MEMORANDUM

To: SFSWMA Joint Powers Board Members
From: Randall Kippenbrock, P.E., Executive Director RLK
Date: September 14, 2026
Subject: Classification and Compensation Study: Presentation, Discussion, and Possible Action on Recommendations (Tracy Morris, Gallagher Benefit Services, Inc.)

SUMMARY

Tracy Morris of Gallagher Benefit Services (Gallagher) will present the Board with an overview of the attached PowerPoint presentation, including results and recommendations (Attachment 1).

Based on comprehensive market data, Gallagher concluded that the Agency's compensation is about 6% above the median, indicating that employees' pay remains competitive.

Gallagher noted that current ranges start below market levels and extend well above them. Low minimums complicate hiring, while high maximums mean employees take a long time to reach those upper limits.

Gallagher recommends three actions to ensure pay is competitive, fair, and sustainable.

1. Adopt the proposed structure: a single pay structure with a $19.00 hourly floor and a consistent 22 percent midpoint progression between grades. This improves market competitiveness.

2. Implement the pay adjustments: Bring every employee to at least the minimum of their proposed range, then apply a time-in-position adjustment to correct compression. This improves internal equity.

3. Review the Plan every year: Grant increases according to market trends and available revenue, and review the pay structure annually. This keeps the plan competitive over time.

Table 1 presents Gallagher's proposed pay structure, with seven grades starting at $19.00 per hour and a consistent 22 percent progression between grades.

The proposed pay ranges for union and non-union positions are provided in Attachments 2 and 3.

Gallagher recommends two actions to transition employees to the new structure, implemented in sequence. The first action adjusts the range minimum, ensuring that each employee meets at least the minimum of their proposed pay range. This affects seven employees (six union positions, one non-union position) at a cost of $20,134 (0.65% of payroll). The second action is a time-in-position compression adjustment, calculated at 1.5 percent per year based on time in the employee's current position. This affects five employees (four union positions, one non-union position) at a cost of $7,489 (0.24% of payroll).

Table 1. Proposed Pay Structure.

Range	Pay Ranges		
	Min	Mid	Max
SWU04	17.69	21.67	25.65
SWU09	23.18	28.44	33.70
SWU10	28.28	34.70	41.12
SWU14	34.50	42.33	50.16
SWM17	39.76	51.64	63.52
SWM20	48.51	63.00	77.49
SWM28	59.18	76.86	94.54

ACTION REQUESTED

The Agency recommends approving the proposed pay ranges for union and non-union positions, effective September 26, 2026.

The Agency also recommends approving the two proposed actions, which would bring affected employees to at least the minimum of their proposed range (six union positions, one non-union position) at a cost of $20,134, and a time-in-position compression adjustment based on time in the employee's current position (four union positions, one non-union position) at a cost of $7,489, for an estimated total of $27,623. Funding is available in 8100851.500110 (Landfill Operations General Salaries) and 8100852.500110 (BuRRT Operations General Salaries).

The matter is before the Board for discussion and possible action regarding the recommendations outlined in Gallagher's presentation.

Attachments:

1) Gallagher's PowerPoint Presentation – Classification & Compensation Study
2) Union Position Pay Ranges, Effective September 26, 2026
3) Non-Union Position Pay Ranges, Effective September 26, 2026

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ATTACHMENT 1

Gallagher's PowerPoint Presentation – Classification & Compensation Study

Santa Fe Solid Waste Management Agency

Classification & Compensation Study

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Engagement Overview

Santa Fe Solid Waste Management Agency · Gallagher's Public Sector, Community & Higher Education Practice

01 Study Approach & Methodology

What Gallagher did, the data sources used, and how the market comparison was built.

02 What We Found

Classification and FLSA findings, employee pay against market, and the current pay structure.

03 Our Recommendations

The recommended pay structure, the pay actions that bring employees onto it, and how it is sustained.

04 Implementation & Cost

The cost to implement and the steps that follow.

