

SCOTTSDALE CITY COUNCIL  
WORK STUDY SESSION MINUTES  
TUESDAY, FEBRUARY 10, 2015



CITY HALL KIVA  
3939 N. DRINKWATER BOULEVARD  
SCOTTSDALE, AZ 85251

### CALL TO ORDER

Mayor W.J. "Jim" Lane called to order a Work Study Session of the Scottsdale City Council at 5:06 P.M. on Tuesday, February 10, 2015 in the City Hall Kiva.

### ROLL CALL

Present: Mayor W.J. "Jim" Lane  
Vice Mayor Linda Milhaven (participated telephonically)  
Councilmembers Suzanne Klapp, Virginia L. Korte, Kathy S. Littlefield,  
Guy Phillips, and David N. Smith

Also Present: City Manager Fritz Behring  
City Attorney Bruce Washburn  
City Treasurer Jeff Nichols  
City Auditor Sharron Walker  
City Clerk Carolyn Jagger

### MAYOR'S REPORT

Mayor Lane requested a moment of silence to remember Kayla Mueller.

Mayor Lane invited the public to attend the Parada del Sol and Trails End activities on Saturday, February 14, 2015.

### PUBLIC COMMENT – None

#### 1. Police Officer Compensation Issues

**Request:** Presentation, discussion, and possible direction to staff regarding the police officer compensation study and proposals to be included in the proposed FY 2015/16 operating budget.

**Presenter(s):** Brent Stockwell, Strategic Initiatives Director

**Staff Contact(s):** Fritz Behring, City Manager, 480-312-2800, [fbehring@scottsdaleaz.gov](mailto:fbehring@scottsdaleaz.gov)

**NOTE:** MINUTES OF CITY COUNCIL MEETINGS AND WORK STUDY SESSIONS ARE PREPARED IN ACCORDANCE WITH THE PROVISIONS OF ARIZONA REVISED STATUTES. THESE MINUTES ARE INTENDED TO BE AN ACCURATE REFLECTION OF ACTION TAKEN AND DIRECTION GIVEN BY THE CITY COUNCIL AND ARE NOT VERBATIM TRANSCRIPTS. DIGITAL RECORDINGS AND CLOSED CAPTION TRANSCRIPTS OF SCOTTSDALE CITY COUNCIL MEETINGS ARE AVAILABLE ONLINE AND ARE ON FILE IN THE CITY CLERK'S OFFICE.

Strategic Initiatives Director Brent Stockwell gave a PowerPoint presentation (attached) on the City's police officer compensation study.

Fraternal Order of the Police Lodge 185 Representative, Ryan McKinnon, commented on the information that was presented and Scottsdale Police Officers' salaries compared to the market. He encouraged the Council to match the market to keep Scottsdale competitive.

The Council gave general direction to staff to: (1) Return with the cost, source of funding, and budgetary impact associated with a 3.5 to 5 percent step program for Scottsdale Police Officers, including options for tying the step program to performance; and (2) a draft financial policy directing the City Manager to budget funds for Police Officer salary increases by a certain percentage.

**MAYOR AND COUNCIL ITEMS** – None

**ADJOURNMENT**

The Work Study Session adjourned at 7:42 P.M.

**SUBMITTED BY:**



Carolyn Jagger  
City Clerk

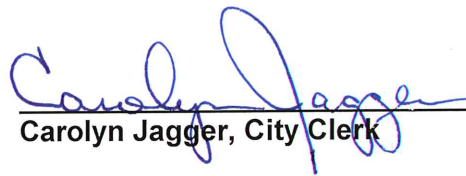
Officially approved by the City Council on March 3, 2015

### CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Work Study Session of the City Council of Scottsdale, Arizona held on the 10<sup>th</sup> day of February 2015.

I further certify that the meeting was duly called and held, and that a quorum was present.

**DATED** this 3<sup>rd</sup> day of March 2015.



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Carolyn Jagger, City Clerk



**Police Officer  
Compensation Issues  
Work Study Session**

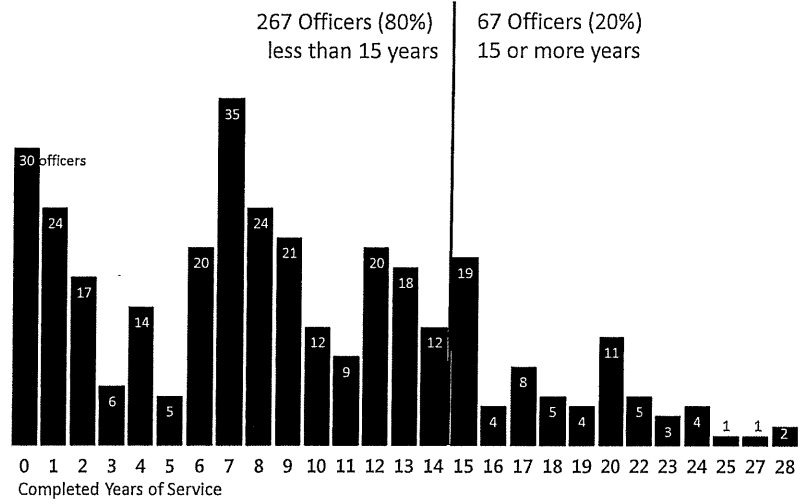
February 10, 2015

**Police officer compensation issues**

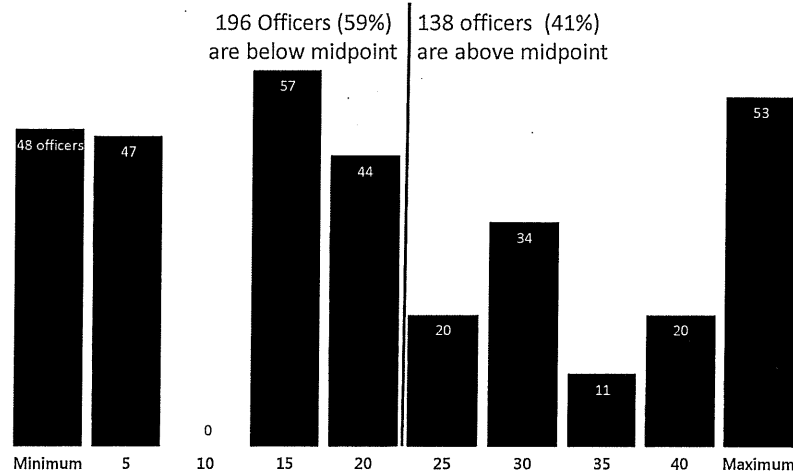
- Overview
- Turnover and Attrition
- Salary ranges and progression through salary ranges
- Options and costs



