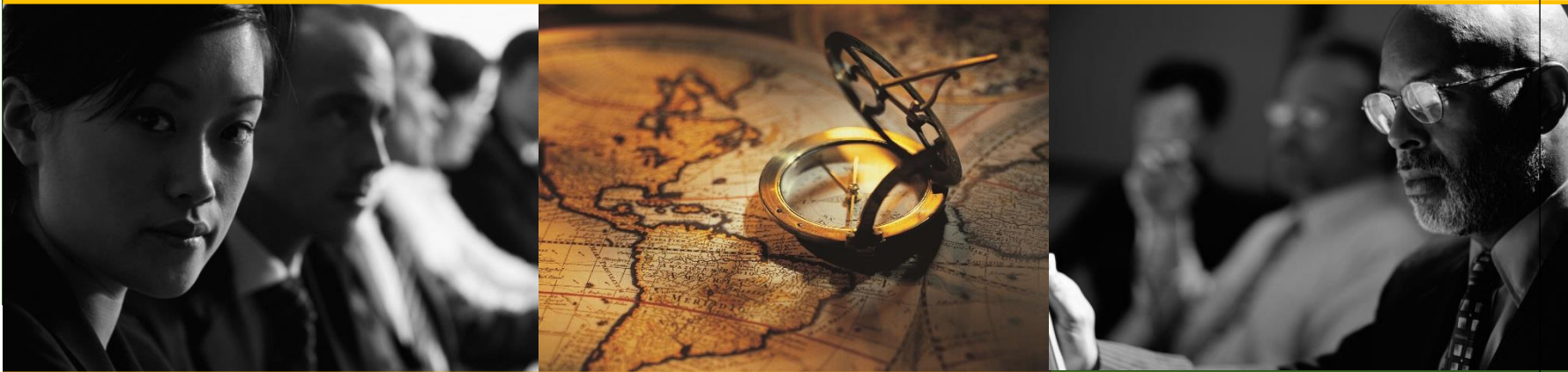


City of Santa Fe, NM Compensation and Classification Study Presentation of Results



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Overview

- Study Goals
- Project Phases
- Employee Meetings
- Current System Findings
- Market Results
- Recommendations
- Implementation Costs