43

Employees in the study

Every position included

28

Unique job titles

100% of roles priced in the market

7

Pay grades reviewed

SWU and SWM series

0.89%

Cost to implement

Of current annual payroll

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Study Approach & Methodology

What we did and the data behind it

Gallagher

1

Study Approach

How the study was conducted

The study followed three stages, each building on the last: understand the organization, price it to the market, then design and cost a structure that can be administered consistently.

Plan and collect

Objectives were confirmed with the SFSWMA project team, pay and position data collected for every employee, and job descriptions and organizational structure reviewed.

Price the market

Every benchmark job matched to published survey data on duties, not job titles, using an 80 percent duties-match standard.

Design and recommend

Current structure evaluated, a proposed structure designed, and the cost to implement modeled and reviewed with the project team.

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Data Sources & Methodology

Published survey data, quality-assured and adjusted to Santa Fe

Market data was screened for outliers, trended forward to a common implementation date, and adjusted for the local cost of labor so comparisons reflect what Santa Fe employers actually pay.

Data sources and job matching

CompAnalyst and Economic Research Institute.
Only jobs matching at least 80 percent of benchmark duties were used.
Gallagher follows DOJ and FTC guidance on job matches before drawing statistical conclusions.

Quality assurance, aging and geography

Extreme values excluded; 25th, 50th and 75th percentiles calculated.
Aged to January 1, 2027 — 4.0 percent salary trend and 2.0 percent structure trend.
Normalized to the Santa Fe, New Mexico cost of labor.

Source: CompAnalyst; Economic Research Institute; WorldatWork Administrative, Support & Waste Management Services salary trend survey.

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Market & Economic Context

4%

Projected median base salary increase for 2026

WorldatWork — Administrative, Support & Waste Management Services

2%

Projected salary structure (range) adjustment

WorldatWork — Administrative, Support & Waste Management Services

$24.51

Living wage, single adult (≈ $50,980 / yr)

MIT — Santa Fe, NM

What this means

- **Market movement is steady.** A ~4% pay increase with ~2% structure adjustment reflects moderate upward pressure in industry pay.
- **Living wage sets a floor.** A single adult in the Santa Fe metro needs ≈ $24.51/hour to meet basic needs.
- **Competitiveness must be sustained.** Periodic structure adjustments keep ranges aligned to a moving market between full studies.

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What We Found

Market and pay structure findings

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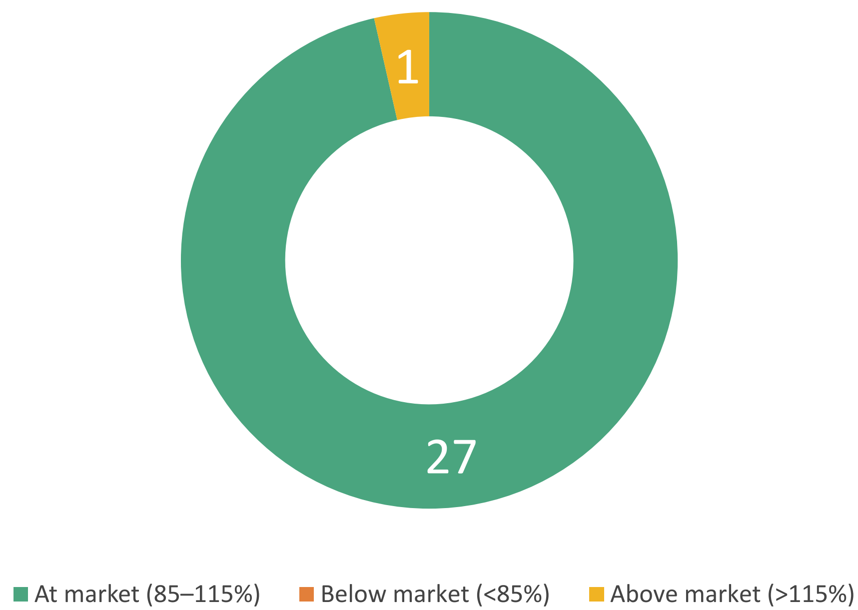
Market Assessment — All Market Data

Employee pay vs. market median · 28 benchmark titles

+19%	+6%	-6%
vs. market 25th %ile	vs. market median (50th)	vs. market 75th %ile

Against all market data, SFSWMA pay is above the median by ~6%, indicating actual pay that employees are earning is competitive with the market.