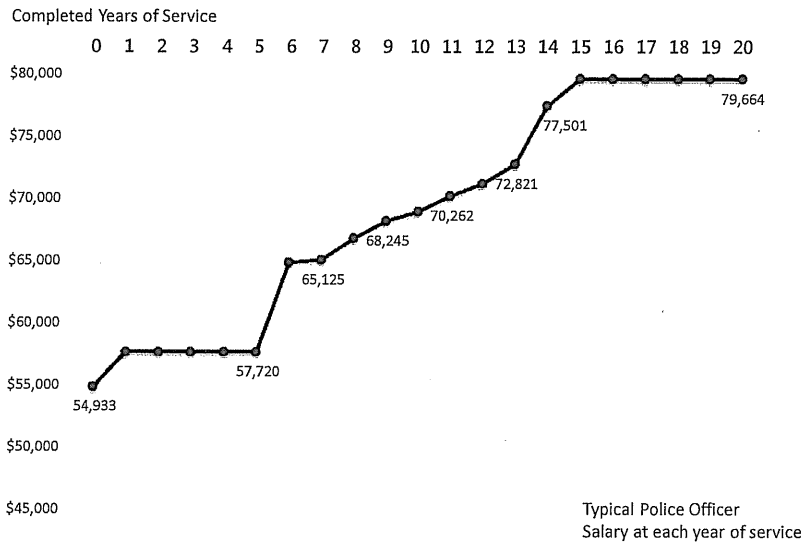
### Scottsdale police officers by years of service



### Scottsdale police officers by % of salary range

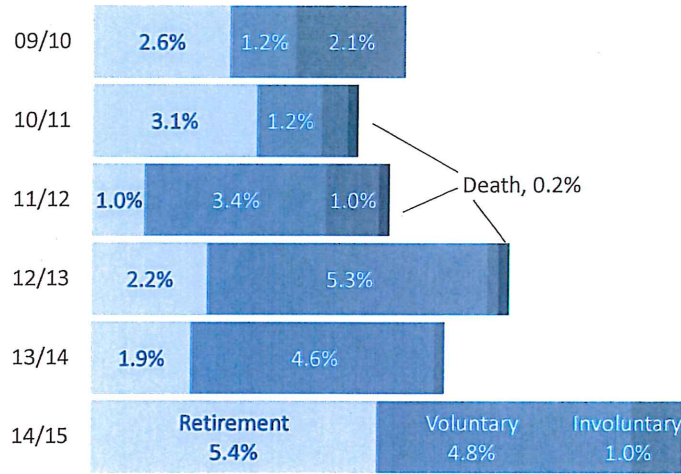


## How do Scottsdale police officers move through their range?



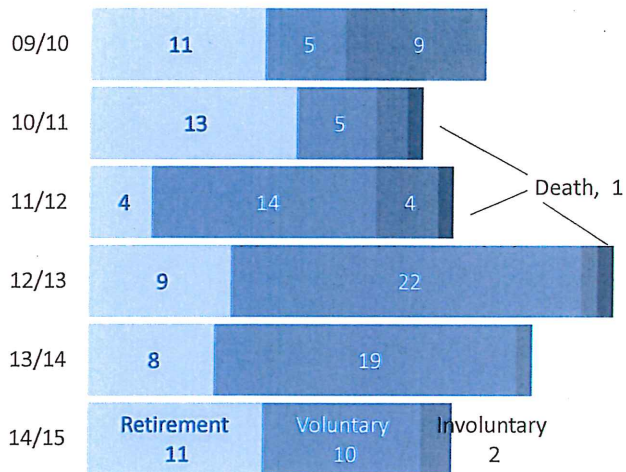
## Turnover and Attrition

**So far this year, sworn police attrition is higher than in prior years**



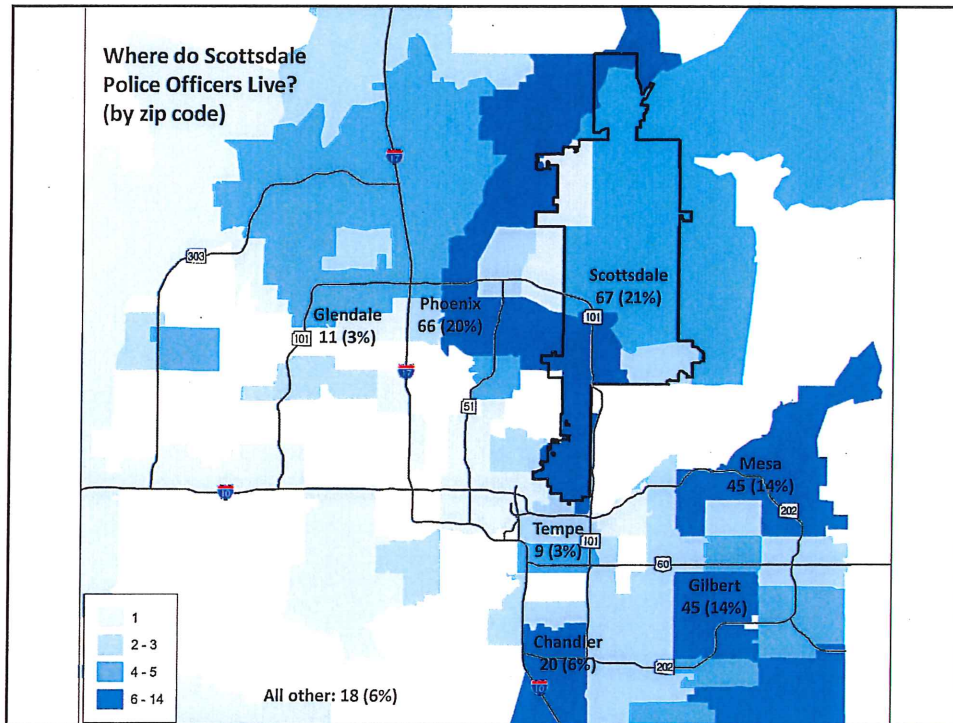
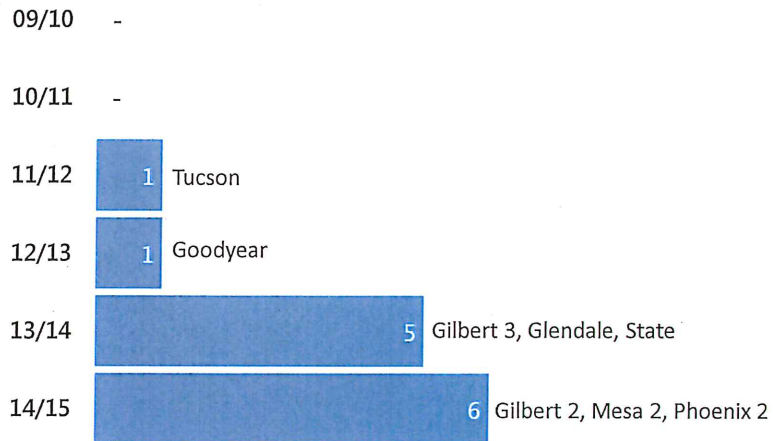
Annualized

