Paypoint HR
Strategic Compensation Plans by Design

City of ODESSA
Perfectly Well Rounded

# Job Analysis and Compensation Study

## Presentation Outline

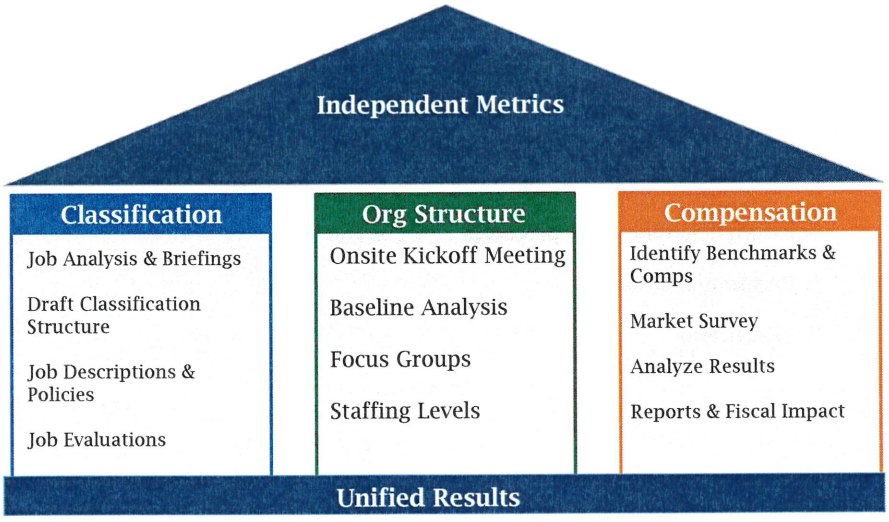
1. Project Approach
2. Comparators
3. Benefits
4. Compensable Factor Score
5. External Market – 50th percentile
6. Recommendations
7. Conclusion

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# 1. Project Approach

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## Project Approach



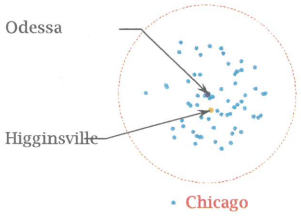

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# 2. Comparators

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**Comparator Selection Factors**

- Cost of Living Adjustment
- Labor Force Participation Rate
- Median Household Income
- Median Housing Price
- Unemployment Rate




**Respondents (19)**

| | | | |
|---|---|---|---|
| Blue Springs | Grain Valley | Grandview | Harrisonville |
| Higginsville | Independence | Jackson | Kansas City |
| Kearney | Kirkwood | Liberty | North Kansas City |
| Oak Grove | Platte City | Richmond | Riverside |
| Rolla | Sullivan | Trenton | |

6,951

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# 3. Benefit Summary

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## Benefit Analysis Key Findings

- **Overall Benefits:** Costs align with market averages.
- **Insurance:** Dental, vision, life, and disability coverage compare favorably.
- **Retirement:** LAGERS and 457(b) plans are competitive.
- **Paid Leave:** Holidays are competitive; vacation and sick leave are traditional.
- **Additional Benefits:** Wellness, assistance, and recognition programs add value.

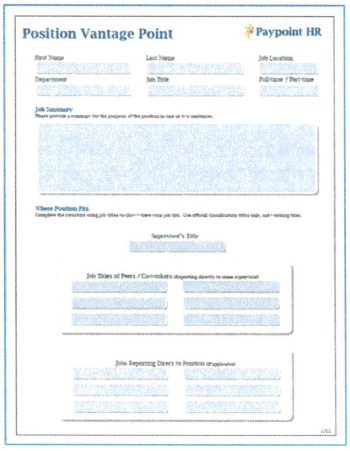
## Opportunities for Improvement

- **Medical Coverage:** Review premiums, out-of-pocket costs, and out-of-network coverage.
- **Leave Policies:** Evaluate accrual and carryover limits.
- **Flexibility:** Consider personal leave and compensatory time.

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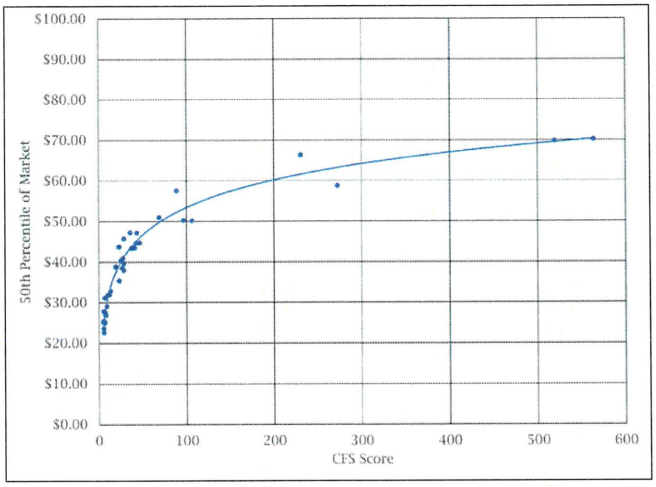
# 4. Compensable Factor Score

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Position Vantage Point (PVP) questionnaires document job responsibilities and support objective job evaluations and internal equity.

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Internal job evaluations show a 96% alignment with market salaries, demonstrating that the City's assessment of job value closely reflects external market compensation.

