



City of Apache Junction Human Resources Department

DATE: February 3, 2026

TO: Mayor and City Council Members

THROUGH: Bryant Powell, City Manager

FROM: Anna McCray, Human Resources Manager

SUBJECT: Fiscal Year 2025-2026 Classification and Compensation Study

As part of the Fiscal Year 2025-2026 budget adoption, council authorized the funding for a classification and compensation study to review labor market salaries and benefits. The last full study was done in 2014. The city has since conducted compensation studies which is a limited review of position titles and pay. The full classification and compensation study reviews job descriptions with employee and supervisor feedback, classifications, titles, pay and benefits.

The goal of a classification and compensation study is to ensure the city remains competitive in its total rewards package to ensure it can successfully compete for existing and future employees. It is especially important in retaining good employees and not losing them to other entities as it is significantly more expensive to hire and train new employees than to retain existing employees. In addition, the numerous increases in the state's minimum wage have continued to have a ripple effect on wages. Today's minimum wage is \$15.15 per hour compared to \$8.05 per hour in 2016.

Through a competitive bid process, the city selected Public Sector Personnel Consultants (PSPC) to conduct the study. The study included all current classified positions. PSPC conducted a review of comparable positions with the city's comparators which include the Arizona cities and towns of: Avondale, Buckeye, Casa Grande, Goodyear, Marana, Maricopa, Mesa, Oro Valley, and Queen Creek.

Historically, the city has aimed to be within midmarket (50th percentile) of its comparator organizations. This classification and compensation study was prepared with that same goal.

Key survey findings include:

- Civilian pay grades are more than -5% below Market for 75% of jobs.
- Police pay grades are below market for command ranks, nearer market for Officer, Sergeant.

- The City is offering a competitive number, type, and level of employee benefits compared to the market comparator cities, including health insurance, leave accrual, and add/assignment pay.

PSPC is recommending an updated salary schedule for both civilian and sworn positions that includes a 2% Cost of Living Adjustment (COLA) for implementation with the Fiscal Year 2026-2027 budget to catch up to the market.

The overall salary cost implication for the proposed civilian placements is \$1,200,000 and proposed sworn placements is \$601,000.

Thank you for your consideration. Let me know if you have any questions.