

Classification and Compensation Study for the City of West Melbourne, FL

FINAL REPORT



Evergreen Solutions, LLC

December 18, 2018

Chapter 1 - Introduction

Evergreen Solutions was retained by the City of West Melbourne, Florida (“City”) to conduct a Classification and Compensation Study of positions in the organization. The methodology and work plan developed to conduct this study provided the City’s Project Manager (CPM), and other key staff with invaluable information related to their employee demographics, opinions, market data, and external equity. External equity deals with the differences between how an organization’s classifications are valued and what compensation is available in the market place for the same skills, capabilities, and duties. As part of the study, Evergreen Solutions, LLC was tasked with:

- Collecting and reviewing current environmental data present at the City;
- Conducting a market salary survey and providing external assessment summary to the City regarding current market competitiveness;
- Developing strategic positioning recommendations using market data and best practices;
- Developing a compensation structure and implementation cost plan for the City; and
- Developing and submitting draft and final reports summarizing findings and recommendations.

1.1 STUDY METHODOLOGY

Evergreen Solutions combined qualitative as well as quantitative data analysis to produce an equitable solution to maximize the fairness and competitiveness of the City’s compensation structure and practices. Project activities included:

- Conducting a project kick-off meeting;
- Conducting orientation sessions with employees;
- Facilitating meetings with employees from all departments;
- Conducting external market salary survey;
- Developing recommendations for compensation management;
- Developing detailed implementation plans; and
- Creating draft and final reports.



Project Kickoff

The kickoff meeting provided an opportunity to discuss the City's history, long and short-term priorities, compensation philosophy, finalize the work plan, and begin collection. A vital part of the data received from the City included relevant background material (including existing pay plans, organization charts, policies, procedures, training materials, job descriptions, and other pertinent material).

On-Site Employee Outreach

During Evergreen's on-site visit, employees were asked to share information about their work experience with the City and to identify any concerns they have about compensation. They were also asked to share their perspectives as to the strengths and weaknesses of the current system. This information provided some basic perceptual background as well as a starting point for the research process. Feedback received from employees in this context was helpful in highlighting aspects of the City that employees believe needed particular attention and consideration during the study.

Salary and Benefits Surveys

The external market is defined as peers that have similar characteristics, demographics, and provide the same or similar services as the City. Benchmark positions were identified from each department and position classification and level of the City. This group positions focus to include a large cross-section of positions at the City. Once the target and benchmark information were finalized, classification information from the City was used to find comparable positions from peer organizations.

Solution Creation - Pay Plan and Implementation Cost

Evergreen created solutions after the collection of salary survey data and discussion with the City's project team regarding the structure of the compensation system. During this phase, desired range spreads (distance from minimum to maximum) and midpoint progressions (distance from the midpoint of one pay grade to the next) were established. Once the structure was created, jobs were then slotted into the proposed pay grade structure using market data and the City's project team feedback.

As part of the study, the City identified its desired market position. Subsequently, the pay plan and job slotting within the system was adjusted to account for this desired position in the market.

The final step in the creation of the solution identified the costs associated with each step of the analysis. The data from the job slotting process were applied to the individual employees in the organization. This allowed the City of West Melbourne to view the total costs associated with proposed structural changes. Evergreen provided the City's project team with several options that may be used to implement the proposed structure and other potential adjustments that could be made to address any remaining issues.



1.2 REPORT ORGANIZATION

This report includes the following additional chapters:

- Chapter 2 – Summary of Outreach
- Chapter 3 – Assessment of Current Conditions
- Chapter 4 – Market Salary Survey Summary
- Chapter 5 – Solution and Recommendations

Chapter 2 – Summary of Outreach

Outreach was conducted to solicit input on several topics related to the compensation study. Evergreen Solutions team conducted a series of individual interviews with a selection of employees representing multiple departments. Employees discussed issues they perceived with classification and compensation at the City. A synopsis of outreach can be found in **Chapter 2** of this report.

Chapter 3 – Assessment of Current Conditions

An analysis was conducted to assess the existing compensation structure within the City as well as a brief review of current employee demographics. The process revealed information about the existing structure and demographics and should be considered as a snapshot in time. By reviewing information about the City's compensation structure, philosophies, and employee demographics, Evergreen Solutions gained a better understanding of the structures and methods in place to help identify issues for further review and revision potential. A summary of this assessment can be found in **Chapter 3** of this report.

Chapter 4 – Market and Benefits Survey Summary

The salary survey was developed to determine the market competitiveness of the City's compensation system. Survey tools were then created to solicit salary information from each of the peer organizations. When the results were received, the data were analyzed and utilized to provide aggregate findings. The data were compared to the City's existing pay structure and the results were summarized in **Chapter 4** of this report.

Chapter 5 – Solution and Recommendations

The proposed solution followed West Melbourne's desired compensation system structure. Evergreen's recommendations were made to improve the City's compensation structure based on the findings from the data analysis, the salary survey, and the City's desired market position. **Chapter 5** of this report discusses the compensation findings, recommendations, and implementation plans.

Chapter 2 – Summary of Employee Outreach

A vital part of a compensation and classification study is the participation of employees and supervisors in the outreach process accomplished through employee focus groups, interview sessions and orientations. This process should not be overlooked as it has the ability to engage the employees, and achieve buy-in from the most qualified to offer anecdotal information and insight into how work is organized within the City of West Melbourne.

During a preliminary orientation call with senior management staff, general observations about the compensation and classification system in place within the City were discussed. In addition, on August 17, Evergreen Solutions facilitated several focus groups with a large, cross-section of employees to solicit their perceptions, opinions, and attitudes about the City as an employer and collect responses concerning the strengths and weaknesses of the current pay and classification systems.

Focus groups offered a unique opportunity to identify benchmark positions that employees suggested should be included in the external comparison with the City's target peer organizations. Orientations and small group sessions were held in our effort to open unfettered dialogue between the City's employees and Evergreen Solutions. This chapter will summarize the overall feedback revealed throughout outreach.

The observations in this chapter are designed to suggest a generalized summarization of opinions of themes and trends expressed by all participating employees, and are not provided to reflect the opinions of any given individual or group. Evergreen Solutions utilizes the employee outreach component as a helpful tool in focusing subsequent analysis, but does not rely solely on employee perceptions when making specific recommendations regarding a new or revised pay plan or classification system. This summary is separated by category and provided below.

General Feedback

Employees were asked why they accepted employment for the City of West Melbourne, why they have stayed and what programs they felt were working well, many employees offered several top reasons that included: individual health coverage benefits, and job stability. Additional observations are:

- Retirement benefits and a sense of pride in working for the City play a positive role in affecting morale.
- Many considered both the quality of people they work with and the work they perform as sources of reward and enjoyment.



Compensation Issues

Overall, employees shared they feel that they were compensated below the expected salary for the level and type of work they performed compared to the surrounding market. The extent of this market difference will be explored thoroughly in **Chapter 3** and will take into consideration the following observations presented by meeting participants related to compensation:

- A number of employees suggested some classifications, that perform similar types of work, are compensated at different rates and encourage interdepartmental turnovers.
- The majority of employees stated that they would appreciate a performance evaluation system that is linked to merit pay and is consistently and regularly funded.

Classification Issues

Several employees provided Evergreen Solutions with issues specific to individual classifications. This information will be analyzed during the Job Assessment Tool (JAT) review and Management Issues Tool (MIT) review. Positions that were highlighted by employees are listed below:

- Some job titles do not accurately reflect the work being performed.
- Additional responsibilities are given to job classifications and are not included in the job description, job title, or compensation.

Market Peers

Group participants were asked to name organizations they considered to be market peers. Responses obtained during these sessions are one of the considerations evaluated when selecting organizations to be surveyed in the salary market study. Participants named with some frequency the following regional organizations as the City's biggest competitors in terms of employee compensation and benefits:

- Brevard County Sheriff's Office, FL
- Orlando City, FL
- City of Melbourne, FL
- City of Palm Bay, FL
- City of Cocoa, FL
- Indian River County, FL
- City of Deland, FL
- City of Miami, FL
- City of Sunrise, FL
- City of Rockledge, FL



- Brevard County, FL
- City of Sebastian, FL
- City of Viera, FL
- City of Ft. Pierce, FL
- Vero Beach, FL
- City of Kissimmee, FL
- City of St. Cloud, FL
- Grumman (private)
- Harris (private)
- City of Satellite Beach, FL
- City of Titusville, FL
- Orange County, FL
- Volusia County, FL
- City of Boca Raton, FL
- FLETC (Federal Law Enforcement Training Center), Glynco, GA

Benchmark Positions

Employees were also asked to suggest which positions within the City that presented the greatest challenges with regard to recruitment and retention, and which positions were currently experiencing high turnover and recruitment issues. Positions identified were used to provide a basic framework for populating the market salary survey. Employees responded with the following areas and specific positions:

- Planner
- Multi Code (Combination) Building Inspector
- Water Distribution Worker (formerly meter reader)
- Police Officer – Patrol

Performance Evaluation

When questions were asked about the performance evaluation process the following observations can be made:

- Many employees do not see the value of evaluations and feel they are not used to provide necessary feedback for employees or supervisors.
- Employees would like to see the system allow for exceptional performance ratings for those employees that go above and beyond the scope of their position on a consistent basis.
- The majority of the employees that provided feedback would like to see a fair and equitable performance evaluation system that ties performance to merit increases.



Benefits

Employees offered the following observations related to core and fringe benefits:

- In general, employees expressed satisfaction in the overall benefits offered by the City and the amount paid the City pays on the employees' behalf for health insurance coverage for individual employees. However, there was an expressed concern that the cost for family health insurance coverage continues to increase and is not made up for in increases to employees' salaries.
- Sworn personnel described the ability to have a take home vehicle as a valued benefit.
- Employees are encouraged to attend training and sworn employees are afforded pay incentives once additional levels of education are obtained.
- Generally, employees expressed their appreciation with the number of holidays allotted to them.

SUMMARY

The feedback received by Evergreen Solutions provided a solid foundation for the development of recommendations for the City.

In general, employees shared a number of well-defined advantages of working for the City of West Melbourne that they believed tend to help attract and retain good employees. Even though employees emphasized several potential problems, many of these issues are typically found within other publicly funded agencies.

As a whole, the employees of the City of West Melbourne take pride in their work and strive to make distinct contributions to their organization and their overall community. The Evergreen Solutions team utilized the information gathered from employees throughout the remainder of this study in order to arrive at appropriate recommendations for the City.



Chapter 3 – Assessment of Current Conditions

The assessment of current conditions provides an overall evaluation based on Evergreen's review and analysis of the City of West Melbourne's compensation structure, employee salary progression, and employee counts in each department. The assessment is divided into the following sections:

- 3.1 Pay Plan Analysis
- 3.2 Employee Salary Placement by Grade
- 3.3 Quartile Tenure Analysis
- 3.4 Compression Analysis
- 3.5 Employee Counts by Department
- 3.6 Summary

Information contained in this chapter reflects the conditions when the study began and should be considered a snapshot in time. Conducting an overall review of the City's current compensation structure, philosophies, and employee demographics, was instrumental in providing Evergreen with a better understanding of the structures and methods in place. Additionally, this review helped identify any issues that may require further review and potential revision. The results of this evaluation were considered during the analysis of internal equity and peer market data. Subsequently, appropriate compensation related recommendations were developed for the City and are described later in this report.

3.1 PAY PLAN ANALYSIS

The City administered one pay plan for its Non-Represented and Represented employees. **Exhibit 3A** illustrates the pay plan revealing the minimum, midpoint, and maximum salaries of each grade. The pay plan consisted of 21 grades for 121 employees. Each of the 19 Non-Represented pay grades within the plan had a range spread (the percentage difference between the minimum and maximum of the pay grades relative to the grade's minimum) of 50 percent. The two Represented pay grades had a range spread of 51 percent for Officer and 28 percent for Sergeant.



**EXHIBIT 3A
PAY PLAN**

Pay Plan	Grade	Minimum	Midpoint	Maximum	Range Spread	Employees
Non-Represented	13	\$ 20,826	\$ 25,468	\$ 31,239	50%	3
Non-Represented	14	\$ 22,284	\$ 27,855	\$ 33,426	50%	1
Non-Represented	16	\$ 25,512	\$ 31,890	\$ 38,268	50%	5
Non-Represented	17	\$ 27,298	\$ 34,123	\$ 40,947	50%	21
Non-Represented	18	\$ 29,209	\$ 36,512	\$ 43,814	50%	5
Non-Represented	19	\$ 31,254	\$ 39,068	\$ 46,881	50%	6
Non-Represented	20	\$ 33,442	\$ 41,803	\$ 50,163	50%	9
Non-Represented	21	\$ 35,783	\$ 44,729	\$ 53,675	50%	6
Non-Represented	22	\$ 38,287	\$ 47,859	\$ 57,431	50%	3
Non-Represented	23	\$ 40,967	\$ 51,209	\$ 61,451	50%	4
Non-Represented	24	\$ 43,835	\$ 54,794	\$ 65,753	50%	1
Non-Represented	25	\$ 46,904	\$ 58,630	\$ 70,356	50%	4
Non-Represented	28	\$ 57,459	\$ 71,824	\$ 86,189	50%	2
Non-Represented	29	\$ 61,482	\$ 76,853	\$ 92,223	50%	3
Non-Represented	30	\$ 65,785	\$ 82,232	\$ 98,678	50%	3
Non-Represented	31	\$ 70,390	\$ 87,988	\$ 105,585	50%	3
Non-Represented	32	\$ 75,317	\$ 94,147	\$ 112,976	50%	2
Non-Represented	34	\$ 86,231	\$ 107,789	\$ 129,347	50%	2
Non-Represented	35	\$ 92,267	\$ 115,334	\$ 138,401	50%	2
Represented	P1	\$ 39,000	\$ 49,000	\$ 59,000	51%	28
Represented	P2	\$ 53,000	\$ 60,500	\$ 68,000	28%	8
Average/Total					49%	121

Source: Created by Evergreen Solutions from data provided by the City as of August 2018.