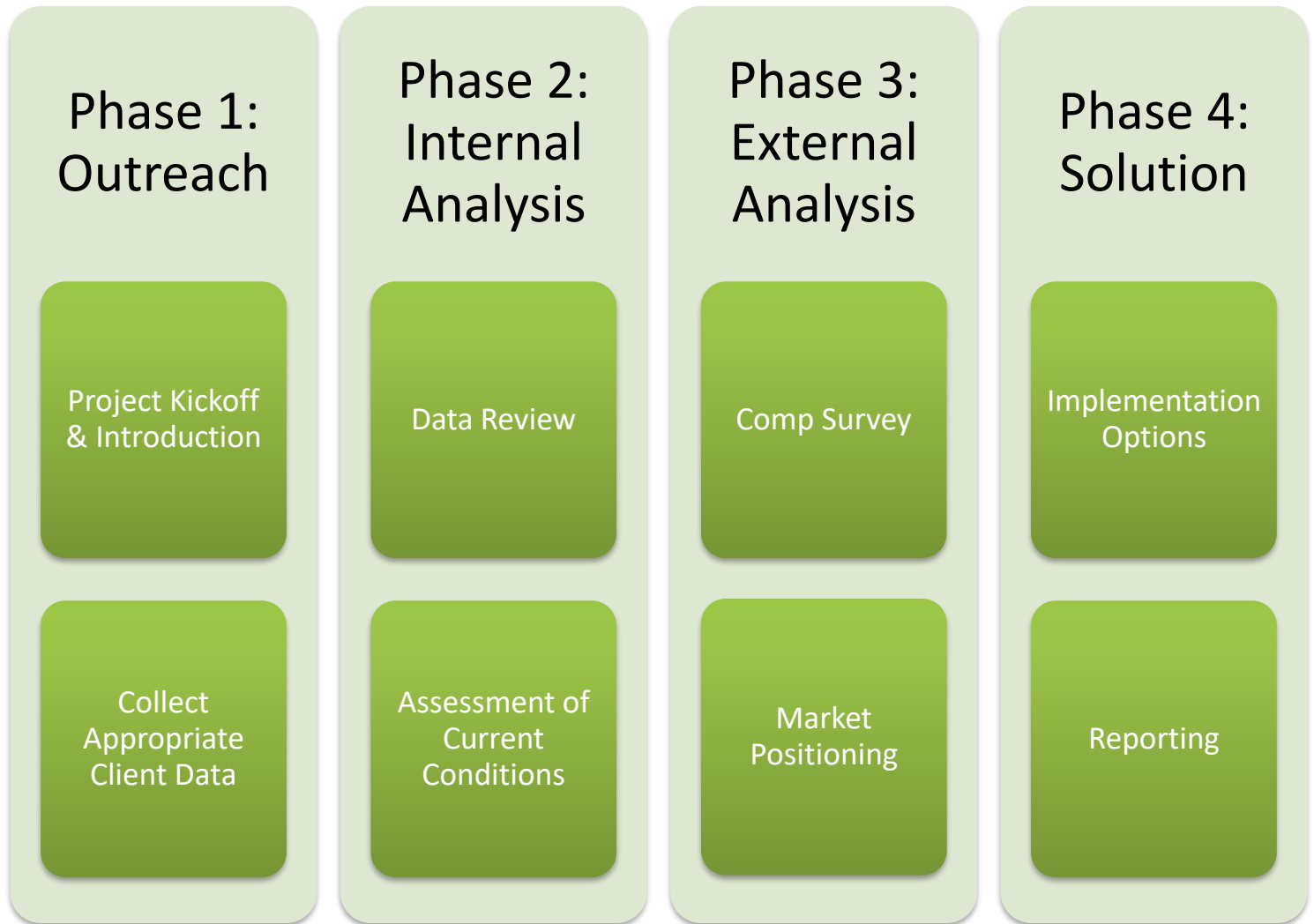


Study Goals

- Review current compensation system to ensure internal equity.
- Survey peer organizations to ensure external equity.
- Produce recommendations to provide the organization with a compensation system that is equitable, both internally and externally.



Project Phases



Outreach

Employee Information Sessions

- **Purpose** – To provide employees with the steps that will be taken throughout the course of the study.
 - Meetings were scheduled with employees, elected officials, and Union leadership

Leadership Meetings

- **Internal Equity** – There was some concern that pay grades were compressed.
- **Career Progression** – It was mentioned that there is not a clear career progression for many positions.



Current System Findings

- **Strength:**

- A positive linear relationship exists between tenure and pay grade penetration.
- Employees are equitably progressing through the pay ranges, based on years in their current classification.

- **Weakness:**

- Range spread and midpoint progression are inconsistent across the pay plans.
- While compression is not significant between employees and supervisors, there are still some employees making more than 95 percent of their supervisor's salary.



Market Targets

- Salary survey resulted in responses from sixteen peers.
- All responses are adjusted for cost-of-living differentials.
- 126 positions were benchmarked and compared directly to the market. The average response rate was 9.0 matches per position.

Respondent Organizations

Albuquerque, NM
Austin, TX
Boulder, CO
Flagstaff, AZ
Las Cruces, NM
Odessa, TX
Provo, UT
Reno, NV
Rio Rancho, NM
Salt Lake City, UT
Santa Fe County, NM
Bernalillo County, NM
Sandoval County, NM
State of NM
Los Alamos County, NM
Albuquerque Bernalillo County Water Utility Authority



Market Results

Unadjusted Results (no cost-of-living adjustment)			Adjusted Results (cost-of-living adjusted)		
Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
-22.0%	-20.2%	-18.0%	-23.2%	-21.3%	-18.9%

- A negative differential indicates the City is behind at that market position on average.
- The results display a market average for salary ranges.
 - This does not indicate the percent in which individual employee salaries are above or below the market.



Key Recommendations

1. Adopt an adjusted pay plan with market-responsive ranges. Evergreen has recommended three new pay plans for General, Police and Fire employees.
2. Reassign pay grades to positions based on internal equity and the market results. Some positions will see larger adjustments than others due to the market response.
3. Place employees within their newly recommended pay grades. Select an implementation methodology that aligns with the compensation philosophy and financial means of the City.



Implementation Option

Total Implementation Option	Total Salary-Only Cost	Number of Employees Adjusted	Average Adjustment for Impacted Employees	% of Payroll	Total Compensation Cost
Hybrid Parity	\$ 5,203,565.27	743	\$ 7,003.45	6.6%	\$ 7,027,949.42

Hybrid Parity – gives a “projected salary” based primarily on an employee’s time in their current classification and accounts for their tenure with the City (a hybrid of the two). If an employee is below the hybrid salary, they receive an adjustment.

- The implementation methodology was based on specific factors that are in compliance with the NMFPW Act.
- Evergreen only recommended adjustments within ranges based on “seniority” within the City and within an employees’ current classification. No salaries were recommended to decrease.
- Costs shown are for a single year implementation. It is common for local governments to implement over a 1-3 year period. Legal compliance and financial affordability will need to be evaluated by the City over time for any multi-year implementation. Evergreen is available to assist as needed.



Thank you

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