



City of Santa Fe
Frequently Asked Questions
Classification and Compensation Study

Q: *What is a classification and compensation study?*

A: A classification and compensation study is an investment an organization makes in its employees. The purpose is to ensure that jobs with comparable minimum qualifications, job responsibilities, supervisory expectations, working conditions and environments are grouped closely in a compensation plan; to ensure salary ranges are competitive within the identified market; and to equip the human resources team to consistently administer classification and compensation programs on an ongoing basis.

Q: *Why did the City decide to conduct a classification and compensation study?*

A: It is a best practice to regularly evaluate classification and compensation plans, pay structures, and how the organization compares to similar organizations. Jobs periodically change, and markets are dynamic, so comprehensive studies should be undertaken every 5-7 years. A classification and compensation study was also recommended in the McHard report.

Q: *What does the City hope to accomplish as a result of the study?*

A: There are several goals:

- A classification and compensation system that improves competitiveness for jobs previously below market while ensuring a higher return on investment of limited public personnel dollars,
- A system that enables HR staff to consistently and fairly evaluate changes to current positions and the addition of new positions to the City's compensation plan,
- To bring any employee below his or her pay grade to the minimum,
- To identify and alleviate compression problems within the City's existing workforce, in line with available financial resources,
- To consolidate the number of job titles in City government, ensuring a ratio that is consistent with the duties of Santa Fe's employees and industry standards,
- To develop job descriptions that are more reflective of the work being done by employees, and
- To work with all staff members on processes to ensure our system supports the delivery of quality services to our constituents.

Q: *What is the history of the City engaging in classification and compensation studies?*

A: The City has engaged in three classification and compensation studies since 2006, including this one. The previous two were not implemented. Understandably, this has created uncertainty among staff regarding what steps will be taken this time. However, the City is diligently evaluating the results and working towards implementation strategies.

Q: *Who was contracted to conduct the current study?*

A: Springsted Inc. of Saint Paul, MN.

Q: *Why was this company chosen?*

A: Springsted was chosen through a competitive bid process.

Q: *When did the study begin?*

A: The study began in mid-to-late October of 2017.

Q: *What is the total cost of the study?*

A: \$245,800 was budgeted, \$239,808.61 has been paid.

Q: *How much money was set aside to address any issues that the study might identify?*

A: There was no funding allocated to this project to address implementation. Implementing the study will require an ongoing and sustained commitment from leadership.

Q: *What organizations were chosen to compare to the City of Santa Fe?*

A: Albuquerque, Las Cruces, Rio Rancho, Denver (City and County), Farmington, Santa Fe County, State of New Mexico, Los Alamos County, Colorado Springs, and Phoenix.

Q: *How were these organizations chosen?*

A: These organizations were selected by the previous City leadership team. Competitive markets are based on characteristics including: who an organization has lost employees to or recruited employees from; similar population/population changes, demographics, service levels, budgets, median household incomes, home values, services provided, etc.

Q: *What was the participation rate of these organizations?*

A: Each organization provided data for the study. Not all organizations provided information for every position surveyed. From a statistical validity standpoint, Springsted analyzed the matches and included any job for which a minimum of three respondents was available.

Q: *Of the organizations surveyed, which ones do we lose employees to?*

A: Typically, employees leave the City of Santa Fe to work for the City of Albuquerque, City of Rio Rancho, State of New Mexico, County of Los Alamos, and County of Santa Fe.

Q: *How many and which classifications were studied?*

A: Previous City leadership worked with the consultant to determine the classifications that would be surveyed. For the job classifications evaluation, all jobs excluding sworn police and fire are included. Those positions already have a defined hierarchy due to their paramilitary structure. For the market competitiveness pay survey, benchmark jobs were selected based on a number of criteria: historical recruitment or retention challenges; a diverse listing of pay grades, exempt and non-exempt statuses, union and non-union jobs, single- and multiple-incumbent positions, supervisory and non-supervisory jobs, various departments and areas of responsibility.

134 classifications were surveyed. The remainder were studied using the Systematic Analysis and Factor Evaluation (SAFE) system of consideration.

Q: *What are the next steps?*

A: Next week, staff will present the report and recommendations for as an information-only agenda item at the December 12th City Council meeting. To implement, amend, or adjust the recommendations will require the Governing Body to consider:

- Allocation of the needed funding,
- A vote in favor of the reclassification plan, and
- Votes in favor of re-negotiated union contracts for the many City employees represented by one of the three unions.

Staff recommendations prioritize action based on two considerations: First, address pay competitiveness in the classifications where retention issues are the most pressing, including Police Officers, Lifeguards, Transit Operators, and IT staff. Then, move to address pay fairness across similar job classifications.

Using data from competitive markets and an independent review of the City's structure, this study gives us the tools we need to address pay fairness and establish a classification and compensation system that helps us attract and retain talent. It also shows that through budgeting and negotiation, reclassification, and active management and periodic evaluation of the classification and compensation system moving forward, our goals are within reach.

Q: *Is there an estimate of how much money the City will have to commit to implement the recommendations of the study?*

A: If the City decided to bring all employees below up to the minimum pay under the recommended structure, it would cost approximately \$1,500,000, or 0.45% of the City's \$335 million annual budget.

Q: *Why has it taken so long to get the results?*

A: Several factors have influenced the process. It took longer than expected to complete the position assessment questionnaires, which delayed the start of the study somewhat. Also, with a change in administration, new staff leadership took time to get up to speed on the project. With changes in employee compensation at the beginning of the current fiscal year, the new administration asked the consultant to include the updated salaries in the analysis.