

CITY COUNCIL REPORT



Meeting Date: August 22, 2022
General Plan Element: *Public Services & Facilities*
General Plan Goal: *Provide a safe environment for all citizens, visitors and private interests*

ACTION

Adopt Resolution No. 12577 authorizing:

- 1) Adoption and implementation of a pay step system for all sworn employees of the Scottsdale Police Department, which are Officers, Sergeants, Lieutenants, Commanders, Assistant Chiefs and Chief, effective September 11, 2022.
- 2) Amending the FY 2022/2023 Job Classification Pay Table to reflect the step pay system for all sworn employees.
- 3) A budget transfer of up to \$2.5 million from the PSPRS Pension Liabilities Fund Balance Designation to the Police Division Operating budget.

BACKGROUND

Law enforcement agencies across the country are experiencing an increase in the number of early retirements and resignations. Simultaneously there is a decrease in the quantity and quality of the applicant pool that is directly affecting the ability to fill vacancies and keep up with attrition rates. There are many variables that can be attributed to this phenomenon however the impact directly reflects the current trend in significant vacancies in most police departments. As this applicant pool diminishes, municipalities are evaluating and adopting strategies to retain existing employees and attract new candidates.

The Scottsdale Police Department has experienced this trend and currently has over 30 Police Officer vacancies and continues to experience a steady increase in attrition. Some of this attrition is attributed to officers leaving to neighboring police departments that are offering increased pay and benefits. It is costly to train new police officers and after becoming trained state certified officers, they are marketable, mobile, and highly recruited by other agencies. Having a competitive pay and benefits structure for sworn personnel will give the City an opportunity to retain these employees.

ANALYSIS & ASSESSMENT

Over the last year, the Police Department has seen an increase in employees retiring either upon their retirement eligibility date (20 years of service) or resigning prior to retirement eligibility date. In FY 21/22, 19 of 40 (47%) Scottsdale police officers resigned prior to 4 years of service, 5 (12%) resigned with 4-7 years of service, and 14 (35%) retired. In FY 20/21, 33% left prior to 4 years of service and FY 19/20, 31% left prior to 4 years of service.

The Department has also recently lost several police officers to employment opportunities with other local Valley agencies that offer competitive salary structures and recruitment incentives. It is also an opportunity for more affordable housing often closer to home and less travel distance. This movement is more pronounced with officers that have between 1 and 4 years of service.

A review and analysis of pay and classification structures for other cities was conducted to assess our standing with other cities related to pay. This review indicated that most police departments have adopted a separate classification and compensation plan for sworn officers as well as a step program approach to pay. This proposal is intended to position the City in a more favorable and comparable competitive position among Valley agencies.

The adoption of this resolution will implement a separate pay table for police sworn positions along with a new pay step program for all sworn employees (see attached document with specifics of the new proposed pay range and step table). The effective date for implementation is September 11, 2022.

The following assumptions were included:

- Increasing SPD Police Officer entry-level pay by \$1.70 per hour (\$32.10) placing Scottsdale's pay between Phoenix (\$34.99) and Tempe (\$32.04).
- Increases for each step vary to ensure placement of all steps between Phoenix and Tempe. For example, the step 5 pay increase is \$0.73 placing SPD step 5 officers at \$40.97 per hour, between the equivalent Phoenix officer (\$44.13) and the Tempe officer (\$38.14).
- Creating an 8-step pay table for Police Officers, a 6-step pay table for Sergeants, and 4-step pay table for Lieutenants, and a 3-step pay table for Commanders, Assistant Chiefs, and Chief of Police.
- Step increments are 5% compounding for each step.
- Adjusting pay scales to a non-overlapping scale by rank with 5% gap between each rank.
- Future progression through the step program will be based on the employee's job classification anniversary date.

Additionally, consistent with other Valley cities and as allowed under the Fair Labor Standards Act (FLSA), Lieutenants are being classified from non-exempt to exempt under the FLSA. Lieutenants will be incorporated into the exempt overtime list and will be eligible for straight time as approved.

FINANCIAL IMPACT

The implementation of a step pay system for all sworn employees in the Scottsdale Police Department will result in increased personnel costs estimated at \$3.5 million for the remainder of FY 2022/23. The increase will be covered by a combination of salary savings and managed overtime (up to \$1.0 million), and the use of the reserves set aside in the General Fund for paying down the PSPRS pension liability. Future financial impacts will be funded by realigning priorities through the budget development process.

STAFF RECOMMENDATION

Adopt Resolution No. 12577 authorizing:

- 1) Adoption and implementation of a pay step system for all sworn employees of the Scottsdale Police Department, which are Officers, Sergeants, Lieutenants, Commanders, Assistant Chiefs and Chief, effective September 11, 2022.
- 2) Amending the FY 2022/2023 Job Classification Pay Table to reflect the step pay system for all sworn employees.
- 3) A budget transfer of up to \$2.5 million from the PSPRS Pension Liabilities Fund Balance Designation to the Police Division Operating budget.