**This is primarily due to increased retirements**

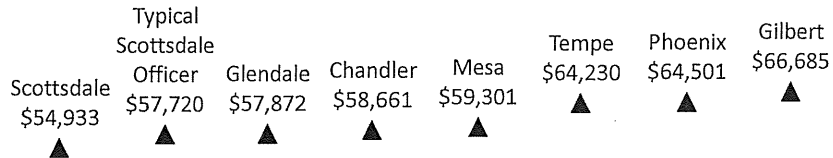


Actual

**However, recently Scottsdale officers have been leaving to work in other communities**



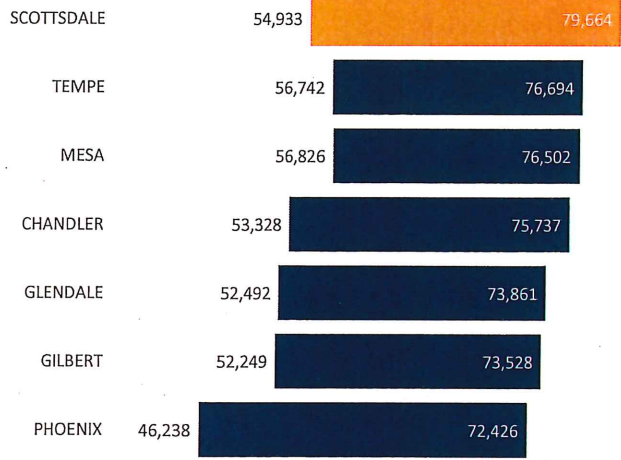
**Other communities pay transfer officers  
for their prior law enforcement experience**



**Salary paid for transfer officer  
with 5 years experience**

**Salary ranges and  
progression through ranges**

**Scottsdale has the third highest minimum, and the highest maximum base salary**



Sorted by maximum salary

**Other communities have steps to move through ranges**

City	Step Policy?	Step size or typical increase	Years through range
Gilbert	Yes	5%	7
Glendale	Yes	5%	7
Mesa	Yes	5%	8
Phoenix	Yes	5.3% - 7.9%	7
Tempe*	Yes	3% (last three years 5%, 5%, 3%)	11
Chandler	No	Only if merit pay approved in budget (last three years – 0%, 5%, 5%)	N/A
Scottsdale	No	Only if merit pay approved in budget (last three years – 2%, 2%, 3%)	N/A

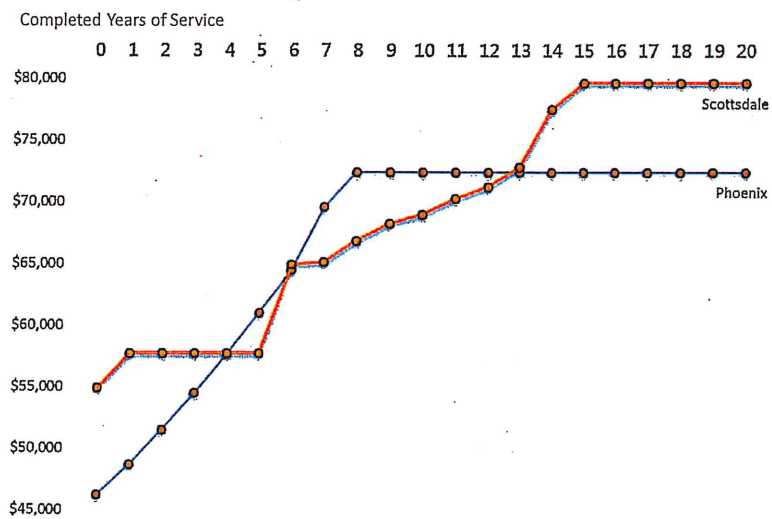
\*New policy moving forward.

### And have given increases in recent years

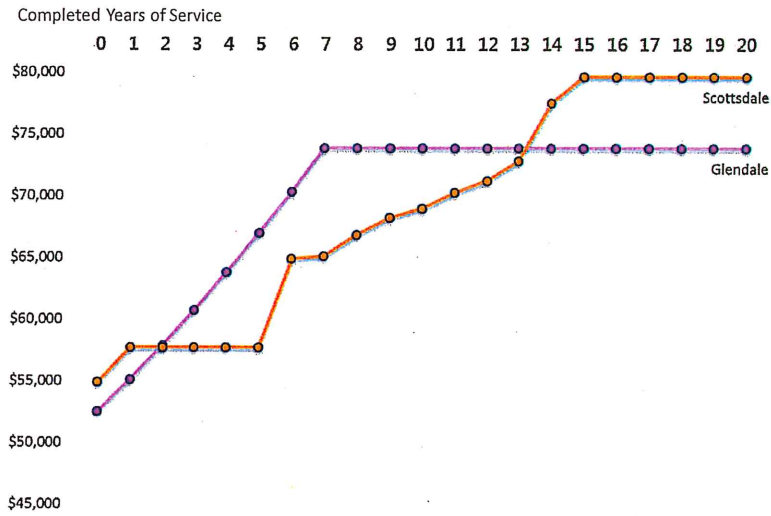
Police officer ongoing salary adjustments (regardless of type)

City	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15
Phoenix	12.15%	4%	5%	6%	5%	5%
Gilbert	-	-	-	19.6%	5%	5%
Chandler	4.15%	-	5.833%	-	5%	5%
Glendale	-	-	3.91%	3.72%	5%	5%
Mesa	-2%	-	2%	5%	5%	5%
Tempe	-	-5%	-	5%	5%	3%
Scottsdale	-2%	-	-	2%	2%	3%

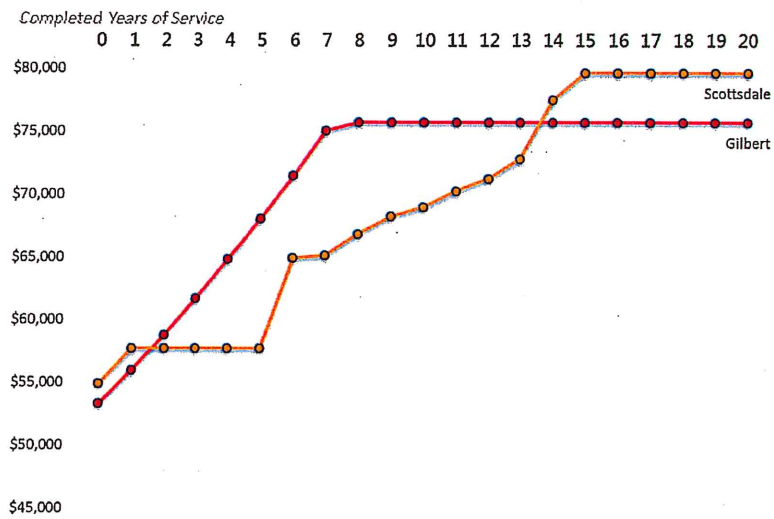
### Scottsdale Typical compared to Phoenix (base salary only)