3.2 EMPLOYEE SALARY PLACEMENT BY GRADE

It is important to analyze where employees' salaries fell within each pay range when assessing the effectiveness of the City's pay plan and practices. It is equally important to determine where there may have been clusters of employees' salaries within the current pay plan, illuminating potential pay progression concerns. It should be noted that employees' salaries, and the progression of the salaries, are associated with an organization's compensation philosophy—specifically, the method of salary progression and the availability of resources. Therefore, the placement of employees' salaries should be viewed in this context.

Exhibit 3B illustrates the placement of employees' salaries relative to pay grade minimums and maximums. The exhibit contains the following:



- the pay grades,
- the number of employees in classifications assigned to the pay grade,
- the number and percentage of employees with salaries below the minimum,
- the number and percentage of employees with salaries at the minimum,
- the number and percentage of employees with salaries at the maximum, and
- the number and percentage of employees with salaries above the maximum.

**EXHIBIT 3B
SALARY PLACEMENT
BELOW MINIMUM AND ABOVE MAXIMUM BY GRADE**

Grade	Employees	# < Min	% < Min	# = Min	% = Min	# = Max	% = Max	# > Max	% > Max
13	3	0	0.0%	0	0.0%	0	0.0%	0	0.0%
14	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
16	5	0	0.0%	0	0.0%	0	0.0%	0	0.0%
17	21	0	0.0%	0	0.0%	0	0.0%	0	0.0%
18	5	0	0.0%	0	0.0%	0	0.0%	0	0.0%
19	6	0	0.0%	0	0.0%	0	0.0%	0	0.0%
20	9	0	0.0%	0	0.0%	0	0.0%	0	0.0%
21	6	0	0.0%	1	16.7%	0	0.0%	0	0.0%
22	3	0	0.0%	0	0.0%	0	0.0%	0	0.0%
23	4	0	0.0%	0	0.0%	0	0.0%	0	0.0%
24	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
25	4	0	0.0%	0	0.0%	0	0.0%	0	0.0%
28	2	0	0.0%	0	0.0%	0	0.0%	0	0.0%
29	3	0	0.0%	0	0.0%	0	0.0%	0	0.0%
30	3	0	0.0%	0	0.0%	0	0.0%	0	0.0%
31	3	0	0.0%	0	0.0%	0	0.0%	0	0.0%
32	2	0	0.0%	0	0.0%	0	0.0%	0	0.0%
34	2	0	0.0%	0	0.0%	0	0.0%	0	0.0%
35	2	0	0.0%	0	0.0%	0	0.0%	0	0.0%
P1	28	0	0.0%	0	0.0%	0	0.0%	1	3.6%
P2	8	0	0.0%	1	12.5%	0	0.0%	1	12.5%
Total	121	0	0.0%	2	1.7%	0	0.0%	2	1.7%

Source: Created by Evergreen Solutions from data provided by the City as of August 2018.

Employees with salaries at the grade minimum are typically new hires or new to the classification following a recent promotion; also, employees with salaries at the grade maximum are typically highly experienced and proficient in the classification. As **Exhibit 3B** illustrates, at the time of this study, there were two (2) employees with a salary at their position's grade minimum. However, there were two (2) employees with a salary above their position's grade maximum.

Exhibit 3C illustrates the placement of employees' salaries relative to pay grade midpoints. The exhibit contains the following:

- the pay grades,
- the number of employees in classifications assigned to the pay grade,



- the number and percentage of employees with salaries below the midpoint,
- the number and percentage of employees with salaries near the midpoint (within five percent), and
- the number and percentage of employees with salaries above the midpoint of each pay grade.

**EXHIBIT 3C
SALARY PLACEMENT AROUND MIDPOINT
BY GRADE**

Grade	Employees	# < Mid	% < Mid	# Near Mid	% Near Mid	# > Mid	% > Mid
13	3	0	0.0%	3	100.0%	0	0.0%
14	1	1	100.0%	0	0.0%	0	0.0%
16	5	4	80.0%	1	20.0%	0	0.0%
17	21	16	76.2%	2	9.5%	3	14.3%
18	5	3	60.0%	2	40.0%	0	0.0%
19	6	5	83.3%	0	0.0%	1	16.7%
20	9	5	55.6%	3	33.3%	1	11.1%
21	6	1	16.7%	1	16.7%	4	66.7%
22	3	1	33.3%	1	33.3%	1	33.3%
23	4	0	0.0%	3	75.0%	1	25.0%
24	1	0	0.0%	0	0.0%	1	100.0%
25	4	1	25.0%	0	0.0%	3	75.0%
28	2	2	100.0%	0	0.0%	0	0.0%
29	3	3	100.0%	0	0.0%	0	0.0%
30	3	1	33.3%	2	66.7%	0	0.0%
31	3	0	0.0%	3	100.0%	0	0.0%
32	2	1	50.0%	1	50.0%	0	0.0%
34	2	0	0.0%	0	0.0%	2	100.0%
35	2	0	0.0%	0	0.0%	2	100.0%
P1	28	18	64.3%	8	28.6%	2	7.1%
P2	8	6	75.0%	1	12.5%	1	12.5%
Total	121	68	56.2%	31	25.6%	22	18.2%

Source: Created by Evergreen Solutions from data provided by the City as of August 2018.

Employees with salaries close to the midpoint of a pay range should be fully proficient in their classification and require minimal supervision to complete their job duties while performing satisfactorily. Within this framework, grade midpoint is commonly considered to be the salary an individual could reasonably expect for similar work in the market. Therefore, it is important to examine the percentage and number of employees with salaries above and below the calculated midpoint. Of the 121 employees within classifications the City's pay plans, 68 employees (56.2 percent) had salaries below the midpoint of their respective range, 31 employees (25.6 percent) had salaries near the midpoint (defined as within five percent of either side of the midpoint), while 22 employees (18.2 percent) had salaries above the midpoint range.



3.3 SALARY QUARTILE ANALYSIS

This section provides an additional analysis of the distribution of employees' salaries across the pay grades at the time of this study. Examining employee salary placement by grade quartile provided insight into whether clustering of employees' salaries existed within each pay grade. For this analysis, employees' salaries were slotted within one of four equal distributions. The first quartile (0-25) represents the lowest 25 percent of the pay range. The second quartile (26-50) represents the segment of the pay range above the first quartile up to the pay range's midpoint. The third quartile (51-75) represents the part of the pay range above the midpoint up to the 75th percentile of the pay range. The fourth quartile (76-100) is the highest 25 percent of the pay range. This analytical method provided an opportunity to assess how employees' salaries are disbursed throughout each grade (pay range).

The quartile analysis is used to determine the location of employee salary clusters. Quartile analysis helps identify whether clusters exist in specific quartiles of pay grades. Additionally, the amount of time the employee has spent at the organization is also analyzed, in order to observe any relationship between organizational tenure and salary progression. This information, while not definitive alone, can shed light on any root issues within the current compensation and classification plan when combined with market data and employee feedback.

Exhibit 3D provides a breakdown of placement of employees' salaries relative to salary quartile and provides the following:

- the pay grades,
- the number of employees per pay grade,
- the counts of the employees by quartile within each grade, and
- the average total tenure by quartile within each grade.

Exhibit 3E shows the same information graphically.

The City's employees' salaries were significantly clustered below the midpoint of their pay range. In order of employee concentration, 56 employees (46.3 percent) had salaries in the first quartile of their respective pay ranges, 27 (22.3 percent) in the second quartile, 24 employees (19.8 percent) in the third quartile and 14 employees (11.6 percent) in the fourth quartile. While this distribution does not lead to a conclusion, data for average tenure do lead to determinations on the relationship between tenure and salary.

Typically, overall average tenure increases as quartile increases and this is the case for City employees; the average tenure in Quartile 1 is 3.5 years; in Quartile 2 is 9.4 years; in Quartile 3 is 11.0 years; and in Quartile 4 is 17.8 years. Even though the employees are clustered in the lower quartiles, there is a positive linear relationship between tenure and pay.

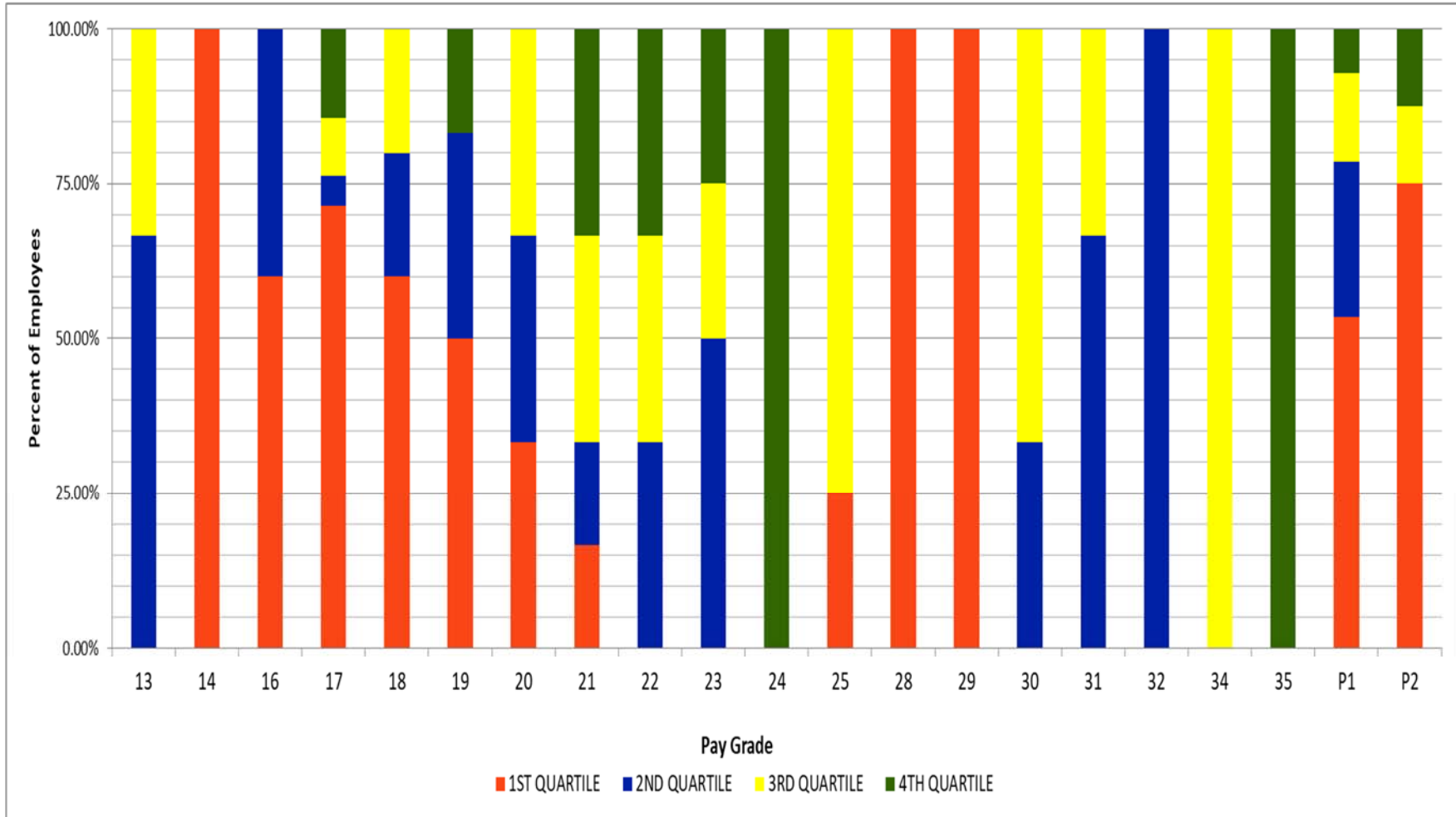


EXHIBIT 3D QUARTILE ANALYSIS - TENURE BY GRADE

GRADE	Total Employees	Average Tenure	1st Quartile		2nd Quartile		3rd Quartile		4th Quartile	
			# Employees	Avg Tenure	# Employees	Avg Tenure	# Employees	Avg Tenure	# Employees	Avg Tenure
13	3	2.5	0	-	2	1.2	1	5.0	0	-
14	1	0.9	1	0.9	0	-	0	-	0	-
16	5	4.1	3	0.8	2	9.1	0	-	0	-
17	21	5.3	15	1.7	1	10.7	2	5.6	3	20.9
18	5	6.1	3	2.3	1	12.2	1	11.2	0	-
19	6	9.9	3	3.3	2	13.1	0	-	1	23.4
20	9	10.3	3	5.8	3	12.0	3	13.1	0	-
21	6	11.9	1	1.6	1	13.2	2	12.0	2	16.3
22	3	21.2	0	-	1	5.1	1	23.7	1	34.8
23	4	10.5	0	-	2	14.3	1	0.4	1	12.9
24	1	14.2	0	-	0	-	0	-	1	14.2
25	4	5.8	1	5.6	0	-	3	5.8	0	-
28	2	16.7	2	16.7	0	-	0	-	0	-
29	3	2.1	3	2.1	0	-	0	-	0	-
30	3	20.6	0	-	1	29.5	2	16.2	0	-
31	3	12.3	0	-	2	15.9	1	5.1	0	-
32	2	4.7	0	-	2	4.7	0	-	0	-
34	2	20.7	0	-	0	-	2	20.7	0	-
35	2	6.0	0	-	0	-	0	-	2	6.0
P1	28	4.6	15	1.9	7	4.3	4	9.6	2	16.5
P2	8	11.6	6	9.0	0	-	1	15.1	1	23.9
Overall	121	7.9	56	3.5	27	9.4	24	11.0	14	17.8

Source: Created by Evergreen Solutions from data provided by the City as of August 2018.