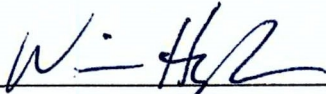
RESPONSIBLE DEPARTMENT(S)

Human Resources, Police Department, City Treasurer


STAFF CONTACTS (S)

Jim Thompson, City Manager

APPROVED BY



William Hylen, Interim Human Resources Exec. Director Date
480-312-2615, whylen@ScottsdaleAZ.gov 8/16/2022



Sonia Andrews, City Treasurer Date
480-312-2364, sandrews@ScottsdaleAZ.gov 8/16/2022



Jim Thompson, City Manager Date
480-312-2800, jthompson@ScottsdaleAZ.gov 8/16/2022

ATTACHMENTS

1. Resolution No. 12577
Exhibit A: Police Step Range and Pay Table

RESOLUTION NO. 12577

A RESOLUTION OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING ADOPTION AND IMPLEMENTATION OF A PAY STEP SYSTEM FOR ALL SWORN EMPLOYEES OF THE SCOTTSDALE POLICE DEPARTMENT EFFECTIVE SEPTEMBER 11, 2022, AMENDING THE FY 2022/23 JOB CLASSIFICATION PAY TABLE TO REFLECT THE STEP PAY SYSTEM, AND AUTHORIZING A BUDGET TRANSFER OF UP TO \$2.5 MILLION FROM THE PSPRS PENSION LIABILITIES FUND BALANCE DESIGNATION TO THE POLICE DIVISION OPERATING BUDGET.

WHEREAS, consistent with local and national trends, the Scottsdale Police Department has experienced, a steady increase in attrition;

WHEREAS, some of the attrition is due to sworn employees leaving for positions in neighboring police departments that are offering increased pay and benefits; and

WHEREAS, having a more competitive pay structure for personnel will give the City an opportunity to retain more sworn personnel.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Scottsdale, Maricopa County, Arizona, as follows:

Section 1. Adoption and implementation of a pay step system for all sworn employees of the Scottsdale Police Department, which are Officers, Sergeants, Lieutenants, Commanders, Assistant Chiefs and Chief, effective September 11, 2022, is authorized.

Section 2. The amended FY 2022/23 Job Classification Pay Table attached to this Resolution as Exhibit "A" that reflects the step pay system for all sworn employees is approved.

Section 3. A budget transfer of up to \$2.5 million from the PSPRS Pension Liabilities Fund Balance Designation to the Police Division Operating budget is authorized.

PASSED AND ADOPTED by the City Council of the City of Scottsdale this ____ day of _____, 2022.

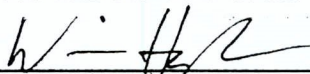
CITY OF SCOTTSDALE, an
Arizona municipal corporation

ATTEST:

Ben Lane, City Clerk

David D. Ortega, Mayor

APPROVED AS TO FORM:



Sherry R. Scott, City Attorney

By: William Hylan
Senior Assistant City Attorney



Pay Range Table

Effective: 06/19/2022 to 06/17/2023

F = Fire; C = Council; M = Mayor

Salary Range	Hourly			Annual Hours	Annual		
	Minimum	Midpoint	Maximum		Minimum	Midpoint	Maximum
0	0.00	0.00	0.00	2080	0.00	0.00	0.00
F0	0.00	0.00	0.00	2912	0.00	0.00	0.00
2	13.55	16.41	19.27	2080	28,184.00	34,132.80	40,081.60
3	13.91	17.07	20.23	2080	28,932.80	35,505.60	42,078.40
4	14.62	17.94	21.25	2080	30,409.60	37,315.20	44,200.00
5	15.35	18.83	22.32	2080	31,928.00	39,166.40	46,425.60
6	16.12	19.77	23.43	2080	33,529.60	41,121.60	48,734.40
7	16.93	20.76	24.60	2080	35,214.40	43,180.80	51,168.00
8	17.78	21.81	25.83	2080	36,982.40	45,364.80	53,726.40
9	18.66	22.89	27.13	2080	38,812.80	47,611.20	56,430.40
10	19.59	24.03	28.48	2080	40,747.20	49,982.40	59,238.40
11	20.57	25.23	29.90	2080	42,785.60	52,478.40	62,192.00
12	21.59	26.49	31.40	2080	44,907.20	55,099.20	65,312.00
13	22.68	27.81	32.97	2080	47,174.40	57,844.80	68,577.60
14	23.80	29.21	34.61	2080	49,504.00	60,756.80	71,988.80
15	25.00	30.66	36.35	2080	52,000.00	63,772.80	75,608.00
F15	17.86	21.90	25.96	2912	52,000.00	63,772.80	75,608.00
16	26.25	32.20	38.16	2080	54,600.00	66,976.00	79,372.80
17	27.55	33.82	40.07	2080	57,304.00	70,345.60	83,345.60
18	28.94	35.50	42.08	2080	60,195.20	73,840.00	87,526.40
19	30.40	37.28	44.18	2080	63,232.00	77,542.40	91,894.40
20	31.90	39.14	46.40	2080	66,352.00	81,411.20	96,512.00
F20	22.79	27.96	33.14	2912	66,352.00	81,411.20	96,512.00
21	33.51	41.11	48.71	2080	69,700.80	85,508.80	101,316.80
22	35.18	43.16	51.15	2080	73,174.40	89,772.80	106,392.00
F22	25.13	30.83	36.54	2912	73,174.40	89,772.80	106,392.00
23	36.93	45.32	53.70	2080	76,814.40	94,265.60	111,696.00
24	38.78	47.58	56.37	2080	80,662.40	98,966.40	117,249.60
25	40.72	49.96	59.20	2080	84,697.60	103,916.80	123,136.00
26	42.75	52.46	62.17	2080	88,920.00	109,116.80	129,313.60
27	44.89	55.08	65.28	2080	93,371.20	114,566.40	135,782.40
F27	32.06	39.34	46.63	2912	93,371.20	114,566.40	135,782.40
28	47.13	57.83	68.53	2080	98,030.40	120,286.40	142,542.40
F28	33.66	41.31	48.95	2912	98,030.40	120,286.40	142,542.40
29	49.50	60.72	71.97	2080	102,960.00	126,297.60	149,697.60
30	51.96	63.77	75.56	2080	108,076.80	132,641.60	157,164.80
F30	37.11	45.55	53.97	2912	108,076.80	132,641.60	157,164.80
31	54.57	66.95	79.33	2080	113,505.60	139,256.00	165,006.40
32	57.30	70.30	83.32	2080	119,184.00	146,224.00	173,305.60