### Scottsdale Typical compared to Glendale (base salary only)

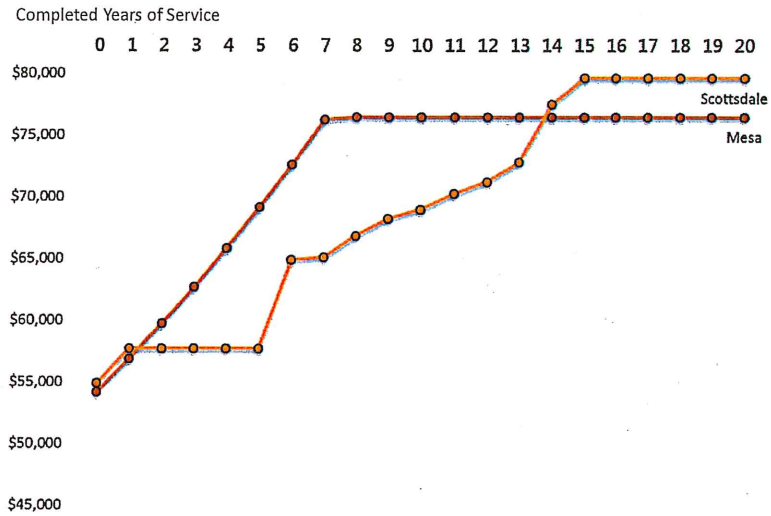


### Scottsdale Typical compared to Gilbert (base salary only)

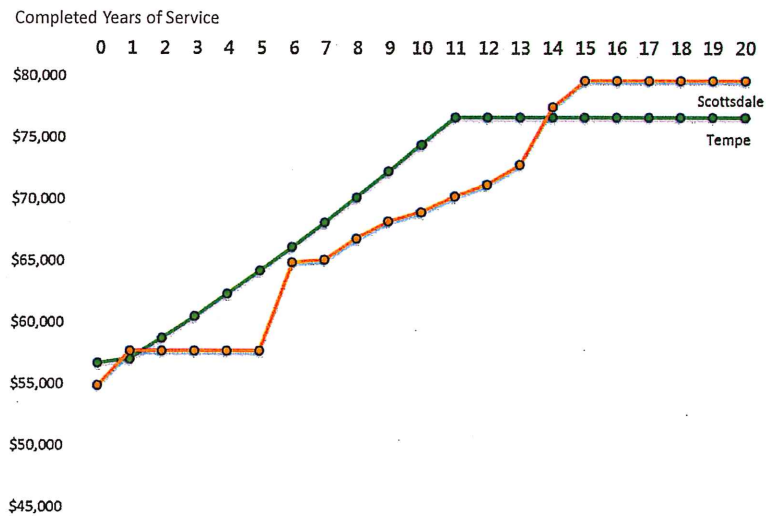




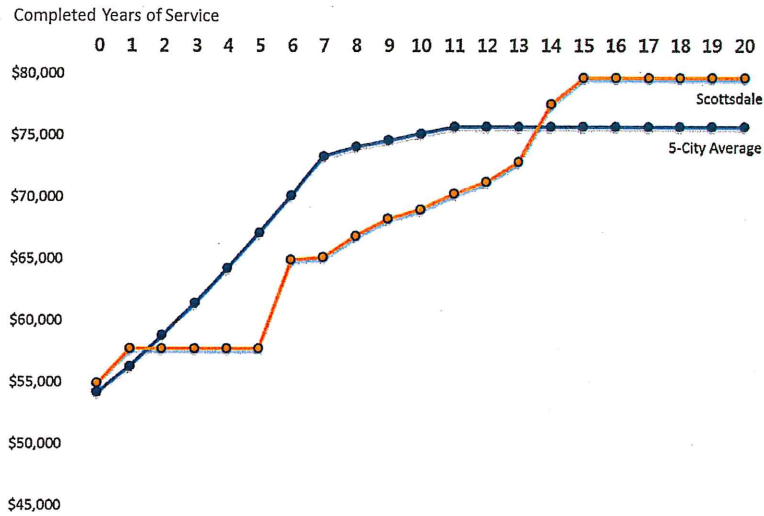
### Scottsdale Typical compared to Mesa (base salary only)



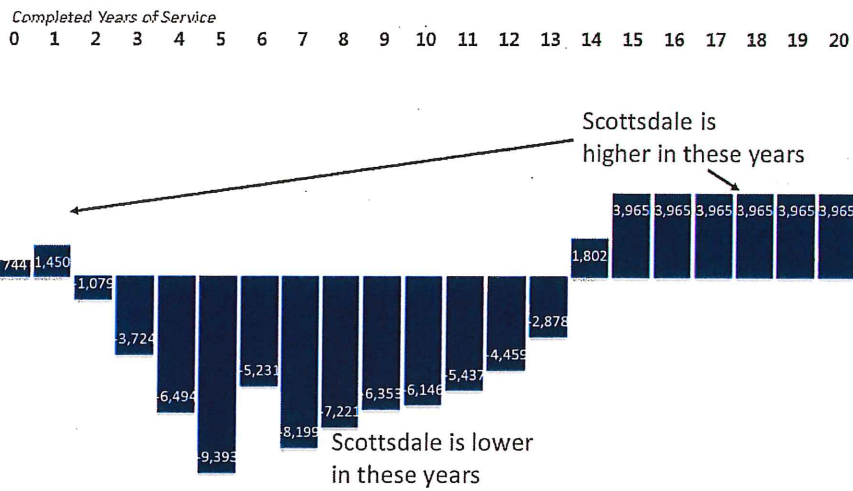
### Scottsdale Typical compared to Tempe (base salary only)



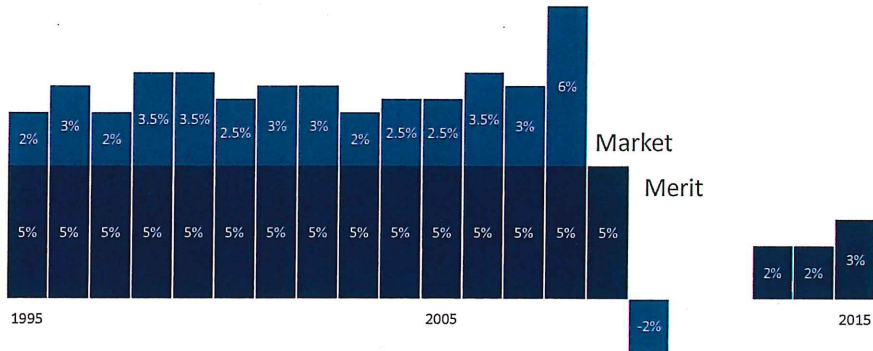
### Scottsdale Typical compared to 5-city step average base salary



### Because of step programs and increases there is a gap between the Valley average and current Scottsdale salaries



Also, because Scottsdale has changed from past levels of merit and market increases



Other cities pay more in additional cash compensation

City	Officers	Average Salary	Average Other Pays	Average Total Cash	% of Salary
Chandler	252	69,048	5,023	74,071	7%
Glendale	309	64,278	330	64,609	1%
Phoenix	2,358	71,037	8,986	80,023	13%
Scottsdale	340	\$66,741	\$1,746	\$67,431	1%

Gilbert, Mesa and Tempe did not provide FY 2013/14 actual salary information.