EXHIBIT 3E QUARTILE PLACEMENT BY PAY GRADE



3.4 COMPRESSION ANALYSIS

Pay compression can be defined as the lack of variation in salaries between employees with significantly different levels of experience and responsibility. Compression can be seen as a threat to internal equity and morale. Two common types of pay compression can be observed when the pay of supervisors and their subordinates are too close, or when the pay of highly tenured staff and newly hired employees in the same job are too similar.

According to the Society for Human Resources Management (SHRM), specific examples of actions that may cause pay compression include the following:

- Reorganizations change peer relationships and can create compression if jobs are not reevaluated.
- In some organizations, certain departments or divisions may be relatively liberal with salary increases, market adjustments, and promotions—while others are not.
- Some employers have overlooked their Human Resources policies designed to regulate pay, paying new hires more than incumbents for similar jobs under the mantra of “paying what it takes to get the best talent.”
- Many organizations have found it easy to hire people who had already performed the same work for another organization, eliminating the need for training. Rather than hiring individuals with high potential and developing them for the long term, the organization opted for employees who they believed could “hit the ground running”—regardless of their potential.

Exhibit 3F indicates the ratio of subordinate to supervisor salaries by grade graphically and **Exhibit 3G** displays these results numerically. Employees were grouped into categories reflecting whether their actual salary was less than 80 percent, between 80 and 90 percent, between 90 and 95 percent, between 95 and 100 percent, and greater than 100 percent of their supervisor’s salary. For example, an employee with a salary of \$79,000.00 and a supervisor with a salary of \$100,000.00 would yield a ratio of 0.79, and be placed into the “Less than 80 percent” category.

An analysis of the data reveals that while most positions in the City have employee/supervisor salary ratios less than 95 percent, there are some areas of concern. Orange and blue areas on **Exhibit 3F** indicate the need for examination of supervisor vs. employee salary.

EXHIBIT 3F POTENTIAL COMPRESSION BY PAY GRADE

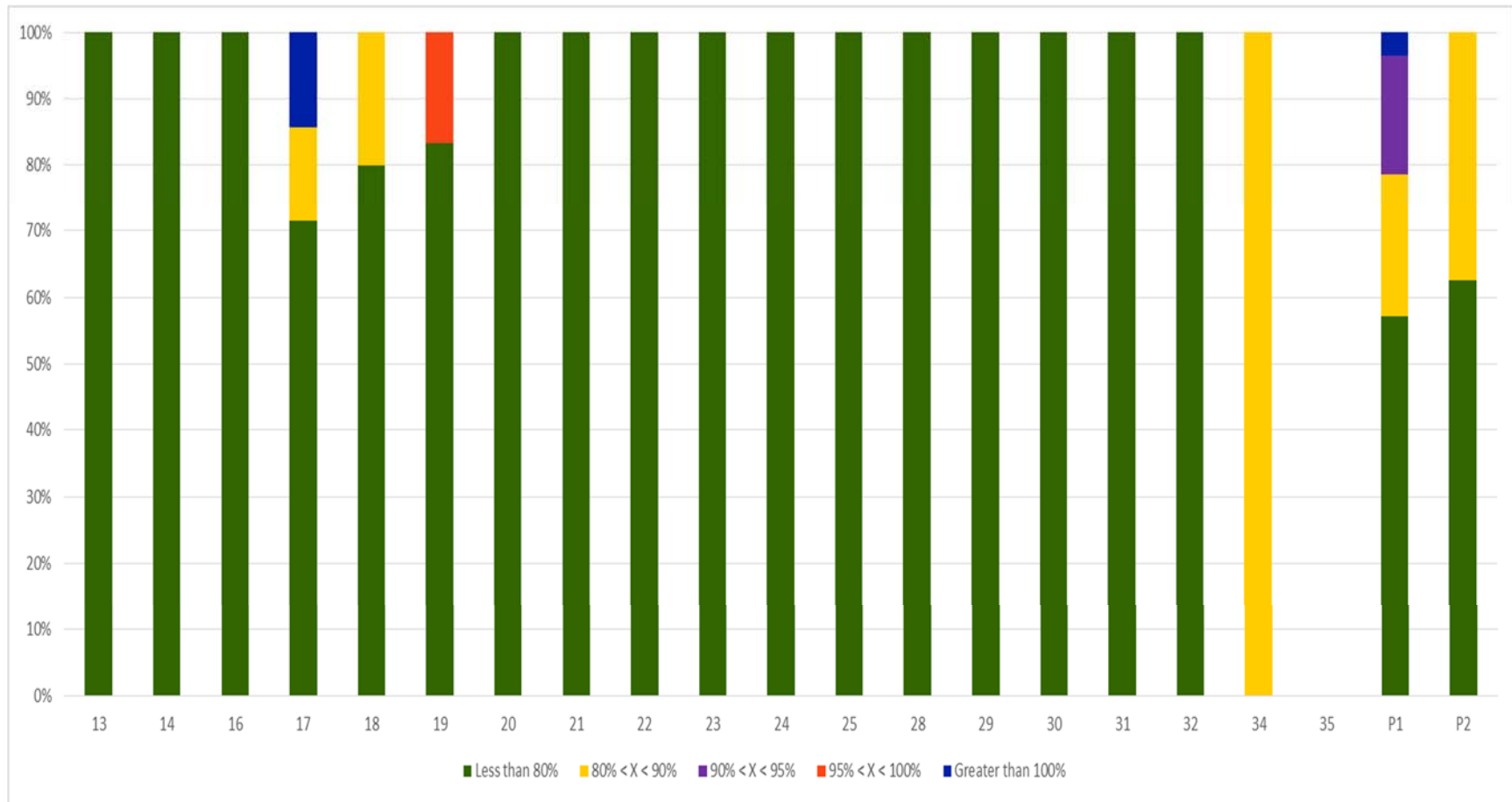


EXHIBIT 3G
EMPLOYEE TO SUPERVISOR SALARY RATIO BY PAY GRADE

Grade	Less than 80%	80% < X < 90%	90% < X < 95%	95% < X < 100%	Greater than 100%
13	3	0	0	0	0
14	1	0	0	0	0
16	5	0	0	0	0
17	15	3	0	0	3
18	4	1	0	0	0
19	5	0	0	1	0
20	9	0	0	0	0
21	6	0	0	0	0
22	3	0	0	0	0
23	4	0	0	0	0
24	1	0	0	0	0
25	4	0	0	0	0
28	2	0	0	0	0
29	3	0	0	0	0
30	3	0	0	0	0
31	3	0	0	0	0
32	2	0	0	0	0
34	0	1	0	0	0
35	0	0	0	0	0
P1	16	6	5	0	1
P2	5	3	0	0	0
Totals	94	14	5	1	4

Source: Created by Evergreen Solutions from data provided by the City as of August 2018.

3.5 EMPLOYEES BY DEPARTMENT

At the time the study commenced, the City employed 121 individuals across 12 departments. **Exhibit 3H** depicts the number of employees and the number of classifications in each department and is intended only to provide basic information regarding how employees are distributed among departments. Also provided is the percentage breakdown of employees by department. As the exhibit illustrates, the largest department is Police, with 42 employees representing 34.7 percent of the City's workforce.



**EXHIBIT 3H
EMPLOYEES BY DEPARTMENT**

Department	Employees	Classes	% of Total
ADMINISTRATION	4	4	3.3%
BUILDING	12	11	9.9%
CLERK	1	1	0.8%
FINANCE	11	10	9.1%
FINANCE/IT	1	1	0.8%
IT	2	2	1.7%
LEGAL	2	2	1.7%
PARKS & RECREATION	10	8	8.3%
PLANNING	4	3	3.3%
POLICE	42	6	34.7%
POLICE - CIVILIAN	12	6	9.9%
PUBLIC WORKS	20	11	16.5%
Total	121	65	100.0%

Source: Created by Evergreen Solutions from data provided by the City as of August 2018.

3.5 SUMMARY

Overall, the City's compensation structure offered a firm foundation on which to improve. The key points of the current structure were:

- The City administered one (1) open range pay plan for its 121 employees.
- Range spread, generally recommended to be between 50-70 percent, average is 49 percent.
- The majority (>69 percent) of employees' salaries were clustered below the midpoint, with 46.7 percent of employees' salaries in the first quartile;
- Pay Compression may be an issue in a few grades based on the indicators described above.

The compensation plans provided employees with a pay structure, although it seems that some clustering of employees' salaries has occurred over time.

The information gained from the review of current conditions was used in conjunction with the market analysis data and internal equity review to develop recommendations for a competitive compensation plan that would best align with and provide a foundation for the City's compensation philosophy moving forward. These recommendations can be found in **Chapter 5** of this report.



Chapter 4 – Market & Benefits Survey Results

Market comparisons provide the best and most direct methods of determining an organization's relative position in the marketplace. Specifically, market comparisons focus on the average of the market and range characteristics. Market data can be used to evaluate overall structure, to include pay ranges; summarize overall market competitiveness; and capture current highs and lows of the City's pay plan at a fixed point in time. Using this methodology to collect market data is not an ideal tool for comparing individual salaries. Rather, its intent is to provide an analysis of overall market competitiveness of the organization's salary structure. When using a sampling approach of market characteristics, a market comparison is not typically the sole determiner of recommended pay levels by classification as it does not allow for specific, quantifiable salary recommendations for individuals. Based on these factors, market analysis does not translate well at the individual level, as individual pay is determined through a combination of factors including geographical job market, performance, prior experience, and the individual's negotiation skills during the hiring process, and the demand for the type of job. High demand fields can dictate higher salaries in today's labor market in much the same way as IT professionals have in years past.

Prior to presenting the market analysis, it should be noted that these comparisons are best thought of as a snapshot of current market conditions. Since market conditions change, and in some cases change quickly, market surveys are useful for making updates to a salary structure. However, surveys must be performed at regular intervals if an organization wishes to stay current with the marketplace. Market data are most useful in making adjustments to overall pay plans and making job classification placements within the overall pay structure.

Evergreen Solutions conducted a comprehensive market salary survey for the City of West Melbourne (City). A representative sample of 62 job classifications were selected with input and approval from the City's project team for market survey.

Survey results for the salary minimums, midpoints, and maximums from the following list of targets are presented in **Exhibit 4A**. When comparing the City to its peers, a number of factors were considered, such as geographic location and relative population size. A list of 20 survey targets was developed and approved by the City prior to commencing the survey. The following list provides the targets for this survey:



Market Peers
Brevard County Sheriff's Office, FL
Brevard County, FL
City of Altamonte Springs, FL
City of Cocoa, FL
City of Deland, FL
City of Fort Pierce, FL
City of Kissimmee, FL
City of Melbourne, FL
City of Orlando, FL
City of Palm Bay, FL
City of Port St. Lucie, FL
City of Rockledge, FL
City of Satellite Beach, FL
City of Sebastian, FL
City of St. Cloud, FL
City of Titusville, FL
Indian River County, FL
City of Vero Beach, FL
Orange County, FL
Volusia County, FL

Market data was submitted by 18 of the 20 desired target organizations, equating to a 90 percent response rate. This is a high rate of participation and strengthens the conclusions drawn by this survey. **Exhibit 4A** displays the results of this survey. As these data show, the City falls below market at the minimum, midpoint and maximum. The remainder of this chapter will elaborate on these findings.