Benchmark titles vs. market median (n = 28)



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The Current Pay Structure

Seven grades, but inconsistent from grade to grade

The current structure provides formal ranges, but the steps between grades are uneven and two different range designs are in use — which makes pay differences hard to explain and hard to administer.

Seven grades

Four SWU (union) grades and three SWM (non-union) grades span hourly and salaried positions, each defined by a minimum, midpoint and maximum.

Uneven progressions

Midpoint progression between adjacent grades ranges from 4.8 percent to 44.3 percent — some grades sit almost on top of one another while others jump sharply.

Two range designs

Range spreads of about 45 percent at SWU grades and 60 percent at SWM grades.

Source: SFSWMA current pay structure; Gallagher structure analysis, 2026.

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Current Structure Compared to Market

Averaged across all benchmark positions

The current ranges start below the market and top out well above it. Low minimums make hiring harder, while high maximums are costly and take a long time for employees to reach.

–4%

Range minimum
vs. market 25th percentile

+6%

Range midpoint
vs. market median

+14%

Range maximum
vs. market 75th percentile

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Our Recommendations

The proposed pay structure and pay actions

3

Gallagher

Our Recommendations

Three actions to make pay competitive, fair and sustainable

Taken together, these three actions move SFSWMA to a pay structure that is competitive in the Santa Fe market, internally consistent between grades, and affordable to maintain year over year.

01
Adopt the proposed structure

A single pay structure with a $19.00 hourly floor and a consistent 22 percent midpoint progression between every grade.

Improves market competitiveness.

02
Implement the pay adjustments

Bring every employee to at least the minimum of their proposed range, then apply a time in position adjustment to correct compression.

Improves internal equity.

03
Review the plan every year

Grant increases according to market trends and available revenue, and review the pay structure annually.

Keeps the plan competitive over time.

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Proposed Pay Structure

Seven grades, a $19.00 floor and consistent 22 percent progressions from one grade to the next.

Pay Grade	Range Minimum	Range Midpoint	Range Maximum
SWU 04	$19.00	$23.31	$27.62
SWU 09	$23.18	$28.44	$33.70
SWU 10	$28.28	$34.70	$41.12
SWU 14	$34.50	$42.33	$50.16
SWM 17	$39.76	$51.64	$63.52
SWM 20	$48.51	$63.00	$77.49
SWM 28	$59.18	$76.86	$94.54

Hourly rates. Midpoint progression is a consistent 22.0 percent between every grade; range spreads are 45 percent (SWU) and 60 percent (SWM).
Source: Gallagher proposed pay structure, August 21, 2026.

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Recommended Pay Adjustments

Two pay actions bring employees onto the new structure

Adjustments are applied in sequence: pay is first brought to the range minimum, and the compression calculation is then run against the adjusted salary.

01
Adjustment to the range minimum

Every employee is brought to at least the minimum of their proposed pay range.

7 employees · $20,134 · 0.65% of payroll
6 union; 1 non-union

02
Time in position compression adjustment

A 1.5 percent per year calculation, based on time in the employee's current position, corrects pay compression.

5 employees · $7,489 · 0.24% of payroll
4 union; 1 non-union

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How the Compression Adjustment Works

Time in position — an internal equity correction, not a longevity reward

This is not a reward for loyalty or years of service. It corrects pay compression — where employees with years in a role earn nearly the same as employees newly hired into it, because starting salaries rise with the market while existing pay does not keep pace.

01
Start at the minimum

Every calculation begins at the minimum of the employee's proposed pay range.

02
Apply 1.5% per year

1.5 percent is applied for each full year in the current position to build a compression benchmark.

03
Compare to actual pay

The employee's adjusted salary is compared with that benchmark.

04
Close the gap

If pay is below the benchmark, it is raised to it. If pay is at or above it, no adjustment is made.

Time is measured in the current position, not total tenure with the organization. Two employees with the same time in position may receive different amounts, because the adjustment closes each individual gap rather than applying an across-the-board increase.