**The gap at the top of the range narrows  
once additional cash benefits are considered**

City	Maximum Base Salary	Deferred Comp- ensation	Retirement Health Savings	Longevity Pay	Total	% of Base	Rank
Tempe	76,694	780	650	1,917	80,041	104%	1
Scottsdale	79,664	-	-	-	79,664	100%	2
Chandler	75,733	757	390	1,515	78,395	104%	3
Phoenix	72,426	72	1,800	4,000	78,298	108%	4
Glendale	73,861	2,600	-	1,600	78,061	106%	5
Mesa	76,502	765	-	-	77,267	101%	6
Gilbert	73,528	-	-	-	73,528	100%	7
Average	75,456	710	406	1,290	77,861	103%	

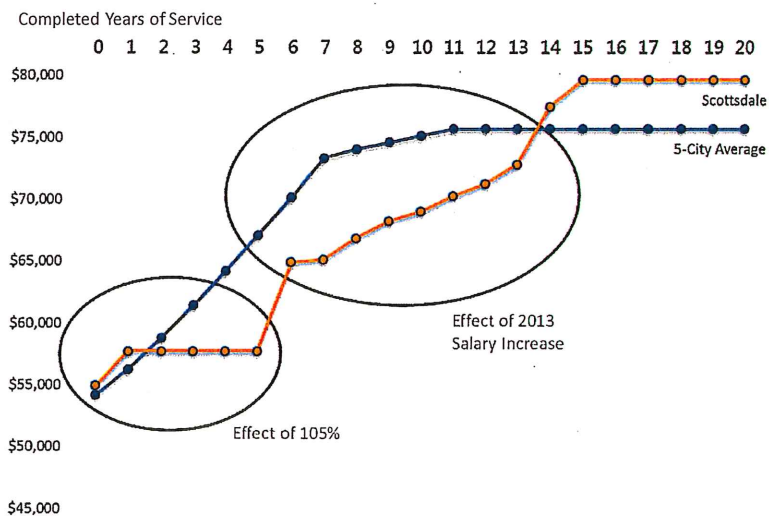
Source: City of Chandler

**Options  
and Costs**

## Recent decisions that impacted police officer compensation

- 105% of Valley average approach – adjusted minimum salaries
- Citywide compensation study – adjusted salary ranges
- 2013 salary increase – salary increase and market adjustment

## Effects of recent decisions

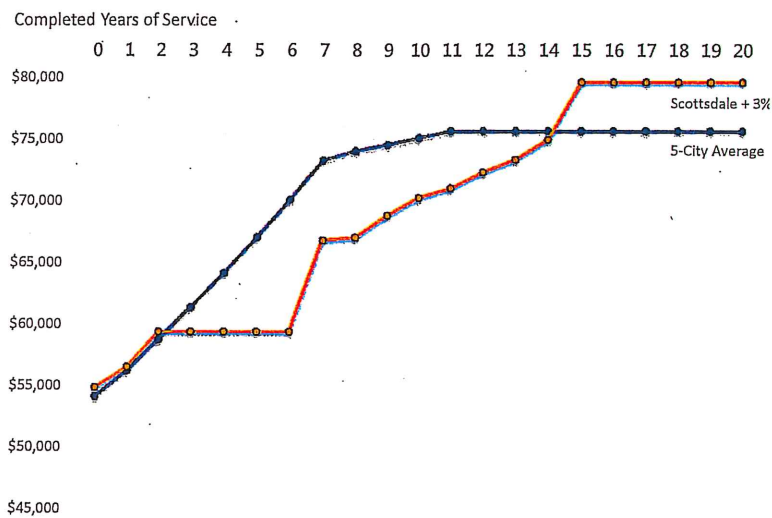


### A. Budget 3% increases up to maximum salary (in millions)

	A. 3% to max
15/16	\$43.12
16/17*	46.10
17/18	46.00
18/19	47.43
19/20	48.78
<b>5-Year Additional</b>	
5-Year Total	\$231.43

\*Based on 27 pay periods  
Includes increases for health, dental,  
retirement in the outer years

### Effect of 3% increase on FY 2015/16 base salaries

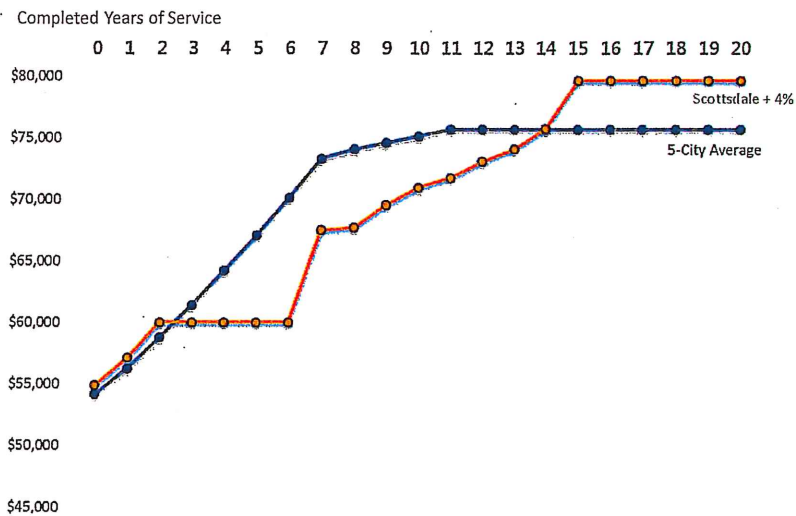


### B. Budget 4% increases up to maximum salary (in millions)

		B. 4% to max
15/16	\$43.12	+\$0.29
16/17*	46.10	0.60
17/18	46.00	0.85
18/19	47.43	0.98
19/20	48.78	1.00
5-Year Additional		+\$3.72
5-Year Total	\$231.43	\$235.15

\*Based on 27 pay periods  
Includes increases for health, dental,  
retirement in the outer years

### Effect of 4% increase on FY 2015/16 base salaries

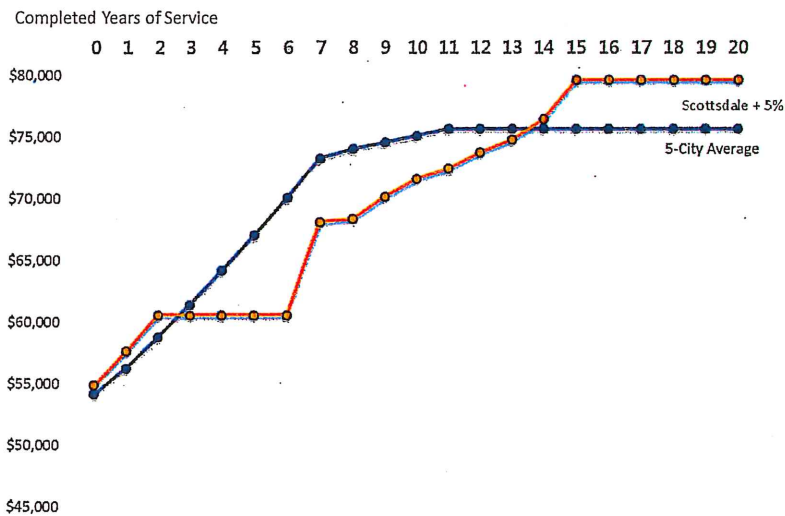


### C. Budget 5% increases up to maximum salary (in millions)

		C. 5% to max
15/16	\$43.12	+\$0.57
16/17*	46.10	1.19
17/18	46.00	1.60
18/19	47.43	1.78
19/20	48.78	1.58
5-Year Additional		+\$6.72
5-Year Total	\$231.43	\$238.15

