

MINUTES OF THE PEORIA CITY COUNCIL
CITY OF PEORIA, ARIZONA
PINE ROOM, CITY HALL
FEBRUARY 19, 2008

A **Study Session Meeting** of the City Council of the City of Peoria, Arizona was convened at 8401 West Monroe Street in open and public session at 4:02 p.m.

Members Present: Mayor Bob Barrett; Vice Mayor Cathy Carlat; Councilmembers Ron Aames, Joan Evans, Vicki Hunt, Carlo Leone and Dave Pearson.

Members Absent: None

Other Municipal Officials Present: Terrence Ellis, City Manager; Carl Swenson, Deputy City Manager; Susan Thorpe, Deputy City Manager; John Wenderski, Deputy City Manager; Steve Kemp, City Attorney; Mary Jo Kief, City Clerk; Stephen Bontrager, J.P. de la Montaigne, Greg Eckman, Brent Mattingly, Bill Mattingly, Bob McKibben, Grady Miller, Dave Moody, Steve Prokopek, Larry Ratcliff, John Schell, Sandy Teetsel, Jeff Tyne, Glen Van Nimwegen, James Mason and Gina Soria.

Audience: Approximately 25 members of the public were present.

Subject for Discussion only:

1. Classification and Compensation Study Recommendations

Susan Thorpe, Deputy City Manager, explained that Waters Consulting Group, Inc. (WCG) was contracted by the City to conduct a classification and compensation study for all professional, supervisory, confidential, and management positions. Additionally, WCG conducted a benefits survey among market competitors and a performance management system to replace the current performance appraisal process for these positions. Ms. Thorpe noted the study goal is to be internally fair, externally competitive, and compliant with state law.

Ms. Ruth Ann Eledge, Project Manager for Waters Consulting Group, Inc., discussed the project deliverables, including: an analysis of job classifications with an updated classification system, a point factor job evaluation system, customized salary and benefits survey, market based pay structure, competency based performance management system with formal training, and a final report with guidelines and formal recommendations for implementation.

Ms. Eledge discussed the job analysis completed. She reported on the review of classifications, including: job relationships and grouping, collapsing and/or splitting of jobs, and updated job descriptions. Ms. Eledge noted updated job descriptions should be available to employees in four-to-six weeks. Discussion ensued on the point factor

job evaluation, which is a system that compliments and co-exists with a market approach to structure development. Ms. Eledge reported there is no market data for unique jobs, thus they are grouped with similar jobs. She commented on job content and requirements and highlighted compensable factors, such as experience, technical skills, and education.

Discussion ensued on market comparisons. Ms. Eledge highlighted the benchmarks and key factors for the market survey.

Ms. Eledge reported on salary structure. She suggested reducing the number of pay grades, which will be efficient in placing employees and allow opportunities to promote or move through ranges. Discussion ensued on structure development. Market average actual salaries are used to determine the midpoint target and the placement of positions is based on internal evaluation and market data. Ms. Eledge highlighted the structure development in a graphical representation. She noted only 16 employees currently fall beneath the proposed pay ranges.

Ms. Eledge discussed the implementation process and commented there will be limited salary adjustments. She reported on the system for establishing starting salaries, pay increases, and movement in pay structures.

Ms. Eledge discussed benefits, highlighting enhancements for medical, vacation, and sick leave.

Discussion ensued on the performance management system. Ms. Eledge noted competencies were identified for each job based on job content and jobs were divided into eight families based on employee questionnaires. She highlighted management training to support the delivery of the performance system implementation.

Ms. Eledge discussed the implementation process, which will become effective June 28, 2008.

Ms. Thorpe reported that tonight's presentation will be shown to all employees and Human Resources will work on an implementation schedule for the project deliverables.

Vice Mayor Carlat inquired on the reduction of pay grades and the grouping of job families. Ms. Eledge responded that similar organizations have an average of 12-14 pay grades and jobs that had small differentials were grouped so as to align them with similar market value.

In response to questions from Council, Greg Eckman, Human Resources Director, reported no employee will receive a pay decrease and several employees that are

currently at their max pay will benefit from the new pay structures as it will allow opportunities for pay increases.

In response to Councilmember Evans, Ms. Thorpe noted that the budget will be the same allocation, but the deployment will be transformed from a step system to a percent range based on performance.

Mayor Barrett commented that it is important for employees to fully understand any changes and that staff is properly trained on the new performance system.

Adjournment:

Being no further business to come before the Council, the meeting was duly adjourned at 5:00 p.m.

Bob Barrett, Mayor

ATTEST:

Mary Jo Kief, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session Meeting of the City Council of Peoria, Arizona held on the 19th day of February, 2008. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 15th day of April, 2008.

(Seal)

Mary Jo Kief, City Clerk