



Staff Report

To: Mayor and City Council
From: Deb Appel, Director of Human Resources
Date: June 30, 2026
Subject: Classification and Compensation Study

Executive Summary:

The 2026 budget includes funding for a compensation study to provide insight and analysis for implementing a new pay scale in the 2027 budget. City staff have completed substantial preliminary work and recommend hiring a professional firm with municipal and county experience to complete the study before the end of the year.

The Arnold Group (TAG) submitted a quote of \$16,560 to complete a Classification and Compensation Study in 2026 and effective 2027. TAG recently completed Andover's 2025 study and is currently updating Bel Aire's job descriptions. Comparable projects in similar sized cities ranged from \$24,150 to \$86,450, making TAG's proposal competitive. Although the cost exceeds the initial budget, a professional study is expected to reduce long-term costs associated with turnover, inequitable pay, and misaligned salary structures.

The City Manager, Director of Finance, and Director of Human Resources agree that hiring a qualified professional firm is the most effective and responsible approach. Completing this study will help Bel Aire implement a fair, competitive, and market-aligned pay system that improves recruitment, retention, and internal equity.