



City Manager Report

The City of OKLAHOMA CITY

NO: 2053

DATE: JANUARY 30, 2024

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: COMPREHENSIVE CLASSIFICATION AND COMPENSATION STUDY

The City of Oklahoma City contracted with Segal Group, Inc. in 2021 to review our classification and compensation programs. As part of this study, the City of Oklahoma City identified one hundred twenty-five (125) benchmark positions across the organization to assist in determining whether the current classification and compensation structures are consistent and competitive to current peers and industry trends.

The City of Oklahoma City initially identified fifteen (15) public sector employers as part of the study. Eleven (11) provided responses to the Segal Group. In addition, private sector data from the Economic Research Institute (ERI), CompAnalyst, and PayFactors was incorporated in the final analysis. Geographic Cost-of-Labor Adjustments were taken into account.

Overall, the City of Oklahoma City is in a strong overall market position. Our current midpoint base pay range as a percentage of market is 111%. Over the last three years, the City of Oklahoma City has made a historic investment of sixty-one (\$61) million in additional wages for employees that is reflected in our strong overall market position.

While overall the City of Oklahoma City maintains a competitive position in the market, the study identified positions within the organization that the City of Oklahoma City was less competitive than our public and/or private peers. City Council, in anticipation of making additional wage investments based on the study findings, allocated three (\$3) million in funding. Based on the final recommendations, the total additional cost for implementation of the reclassifications is \$1,546,271. Positions that were within 95% to 105% of market were identified as market competitive with no change recommended. Fifty-seven (57) positions and three-hundred thirty (330) employees will be affected by reclassifications and/or wage adjustments. No position will see a decrease in classification and/or wages.

The City of Oklahoma City requested, as part of the Segal Job Audit, current industry best practice for compensating classifications required to utilize bi-lingual verbal and/or written competencies. The Segal Job Audit polled fifteen (15) peer cities, of which five (5) responded, resulting in a 33% participation rate. Segal did not provide a recommendation from the collected information.

Prior to the conclusion of the Segal Job Audit, an internal salary survey was initiated and completed utilizing local and national cities. Twelve (12) cities were polled in the internal salary survey with seven (7) cities responding, which resulted in a 58% participation rate.

Due to the low participation rate of both studies, Total Rewards decided to combine information from responding cities to ensure a quantifiable return rate and analysis. A combined total of sixteen (16) cities were polled; eleven (11) cities provided valuable information. This provided a total participation rate of 69% percent.

Four (4) of the polled peer cities (Dallas, Ft. Worth, Omaha, and Tulsa) fall within this grouping and had a minimum stipend between \$80 and \$110 per pay period. Additional analysis is needed to determine which positions in the organization would qualify for a bi-lingual stipend as well as minimum competencies required to be eligible for the stipend.

Recommended implementation of the classification changes as part of the study results is for February 1, 2023, provided a signed MOU is completed between the City of Oklahoma City and AFSCME Local 2406 for affected positions that are part of the Collective Bargaining Agreement (CBA). Additional work and review will need to be completed prior implementation of a bi-lingual stipend.

Staff is available should you have questions or require additional information.

A handwritten signature in black ink, appearing to read "C. Freeman", with a stylized, flowing script.

Craig Freeman
City Manager