\*Based on 27 pay periods  
Includes increases for health, dental,  
retirement in the outer years

### Effect of 5% increase on FY 2015/16 salaries



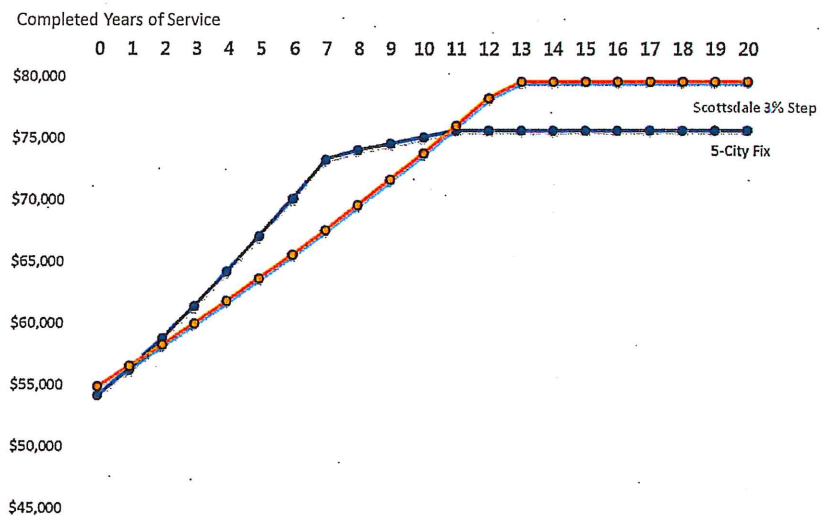


**D. Move officers to the appropriate 3% step  
Then budget 3% increases up to maximum salary (in millions)**

		D. 3% step fix
15/16	\$43.12	+\$1.45
16/17*	46.10	1.34
17/18	46.00	1.06
18/19	47.43	0.85
19/20	48.78	0.64
5-Year Additional		+\$5.35
5-Year Total	\$231.43	\$236.78

\*Based on 27 pay periods  
Includes increases for health, dental,  
retirement in the outer years

**Effect of 3% step fix on FY 2015/16 salaries**

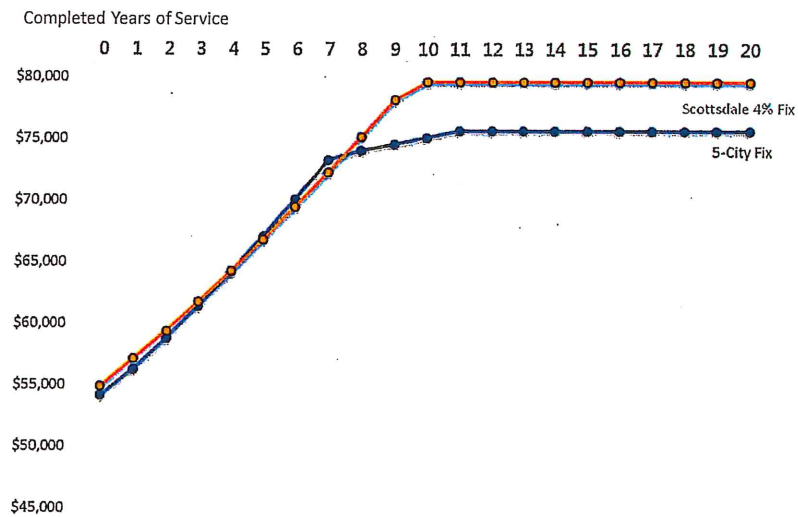


**E. Move officers to the appropriate 4% step  
Then budget 4% increases up to maximum salary (in millions)**

		E. 4% step fix
15/16	\$43.12	+\$2.81
16/17*	46.10	2.73
17/18	46.00	2.25
18/19	47.43	1.85
19/20	48.78	1.50
5-Year Additional		+\$11.14
5-Year Total	\$231.43	\$242.57

\*Based on 27 pay periods  
Includes increases for health, dental, retirement in the outer years

**Effect of 4% step fix on FY 2015/16 salaries**

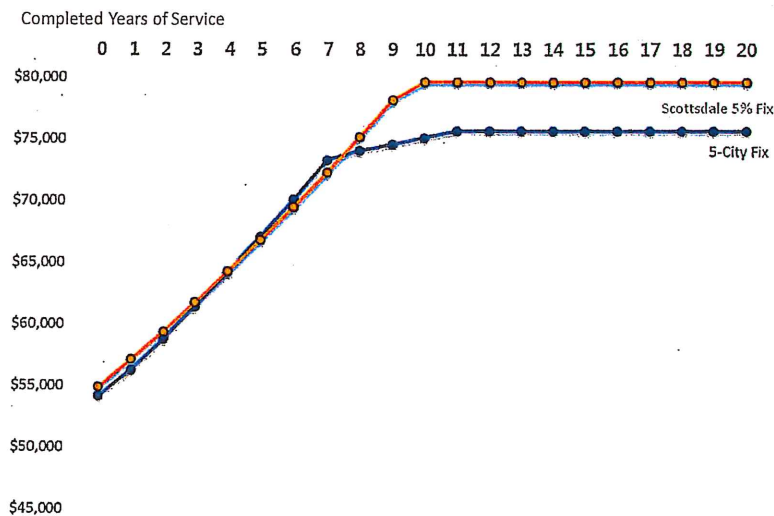


**F. Move officers to the appropriate 5% step  
Then budget 5% increases up to maximum salary (in millions)**

		F. 5% step fix
15/16	\$43.12	+\$3.52
16/17*	46.10	3.32
17/18	46.00	2.76
18/19	47.43	2.38
19/20	48.78	2.03
5-Year Additional		+\$14.01
5-Year Total	\$231.43	\$245.44

\*Based on 27 pay periods  
Includes increases for health, dental,  
retirement in the outer years

**Effect of 5% step fix on FY 2015/16 base salaries**



### Financial implications (in millions)

	A. 3% to max	B. 4% to max	C. 5% to max	D. 3% step fix	E. 4% step fix	F. 5% step fix
15/16	\$43.12	+\$0.29	+\$0.57	+\$1.45	+\$2.81	+\$3.52
16/17*	46.10	0.60	1.19	1.34	2.73	3.32
17/18	46.00	0.85	1.60	1.06	2.25	2.76
18/19	47.43	0.98	1.78	0.85	1.85	2.38
19/20	48.78	1.00	1.58	0.64	1.50	2.03
5-Year Additional		+\$3.72	+\$6.72	+\$5.35	+\$11.14	+\$14.01
5-Year Total	\$231.43	\$235.15	\$238.15	\$236.78	\$242.57	\$245.44

\*Based on 27 pay periods  
Includes increases for health, dental,  
retirement in the outer years

### Discussion and Possible Direction

**How do we memorialize whatever is agreed upon?**

The City Council could add a Financial Policy:

For the purpose of preparing the proposed operating budget, the city manager will include funds sufficient to provide increases of X% for each authorized police officer up to the maximum salary of the pay range unless otherwise directed by City Council.