4.1 SALARY SURVEY RESULTS

Market Minimums

Exhibit 4A on page 4-5 depicts the aggregate results of the salary survey for the market minimums, midpoints, and maximums. It also displays the salary differentials between the City's pay plan and the average of the targets surveyed. As **Exhibit 4A** illustrates, at the minimum of the respective salary ranges, City is on average approximately 8.6 percent below market across all surveyed job titles.

Based on the data gathered at the surveyed market minimum for these benchmark positions, the following can be determined:



- The surveyed position differences ranged from a low of 34.3 percent below market in the case of the Building Department Office Manager classification to a high of 11.6 percent above market for the Recreation Worker classification.
- Of the 62 City positions for which market minimum data was collected, 54 reported to be below market which represents 87.1 percent of all benchmarks.
- Eight positions indicated market differentials at the pay range minimum that were greater than 20 percent below market and are listed below:
 - Accreditation Manager (-22.8 percent);
 - Building Department Office Manager (-34.3 percent);
 - City Attorney – (-24.6 percent);
 - Deputy Police Chief – (-22.8 percent);
 - Human Resources Director – (-31.4 percent);
 - Information Technology Director – (-20.2 percent);
 - PAL Coordinator – (-24.8 percent); and
 - Parks & Recreation Director – (-30.2 percent).
- One position (0.16 percent of all benchmark classifications) indicated market differentials at the pay range minimum that were greater than ten percent above market and is provided below:
 - Recreation Worker (11.6 percent).

Market Midpoints

The midpoint of the range is the level at which, typically, the most statistically accurate representation of the actual value of a position can be measured. When examining the overall competitive position of a specific classification, many organizations will look solely at the midpoint in ascertaining a specific “market value.” While this is a practical method for quickly evaluating a classification vis-à-vis a group of peers, it is not a statistically viable method for developing a new or revised compensation structure for an entire organization. Nevertheless, looking at the organization’s competitive position against the market peer average at the midpoint is helpful in building the pieces for a comprehensive solution that fits the overall needs of the organization.

Exhibit 4A also depicts salary comparison data at the range midpoints for both the City and its survey peers. The exhibit demonstrates that the City, on average, is -10.7 percent below market at the midpoint. At the market midpoint, the benchmark positions ranged from a low of 44.1 percent below market for the City Attorney classification to a high of 12.4 percent above market for the Recreation Worker classification.



Based on the data gathered at the market midpoint of the salary range, the following can be determined:

- Of the 62 City positions for which market midpoint data was collected, 57 classifications were found to be below market at the midpoint and represents 91.9 percent of all benchmarks.
- Of the positions below market, eleven classifications (17.74 percent) were greater than 20 percent below market and are listed below:
 - City Attorney - (-44.1 percent);
 - Building Department Officer Manager (-37.7 percent);
 - Human Resources Director – (-36.0 percent);
 - Parks & Recreation Director – (-33.3 percent);
 - PAL Coordinator – (-27.3 percent);
 - Accreditation Manager (-27.1 percent);
 - Garage Superintendent – (-24.1 percent);
 - Systems Administrator – (-23.4 percent);
 - City Manager – (-20.8 percent);
 - Utility Customer Service Supervisor – (-20.7 percent); and
 - Deputy Police Chief – (-20.2 percent).
- Of the positions above market, one classification was greater than ten percent above market and is listed below:
 - Recreation Worker Classification (12.4 percent).

Market Maximums

The market maximum is significant because it represents the most that an organization would typically spend to retain qualified incumbents. If incumbents' salaries are clustered at or near the maximum, however, this may be an indication that the salary range widths are too narrow, and that the salary maximums may be below the market average. Salary range maximum values as they compare to the survey respondents are also illustrated in **Exhibit 4A**. This point of analysis shows the continuation of the trends noted in the minimum and midpoint comparisons. The City's pay plan falls below market at the maximum by approximately 12.1 percent, on average.

The comparison of market maximums yielded the following considerations:

- At the survey maximum, differentials range from 15.0 percent above market for the Recreation Worker classification to a high of 57.2 below market for the City Attorney classification.
- Of the 62 positions included in the survey, 5 classifications (8.1 percent of all benchmarks) reported maximum salaries higher than the market maximum. Of



these positions, one classification, Recreation Worker, (15.0 percent) reported range maximums greater than ten percent above market. Of classifications that reported range maximums less than 20 percent below market. These classifications are listed below with their market differentials:

- Accreditation Manager – (-30.0 percent);
- Building Department Officer Manager – (-40.0 percent);
- City Attorney – (-57.2 percent);
- City Manager – (-26.8 percent);
- Garage Superintendent – (-27.0 percent);
- Human Resources Director – (-39.0 percent);
- Operations Coordinator – (-20.4 percent);
- PAL Coordinator – (-29.0 percent);
- Parks & Recreation Director – (-35.3 percent);
- Utility Customer Service Supervisor – (-21.6 percent); and
- Systems Administrator – (-26.1 percent).

It should be noted that the standing of a classification’s pay range compared to the market is not a definitive assessment of the individual employee’s salaries being equally above or below market. It does, however, speak to the City’s ability to recruit and retain talent over time. Since starting pay is below what the market would offer, the City may experience the potential of losing employees to their market peers or lose out to other competitor cities when recruiting to fill a position. With the ranges at all levels being below that of the City’s peers, long tenured employees may consider other options based on salary differences being offered by the competition.



Exhibit 4A
City Public Sector Salary Survey Market Differentials

ID	Classification	Survey Minimum		Survey Midpoint		Survey Maximum		Survey Avg Range	# Resp.
		Average	% Diff	Average	% Diff	Average	% Diff		
1	ACCOUNTING OPERATIONS MANAGER	\$51,824.57	-10.5%	\$65,429.23	-11.6%	\$79,033.88	-12.3%	52.6%	15.0
2	ACCREDITATION MANAGER	\$41,068.64	-22.8%	\$53,148.84	-27.1%	\$65,229.03	-30.0%	59.2%	12.0
3	ADMINISTRATIVE ASSISTANT	\$31,360.00	-0.3%	\$39,805.46	-1.9%	\$48,480.25	-3.4%	54.9%	18.0
4	ASSISTANT FINANCE DIRECTOR	\$61,251.12	-6.6%	\$79,141.31	-10.2%	\$97,031.50	-12.6%	58.5%	14.0
5	AUTOMOTIVE MECHANIC	\$30,743.58	1.6%	\$39,758.87	-1.8%	\$48,774.17	-4.0%	58.5%	16.0
6	BUILDING DEPARTMENT OFFICE MANAGER	\$44,918.73	-34.3%	\$57,576.95	-37.7%	\$70,235.17	-40.0%	56.3%	7.0
7	BUILDING INSPECTOR	\$42,863.11	-4.6%	\$54,460.77	-6.3%	\$66,058.42	-7.5%	54.2%	16.0
8	BUILDING OFFICIAL	\$69,787.93	-6.1%	\$91,478.12	-11.2%	\$113,168.32	-14.7%	62.0%	14.0
9	CITY ATTORNEY	\$114,927.16	-24.6%	\$166,234.44	-44.1%	\$217,541.72	-57.2%	87.8%	3.0
10	CITY CLERK	\$66,374.97	-8.0%	\$84,618.57	-10.1%	\$102,862.18	-11.5%	55.2%	11.0
11	CITY MANAGER	\$103,198.49	-11.8%	\$139,342.04	-20.8%	\$175,485.60	-26.8%	68.9%	7.0
12	CODE ENFORCEMENT INSPECTOR	\$36,414.91	-1.8%	\$46,761.68	-4.5%	\$57,108.46	-6.4%	56.8%	15.0
13	COMBINATION BUILDING INSPECTOR	\$47,882.21	-2.1%	\$61,596.87	-5.1%	\$75,311.53	-7.0%	57.4%	12.0
14	CONSTRUCTION INSPECTOR	\$39,850.51	-11.4%	\$50,396.38	-12.7%	\$60,942.26	-13.5%	53.0%	15.0
15	CREW LEADER - PUBLIC WORKS	\$35,009.61	-4.7%	\$44,692.50	-6.9%	\$54,375.38	-8.4%	55.5%	15.0
16	CUSTODIAN	\$24,733.88	-11.0%	\$31,496.66	-13.1%	\$38,259.45	-14.5%	54.8%	15.0
17	CUSTOMER SERVICE REPRESENTATIVE	\$27,048.47	0.9%	\$34,788.89	-2.0%	\$42,529.31	-3.9%	57.5%	13.0
18	DEPUTY BUILDING OFFICIAL	\$60,099.30	-	\$76,066.24	-	\$92,033.18	-	53.3%	11.0
19	DEPUTY CITY MANAGER/CAPITAL PROJECTS MANAGER	\$92,744.24	-7.6%	\$117,872.80	-9.4%	\$143,001.36	-10.6%	54.1%	11.0
20	DEPUTY POLICE CHIEF	\$86,406.03	-22.8%	\$105,736.69	-20.2%	\$125,067.36	-18.5%	44.8%	10.0
21	EQUIPMENT OPERATOR	\$27,929.63	-2.3%	\$35,616.87	-4.4%	\$43,304.10	-5.8%	55.2%	16.0
22	EVIDENCE CUSTODIAN	\$31,140.65	-6.6%	\$39,905.17	-9.3%	\$48,669.68	-11.1%	56.4%	12.0
23	FINANCE DIRECTOR	\$84,591.44	-12.3%	\$107,747.46	-14.4%	\$130,903.48	-15.9%	54.8%	17.0
24	FIRE CODE INSPECTOR	\$39,953.46	-4.4%	\$50,325.35	-5.2%	\$60,697.24	-5.7%	52.0%	13.0
25	GARAGE SUPERINTENDENT	\$45,895.20	-19.9%	\$59,408.37	-24.1%	\$72,921.54	-27.0%	58.9%	14.0
26	HEAVY EQUIPMENT OPERATOR	\$31,653.92	-1.3%	\$40,233.93	-3.0%	\$48,813.94	-4.1%	54.3%	15.0
27	HUMAN RESOURCES DIRECTOR	\$80,769.65	-31.4%	\$104,488.44	-36.0%	\$128,207.22	-39.0%	58.8%	17.0
28	INFORMATION TECHNOLOGY DIRECTOR	\$84,586.59	-20.2%	\$104,525.37	-18.8%	\$124,464.15	-17.9%	47.5%	15.0
29	LEGAL ASSISTANT	\$35,303.85	1.3%	\$45,052.45	-0.7%	\$54,801.05	-2.1%	55.1%	10.0
30	MAINTENANCE WORKER	\$25,706.10	-0.8%	\$32,613.32	-2.3%	\$39,520.54	-3.3%	53.9%	16.0
31	OPERATIONS COORDINATOR	\$38,853.91	-16.2%	\$49,615.42	-18.7%	\$60,376.93	-20.4%	55.7%	10.0
32	PAL COORDINATOR	\$31,839.56	-24.8%	\$40,595.44	-27.3%	\$49,351.31	-29.0%	55.0%	1.0
33	PARKS & RECREATION DIRECTOR	\$80,073.34	-30.2%	\$102,430.29	-33.3%	\$124,787.24	-35.3%	55.7%	13.0
34	PAYROLL SPECIALIST	\$36,333.73	-8.6%	\$46,098.10	-10.3%	\$55,862.48	-11.4%	53.9%	14.0
35	PERMIT TECHNICIAN	\$30,063.50	-2.9%	\$38,041.94	-4.2%	\$46,020.38	-5.0%	53.1%	14.0
36	PLANNER	\$43,234.44	-5.5%	\$54,765.47	-6.9%	\$66,296.50	-7.9%	53.3%	15.0
37	PLANNING & ECONOMIC DEVELOPMENT DIRECTOR	\$79,899.93	-13.5%	\$101,538.56	-15.4%	\$123,177.18	-16.7%	54.2%	12.0
38	PLANS EXAMINER	\$46,687.81	-6.5%	\$58,906.73	-7.5%	\$71,125.65	-8.2%	52.4%	11.0
39	POLICE CAPTAIN	\$67,437.52	-2.5%	\$82,243.25	0.0%	\$97,048.98	1.7%	43.9%	9.0
40	POLICE CHIEF	\$85,370.21	1.0%	\$108,696.58	-0.8%	\$132,022.94	-2.1%	54.5%	12.0
41	POLICE LIEUTENANT	\$64,276.04	-11.9%	\$77,557.86	-8.0%	\$90,839.68	-5.4%	41.3%	14.0
42	POLICE OFFICER	\$40,924.31	-4.9%	\$50,613.55	-3.3%	\$60,302.79	-2.2%	47.3%	14.0
43	POLICE RECORDS TECHNICIAN	\$29,407.46	-7.7%	\$36,942.06	-8.3%	\$44,476.67	-8.6%	51.2%	13.0
44	POLICE SERGEANT	\$54,297.89	-2.4%	\$65,318.76	-8.0%	\$76,339.62	-12.3%	40.6%	14.0
45	PUBLIC WORKS DIRECTOR	\$86,192.01	-14.4%	\$110,698.49	-17.6%	\$135,204.97	-19.7%	56.8%	17.0
46	RECEPTIONIST/MAIL CLERK	\$24,424.69	4.3%	\$30,905.74	3.1%	\$37,386.80	2.3%	53.0%	16.0
47	RECORDS TECHNICIAN	\$29,619.74	-8.5%	\$37,713.56	-10.5%	\$45,807.39	-11.9%	54.7%	13.0
48	RECREATION ASSISTANT	\$28,848.03	-5.7%	\$35,672.38	-4.5%	\$42,496.72	-3.8%	47.3%	11.0
49	RECREATION WORKER	\$22,550.85	11.6%	\$27,947.99	12.4%	\$32,545.82	15.0%	43.8%	13.0
50	SCHOOL CROSSING GUARD	\$20,954.61	-0.6%	\$25,033.18	3.8%	\$29,111.76	6.8%	39.0%	9.0
51	SECRETARY	\$28,588.53	-4.7%	\$36,770.62	-7.8%	\$44,952.71	-9.8%	57.3%	16.0
52	SENIOR ACCOUNT CLERK	\$33,820.64	-1.1%	\$42,764.81	-2.3%	\$51,708.99	-3.1%	52.9%	14.0
53	SENIOR ADMINISTRATIVE ASSISTANT	\$33,156.95	7.3%	\$41,967.38	6.2%	\$50,777.81	5.4%	53.2%	14.0
54	SENIOR BUILDING INSPECTOR	\$51,395.10	-9.6%	\$64,432.54	-9.9%	\$77,469.98	-10.1%	50.8%	10.0
55	SPECIAL PROJECTS COORDINATOR	\$32,132.76	-10.0%	\$41,138.47	-12.7%	\$50,144.17	-14.4%	56.3%	13.0
56	SYSTEMS ADMINISTRATOR	\$48,923.20	-19.4%	\$63,193.88	-23.4%	\$77,464.56	-26.1%	58.4%	14.0
57	UTILITY ACCOUNTS COORDINATOR	\$39,796.16	-3.9%	\$50,818.74	-6.2%	\$61,841.33	-7.7%	55.3%	9.0
58	UTILITY BILLING & CUSTOMER SERVICE COORDINATOR	\$33,025.82	-13.1%	\$42,038.25	-15.1%	\$51,050.68	-16.5%	54.5%	9.0
59	UTILITY BILLING SPECIALIST	\$33,591.68	-0.4%	\$42,273.37	-1.1%	\$50,955.06	-1.6%	51.8%	11.0
60	UTILITY CUSTOMER SERVICE SUPERVISOR	\$39,954.89	-19.5%	\$50,473.18	-20.7%	\$60,991.48	-21.6%	52.8%	13.0
61	WATER DISTRIBUTION WORKER	\$30,049.09	-10.1%	\$38,024.33	-11.4%	\$45,999.58	-12.3%	53.2%	11.0
62	WATER SUPERINTENDENT	\$49,983.64	-6.6%	\$63,809.73	-8.8%	\$77,635.82	-10.3%	55.5%	11.0
Overall Average			-8.6%		-10.7%		-12.1%	54.2%	12.7

