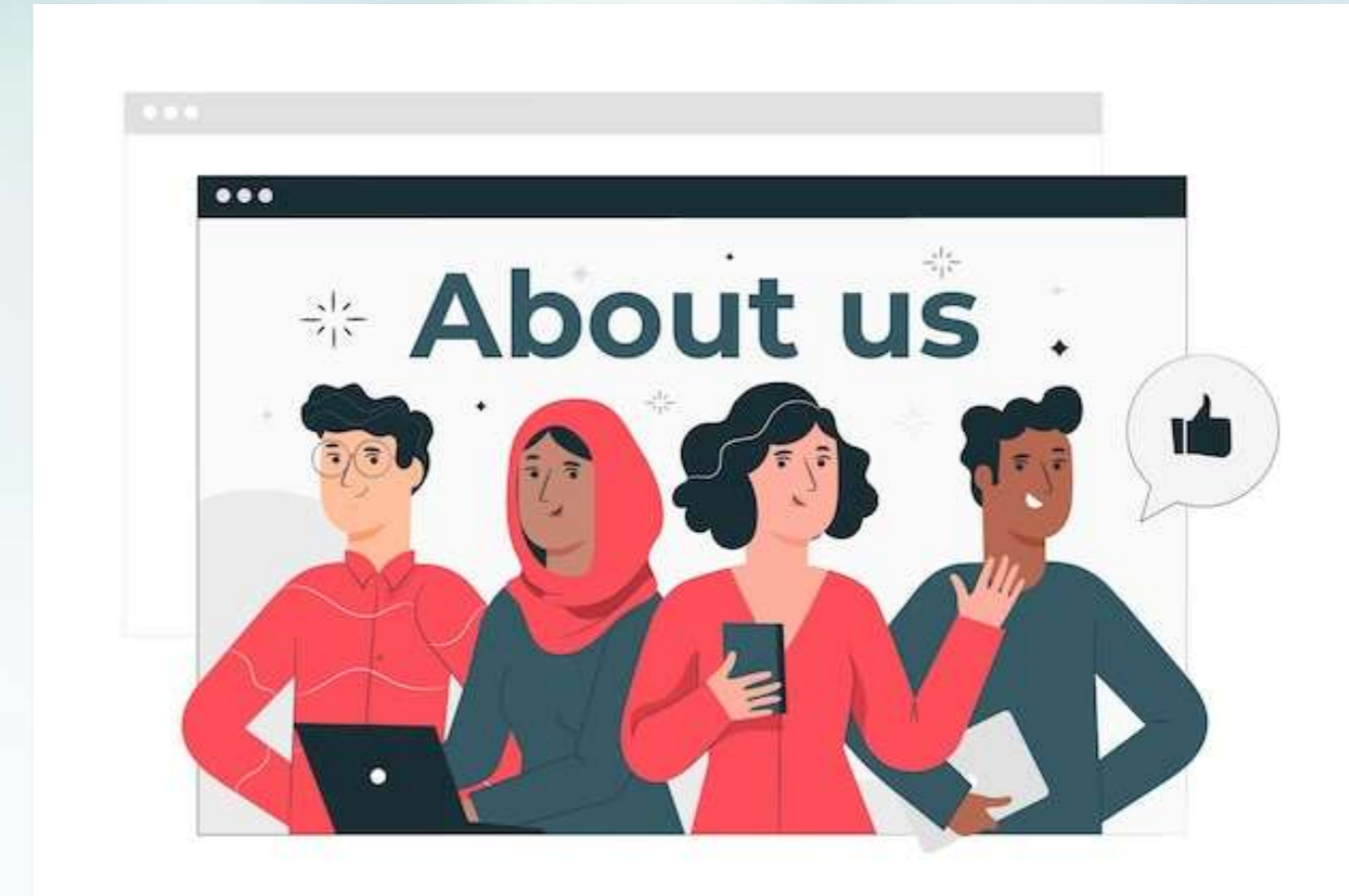




*Johnstown
Colorado*

**2023 Compensation Study Results
Council Presentation
July 2023**

About Us



Graves Consulting is a Human Resources consulting firm specializing in the Public Sector. We work with organizations throughout Colorado, Oklahoma, Wyoming and North Dakota on a variety of projects, including compensation, employee retention, organizational culture, employee communications and executive selection.