**Discussion and possible direction to staff**

1. Salary Ranges

OK as is?

Are changes needed?

2. Progression through ranges?

A. 3%

B. 4%

C. 5%

Other?

3. Fix to step?

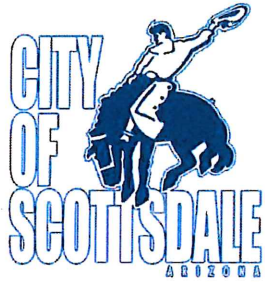
D. 3%

E. 4%

F. 5%

Other?

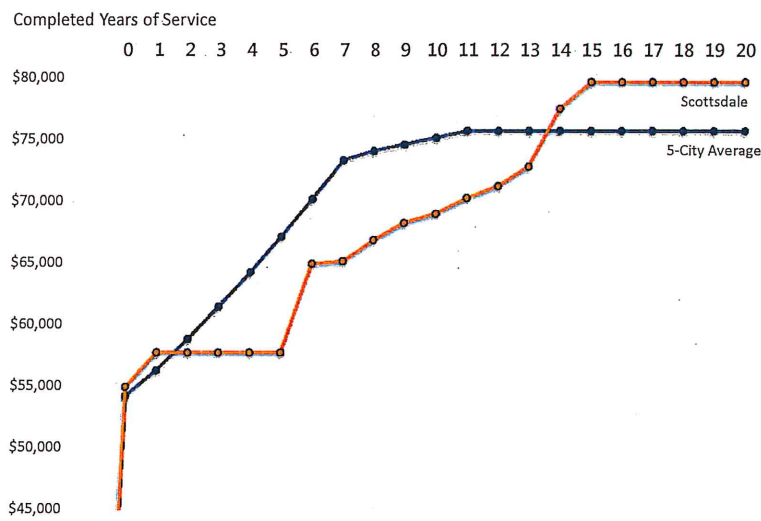
4. Other ideas or options?



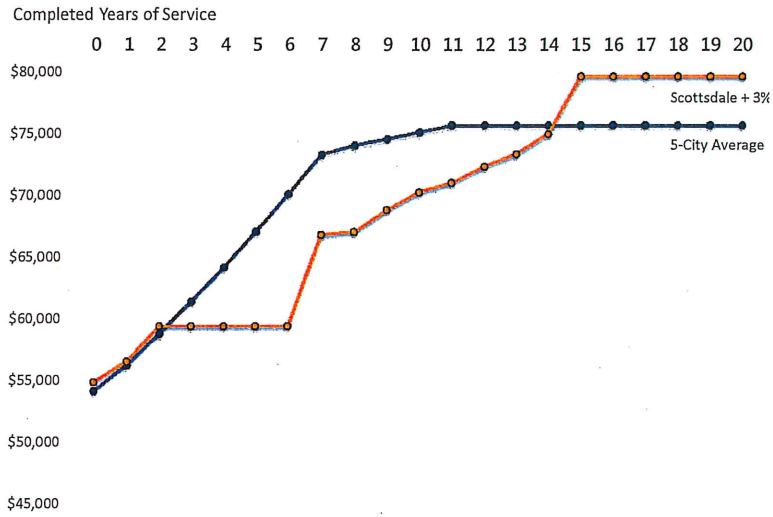
**Police Officer  
Compensation Issues  
Work Study Session**

February 10, 2015

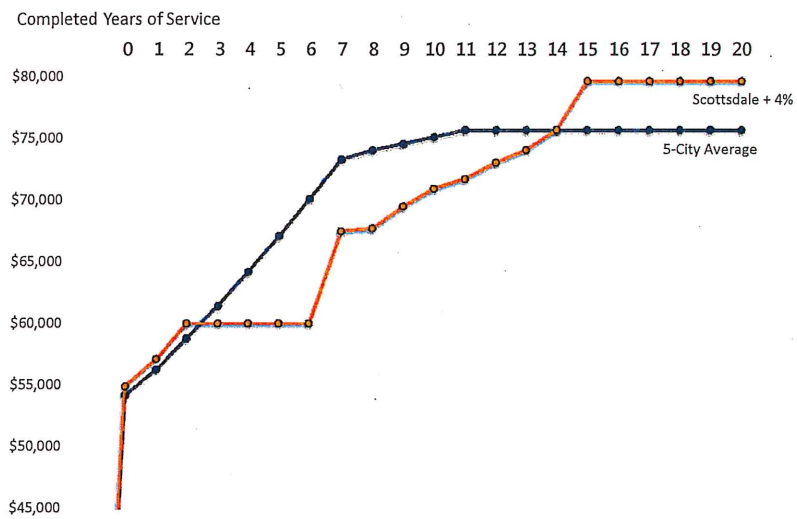
**Scottsdale Typical compared to 5-city step average base salary**



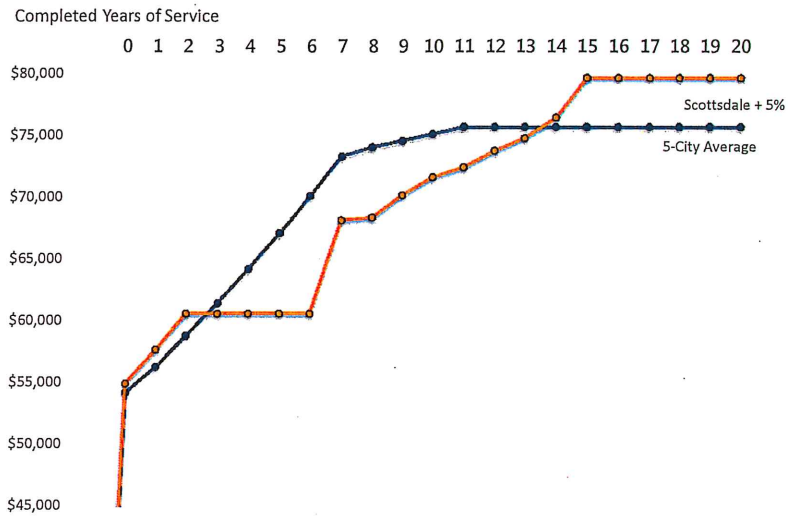
### Effect of 3% increase on FY 2015/16 base salaries