Source: Evergreen Solutions



4.2 SALARY SURVEY CONCLUSION

From the analysis of the data gathered in the external labor market assessment, the following major conclusions can be reached:

- The City is approximately 8.6 percent below the market average minimum across all benchmark titles.
- The City overall is 10.7 percent below the market midpoint average across all titles included in the survey.
- At the maximum of the range, surveyed City jobs are on average 12.1 percent below market average.

Typically, the pay plan in place at City is structurally consistent, well-conceived, and easy to administer. The market average range spread observed in this survey is 54.2 percent while the City's pay plan has an average range spread of 50.0 percent.

4.3 BENEFITS SURVEY RESULTS SUMMARY

In addition to the salary survey, Evergreen conducted a benefit survey to compare the City's current benefits to those of its peers. The information provided in this section is a result of the analysis of the current benefits at the City and at each peer organization, which are subject to change. Benefit plans have intricacies that are not represented in this chapter; therefore, the data should not be used for a line-by-line comparison since benefits can be weighted differently depending on the importance to an organization. It should also be noted that benefits are usually negotiated and acquired through third parties, so one-to-one comparisons can be difficult. The analysis below highlights the results of the benefits survey, data was submitted by 17 of the 20 desired target organizations, equating to a 85 percent response rate.



General Benefits

Exhibit 4B provides counts and a percentage of the peers and the City’s full-time and part-time employees. On average, the peer organizations were comprised of 89.8 percent full-time employees and 10.2 percent part-time employees. For the City, this percentage was 97.1 percent full-time, and 2.9 percent part-time. The number of full-time and part-time employees can influence the benefits provided by an organization and thus are provided below:

**EXHIBIT 4B
PERCENT OF FULL-TIME AND PART-TIME EMPLOYEES**

Organization Demographics	Peer Average		CITY OF WEST MELBOURNE, FL	
Full-Time Employees	860	89.8%	136	97.1%
Part-Time Employees	98	10.2%	4	2.9%

Total compensation refers to the compensation package (salary and benefits) an employee receives from its organization. The percentage of benefits in relation to total compensation is a common broad indicator used to assess how generous the discretionary benefits are at individual organizations. Therefore, benefits as a percentage of total compensation was calculated by the peers and the City by dividing benefits expressed as a dollar amount by the amount of total compensation (salary plus benefits). As seen in **Exhibit 4C**, the market average for benefits as a percentage of total compensation was approximately 36.9 percent based on the information provided, while for the City, this percentage was 37.0. Again, the results were calculated by the respondents and the City and may not precisely reflect the monetized value of all discretionary benefits as intended.

**EXHIBIT 4C
BENEFITS AS PERCENT OF TOTAL COMPENSATION**

Total Compensation	Peer Average	CITY OF WEST MELBOURNE, FL
Benefits as a percentage of total compensation	36.9%	37.0%

Employee Health Plans

Exhibit 4D shows the number of health plans provided to current employees by the responding peers and the City. The average number of health plans provided (any combination of HMO, HDHP/HSA, PPO, or POS) was 2.0 based on the market data. The City provided three (3) health HMO plan options.



**EXHIBIT 4D
NUMBER OF HEALTH PLANS**

Number of Plans	Peer Average	CITY OF WEST MELBOURNE, FL
Number of health plans offered	2.0	3

Exhibit 4E displays information regarding the health plans of peers compared to the City’s plans. Regarding health plan premiums, the City’s employee paid portion of the premium was less than the peer’s average for HMO plans. Therefore, the City paid a higher portion of the health plan premiums than the surveyed peers.

**EXHIBIT 4E
HEALTH PLAN PREMIUMS AND DEDUCTIBLES**

Health Plan Premiums & Deductibles	Peer HMO Average	Peer PPO Average	Peer HSA Average	Other Plans Average	CITY OF WEST MELBOURNE, FL	CITY OF WEST MELBOURNE, FL	CITY OF WEST MELBOURNE, FL
Percentage of peers offering each plan	52.9%	64.7%	5.9%	31.3%	HMO- Base	HMO- HF5	HMO- HF4
DOLLAR AMOUNT (monthly) of employee premium paid by employer	\$626.00	\$1,078.37	\$607.14	\$641.37	\$612.64	\$612.64	\$612.64
PERCENTAGE (monthly) of employee premium paid by employer	97.4%	90.3%	100.0%	92.1%	100.0%	97.3%	89.7%
DOLLAR AMOUNT (monthly) of employee premium paid by employee	\$17.33	\$75.46	\$0.00	\$59.28	\$0.00	\$16.81	\$70.62
PERCENTAGE (monthly) of employee premium paid by employee	2.6%	9.7%	0.0%	7.9%	N/A	2.7%	10.3%
Individual Maximum Deductible In Network	\$1,718.75	\$1,020.00	\$3,000.00	\$1,750.00	\$750.00	\$500.00	\$500.00
Individual Maximum Deductible Out of Network	\$4,175.00	\$1,906.67	NOT PROVIDED	\$3,666.67	N/A	N/A	N/A
DOLLAR AMOUNT (monthly) of employee plus child premium paid by employer	\$589.97	\$810.19	\$0.00	\$828.72	Contribution amounts for the City and Employees vary based on employees' years of service		
PERCENTAGE (monthly) of employee plus child premium paid by employer	59.3%	71.0%	0.0%	76.8%			
DOLLAR AMOUNT (monthly) of employee plus child premium paid by employee	\$316.37	\$326.67	\$604.09	\$279.72			
PERCENTAGE (monthly) of employee plus child premium paid by employee	40.7%	29.0%	100.0%	23.2%			

**EXHIBIT 4E
HEALTH PLAN PREMIUMS AND DEDUCTIBLES (CONTINUED)**

Health Plan Premiums & Deductibles	Peer HMO Average	Peer PPO Average	Peer HSA Average	Other Plans Average	CITY OF WEST MELBOURNE, FL	CITY OF WEST MELBOURNE, FL	CITY OF WEST MELBOURNE, FL
Employee Plus Child Maximum Deductible In Network	\$3,166.67	\$1,993.33	NOT PROVIDED	\$3,800.00	\$1,000.00	\$1,000.00	\$1,000.00
Employee Plus Child Maximum Deductible Out of Network	\$8,350.00	\$3,756.67	NOT PROVIDED	\$7,000.00	N/A	N/A	N/A
DOLLAR AMOUNT (monthly) of employee plus spouse premium paid by employer	\$606.25	\$1,014.80	\$0.00	\$923.06	Contribution amounts for the City and Employees vary based on employees' years of service		
PERCENTAGE (monthly) of employee plus spouse premium paid by employer	56.1%	72.5%	0.0%	76.4%			
DOLLAR AMOUNT (monthly) of employee plus spouse premium paid by employee	\$390.95	\$359.59	\$689.72	\$297.64			
PERCENTAGE (monthly) of employee plus spouse premium paid by employee	43.9%	27.5%	100.0%	23.6%			
Employee Plus Spouse Maximum Deductible In Network	\$3,166.67	\$1,993.33	NOT PROVIDED	\$3,800.00	\$1,000.00	\$1,000.00	\$1,000.00
Employee Plus Spouse Maximum Deductible Out of Network	\$8,350.00	\$3,756.67	NOT PROVIDED	\$7,000.00	N/A	N/A	N/A
DOLLAR AMOUNT (monthly) of employee plus family premium paid by employer	\$711.77	\$1,106.88	\$0.00	\$1,076.51	Contribution amounts for the City and Employees vary based on employees' years of service		
PERCENTAGE (monthly) of employee plus family premium paid by employer	54.5%	66.9%	0.0%	65.9%			
DOLLAR AMOUNT (monthly) of employee plus family premium paid by employee	\$561.81	\$495.30	\$1,226.31	\$546.52			
PERCENTAGE (monthly) of employee plus family premium paid by employee	45.5%	33.1%	100.0%	34.1%			
Employee Plus Family Maximum Deductible In Network	\$3,875.00	\$1,993.33	\$6,000.00	\$3,833.33	\$1,000.00	\$1,000.00	\$1,000.00
Employee Plus Family Maximum Deductible Out of Network	\$8,350.00	\$3,756.67	NOT PROVIDED	\$7,333.33	N/A	N/A	N/A
DOLLAR AMOUNT (monthly) of employee smoking surcharge	NOT PROVIDED	NOT PROVIDED	NOT PROVIDED	NOT PROVIDED	\$30.00	\$30.00	\$30.00
DOLLAR AMOUNT (monthly) of spouse smoking surcharge	NOT PROVIDED	NOT PROVIDED	NOT PROVIDED	NOT PROVIDED	N/A	N/A	N/A



Other Insurance Plans

Exhibit 4F displays information from the responding peers regarding provided or offered dental and vision insurance plans. The City, as did most its peers, provided dental and vision insurance plans at a cost to the employee.

**EXHIBIT 4F
DENTAL AND VISION PLANS**

Dental and Vision Offerings		Peer Percentage Offered	Average Number of Plans Offered	Average maximum monthly amount that the employee pays for employee only coverage	Average maximum monthly amount that the employee pays for employee plus dependent coverage	Average maximum monthly amount the employer pays for employee only coverage	Average maximum monthly amount the employer pays for employee plus dependent coverage
Dental Insurance	Employer Paid	60.0%	1.7	-	-	\$23.57	\$48.02
	CITY OF WEST MELBOURNE, FL	YES	2.0	-	-	\$26.03	\$49.00
	Employee Paid	86.7%	3.0	\$20.51	\$69.50	-	-
	CITY OF WEST MELBOURNE, FL	YES	2.0	\$0.00	\$12.37	-	-
Vision Plan	Employer Paid	42.9%	1.0	-	-	\$4.58	\$12.63
	CITY OF WEST MELBOURNE, FL	YES	1.0	-	-	\$7.39	\$7.39
	Employee Paid	93.3%	1.2	\$4.09	\$107.40	-	-
	CITY OF WEST MELBOURNE, FL	YES	1.0	\$0.00	\$8.29	-	-

Exhibit 4G displays the percentage of responding peers who provided short and long-term disability insurance. Of the responding peers, 14.3 percent provided employer paid short-term disability insurance. Like most of the peers, the City offers employer paid options for long-term disability.