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## 5. External Market – 50th Percentile

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## Overall Market Position for City and Departments

- Each position was evaluated against the 50th percentile (market median) of comparable positions. The City's compensation target is to align salaries with the market median, where approximately half of comparator salaries fall above and half below the benchmark.

| Department | Market Position |
|---|---|
| Administration | 19.9% below market |
| Parks & Recreation | 16.5% below market |
| Police | 23.1% below market |
| Public Works | 13.4% below market |
| | |
| **Overall Market Position** | 17.1% below market |

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## 6. Recommendations

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## Salary Scale

- 22 grades and 7.5% between grades
- Min to Max: 50% spread
  -(45.9% market average)
- Minimum wage at $15.00

| Grade | Min | Mid | Max | Min | Mid | Max |
|---|---|---|---|---|---|---|
| 1 | $15.00 | $18.75 | $22.50 | $31,200 | $39,000 | $46,800 |
| 2 | $16.13 | $20.16 | $24.19 | $33,540 | $41,925 | $50,310 |
| 3 | $17.33 | $21.67 | $26.00 | $36,056 | $45,069 | $54,083 |
| 4 | $18.63 | $23.29 | $27.95 | $38,760 | $48,450 | $58,139 |
| 5 | $20.03 | $25.04 | $30.05 | $41,667 | $52,083 | $62,500 |
| 6 | $21.53 | $26.92 | $32.30 | $44,792 | $55,990 | $67,187 |
| 7 | $23.15 | $28.94 | $34.72 | $48,151 | $60,189 | $72,227 |
| 8 | $24.89 | $31.11 | $37.33 | $51,762 | $64,703 | $77,643 |
| 9 | $26.75 | $33.44 | $40.13 | $55,645 | $69,556 | $83,467 |
| 10 | $28.76 | $35.95 | $43.14 | $59,818 | $74,772 | $89,727 |
| 11 | $30.92 | $38.64 | $46.37 | $64,304 | $80,380 | $96,456 |
| 12 | $33.23 | $41.54 | $49.85 | $69,127 | $86,409 | $103,690 |
| 13 | $35.73 | $44.66 | $53.59 | $74,312 | $92,889 | $111,467 |
| 14 | $38.41 | $48.01 | $57.61 | $79,885 | $99,856 | $119,827 |
| 15 | $41.29 | $51.61 | $61.93 | $85,876 | $107,345 | $128,814 |
| 16 | $44.38 | $55.48 | $66.57 | $92,317 | $115,396 | $138,475 |
| 17 | $47.71 | $59.64 | $71.57 | $99,241 | $124,051 | $148,861 |
| 18 | $51.29 | $64.11 | $76.94 | $106,684 | $133,355 | $160,026 |
| 19 | $55.14 | $68.92 | $82.71 | $114,685 | $143,356 | $172,028 |
| 20 | $59.27 | $74.09 | $88.91 | $123,286 | $154,108 | $184,930 |
| 21 | $63.72 | $79.65 | $95.58 | $132,533 | $165,666 | $198,799 |
| 22 | $68.50 | $85.62 | $102.74 | $142,473 | $178,091 | $213,709 |

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## Position Placement

- Using the 50th percentile of external market data as a baseline, job titles were assigned to pay grades that balance market competitiveness and internal equity.
- Job title grade assignments were informed by objective job evaluations considering Odessa's organizational priorities, employee input documented in Position Vantage Point (PVP) questionnaires, and management validation of job responsibilities and required knowledge, skills, and abilities.
- Individual employee placement within pay grades was based on years of service in the position to recognize tenure.

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## Salary Recommendations – 50th Percentile (Estimate)

Three implementation options balance market competitiveness, internal equity, and fiscal responsibility. All achieve the study recommendations, with costs spread over one or two years.

| Option | Year 1 % | Year 2 % | Year 1 Adjustment Cost | Year 2 Adjustment Cost | Total Annual Adjustment |
|---|---|---|---|---|---|
| Full | 100% | 0% | $285,939 | $0 | $285,939 |
| Accelerated | 75% | 25% | $214,454 | $71,723 | $285,939 |
| Phased | 50% | 50% | $142,969 | $143,446 | $285,939 |

**Important:** Percentages reflect the salary adjustments implemented each year. Year 2 costs are added to the ongoing Year 1 costs. COLAs are not included.

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## Implementation Considerations

- **Employer Benefit Costs:** Add 37.5% to the proposed salary increases to account for employer benefit costs when calculating total fiscal impact.
- **Year 1:** Prioritize market-based salary adjustments under any of the three implementation options, without additional COLAs.
- **Year 2 and Beyond:** Consider annual COLAs alongside any remaining phased salary adjustments to maintain market competitiveness.

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# 7. Conclusion

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| MARKET COMPETITIVENESS | INTERNAL EQUITY |
|---|---|
| City compensation averages 17.1% below the market median, with varying gaps across departments. | Objective job evaluations establish a consistent, internally equitable classification structure. |
| **BENEFITS** | **IMPLEMENTATION** |
| Overall benefits are competitive, with opportunities to improve medical affordability and leave flexibility. | Three implementation options balance market competitiveness with fiscal responsibility. |

**Moving Forward**

- Select an implementation strategy based on available resources.
- Conduct periodic compensation reviews and adjust pay structures to maintain market competitiveness.

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