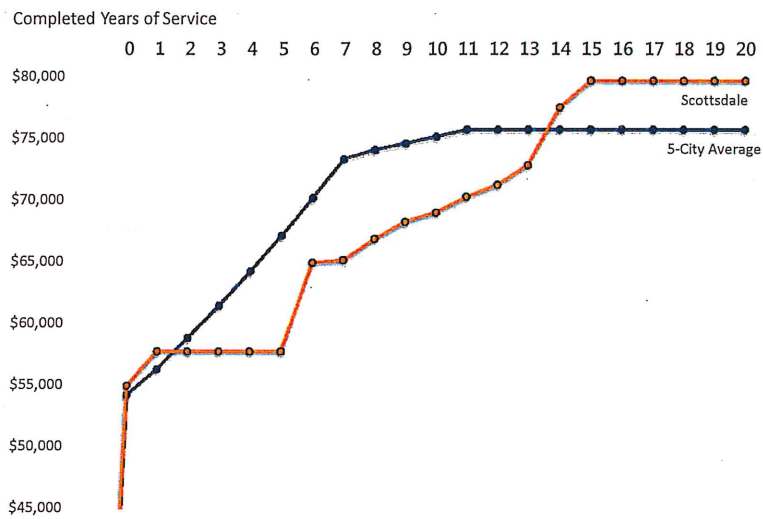
### Effect of 4% increase on FY 2015/16 base salaries



### Effect of 5% increase on FY 2015/16 salaries

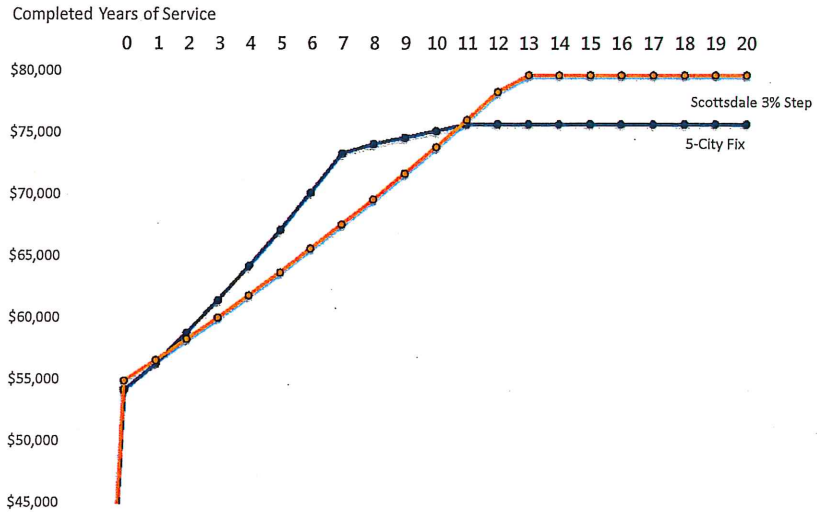


### Scottsdale Typical compared to 5-city step average base salary

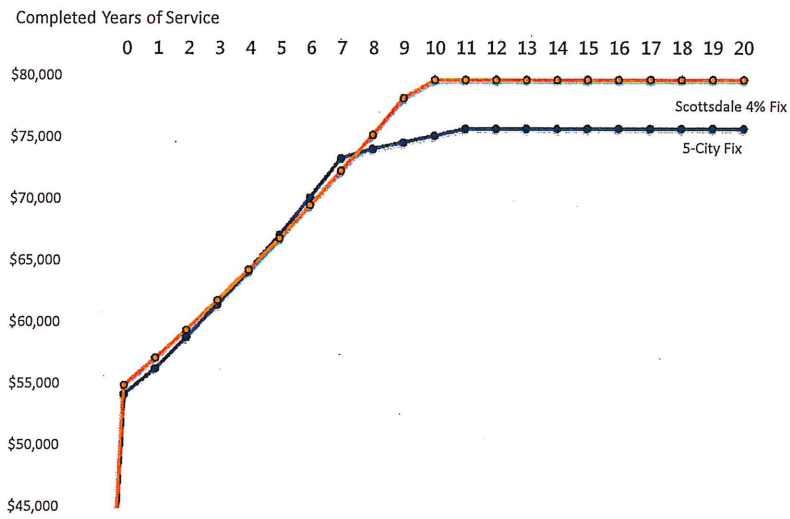




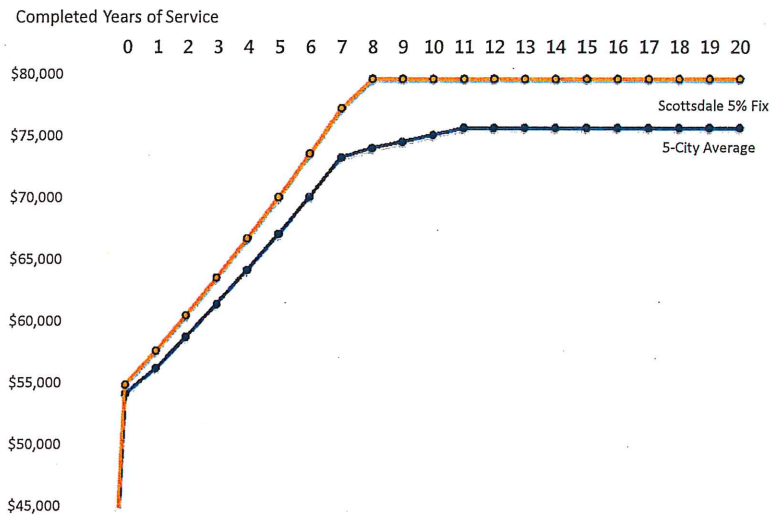
### Effect of 3% step fix on FY 2015/16 salaries



### Effect of 4% step fix on FY 2015/16 salaries



### Effect of 5% step fix on FY 2015/16 base salaries



### Police Officer Compensation Issues Work Study Session

February 10, 2015

**It costs about \$90,000 to recruit and train a new officer.**

***Recruitment and Training Costs (Attachment L)***

Step 1. Recruitment and Selection		\$4,676
Step 2. Regional Police Academy	+	116,838
Step 3. Scottsdale-Specific Training	+	<u>31,810</u>
Cost per academy class		\$153,324
6 Academies	x	<u>6</u>
Total cost for all academies		\$919,944

***Per Recruit Costs***

26 recruits graduated	÷	<u>26</u>
Per recruit cost		\$35,382
Individual uniform/equipment	+	<u>4,000</u>
Per recruit sub-total		\$39,382

***Salary and Benefit Costs***

21 weeks of training at recruit pay/benefits	+	\$26,544
16 weeks of training at officer pay/benefits	+	<u>\$24,275</u>
Per recruit combined cost		\$90,202

<b><i>Total Cost</i></b>		<u>\$2,345,243</u>
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2014 recruits and academies, does not include 2 academies and 6 recruits starting in 2014 but finishing in 2015.