**EXHIBIT 4G
DISABILITY INSURANCE**

Disability Insurance		Peer Percentage Offered	Average Number of Plans Offered	Average maximum monthly amount that the employee pays for employee only coverage	Average maximum monthly amount that the employee pays for employee plus dependent coverage	Average maximum monthly amount the employer pays for employee only coverage	Average maximum monthly amount the employer pays for employee plus dependent coverage	Percentage of salary the employee receives
Short-Term Disability	Employer Paid	14.3%	1.0	-	-	\$12.75	VARIES!	60.0%
	CITY OF WEST MELBOURNE, FL	NO						
	Employee Paid	71.4%	1.2	VARIES	VARIES	-	-	61.7%
Long-Term Disability	CITY OF WEST MELBOURNE, FL	YES	1.0	\$56.25	N/A	N/A	N/A	60.0%
	Employer Paid	50.0%	1.0	-	-	\$17.15	VARIES	60.0%
	CITY OF WEST MELBOURNE, FL	YES	1.0	-	-	\$2.50	N/A	60.0%
	Employee Paid	50%	1.3	VARIES	VARIES	-	-	60.0%
	CITY OF WEST MELBOURNE, FL	YES	1.0	\$77.00	N/A	-	-	60.0%

Life Insurance

Exhibit 4H summarizes the life insurance offerings of responding peers and the City. Employer-paid life insurance is provided by 100.0 percent of the peers as well as the City. Most of the peers, as well as the City, offer optional dependent coverage, additional employee paid life insurance, and accidental death insurance.

**EXHIBIT 4H
LIFE INSURANCE**

Life Insurance	Peer Percentage Yes	Peer Average	CITY OF WEST MELBOURNE, FL
Is employer-paid life insurance offered?	100.0%	-	YES
Cost (monthly) to employer for individual coverage		\$8.36	\$4.75
Dollar amount of death benefit		\$31,250.00	\$50,000.00
Is Optional dependent coverage offered?	78.6%	-	YES
Can the employee purchase (additional) life insurance if desired?	85.7%	-	YES
Is accidental death insurance provided?	100.0%	-	YES

Exhibit 4I summarizes the Employee Assistance Programs (EAP) offering. EAP services are provided by 100.0 percent of responding peers and those same peers offer these benefits to employees’ families. On average, about 6.2 annual visits are provided by peers. The City offers Employee Assistance Programs (EAP) with benefits to the employee’s families and similar to the peers, the City provides six annual visits.

**EXHIBIT 4I
EMPLOYEE ASSISTANCE PROGRAM**

EAP	Peer Percentage Yes	Peer Average	CITY OF WEST MELBOURNE, FL
Is an EAP offered?	100.0%	-	YES
Are benefits available to family members as well as the employee?	100.0%		YES
Number of Annual EAP Visits Provided	-	6.2	6

Exhibit 4J shows tuition reimbursement among peers and the City. Tuition reimbursement for employees is provided by 88.2 percent of responding peers, with an average reimbursement limit of \$2,359 per fiscal year.

**EXHIBIT 4J
TUITION REIMBURSEMENT BENEFITS**

Tuition Reimbursement	Peer Percentage Yes	Peer Average	CITY OF WEST MELBOURNE, FL
Is Tuition Reimbursement offered?	88.2%	-	YES
Tuition Reimbursement Limit	-	\$2,359	\$5,250.00



Employee Leave and Holidays

Exhibit 4K provides the average accrual rates for sick, annual/vacation, personal, and paid time off for employees for both responding peers and the City. Responding peers provided an average minimum monthly accrual rate for sick leave of 7.3 hours and a maximum rate of 8.2 hours. Furthermore, the peers provided an average minimum monthly accrual rate for annual/vacation leave of 6.0 hours and a maximum rate of 12.9. The City offers sick leave and annual/vacation leave. The City offers a minimum monthly accrual rate of 7.4 hours for sick leave. The City’s annual/vacation leave has a minimum accrual rate of 6.2 hours and a maximum accrual rate of 20.0 hours.

**EXHIBIT 4K
LEAVE TIME ACCRUAL**

Leave Accrual	Organization	Offered?	Minimum Accrual Rate (Monthly)	How many years of service does it require to begin to accrue the minimum rate?	Maximum Accrual Rate (Monthly)	Years to Achieve Maximum Accrual Rate	Maximum Allowed to Roll Over to Following Year
Sick Leave	Peer Percentage Yes/Average	86.7%	7.3	0.1	8.2	3.3	272.0
	CITY OF WEST MELBOURNE, FL	YES	7.4	0	N/A	N/A	N/A
Annual/Vacation Leave	Peer Percentage Yes/Average	80.0%	6.0	0.2	12.9	17.9	232.0
	CITY OF WEST MELBOURNE, FL	YES	6.2	0.0	12.9	20.0	240.0
Personal Leave	Peer Percentage Yes/Average	42.9%	12.0	0.0	16.4	14.7	34.7
	CITY OF WEST MELBOURNE, FL	NO					
Paid-Time Off	Peer Percentage Yes/Average	21.4%	1.3	0.0	1.3	1.0	N/A
	CITY OF WEST MELBOURNE, FL	NO					

Exhibit 4L summarizes respondents’ policies regarding the payout of sick leave upon employee termination. Unlike most peers, the City does not provide sick leave payout upon separation. The City and most of the peers did not allow unused sick leave to count towards retirement.

**EXHIBIT 4L
SICK LEAVE PAYOUT**

Sick Leave Policies	Peer Percentage Yes	Peer Average	CITY OF WEST MELBOURNE, FL
Is unused sick leave paid out upon voluntary separation?	88.9%	-	NO
Max hours of sick leave paid out upon voluntary separation	-	515.2	N/A
Is unused sick leave paid out upon involuntary separation?	25.0%	-	NO
Max hours of sick leave paid out upon involuntary separation	-	288.0	N/A
Can unused sick leave count towards retirement?	44.4%	-	NO
Max hours of sick leave that can count towards retirement	-	0.0	N/A

Exhibit 4M summarizes respondents' policies regarding annual/vacation leave payout. Annual/vacation leave was paid out by 100.0 percent of respondents for voluntary separation and 88.9 percent of respondents for involuntary separation. The City also pays out vacation leave for voluntary separation.

**EXHIBIT 4M
ANNUAL/VACATION LEAVE PAYOUT**

Vacation Leave Policies	Peer Percentage Yes	Peer Average	CITY OF WEST MELBOURNE, FL
Is unused annual/vacation leave paid out upon voluntary separation?	100.0%	-	YES
Max hours of annual/vacation leave paid out upon voluntary separation	-	338.0	240
Is unused annual/vacation leave paid out upon involuntary separation?	88.9%	-	NO
Max hours of annual/vacation leave paid out upon involuntary separation	-	260.0	N/A

The percentages of peers recognizing various holidays and the holidays at the City are shown in **Exhibit 4N**. All peers recognized New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Thanksgiving Friday, and Christmas Day. The City recognizes these 6 days, as well as Martin Luther King Jr. Day, Presidents Day, Christmas Eve, and Personal Holiday for a total of 11 paid holidays each year, which was slightly higher than the peer average of 10.6.



**EXHIBIT 4N
RECOGNIZED HOLIDAYS**

Paid Holiday observed by peer organizations	Peer Percentage Yes	CITY OF WEST MELBOURNE, FL
New Year's Day	100.0%	YES
New Year's Eve	6.3%	NO
Martin Luther King, Jr. Day	93.8%	YES
Lincoln's Birthday	0.0%	NO
Washington's Birthday	0.0%	NO
Presidents Day	25.0%	YES
Good Friday	12.5%	NO
Memorial Day	100.0%	YES
Independence Day	100.0%	YES
Labor Day	100.0%	YES
Veteran's Day	75.0%	NO
Thanksgiving Day	100.0%	YES
Day after Thanksgiving	100.0%	YES
Christmas Eve	75.0%	YES
Christmas Day	100.0%	YES
Personal Holiday	18.8%	YES
Employee Birthday	18.8%	NO
Other – Day After Christmas, Floating Holidays	25.0%	NO
Other – Religious Holidays	6.3%	NO
Other – Columbus Day	6.3%	NO

**EXHIBIT 4N
RECOGNIZED HOLIDAYS (CONTINUED)**

Holiday Policies	Peer Total/Percentage Yes	CITY OF WEST MELBOURNE, FL
Total Number of holidays observed (include breaks and other special days off not included as annual, sick, or personal leave)	10.6	11
How are employees paid for holidays?		BOTH depends on classification
Straight time	38.5%	
Time and a Half if hours worked exceed maximum for straight time	30.8%	
Both straight time and time and a half depending on classification	30.8%	



Retired Employee Benefits

Exhibit 40 displays the number of retirement plans provided and whether the peers and the City participated in or provided retirement options other than the state plan. Of the peer respondents, 46.7percent participated in the state retirement system, and 80.0 percent provided other plans.

**EXHIBIT 40
RETIREMENT**

Number of Plans	Peer Average	CITY OF WEST MELBOURNE, FL
Number of retirement plans offered	2.9	3

**EXHIBIT 40
RETIREMENT (CONTINUED)**

Retirement Participation	Peer Percentage Yes	CITY OF WEST MELBOURNE, FL
Does the organization participate in a State Retirement System?	46.7%	YES
Is a retirement option other than a state plan offered?	80.0%	
Is D.R.O.P. offered?	72.7%	
Is a 401k, 401a, 403(b), or 457 offered?	100.0%	
Is a type of plan other than a 401k, 401a, 403(b) or 457 offered?	9.1%	
Does the employer contribute to any of these non-state retirement options?	92.3%	



**EXHIBIT 40
RETIREMENT (CONTINUED)**

Retirement Details	Peer Average	CITY OF WEST MELBOURNE, FL (FRS Pension)	CITY OF WEST MELBOURNE, FL (FRS Investment)	CITY OF WEST MELBOURNE, FL (Police Pension)
Years to Fully Vest	7.4	8	1	10
Years to Partially Vest	5.0	N/A	6-9 years, 20% per year	
Full retirement age	58.0	30 years of service OR age 62 with 6 or more years of service	N/A	25 years OR age 55/older with 10/more years
Early retirement age	52.0	5% reduction for each year under age 62	N/A	Age 50/10 years
COLA Offered to Retiree Pensions	60.0%	YES	Available to purchase	Only if hired before 01/01/2011
Does the organization's retirement plan offer a disability provision?	95.0%	YES	YES	YES
What percent of salary does the organization contribute to this retirement option?	12.5%	8.26%	8.26%	19.0%
What percent of salary does the employee contribute to this retirement option?	5.2%	3.0%	3.0%	8.0%
Health insurance subsidy offered	29.4%	YES	YES	Only if hired before 01/01/2011; \$10 per year of service paid on a monthly basis
Does your organization offer a shared retirement plan?	28.6%	YES- varies based on years of service		

Additional Benefits Questions

When surveying the peer organizations for benefits provided, the City requested additional benefits related information.

**EXHIBIT 4P
ADDITIONAL QUESTIONS**

Spousal Coverage Denial	Peer Average (Yes)	CITY OF WEST MELBOURNE, FL
If spouse has access to health coverage with their employer, does your organization deny spousal coverage?	0.0%	NO

**EXHIBIT 4P
UNION RELATED QUESTIONS (CONTINUED)**

Does your organization offer any of the following incentive pay programs to collective bargaining employees?	Peer Percentage Yes	CITY OF WEST MELBOURNE, FL
a. Longevity Pay	62.5%	NO
b. Merit Raises	14.3%	YES
c. Merit Bonuses	28.6%	NO
d. Shift Differential Pay	57.1%	YES
e. Tuition Reimbursement - C grade or above results in salary increase	85.7%	YES
f. Uniform Allowance	85.7%	YES
g. Take Home Vehicle	85.7%	YES
h. FTO - Additional pay	28.6%	YES
i. SRO - Additional pay	28.6%	YES
j. CPO - Additional pay	14.3%	YES
k. Detective - Additional pay	57.1%	YES
l. Number of hours in a pay period	80.0	84.0
m. Call Back Pay	71.4%	YES
n. Standby Pay	57.1%	YES
o. Honored Guard, Special Training	28.6%	NO
p. SWAT Team	14.3%	NO
q. Certification Incentives	14.3%	NO

The City of West Melbourne has a one collective bargaining agreement with, Coastal Florida Police Benevolent Association (PBA), that includes all sworn and ranked Police Officers and Sergeants. **Exhibit 4Q** displays comparative bargaining agreements for responding peers.

