



City Commission Agenda Item

Meeting Date: February 4, 2025
From: Marla McFarland, Human Resources Director
Item: Compensation Study

Motion: A Resolution authorizing the City of Arkansas City to approve a proposal submitted by The Arnold Group (TAG), to provide an Employee Classification Plan, Salary Survey, and Compensation Study with a three-year support package, for a cost of \$37,552.00 to be paid over a three-year period.
(Voice Vote)

Purpose:
Take the necessary and responsible steps to ensure the City’s compensation plan is fair, equitable, and most importantly, promotes retention and is proactively competitive.

Background:
Staff would like to engage in an updated compensation study to ensure competitive and equitable pay structures across all employee categories. The study will encompass a comprehensive analysis of external compensation plans, comparing similar employers’ pay rates and structures.

The goal is to evaluate equity based on key factors such as knowledge, skills, abilities, education, certification, licensing, experience, and responsibly. By conducting both internal and external comparisons the study aims to identify any disparities in compensation and recommend adjustments that align with industry standards, promote fairness, and ensure the recruitment and retention of qualified personnel.

Please see the attached proposal. Preferred option (Option 2) highlighted (yellow).

Commission Options:

- 1. Approve the Resolution
- 2. Disapprove the Resolution
- 3. Table the Resolution for further discussion

Fiscal Impact: Amount: **\$37,522.00 paid over a three-year period, per Proposal Option 2**
\$37,552.00 broke down into three years as: 40% due Year 1 is \$15,021.00, 30% due Year 2 is \$11,266.00, and 30% due year 3 is \$11,266.00.

Fund: **01-General** Department: **209-Finance** Expense Code: **6214-Other Professional Services**

Fund: **16-Water** Department: **209-Finance** Expense Code: **6214-Other Professional Services**

Fund: **18-Sewer** Department: **209-Finance** Expense Code: **6214-Other Professional Services**

Fund: **19-Sanitation** Department: **209-Finance** Expense Code: **6214-Other Professional Services**

Included in budget Grant Bonds Other Not Budgeted

Attachments: Employee Classification, Salary Survey and Compensation Study Technical & Cost Proposal.

Approved for Agenda by:

Randy Frazer, City Manager