



City of North Port

4970 CITY HALL BLVD
NORTH PORT, FL 34286

Meeting Minutes City Commission Special Meeting

CITY COMMISSIONERS

Linda M. Yates, Mayor
Vanessa Carusone, Vice-Mayor
Christopher B. Hanks, Commissioner
Jill Luke, Commissioner
Debbie McDowell, Commissioner

APPOINTED OFFICIALS

Peter Lear, City Manager
Amber L. Slayton, City Attorney
Patsy Adkins, City Clerk
Kathryn Peto, Deputy City Clerk

Tuesday, October 17, 2017

1:00 PM

CITY COMMISSION CHAMBERS

Compensation Study

NOTE: This is a draft copy of the minutes of the 10-17-2017 Commission Special Meeting, has not been approved by the Commission and is subject to change.

CALL TO ORDER/ROLL CALL

The North Port City Commission Special Meeting was called to order at 1:00 p.m. in City Chambers by Mayor Yates.

Present: Mayor Yates; Vice-Mayor Carusone; Commissioners Hanks, Luke and McDowell; City Manager Lear; City Attorney Slayton; City Clerk Adkins; Recording Secretary Hale and Police Chief Vespia.

The Pledge of Allegiance was led by Commissioner Hanks.

1. APPROVAL OF AGENDA – COMMISSION

A motion was made by Vice-Mayor Carusone, seconded by Commissioner Hanks, to approve the Agenda as presented. The motion carried by the following vote:

Yes: 5 - Yates, Vice-Mayor Carusone, Commissioner Hanks, Commissioner Luke and Commissioner McDowell

2. PUBLIC COMMENT:

There was no public comment.

3. GENERAL BUSINESS:

A. [17-1322](#) Approval of Compensation and Classification Plan Study Recommendation

City Manager Lear provided a brief overview of the item. There was no public comment.

A motion was made by Vice-Mayor Carusone, seconded by Commissioner McDowell, to suspend the Meeting Procedure Rules for this meeting. The motion carried by the following vote:

Yes: 5 - Yates, Vice-Mayor Carusone, Commissioner Hanks, Commissioner Luke and Commissioner McDowell

Human Resources Director McDade and Nancy Burkley with Evergreen Solutions, provided a PowerPoint review of the Study.

Discussion ensued regarding: (1) certification incentives/adjustments and how to implement them within salary ranges; (2) Performance Evaluations were not part of the study and they are under review currently by the City; (3) salary progression from entry level to mid-point in a competitive market structure was explained; (4) following a question, the City's salary philosophy was explained as it accounts for an employee's longevity; (5) it was suggested that any salary compression concerns that remain should be reviewed and re-addressed prior to the finalized recommendation; (6) it was stated that: [a] the American Federation of State County and Municipal Employees (AFSCME) salary is classified within the City's pay grades; [b] general employees will receive a 3% increase based on performance on their anniversary date; [c] the public sector data presented is current within a couple months and the snapshot of employee salaries is from June, 2017; [d] it is a Commission decision whether to include the 3% in the Study's recommendation, and confirmation was provided that the normal 3% annual increase will not be affected by the results of the Study; [e] the market peer groups were chosen to compare work to work and sometimes comparable data must be solicited outside the initial radius; [f] the inherent differences were explained between private and public sector classifications which made it difficult to draw conclusions about public sector salary; [g] salary surveys are conducted for the public sector but the private sector does not participate in a salary surveys, so data must be acquired from an online service who conducts the survey; [h] it was explained that since 2014, all new hires enroll in the Florida Retirement System (FRS) but the Police and Firefighters had their own Pension Plan and were given the option to stay in the closed Plans, or move to FRS; (7) concern was expressed that the Study results were not communicated well to employees; (8) clarification was provided that: [a] the 350 employees who will receive adjustments do not include Police or Fire union employees so the estimated cost will be higher; [b] the \$1.2 million will implement all phases of the proposed salary adjustments; [c] clarification, of page 20 in the PowerPoint, was provided regarding how the proposed salary range is increased from 37.3% range penetration to 40% range penetration within the entire salary range width; (9) unions were specifically left out of the Study but it was reported that the AFSCME has typically accepted the City's pay ranges; (10) following a question, a Step Plan of advancement vs. Open Range Plan was explained and a discussion ensued pertaining to implementing a step plan for all positions in City government; (11) after past pay practices were explained, discussion ensued regarding how to correct the compression issue that was caused by the recession between employees who remained at the same level for years and those hired after 2014 who received regular increases. It was suggested that different increments could be used to move toward more equitable mid-level range; (12) it was suggested to give direction: [a] so that those employees who were held back will receive a bigger increase; [b] that no one goes backwards; [c] use the Above Market Pay Plan; [d] to stay basic in the direction and allow Staff to provide the details at a later date; (13) following a question, it was stated that peer data indicated

that 38% of total compensation dollars were spent on benefits and the City's benefits were stated to be approximately 30-35% of total compensation; (14) clarification was provided that the Study focused on salary dollars only; (15) when the positions are slotted individually in a Pay Range is when the minimum, midrange, and maximum numbers are assigned; (16) it was stated that demographic information from the targeted peer communities was adjusted for a cost of living factor and the comparison cities were considered to be similar to North Port's average cost of living; (17) after a question, it was stated that some job titles were changed to give them a more appropriate job title.