**EXHIBIT 4Q
COLLECTIVE BARGAINING AGREEMENTS**

Collective Bargaining Agreements	Peer Percentage Yes	CITY OF WEST MELBOURNE, FL
a. International Association of Firefighters (IAFF)	60.0%	NO
b. International Association of Firefighters (IAFF)- Ranked	40.0%	NO
c. International Union of Police Associations (IUPA)	0.0%	NO
d. International Union of Police Associations (IUPA)- Ranked	10.0%	NO
e. Fraternal Order of Police (FOP)	20.0%	NO
f. Fraternal Order of Police (FOP)- Ranked	10.0%	NO
g. Laborers' International Union of North America (LIUNA)	50.0%	NO
h. National Association of Government Employees (NAGE)	10.0%	NO
i. Police Benevolent Association (PBA)	30.0%	NO
j. Police Benevolent Association (PBA)- Ranked	20.0%	YES
k. Other- including International Association of EMTs and Paramedics (IAEPA), Professional Employees Association (PEA), Office and Professional Employees International Union (OPEIU), and Teamsters	50.0%	NO



4.4 MARKET SUMMARY

From the analysis of the data gathered in the external assessment discussed above, the City’s pay plan was generally found to be below the desired market position at the minimum, midpoint and maximum. The review of data for public and sector indicates the City could benefit from the development and implementation of a more competitive pay plan. When comparing employee benefits, the City was found to be generally competitive. All study findings and subsequent recommendations can be found in the next chapter of this report.



Chapter 5 – Recommendations

Evergreen Solutions reviewed the information provided in the preceding chapters of this report and developed recommendations to improve the City's current classification and compensation system. The recommendations, as well as the findings that led to each recommendation, are discussed in detail in this chapter. The recommendations are organized into three sections: classification, compensation, and administration of the system.

5.1 CLASSIFICATION SYSTEM

An organization's classification system establishes how its human resources are employed to perform its core services. The classification system consists of the titles and descriptions of the different classifications or positions, which define how work is organized and assigned. It is essential that the titles and descriptions of an organization's classifications accurately depict the work being performed by employees in the classifications in order to ensure equity within the organization and to enable comparisons with positions at peer organizations. The purpose of a classification analysis is to identify such issues as incorrect titles, outdated job descriptions, and inconsistent titles across departments. Recommendations are then made to remedy the identified concerns based on human resources best practices.

In the analysis of the City's classification system, Evergreen Solutions collected classification data through the Job Assessment Tool (JAT) and Management Issues Tool (MIT) processes. The JATs, which were completed by employees and reviewed by their immediate supervisors, provided information about the type and level of work being performed for each of the City's classifications. The MIT process provided supervisors an opportunity to offer specific recommendations regarding compensation/grade and classification/job title issues that positions in their respective areas faced. Evergreen Solutions reviewed and utilized the data provided in the JATs and MITs as a basis for the classification recommendations below.

FINDING

Overall, the classification system utilized by the City was generally accurate and well organized. There were instances, however, of titles that could be modified to better reflect the tasks assigned to the position.

RECOMMENDATION 1: Revise the titles of some classifications, establish unique titles for some positions, and establish new titles for new positions.

Exhibit 5A provides a list of the recommended changes to the classification system. The foundation for these recommendations are based on the work performed by employees in



these classifications as described in their JATs, suggestions made by supervisors on MITs, and feedback received during Employee Outreach. Not listed are minor changes e.g., spelling out abbreviated words; however, listed are modifications to entire classifications and new classifications added during the study.

EXHIBIT 5A PROPOSED CLASSIFICATION CHANGES

Current Class Title	Recommended Class Title
AUTOMOTIVE MECHANIC	Mechanic
BUILDING INSPECTOR	Inspector I
CODE ENFORCEMENT INSPECTOR	Inspector, Code Enforcement
COMBINATION BUILDING INSPECTOR	Inspector II
CONSTRUCTION INSPECTOR	Inspector, Construction
CREW LEADER - PARKS	Crew Leader, Parks
CREW LEADER - PUBLIC WORKS	Crew Leader, Streets
CREW LEADER - PUBLIC WORKS	Crew Leader, Water
DEPARTMENT OFFICE MANAGER	Office Manager
EQUIPMENT OPERATOR	Maintenance Worker, Landscape
EVIDENCE CUSTODIAN	Crime Scene Technician
FINANCE DIRECTOR	Director, Finance
FIRE CODE INSPECTOR	Inspector, Fire Code
GARAGE SUPERINTENDENT	Lead Mechanic
HUMAN RESOURCES DIRECTOR	Director, Human Resources
INFORMATION TECHNOLOGY DIRECTOR	Director, Information Technology
MAINTENANCE WORKER	Maintenance Worker, Landscape
New Classification	Assistant Finance Director
New Classification	Deputy Building Official
New Classification	Plans Examiner I
New Classification	Plans Examiner II
New Classification	Public Service Aide
New Classification	Supervisor, Streets & Drainage Division
OPERATIONS COORDINATOR	Coordinator II, Public Works Operations
PARKS & RECREATION DIRECTOR	Director, Parks & Recreation
PERMIT TECHNICIAN	Technician II, Building Permits
PLANNING & ECONOMIC DEVELOPMENT DIRECTOR	Director, Planning & Economic Development
POLICE ATHLETIC LEAGUE (PAL) COORDINATOR	Coordinator, Police Athletic League (PAL)
POLICE RECORDS TECHNICIAN	Technician I, Police Records
PUBLIC WORKS DIRECTOR	Director, Public Works
RECEPTIONIST/MAIL CLERK	Receptionist
RECORDS TECHNICIAN	Technician I, Records
RECREATION ASSISTANT	Administrative Support Specialist
SECRETARY	Administrative Support Specialist
SENIOR INSPECTOR	Inspector III
SPECIAL PROJECTS COORDINATOR	Coordinator I, Special Projects
UTILITY ACCOUNTS COORDINATOR	Coordinator III, Utility Accounts
UTILITY BILLING & CUSTOMER SERVICE COORDINATOR	Coordinator I, Utility Billing & Customer Service
UTILITY BILLING SPECIALIST	Billing Specialist, Utility
WATER SUPERINTENDENT	Supervisor, Water Division



FINDING

When comparing the City's current job descriptions to the work described by employees in the JATs, Evergreen Solutions noted some tasks that were either missing from the job descriptions or were inappropriate to the current title. It is common for the tasks outlined in job descriptions to be reassigned to different classifications over time. As such, it is necessary for an organization to update its job descriptions regularly to ensure each job description accurately reflects the work performed.

RECOMMENDATION 2: Revise all job descriptions to include updated classification information provided in the JAT, and review job descriptions annually for accuracy.

The process of reviewing and updating the City's job descriptions as well as comments received from employees and supervisors during outreach revealed they did not, in some cases accurately reflect current work performed. To minimize this becoming a concern again in the future, Evergreen Solutions recommends a regular review of these descriptions, and FLSA status determinations. To the extent possible, a review of the employee's assigned job classification (description) should occur concurrent with his/her annual performance evaluation.

This would be an appropriate time to review the job description as it should accurately represent the work the employee has and will perform during the evaluation periods. Review of the FLSA determination as well as other aspects of the job, such as physical requirements required to perform essential functions of the job will ensure consistent, continuous compliance with the American's with Disabilities Act (ADA) protection. Updated, draft job descriptions will be provided to the City under separate cover.

5.2 COMPENSATION SYSTEM RECOMMENDATIONS

The compensation system analysis consisted of two parts: an external market assessment and an internal equity assessment. During the external market assessment, the City's pay ranges for selected benchmark classifications were compared to the average of the identified market. Details regarding the external market assessment were provided in **Chapter 4** of this report. As presented in **Chapter 4**, the City's current compensation structure, when compared against the cost of living adjusted averages of peers was, on average, below the salary ranges of the benchmarked positions.

During the internal equity assessment, consideration of the relationships between and the type of work being performed by the City's employees were reviewed and analyzed. Specifically, a composite score was assigned to each of the City's classifications that quantified the classification's level of five separate compensatory factors that are inherent in any position across an organization: Leadership, Working Conditions, Complexity, Decision Making and Relationships. The level for each factor was determined based on responses to the JAT.



FINDING

The City's salary ranges were behind the desired market position for many of the benchmarked classifications indicating a need for revision to the City's pay plan. A new, competitive open-range plan which replaces the current open-range plan provides the City with the ability to remain competitive in the labor market with its peers.

RECOMMENDATION 3: Implement a new, competitive open-range pay plan aligned with the City's compensation philosophy that reflects the desired market position and best practices; slot all classifications into the plan based on external and internal equity; and implement the new structure by transitioning employees' salaries into the plan.

Exhibit 5B shows the new open-range pay plan developed by Evergreen Solutions which has 26 open range pay grades, numbered 101 through 126. The range spreads of the pay grades begin at 50.0 percent in grades 101 through 109, increases to 55.0 percent in grades 110 through 120, and increases to a spread of 60.0 percent in grades 121 through 126.

EXHIBIT 5B PROPOSED OPEN RANGE PAY PLAN

Grade	Minimum	Midpoint	Maximum	Range Spread
101	\$ 21,000	\$ 26,250	\$ 31,500	50%
102	\$ 22,050	\$ 27,563	\$ 33,075	50%
103	\$ 23,153	\$ 28,941	\$ 34,729	50%
104	\$ 24,310	\$ 30,388	\$ 36,465	50%
105	\$ 25,526	\$ 31,907	\$ 38,288	50%
106	\$ 26,802	\$ 33,502	\$ 40,203	50%
107	\$ 28,410	\$ 35,513	\$ 42,615	50%
108	\$ 30,115	\$ 37,643	\$ 45,172	50%
109	\$ 31,922	\$ 39,902	\$ 47,882	50%
110	\$ 33,837	\$ 43,142	\$ 52,447	55%
111	\$ 35,867	\$ 45,730	\$ 55,594	55%
112	\$ 38,019	\$ 48,474	\$ 58,929	55%
113	\$ 40,680	\$ 51,867	\$ 63,055	55%
114	\$ 43,528	\$ 55,498	\$ 67,468	55%
115	\$ 46,575	\$ 59,383	\$ 72,191	55%
116	\$ 49,835	\$ 63,540	\$ 77,245	55%
117	\$ 53,324	\$ 67,988	\$ 82,652	55%
118	\$ 57,056	\$ 72,747	\$ 88,437	55%
119	\$ 61,621	\$ 78,567	\$ 95,512	55%
120	\$ 66,550	\$ 84,852	\$ 103,153	55%
121	\$ 71,875	\$ 93,437	\$ 114,999	60%
122	\$ 77,624	\$ 100,912	\$ 124,199	60%
123	\$ 83,834	\$ 108,985	\$ 134,135	60%
124	\$ 90,541	\$ 117,704	\$ 144,866	60%
125	\$ 97,784	\$ 127,120	\$ 156,455	60%
126	\$ 105,607	\$ 137,289	\$ 168,972	60%



Evergreen Solutions slotted each proposed classification into the appropriate pay grade in the recommended pay plan. Both internal and external equity were analyzed when slotting the classifications. Assigning pay grades to classifications requires a balance of internal equity, desired market position, and recruitment and retention concerns. Thus, market range data shown in **Chapter 4** were not the sole criteria for the proposed pay ranges. Some classifications' grade assignments varied from their associated market range due to the other factors mentioned above. The resulting recommended pay grades for each of the City's classifications are shown in **Exhibit 5C**. It should be noted that the recommended classification titles are utilized in the exhibits.



**EXHIBIT 5C
PROPOSED PAY GRADES**

Proposed Class Title	Proposed Grade	Proposed Minimum	Proposed Midpoint	Proposed Maximum
School Crossing Guard	101	\$ 21,000	\$ 26,250	\$ 31,500
Custodian Recreation Worker	102	\$ 22,050	\$ 27,563	\$ 33,075
Receptionist	104	\$ 24,310	\$ 30,388	\$ 36,465
Maintenance Worker, Landscape	105	\$ 25,526	\$ 31,907	\$ 38,288
Administrative Support Specialist Customer Service Representative Equipment Operator	107	\$ 28,410	\$ 35,513	\$ 42,615
Technician I, Police Records Technician I, Records Water Distribution Worker	108	\$ 30,115	\$ 37,643	\$ 45,172
Coordinator, Police Athletic League (PAL) Heavy Equipment Operator Mechanic Technician II, Building Permits	109	\$ 31,922	\$ 39,902	\$ 47,882
Administrative Assistant Billing Specialist, Utility Coordinator I, Special Projects Coordinator I, Utility Billing & Customer Service Crime Scene Technician Evidence Custodian	110	\$ 33,837	\$ 43,142	\$ 52,447
Payroll Specialist Public Service Aide Senior Account Clerk	111	\$ 35,867	\$ 45,730	\$ 55,594
Coordinator II, Public Works Operations Inspector, Code Enforcement Inspector, Construction Inspector, Fire Code Lead Mechanic Legal Assistant Senior Administrative Assistant Utility Customer Service Supervisor	112	\$ 38,019	\$ 48,474	\$ 58,929



**EXHIBIT 5C (CONTINUED)
PROPOSED PAY GRADES**

Proposed Class Title	Proposed Grade	Proposed Minimum	Proposed Midpoint	Proposed Maximum
Accreditation Manager Coordinator III, Utility Accounts Crew Leader, Parks Crew Leader, Streets Crew Leader, Water Office Manager Police Officer	113	\$ 40,680	\$ 51,867	\$ 63,055
Inspector I Planner	114	\$ 43,528	\$ 55,498	\$ 67,468
Accounting Operations Manager Plans Examiner I Systems Administrator	115	\$ 46,575	\$ 59,383	\$ 72,191
Inspector II Plans Examiner II Supervisor, Streets & Drainage Division Supervisor, Water Division	116	\$ 49,835	\$ 63,540	\$ 77,245
Inspector III Police Sergeant	117	\$ 53,324	\$ 67,988	\$ 82,652
Deputy Building Official Police Lieutenant	119	\$ 61,621	\$ 78,567	\$ 95,512
City Clerk Police Captain	120	\$ 66,550	\$ 84,852	\$ 103,153
Building Official Director, Parks & Recreation	121	\$ 71,875	\$ 93,437	\$ 114,999
Assistant Finance Director Director, Human Resources Director, Information Technology Director, Planning & Economic Development	122	\$ 77,624	\$ 100,912	\$ 124,199
Deputy Police Chief Director, Finance Director, Public Works	123	\$ 83,834	\$ 108,985	\$ 134,135
Police Chief	124	\$ 90,541	\$ 117,704	\$ 144,866
City Attorney Deputy City Manager/Capital Projects Manager	125	\$ 97,784	\$ 127,120	\$ 156,455
City Manager	126	\$ 105,607	\$ 137,289	\$ 168,972



After assigning pay grades to classifications, the next step was to develop a method for transitioning employees' salaries into the new pay plan. This was accomplished by utilizing an equitable approach for calculating salaries in the new pay grades and determining whether adjustments were necessary to individual salaries to bring them to their calculated salary. Evergreen Solutions utilized the following methods in calculating employees' salaries.

