

# TOWN Of PARADISE VALLEY



---

## STAFF REPORT

---

**TO:** Mayor Stanton and Town Councilmembers

**FROM:** Andrew Ching, Town Manager  
Gina Monger, Human Resources Director

**DATE:** March 26, 2026

**DEPARTMENT:** Town Manager (Human Resources)

**STAFF CONTACT:** Gina Monger, [gmonger@paradisevalleyaz.gov](mailto:gmonger@paradisevalleyaz.gov), 480-348-3542

**AGENDA TITLE:** **FY2026 Compensation and Classification Study Update**

### RECOMMENDATION

The information being presented is to provide Council with the results, including recommendations, from the compensation and classification study for all Town positions. The Town is seeking consensus from Council to move forward with implementation of the recommendations from the study.

### SUMMARY STATEMENT

**Overview:** Council has provided direction to the Town administration through the *Employee Handbook* to strive to offer competitive wages and salaries to recruit and retain highly qualified employees through consideration of market conditions, competing employers, and internal equity. Council further advised that classification studies are an effective tool to review the classification plan, which includes compensation for each classification on a periodic basis.

**Town History:** The last compensation and classification study was conducted in FY2022 and was primarily dedicated to sworn and dispatcher positions. As a result of this study, Council approved sworn and dispatch 11-step placement-in-range (PIR) pay scales to address market conditions at the time. This action was paid through contingency funds in FY2022 by Resolution 2022-10, ahead of upcoming FY2023. Additionally, in FY2025, Council approved to reduce the PIR from 11 to 7 steps for sworn and dispatch personnel.

Prior to the FY2022 study, the most recent compensation and classification study that included all positions was conducted in 2007.

**Town Turnover:** Upon review of the Town's turnover over the previous 5 calendar years, the total turnover was 72 employees. Of those 72 employees, 19 (26%) left the Town for other employment (7 sworn and 12 non-sworn). It is also noted that 17 of the 19 employees who resigned to accept other employment had less than 5 years of service with the Town; with 13 of those 17 having less than 3 years of service.

**Town Actions:** The Town has worked diligently to address internal and external factors that affect recruitment and retention. Since 2023, 19 positions have been reclassified to address job duties and/or

market comparisons. Of these 19 position reclassifications, 17 were non-supervisory positions. Additionally, 24 salary adjustments have been made to address internal equity between classifications and qualifying experience of new hires and incumbents.

**Council Action:** Council approved \$20,000 in the FY2026 budget to conduct a comprehensive compensation and classification study, through a professional consultant, to assess the Town's workforce market competitiveness, to attract and retain exceptional employees.

**Professional Services Consultant:** The Town contracted with *Public Sector Personnel Consultants* (PSPC) to conduct the study of the compensation and classification data and analyses of over 60 positions and approximately 121 employees as they compare to the Town's designated market comparator cities: Chandler, Gilbert, Glendale, Mesa, Peoria, Scottsdale, and Tempe. These cities have historically been the Town's comparators because of their geographic proximity to the Town and applicant pools overlap across these areas.

**Study Results:** The results of the study revealed that prior efforts by Council and the Town to be/remain competitive have had a positive impact. Overall, the Town is on average 6.5% behind the prevailing market, though the director-level positions are further behind market. However, when benefits are factored in, this deficit drops to an overall average of 3.0% behind market. Therefore, these results propose that the Town should focus its resources on salaries to achieve market competitiveness and consequently impact recruitment and retention of *new* employees (based on turnover data noted above).

The results also demonstrate that the Town's compensation policies to maintain equity and compensate employees for qualifying experience have positively impacted individual employees, despite the Town as a whole being behind market. Simply stated, though the Town is being behind market at the position level, most employees are being compensated at the appropriate rate within their respective pay ranges, based on market data.

### **RECOMMENDED ACTIONS**

1. Provide a 3% market adjustment to all position ranges and all employees within the ranges to reach market parity.
2. Except for director-level positions, adjust all positions to 100% of the market rate; and adjust director-level positions to within 10% of the market.
3. Address any compression between positions.
4. Adjust individual employee salaries that are below market of new ranges.
5. Advance employees through (new) ranges to reach the midpoint in 5 years.

### **BUDGET IMPACTS**

The proposed 3% market adjustment for all employees, to fully implement the study recommendations, is approximately \$450,000. This includes any additional employer paid benefit costs as a result of the salary changes. There is no cost to adjust the salary ranges of positions to 100% of market rate or address any compression issues, unless individual employees' salaries fall below the bottom of the new position pay range. Our projection is that the total cost to bring any affected employees up to the bottom of their new pay range would be approximately \$20,000, proposed to be funded in the FY2026-2027 budget.

### **ATTACHMENTS:**

- A. Staff Report: FY2026 Compensation and Classification Study Update
- B. Presentation: Public Sector Personnel Services