Recess: 3:51 p.m. - 4:09 p.m.

Discussion continued: (1) concern was expressed regarding the extraordinary amount of information to process in a short amount of time; (2) subsequent to questions: [a] the City's promotion policy was explained which takes prior experience into account for new hires; [b] the titles and salaries for Managers depends on their role and several factors are involved including education requirements, experience, duties and scope of the job; [c] it was stated that 35% is the average benchmark for public sector compensation benefits and the private sector is unknown; [d] after a concern, it was stated that the City has an internal appeal process for someone who disagrees with their classification/title or the pay grade; [e] the first three of the six Recommendations by Evergreen address salaries; #4 and #6 are internal reviews and #5 would be outsourced; [f] the Range Penetration Cap was explained; [g] those who are topped out will be increased closer to the new maximum salary range but will not receive an increase above the new maximum; [h] those who are at the top of the range will receive up to a 3% lump sum amount on their anniversary hire date; (3) clarification was provided that the last column in the large spreadsheet handout is the adjustment that each position will receive; (4) it was stated that the "up to 3%" increase on the anniversary date is based on the new salary rate; (5) following a concern regarding potential compression issues after October 1st, clarification was provided that after implementation of the new salaries, new hires will be adjusted to a new minimum and individuals who have been employed longer will receive a higher minimum toward midpoint; (6) after a comment regarding the market adjustments recommended for the first and second quartile employees, it was stated that the ranges were typical with other municipal governments; (7) after a brief discussion, it was stated that the Study performed individual slotting of every position and considers the Job Assessment Tool (JAT) Score and the market salary for the position, then makes a mathematical calculation as to the most appropriate Class Title; (8) concern was expressed that a lower amount than the market on the maximum recommended Class Titles and a higher amount than the market on the minimum Class Titles will create problems in the future; (9) following a question, it was stated that once the Recommendation is approved, Human Resources will examine every individual position to ensure there are no anomalies and the City's appeals process can be pursued by any employee who feels differently; (10) after a concern regarding a the number of JAT surveys received by exempt vs. non-exempt employees, clarification was provided that it was stated that there is data covering the entire breadth of the Classification Structure. As long as there are data points throughout, and the individual JAT score for each one, every position can be mathematically classified; (11) subsequent to a question, direction in the motion was requested to include: [a] the effective date; [b] whether certification and education incentives should be proposed later; [c] salaries at market or above market; [d] Study Recommendation #1, revising the job titles; [e] Recommendation #2, job descriptions; [f] Recommendation #3, creating new competitive open range plans (3% or above); [g] Recommendation #4, conducting a small scale survey for hard to fill jobs; [h] Recommendation #5, conduct a comprehensive classification study in three to five years; [i] Recommendation #6, review and revise the Plan as appropriate; (12) a brief discussion ensued pertaining to the issues of longevity, a step plan, Cost of Living Allowance (COLA) and Pay for Performance.

A motion was made by Vice-Mayor Carusone, seconded by Commissioner Luke, to approve the Compensation and Classification Plan Study Recommendations in Chapter 5, with Recommendation 1, 2, 3 at Market, and Recommendations 4, 5 and 6.

Following a concern, it was suggested to make the Plan retroactive.

A motion was made by Commissioner McDowell, seconded by Commissioner Luke, to amend the main motion, to have the Pay Plan take effect retroactive to October 1, 2017. The motion carried by the following vote:

Yes: 5 - Yates, Vice-Mayor Carusone, Commissioner Hanks, Commissioner Luke and Commissioner McDowell

Mayor Yates passed the gavel to Vice-Mayor Carusone.

A motion was made by Mayor Yates, seconded by Commissioner McDowell, to amend the motion, for Recommendation 3, for the range penetration portion, for the calculation advancing employees to the mid-point to be applied only to the employees hired prior to October 1, 2014.