Our Team



Laurie Graves

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



Eric Marburger

Senior Consultant
HR/Compensation expert
with 25+ years experience,
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Alicia Miller

Senior Consultant
Executive HR Leader with
20+ years experience in all
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Shelly Holden

Senior Consultant
Executive Leader with 20+
years of experience in
Human Resources, Business
Development and
Operations



Helen Pile

Project Management
Consultant
Business leader with
extensive experience in
project management and
process improvement

Project Intent & Scope



Project Intent & Scope

INTENT:

- Allow the Town to continue to recruit and retain top talent
- Ensure employees are paid competitively to market
- Maintain internal equity
- Allow for career progression and sustainable wage growth

SCOPE:

- Gather statistically valid data from a defined market
- Provide recommendations to create/revise pay structure(s) based on this data
- Provide recommendations for implementation and ongoing structure maintenance
- Provide additional analysis as appropriate

Why was a Comp Study Needed?

- The Social Security Cost of Living adjustment for 2022 was 5.9% and for 2023 was 8.7%. The average over the prior 10 years was 1.9%
- The Consumer Price Index for the Denver area topped out at over 9% during 2022
- The Federal Reserve increased interest rates five times in 2022, for a total of 3.25% in one year. Three more raises have occurred in 2023 and two more are being considered
- In this labor market and inflationary time, the Town is going to be forced to incur increased labor costs ***whether you implement a new wage structure or not***
- Turnover is very costly when you include recruiting and hiring costs, training, certifications, the cost of rework when mistakes are made, overtime, etc..
- Additionally, when you hire new employees to replace those that leave, the Town will have to pay market rates for those employees which makes compression even worse for existing employees and will require more pay increases

Process & Methodology



Project Deliverables:

- Review and analyze current wage structure and classification system
- Define the market the Town wishes to compare itself to
- Review existing wage survey data collected from relevant, statistically valid market studies
- Recommend pay structures that meet the Town's needs including placement of each position within those structures
- Provide financial impact analysis and recommendations for implementation, internal equity, pay compression and ongoing maintenance and communication
- Provide comprehensive final report

Overview

Foundation:

- Met with HR to review project scope and overall process. Discuss areas of concern.
- Reviewed and analyzed current org and pay structures, job descriptions and classification system including prior comp study and job matching
- Determined appropriate defined market for the Town
- Followed guidance from Council to match new ranges to market average in Northern Colorado

Process & Recommendations

Defined Market

Johnstown Defined Market for 2024		
Adams County	Foothills P&R	Longmont
Boulder	Fort Collins	Loveland
Boulder County	Frederick	South Suburban P&R
Brighton	Greeley	Superior
Broomfield	Hyland Hills P&R	Thornton
Commerce City	Jefferson County	Weld County
Erie	Lafayette	Wellington
Evans	Lakewood	Westminster
Firestone	Larimer County	Windsor

*Focused on Northern Colorado Public Sector Market – we originally recommended a larger market that included several Denver/Boulder area municipalities but based on feedback, reduced to this list

Job Matching/Data

Analysis:

- Matched as many positions as possible to valid, external survey data (CML & EC)
- Blended or adjusted benchmarks as necessary to account for span and scope or uniqueness in the Town's positions
- Extracted actual wages being paid (aged to 2024) in the Town's defined market to create a Market Average for each job
- Used this data to place position on the structure at market rates
- Skilled Labor Trades positions were prioritized and more aggressively placed on the structure due to the competitive nature of that labor market (and competition with private sector)

Process & Recommendations

Pay Structures:

- Redesigned the Town's current General Government pay structure
 - Primarily to allow for pay ranges that are equidistant from each other (current structure ranges from 4% to 23% between)
- Redesigned Police Step Plan to align to market rates and reduce the number of steps

