent raise, the compensation was insufficient to retain staff. The city, with a population of about 1,000, had to seek assistance from the Goodhue County Sheriff's Office for interim law enforcement coverage.
- Independence, KS (2023) – Tag Office Closure:** On June 21, 2023, the Independence Auto Tag Office closed temporarily because of insufficient staffing. The Montgomery County Treasurer's Office announced the closure, citing the inability to maintain operations without adequate personnel.
- Nicholls, GA (2022):** In June 2022, the entire police force resigned within the same week. Police Chief Billy Ray Fields and his staff cited a lack of manpower and a strict budget as reasons for their departure. The Coffee County Sheriff's Office stepped in to provide law enforcement coverage.
- Kenly, NC (2022):** In July 2022, the entire police department including the police chief and four officers, resigned. The resignations were due to a hostile work environment created by the newly appointed town manager. The Johnston County Sheriff's Office provided interim law enforcement services.
- Ashland and Bayfield Counties, Wisconsin (2022):** These northern Wisconsin counties explored merging their 911 dispatch centers due to staffing concerns, commissioning a feasibility study to assess the potential consolidation aimed at improving service efficiency.
- Kimberling City, MO (2021):** In August 2021, the entire police department resigned, including the police chief and three officers. The resignations were attributed to poor pay and inadequate resources to perform their duties effectively. The Stone County Sheriff's Department took over law enforcement responsibilities.

Broader Trends:

- National Association of Counties:** Local governments have faced a workforce shortage of approximately 100,000 jobs, affecting the delivery of essential services.
- National League of Cities:** Reported a decline of over 300,000 local government workers between March 2020 and March 2022, with ongoing challenges in recruitment and retention.
- Public Sector Vacancies:** Counties across the Midwest are struggling to fill public sector positions, with turnover rates in state and local governments now twice as high as the average over the past couple of decades, in some places topping 25 percent.
- Staffing shortages** have impacted various sectors, including public health, law enforcement, emergency services, and infrastructure maintenance, prompting concerns about community well-being and resilience.



Questions / Comments

Your **C3 Compensation Blueprint** provides **The City of Arkansas City, KS** with a long-term, data-driven plan to (re)build and maintain workforce capacity to delivery the services your community expects.

Phil Hayes

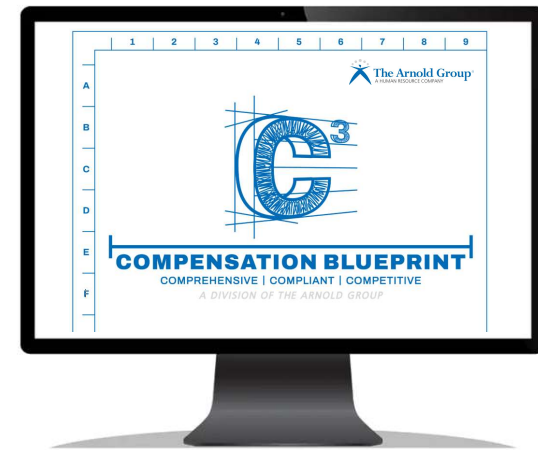
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