Discussion ensued: (1) it was explained that: [a] the motion addresses the inequity during the time frame when wages were frozen and affected employees hired prior to October 1, 2014; [b] the part regarding the calculation advancing them toward the mid point of the new range should apply to those employees whose salaries were frozen; (2) clarification was provided that the calculation for the second piece of the motion was split into three portions: 1-3 years; 4-7 years; 7 and above; and it is a different percentage than is calculated depending on where they are in the range; which, if needed, will move the staff with the most tenure closest to the midpoint; (3) Commissioner Luke stated that Staff has calculated all the percentages into the Study and if a situation arises where the salary spread should be questioned, it will be addressed; (4) Vice-Mayor Carusone opposed the motion because it will selectively choose certain people who will not be brought up to market and will create a bigger problem with the compression issue; (5) clarification was provided that the amendment to the motion will cause those in the 1-3 year range would not get the 1% increase which will cause a compression issue when trying to hire someone above the minimum wage; (6) after a question, it was stated that the proposed minimum "at market" range is market at the present time; (7) Commissioner Hanks stated that what we have now is within the frame of where the Commission's direction was.

The vote on the amendment failed on the following vote with Vice-Mayor Carusone and Commissioners Hanks and Luke dissenting for reasons stated. Commissioner McDowell did not provide reasons for dissenting.

Yes: 1 - Yates

No: 4 - Vice-Mayor Carusone, Commissioner Hanks, Commissioner Luke and Commissioner McDowell

Vice-Mayor Carusone passed the gavel back to Mayor Yates.

Mayor Yates stated she was in support of the recommendations conceptually, in the main motion, but expressed concern regarding: [a] the amount of data to review in a short time; [b] the placement of some of the positions; [c] additional range grades could have been added; [d] the Study did not tackle the entirety of the issue; [e] placing all directors into one category, not accounting for salary ranges; [f] some peer city comparisons are not compatible or sustainable for North Port's demographics.

A vote was taken on the main motion, as amended, to approve the Compensation and Classification Plan Study Recommendations in Chapter 5, with Recommendation 1, 2, 3 at Market, and Recommendations 4, 5 and 6; and to have the Pay Plan take effect retroactive to October 1, 2017. The motion carried by the following vote with Mayor Yates dissenting for reasons previously stated.

Yes: 4 - Vice-Mayor Carusone, Commissioner Hanks, Commissioner Luke and Commissioner McDowell

No: 1 - Yates

A motion was made by Vice-Mayor Carusone, seconded by Commissioner Luke, to allow Incentive Pay based in Certifications and Education bonus or pay within their fields as proposed in the Study; and Staff will determine the process for that; also the increase in ranges shall not affect or supersede the 3% Pay for Performance increase; allow Staff to bring back a plan to incentivize longevity by increasing salaries incrementally as discussed this evening; that Staff will implement and follow through with what was stated on the record this evening, reviewing of each position and the appeal process.

Discussion ensued: (1) it was suggested to request that Staff bring back the portions for further review regarding longevity and incentivizing for certification; (2) the items stated in the motion would be in addition to everything that was built into the Plan in the main motion; (3) it was stated that there is a 3% plan in place for this fiscal year; (4) clarification was provided that the Commission will determine when the final plan becomes effective. Upon approval, a budget amendment will be presented to fund it.

A motion was made by Commissioner McDowell, seconded by Vice-Mayor Carusone, to have Staff bring back the Plans within four months. The motion carried by the following vote with Mayor Yates dissented, stating the impacts are too great.

Yes: 4 - Vice-Mayor Carusone, Commissioner Hanks, Commissioner Luke and Commissioner McDowell

No: 1 - Yates

Mayor Yates reiterated that the impact on the budget is too great in this fiscal year and will not support the motion. She preferred that Staff spend time on implementing the Compensation Recommendations and wait until next year to consider alternatives.

A vote was taken on the main motion, as amended, to allow Incentive Pay based in Certifications and Education bonus or pay within their fields as proposed in the Study; and Staff will determine the process for that; also the increase in ranges shall not affect or supersede the 3% Pay for Performance increase; allow Staff to bring back a plan to incentivize longevity by increasing salaries incrementally as discussed this evening; that Staff will implement and follow through with what was stated on the record this evening, reviewing of each position and the appeal process; and to have Staff bring back the Plans within four months. The motion carried by the following vote with Mayor Yates dissenting for reasons previously stated.

Yes: 4 - Vice-Mayor Carusone, Commissioner Hanks, Commissioner Luke and Commissioner McDowell

No: 1 - Yates

Following a question, it was stated that Staff will provide an answer regarding the Scope of Services statement that a manual will be developed that includes all the policy

recommendations. It was stated that meetings will be scheduled with staff members in each department to explain what is being implemented.

4. PUBLIC COMMENT:

There was no public comment.

5. COMMISSION COMMUNICATIONS:

There were no Commission Communications.

6. ADMINISTRATIVE AND LEGAL REPORTS:

There were no Administrative or Legal Reports.

7. ADJOURNMENT:

Mayor Yates adjourned the North Port City Commission Regular Meeting at 6:18 p.m.

City of North Port, Florida

By: _____
Vanessa Carusone, Mayor

Attest: _____
Patsy C. Adkins, MMC, City Clerk

Minutes approved at the City Commission Regular Meeting this ____ day of _____, 2018.