Process & Recommendations

Overview of Pay Structures – Gen Gov't

Johnstown - Proposed 2024 Gen Gov't Pay Structure								
Grade	Annualized			Hourly			Design	
	Min	Mid	Max	Min	Mid	Max	Width	Distance
10	\$41,702	\$49,000	\$56,298	\$20.05	\$23.56	\$27.07	35%	
11	\$45,872	\$53,900	\$61,928	\$22.05	\$25.91	\$29.77	35%	10%
12	\$49,408	\$59,290	\$69,172	\$23.75	\$28.50	\$33.26	40%	10%
13	\$54,349	\$65,219	\$76,089	\$26.13	\$31.36	\$36.58	40%	10%
14	\$59,784	\$71,741	\$83,698	\$28.74	\$34.49	\$40.24	40%	10%
15	\$65,762	\$78,915	\$92,067	\$31.62	\$37.94	\$44.26	40%	10%
16	\$72,339	\$86,806	\$101,274	\$34.78	\$41.73	\$48.69	40%	10%
17	\$79,573	\$95,487	\$111,402	\$38.26	\$45.91	\$53.56	40%	10%
18	\$87,530	\$105,036	\$122,542	\$42.08	\$50.50	\$58.91	40%	10%
19	\$96,283	\$115,539	\$134,796	\$46.29	\$55.55	\$64.81	40%	10%
20	\$103,750	\$127,093	\$150,437	\$49.88	\$61.10	\$72.33	45%	10%
21	\$114,125	\$139,803	\$165,481	\$54.87	\$67.21	\$79.56	45%	10%
22	\$125,537	\$153,783	\$182,029	\$60.35	\$73.93	\$87.51	45%	10%
23	\$138,091	\$169,161	\$200,232	\$66.39	\$81.33	\$96.27	45%	10%
24	\$151,900	\$186,077	\$220,255	\$73.03	\$89.46	\$105.89	45%	10%
25	\$167,090	\$204,685	\$242,280	\$80.33	\$98.41	\$116.48	45%	10%
26	\$183,799	\$225,154	\$266,508	\$88.36	\$108.25	\$128.13	45%	10%
27	\$202,179	\$247,669	\$293,159	\$97.20	\$119.07	\$140.94	45%	10%

Overview of Pay Structures – Sworn Police

Town of Johnstown						
Proposed Step Plan for Sworn, Non-Exempt Police -						
Position						
Police Cadet Rate (Non-Sworn)	\$63,232 30.40					
Police Officer	<u>Entry</u> \$79,040 38.00	<u>Step 1</u> \$82,992 39.90	<u>Step 2</u> \$87,142 41.90	<u>Step 3</u> \$91,499 43.99	<u>Step 4</u> \$96,074 46.19	<u>Step 5</u> \$100,877 48.50
Police Sergeant	<u>Entry</u> \$105,921 50.92	<u>Step 1</u> \$111,217 53.47	<u>Step 2</u> \$116,778 56.14	<u>Step 3</u> \$122,617 58.95	<u>Step 4</u> \$128,748 61.90	<u>no step 5</u>
Detective	<u>Entry</u> \$80,038 38.48	<u>Step 1</u> \$83,990 40.38	<u>Step 2</u> \$88,140 42.38	<u>Step 3</u> \$92,497 44.47	<u>Step 4</u> \$97,072 46.67	<u>Step 5</u> \$101,876 48.98
Detective Sergeant	<u>Entry</u> \$106,920 51.40	<u>Step 1</u> \$112,216 53.95	<u>Step 2</u> \$117,776 56.62	<u>Step 3</u> \$123,615 59.43	<u>Step 4</u> \$129,746 62.38	<u>no step 5</u>

Financial Impact:

- The Town has done a good job of keeping pace with market rates in the past but the market has moved rapidly in the last few years
- There are 31 General Government employees with current pay rates below the minimum of the proposed pay ranges and most everyone else is within range but lower in the new range than their tenure and experience would suggest they should be
- The Town is working on specific increase adjustments for each employee based on individual experience to follow the guidance from Council to align with market average

Financial Impact

Project Conclusion:

- Provide a final written report that covers process, methodology, findings and recommendations
- Remain available for follow up questions that will arise during implementation

Project Conclusion

Implementation



Implementation:

- Graves Consulting recommends implementing the pay structures as presented
- If the pay structure is supported by Council, the financial impact will be reflected in the proposed FY 24 budget
- This will include both market adjustments and compression adjustments which keeps the entire system in line

Implementation

Town Manager:

- Typically, Town Manager pay is not included in the General Government pay structure as it is a unique employment relationship with Council
- We benchmarked Town Manager pay using the same defined market and would be happy to provide that data to the Council under separate cover
- Included in our data is base pay only, as provided to EC and CML; Many other forms of compensation may not be accounted for

Town Manager



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Sustainable People Focused Solutions