Option 1 - Bring Employees' Salaries to New Minimums:

In this option, each employee's salary was adjusted to the minimum of their classification's proposed pay grade. If the current salary was already within the proposed pay range, no adjustment was made.

Utilizing this approach, adjustments were recommended for 31 employees with an approximate annualized cost of **\$84,019**. This is the approximate cost for salary adjustments (only) and does not include the associated costs for employee benefits.

Option II - Current Range Penetration:

If this option is implemented, a calculation is performed to determine the relative position of an employee's salary in the current pay range. The employee's recommended salary calculation is based on the employee's new salary being placed at the same relative position in the proposed range. For example, if an employee's salary is 40.0 percent of the way through the classification's current pay range (range penetration), the salary is adjusted to the same range penetration (40.0 percent) of the proposed range. This method places an employee's salary in the new range based on the relative position in the current range. Evergreen does not make recommendations to reduce any employee salaries in this study. This option includes the **Bring to Minimum Cost**.

Utilizing this approach, salary adjustments are recommended for 100 City employees, with an approximate annualized cost of **\$540,523**. This includes the bring employees' salaries to minimum cost, as illustrated above, and is the approximate cost for salary adjustments only and does not include associated costs for employee benefits.

Option III - Current Range Penetration, Capped at Midpoint:

If this option is implemented, a calculation is performed to determine the relative position of an employee's salary in the current pay range. The employee's recommended salary calculation is based on the employee's new salary being placed at the same relative position in the proposed range as described above. This method places an employee's salary in the new range based on the relative position in the current range, however, does not place any salary beyond new midpoints unless the salary is already above that point. This option includes the Bring to Minimum Cost.

Utilizing this approach, salary adjustments are recommended for 77 City employees, with an approximate annualized cost of **\$334,102**. This includes the bring employees' salaries to



minimum cost, as illustrated above, and is the approximate cost for salary adjustments only and does not include associated costs for employee benefits.

Option IV - Move Toward Midpoint (Market) – 3 Tier (Total Tenure):

In this method, employee salaries are moved toward the market point (defined as midpoint of the proposed range) based on the total amount of tenure the employee has with the City. Employees with at least 1 year of service with the City but less than 3 years total tenure are moved closer toward the market point of the proposed pay grade range, employees with 3 - 7 years tenure are moved even closer toward the market point of the pay grade range, and employees with more than 7 years of tenure are moved even closer than the two previous calculations toward the market point of the pay grade range. For example, an employee's salary at 75% of the midpoint (Compa-Ratio) would be brought to 79% of the midpoint if tenure were between 1 and 3 years, and brought to 80% if tenure were 3 to 7 years, and to 81% if tenure were greater than 7 years. These increments are designed to give larger adjustments (in percentage terms) to employees with salaries furthest from the market point and to provide greater adjustments to employees with more tenure. Employees at or above the market point are unaffected. This option includes the costs of bringing employees to the new proposed minimums.

Utilizing this approach, adjustments were recommended for 88 employees with an approximate annualized cost of **\$233,110**. This is the approximate cost for salary adjustments (only) and does not include the associated costs for employee benefits.

Option V - Move Toward Midpoint (Market) – 3 Tier (Class Tenure):

In this method, employees are moved toward the market point (defined as midpoint of the proposed range) based on the total amount of tenure in their position's current classification. Employees with less than 3 years of tenure within the current classification are moved closer toward the market point of the proposed pay grade range, employees with 3 - 7 years class tenure are moved even closer toward the market point of the pay grade range, and employees with more than 7 years of class tenure are moved yet even closer toward the market point of the pay grade range. For example, an employee's salary at 75% of the midpoint (Compa-Ratio) would be brought to 79% of the midpoint if class tenure were less than 3 years, and would be brought to 80% if class tenure were 3 to 7 years, and to 81% if class tenure were greater than 7 years. These increments are designed to give larger adjustments (in percentage terms) to employees with salaries furthest from the market point and to provide greater adjustments to employees with more class tenure. Employees' salaries at or above the market point are unaffected. This option includes the costs of bringing employee salaries to the new proposed minimums.

Utilizing this approach, adjustments were recommended for 88 employees with an approximate annualized cost of **\$208,032**. This is the approximate cost for salary adjustments (only) and does not include the associated costs for employee benefits.



Option VI - Move Toward Midpoint (Market) – 2 Tier (Total Tenure):

In this method, employees are moved toward the market point (defined as midpoint of the proposed range) based on the total amount of tenure the employee has with the City. Employees with at least 1 year and less than 10 years of tenure with the City are moved closer toward the market point of the proposed pay grade range, and employees with more than 10 years of tenure are moved even closer toward the market point of the pay grade range. For example, an employee's salary at 75% of the midpoint (Compa-Ratio) would be brought to 78% of the midpoint if their tenure were between 1 and 10 years, and would be brought to 80% if tenure were greater than 10 years. These increments are designed to give larger adjustments (in percentage terms) to employees with salaries furthest from the market point and to provide greater adjustments to employees with more tenure. Employee salaries at or above the market point are unaffected. This option includes the Bring to Minimum cost.

Utilizing this approach, adjustments were recommended for 88 employees with an approximate annualized cost of **\$149,754**. This is the approximate cost for salary adjustments (only) and does not include the associated costs for employee benefits.

Option VII - Move Toward Midpoint (Market) – 2 Tier (Class Tenure):

In this method, employees' salaries are moved toward the market point (defined as midpoint of the proposed range) based on the total amount of tenure in the current classification. Employees with less than 10 years of class tenure are moved closer toward the market point of the proposed pay grade range, and employees with more than 10 years of tenure are moved yet even closer toward the market point of the pay grade range. For example, an employee's salary at 75% of the midpoint (Compa-Ratio) would be brought to 78% of the midpoint, if the employee's class tenure were less than 10 years, and would be brought to 80% if class tenure were greater than 10 years. These increments are designed to give larger adjustments (in percentage terms) to employee salaries that are furthest from the market point and to provide greater adjustments to employees with more tenure in the current classification. Employee salaries at or above the market point are unaffected. This option includes the Bring to Minimum cost.

Utilizing this approach, adjustments were recommended for 88 employees with an approximate annualized cost of **\$127,889**. This is the approximate cost for salary adjustments (only) and does not include the associated costs for employee benefits.

Staff Recommendations – Phased in Approach (Options I and V):

Staff is recommending a phased-in approach and plans on adopting the “Bring Employees’ Salaries to New Minimums” option (Option I) as of January 1, 2019 and proposes to phase in the “Move Toward Midpoint (Market) – 3 Tier (Class Tenure)” option as of October 1, 2019.

Utilizing this approach, adjustments will be recommended for 31 employees in Phase 1 with an effective date of January 1, 2019 at an approximate annualized cost of **\$84,019**. This is the approximate cost for salary adjustments (only) and does not include the associated



costs for employee benefits. For Phase 2 with an effective date of October 1, 2019, adjustments will be recommended for 79 employees with an approximate annualized cost of **\$124,013**. The costs associated with the phased in Option V are lower than described above because the “Bring to Minimum” costs are not included in Phase 2 (as this cost was already incurred and included during Phase 1).

5.3 COMPENSATION AND CLASSIFICATION SYSTEM ADMINISTRATION

The City’s compensation and classification system will need periodic maintenance to ensure competitiveness and desired market position. The recommendations provided to improve the competitiveness of the classification and compensation structure were developed based on conditions at the time the data were collected. Without proper upkeep, the potential for recruitment and retention issues may increase as the compensation and classification system becomes dated and less competitive.

RECOMMENDATION 4: Conduct small-scale salary surveys as needed to assess the market competitiveness of hard-to-fill classifications and/or classifications with retention issues and make adjustments to pay grade assignments if necessary.

While it is unlikely that the pay plan as a whole will need to be adjusted for several years, a small number of classifications’ pay grades may need to be reassigned more frequently. If one or more classifications are exhibiting high turnover or the City is having difficulty with recruitment, the City should collect salary range data from peer organizations to determine whether an adjustment is needed for the pay grade of the classification(s). If increasing a classification’s pay grade based on market data does not help with the recruitment and/or retention issues, it may be necessary for the City to offer incentives to attract employees to the position and/or to encourage employees to remain in the position.

RECOMMENDATION 5: Conduct a comprehensive classification and compensation study every three to five years.

Small-scale salary surveys can improve the market position of specific classifications, but it is recommended that a full classification and compensation study be conducted every three to five years to preserve both internal and external equity for the City. Changes to classification and compensation do occur, and while the increments of change may seem minor, they can compound over time. A failure to react to these changes quickly has the potential to place the City in a less than desirable position for recruiting and retaining quality employees.

While the previous two recommendations are intended to maintain the competitiveness over time of particular classifications and the classification and compensation structure as a whole, it is also necessary to review and if necessary establish guidelines for determining equitable pay practices for employees.

RECOMMENDATION 6: Review and revise, as appropriate, guidelines for progressing employee salaries through the pay plan, including procedures for determining salaries of



newly hired employees and employees who have been promoted or transferred to a different classification or department.

The method of moving salaries through the pay plan and setting new salaries for new hires, promotions, and transfers depends largely on an organization's compensation philosophy. It is important for the City to have established guidelines for each of these situations, and to ensure that they are followed consistently for all employees. Common practices for progressing and establishing employee salaries are outlined below.

Salary Progression

There are several common methods for salary progression including cost of living adjustments (COLA)/across the board, time based, and employee performance based. The City intends to utilize both across the board and individual performance-based methods to progress employees' salaries in his or her classification's assigned pay range. As it is the City's desire to continue to link employee's performance with eligibility for salary advancement, it will be important to continue to review this process and as appropriate, make improvements. Training staff, regarding the purpose of performance evaluations and the desired results is important in order to maintain consistency and impartiality of this method of salary progression.

New Hires

A new employee's starting salary typically depends on the amount of education and experience the employee possesses beyond the minimum requirements for the job. Typically, an employee holding only the minimum education and experience requirements for a classification is hired at or near the classification's pay grade minimum. However, for recruiting and retention purposes the City needs the ability to offer salaries to new employees that consider prior related experience. It is recommended that the City maintain this flexibility when establishing new employee salaries.

Promotions

When an employee is promoted to a new classification, it is important to have guidelines for calculating the employee's new salary that rewards the employee for his or her new responsibilities, moving the salary into the new pay grade, and ensuring internal equity in the new classification. For example, a range of three to seven percent increase is common today, with consideration given to preserving the internal equity of employees' salaries within the classification.

Transfers

An employee transfer occurs when an employee is reassigned to a classification at the same pay grade as his or her current classification or when an employee's classification stays the same, but his or her department changes. In either of these cases, it is likely that no adjustment is necessary to the employee's salary. The only situation in which a salary adjustment would be needed for a transferred employee would be if his or her current salary is not aligned with the salaries of employees in the new classification or department. If that



occurs, it may be necessary to adjust the salary of the employee or the incumbents of the classification to ensure salary equity within the new classification.

5.4 SUMMARY

The recommendations in this chapter establish a total compensation system that would place the City at its desired market position. By implementing the new competitive pay plan and supportive administration practices, the City will have a responsive compensation and classification structure for years to come. While the upkeep of these recommended systems will require work, the City will find that having a competitive compensation and classification system that encourages strong recruitment and employee retention is well worth this commitment.

