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From: Kari Mercer, Project Manager
Subject: Comparator Agency Analysis for the Total Compensation Study
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Koff & Associates (K&A) evaluated several comparative indicators related to the City of Menifee's demographics, financials, and scope of services to develop a list of potential agencies for the compensation study. The methodology and specific criteria used in the analysis follows.

1. **Organizational type and structure:** K&A generally recommends that agencies of a similar size and structure providing similar services to that of the City be used as comparators.

Note: Because technical job classifications perform similar work across agencies, organizational size is not critical. The difference in size of an organization becomes more important when comparing management classes. Factors such as management of a large staff, consequence of error, the political nature of the job and its visibility all increase with organizational size. When it is difficult to find agencies that are similar in size, a good balance of smaller and larger agencies is used instead.

2. **Staff, operational budgets, scope of services and population:** Staff and operational budget size determine the amount of resources available for the agencies to provide services, and population size accounts for the ratio of resources to constituents served. Organizations providing the same services are ideal for comparison; therefore, most comparator agencies included provide similar services to the City. Specifically, K&A focused on whether agencies provide the following:

- Economic Development
- Engineering
- Information Technology
- Planning
- Police
- Recreation

3. **Geographic location and labor market:** Today's labor market reality is that many agencies are in competition for the same pool of qualified employees because large portions of the workforce don't live in the communities they serve, are accustomed to lengthy commutes, and are more likely to consider changing jobs in a larger geographic area than in the past. Therefore, the geographic labor market area where the City may be recruiting from or losing employees to, is taken into consideration when selecting comparator organizations.

The comparator agency analysis includes specific data for each proposed agency:

1. Geographic Proximity
2. Population Served
3. Full-Time Equivalent (FTE)
4. General Fund Expenditures
5. Transient Occupancy Tax Percentage to General Fund Expenditures
6. Cost of Living

7. Services Provided

Each potential comparator is ranked based on the overall similarity to the City, and the Top Ranked List of Comparators represents a summary of the rankings for each of the data factors listed above. The top ranked agencies are those agencies that were identified as being most similar in profile to the City, and they are provided in Table 1 below:

Table 1. Top 12 Ranked Agencies

Rank	Comparator Agency	Overall Comparison Score
1	City of Murrieta	41
2	City of Chino	51
3	City of Lake Elsinore	52
4	City of Perris	58
5	City of Redlands	61
6	City of Vista	63
7	City of Upland	66
8	City of Temecula	67
9	City of Beaumont	73
10	City of Moreno Valley	75
11	City of Hemet	76
12	City of Escondido	82

The ultimate objective of this exercise is to identify which twelve (12) agencies will be utilized as the City's labor market for the purpose of comparison of the City's salary and benefits. Accordingly, in addition to identifying those agencies which are most similar to the City in overall profile, we are seeking to identify a group of agencies that will be fruitful for matching to the City's benchmark classifications and which are most relevant to the City's business operations overall. For the most part, the top 12 agencies have similar services to the City when considering the service areas listed in section 2 of this memo with the exception of Police services. Of the 12 agencies, 5 agencies provide Police services through contract with another agency and therefore will not be fruitful for collecting data on any of the sworn and nonsworn Police classifications for the City. In order to provide a more robust dataset for these classifications, our recommendation is to exchange one of the top 12 agencies that contracts Police services for one of the lower-ranked agencies that has a Police Department.

In addition, when considering the relevance to the City's business operations, consideration should be given to those agencies which are in direct competition for the same workforce as the City. While some agencies may rank more closely to the City in overall profile, there may be agencies that do not rank as high but are more relevant to the City's overall operations from a recruitment and retention perspective.

With these factors in mind, an alternative list of agencies is presented for consideration in Table 2 below. This alternative list provides for an additional agency with a Police Department, and is more aligned with

the City's business operations from the perspective of City stakeholder groups (e.g., bargaining units, City management, etc.).

Table 2. Alternative Labor Market Group

Rank	Comparator Agency	Overall Comparison Score
1	City of Murrieta	41
2	City of Chino	51
5	City of Redlands	61
7	City of Upland	66
8	City of Temecula	67
9	City of Beaumont	73
10	City of Moreno Valley	75
12	City of Escondido	82
13	City of Indio	84
15	City of Corona	87
17	City of Palm Springs	93
18	City of Riverside	108

In the grouping in Table 2, to provide a more robust dataset for sworn and non-sworn Police classifications, the cities of Lake Elsinore, Perris, and Vista were replaced with the cities of Indio, Corona, and Palm Springs. Additionally, consideration was given to those agencies without their own Police Department that are in direct competition for the same workforce as the City of Menifee. These agencies are more relevant to the City's overall operations from a recruitment and retention perspective.