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Sustaining the Plan

A market-based approach to annual pay planning

A pay structure holds its value only if it is maintained. These three practices keep the plan competitive without requiring another full study.

Fund increases from revenue

Grant pay increases each year based on available revenue and prevailing market trends.

Ties pay decisions to the market.

Review the structure annually

Review the pay structure each year and adjust it as needed to hold a competitive position in the local market.

Prevents the structure drifting out of date.

Move ranges at half the increase

Best practice is to move the salary structure by half of the pay increase granted annually.

Lets employee pay progress faster than the range moves.

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Cost to Implement

Estimated annual payroll impact of the recommendation

The full recommendation — bringing employees to range minimum and correcting time in position compression — adds less than one percent to annual payroll.

$3,095,174

Current annual payroll

43 employees

$3,122,797

Proposed annual payroll

Fully implemented

$20,134

Adjustment to minimum

7 employees

$7,489

Compression adjustment

5 employees

Costs are estimates based on staffing at the time of the study; any change in staffing will change the cost.

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Next Steps

A single recommendation, in three parts

Together these move SFSWMA to a structure that is competitive in the Santa Fe market, internally consistent, and affordable at less than one percent of payroll.

Adopt the pay structure

Seven grades with a $19.00 hourly floor, consistent 22 percent progressions, and range spreads held at 45 and 60 percent.

Approve the pay adjustments

$27,623 in total — 0.89 percent of current annual payroll — to bring employees to range minimum and correct compression.

Commit to annual review

Review the structure and the flagged classifications each year so the plan stays competitive and defensible.

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Q&A

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Thank you

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ATTACHMENT 2

Union Position Pay Ranges, Effective September 26, 2026

Santa Fe Solid Waste Management Agency
Bargaining Unit Position Pay Ranges
Fiscal Year 2027
Effective September 26, 2026

Classification (Position Title)	Range	Pay Ranges		
		Min	Mid	Max
Laborer	SWU04	19.00	23.31	27.62
Scalemaster	SWU09	23.18	28.44	33.70
BuRRT Transfer Operator I	SWU09	23.18	28.44	33.70
Equipment Mechanic I	SWU09	23.18	28.44	33.70
Heavy Equipment Operator I	SWU09	23.18	28.44	33.70
Maintenance Worker I	SWU09	23.18	28.44	33.70
Scalemaster II	SWU10	28.28	34.70	41.12
BuRRT HHW Handler	SWU10	28.28	34.70	41.12
BuRRT Transfer Operator II	SWU10	28.28	34.70	41.12
Equipment Mechanic II	SWU10	28.28	34.70	41.12
Field Service Lube Tech	SWU10	28.28	34.70	41.12
Heavy Equipment Operator II	SWU10	28.28	34.70	41.12
BuRRT Transfer Operator III	SWU14	34.50	42.33	50.16
Equipment Mechanic III	SWU14	34.50	42.33	50.16
Heavy Equipment Operator III	SWU14	34.50	42.33	50.16
Maintenance Worker III	SWU14	34.50	42.33	50.16
Outreach Coordinator	SWU14	34.50	42.33	50.16

ATTACHMENT 3

Non-Union Position Pay Ranges, Effective September 26, 2026

Santa Fe Solid Waste Management Agency
Non-Union Positions
Fiscal Year 2027
Effective September 26, 2026

Classification (Position Title)	Range	Pay Ranges		
		Min	Mid	Max
Accountant I	SWM17	39.76	51.64	63.52
Adminstrative Assistant/HR Officer	SWM17	39.76	51.64	63.52
BuRRT Superintendent	SWM17	39.76	51.64	63.52
Environmental Health, Safety & Training Administrator	SWM17	39.76	51.64	63.52
Equipment Maintenance Supervisor	SWM17	39.76	51.64	63.52
Landfill Superintendent	SWM17	39.76	51.64	63.52
Scalehouse Supervisor	SWM17	39.76	51.64	63.52
Accountant II	SWM20	48.51	63.00	77.49
Executive Director	SWM28	59.18	76.86	94.54