Pay Range Table

Effective: 06/19/2022 to 06/17/2023

F = Fire; C = Council; M = Mayor

Salary Range	Hourly			Annual Hours	Annual		
	Minimum	Midpoint	Maximum		Minimum	Midpoint	Maximum
33	60.15	73.82	87.47	2080	125,112.00	153,545.60	181,937.60
34	63.17	77.51	91.84	2080	131,393.60	161,220.80	191,027.20
35	66.33	81.39	96.43	2080	137,966.40	169,291.20	200,574.40
36	69.63	85.45	101.25	2080	144,830.40	177,736.00	210,600.00
37	73.12	89.72	106.32	2080	152,089.60	186,617.60	221,145.60
38	76.78	94.20	111.63	2080	159,702.40	195,936.00	232,190.40
40	84.65	103.87	123.08	2080	176,072.00	216,049.60	256,006.40
41	88.88	109.07	129.23	2080	184,870.40	226,865.60	268,798.40
42	93.32	114.52	135.68	2080	194,105.60	238,201.60	282,214.40
46	113.44	139.19	164.93	2080	235,955.20	289,515.20	343,054.40
48	125.07	153.46	181.84	2080	260,145.60	319,196.80	378,227.20
C0	13.85	13.85	13.85	1300	18,000.00	18,000.00	18,000.00
C1	25.60	25.60	25.60	1300	33,280.00	33,280.00	33,280.00
M1	42.08	42.08	42.08	1300	54,704.00	54,704.00	54,704.00

Police Step Table



Police Officer	Step	Hourly	Annual	Annual Hours
P = Police Officer	P0	32.10	66,768.00	2080
	P1	33.71	70,116.80	2080
	P2	35.39	73,611.20	2080
	P3	37.16	77,292.80	2080
	P4	39.02	81,161.60	2080
	P5	40.97	85,217.60	2080
	P6	43.02	89,481.60	2080
	P7	45.17	93,953.60	2080

Police Sergeant	Step	Hourly	Annual	Annual Hours
PS = Police Sergeant	PS0	47.43	98,654.40	2080
	PS1	49.80	103,584.00	2080
	PS2	52.29	108,763.20	2080
	PS3	54.90	114,192.00	2080
	PS4	57.65	119,912.00	2080
	PS5	60.53	125,902.40	2080

Police Lieutenant	Step	Hourly	Annual	Annual Hours
PL = Police Lieutenant	PL0	63.56	132,204.80	2080
	PL1	66.73	138,798.40	2080
	PL2	70.07	145,745.60	2080
	PL3	73.57	153,025.60	2080

Police Commander	Step	Hourly	Annual	Annual Hours
PC = Police Commander	PC0	77.25	160,680.00	2080
	PC1	81.11	168,708.80	2080
	PC2	85.17	177,153.60	2080

Police Chief Assistant	Step	Hourly	Annual	Annual Hours
PCA = Police Chief Assistant	PCA0	89.42	185,993.60	2080
	PCA1	93.90	195,312.00	2080
	PCA2	98.59	205,067.20	2080

Police Chief	Step	Hourly	Annual	Annual Hours
PCH = Police Chief	PCH0	103.52	215,321.60	2080
	PCH1	108.70	226,096.00	2080
	PCH2	114.13	237,390.40	2080