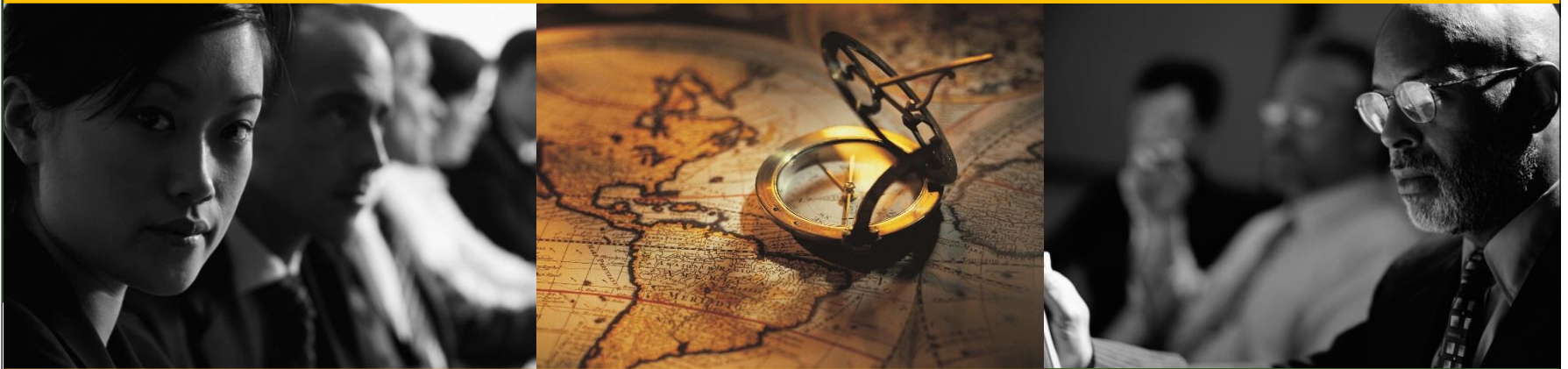


Classification and Compensation Study for the City of North Port, FL



Presentation of Results

Agenda

- Evergreen Solutions
- Study Process
- Outreach Summary
- Current Conditions
- Compensation Philosophy
- Classification Review Results – Internal Equity
- Compensation Review Results – External Equity
- Proposed Pay Plans and Implementation
- Additional Recommendations



Evergreen Solutions, LLC

National Public Sector Consulting Practice:

- Performed worked in 45 States
- Over 300 Compensation and Classification Studies
- Extensive Public Sector Human Resources experience
- Full-service Human Resources Consulting Practice

Expertise:

- School Systems
- Higher Education Institutions
- State Agencies
- County Governments
- City Governments
- Quasi-Governmental Organizations

Experience:

- City of Cape Coral, FL
- City of Delray Beach, FL
- City of Fort Myers, FL
- City of Sarasota, FL
- City of Venice, FL
- Town of Longboat Key, FL
- Charlotte County, FL
- Manatee County, FL
- Pinellas County, FL
- Sarasota County, FL



Study Process

Completed:

- ✓ Conducted employee outreach.
- ✓ Reviewed conditions of the current pay system.
- ✓ Reviewed the City's Compensation Philosophy.
- ✓ Analyzed **internal equity** by reviewing Job Assessment Tool (JAT) input; developed proposed class structure.
- ✓ Analyzed **external equity**/market competitiveness of the current pay system.
- ✓ Analyzed the relationship between internal and external equity for every classification.



Study Process (cont.)

- ✓ Developed pay structure for exempt and non-exempt positions **at market** and **3% ahead** of market.
- ✓ Developed options and selected best approach for implementing the proposed pay structure.
- ✓ Estimated annualized salary cost for implementing the new structure.

Remaining:

- ☐ Finalize study results/recommendations; provide final report.
- ☐ Revise/provide job descriptions utilizing existing descriptions and input from employees' JATs.



Outreach Summary

Comments provided by employees, supervisors, and senior leaders during employee outreach included that:

- They enjoy a stable work schedule, good benefits, and (perceived) job security.
- Pay compression in the salary ranges is a concern; causes some challenges in hiring experienced new employees.
- Job titles do not always reflect current roles and responsibilities; duties have expanded without additional compensation.
- Revisions to and implementation of a new performance evaluation form/system are/will be appreciated; the change is welcomed.



Current Conditions

Reviewed current pay system:

- Distinct open-range pay plans for Exempt, Non-Exempt, IAFF, and PBA
- Range (width) spreads averaged 44% for Exempt and Non-Exempt; 38% for IAFF and PBA

Analyzed employees' salaries distribution across pay ranges:

Exempt and Non-Exempt

1st Quartile	2nd Quartile	3rd Quartile	4th Quartile
52.5%	8.4%	12.9%	26.2%

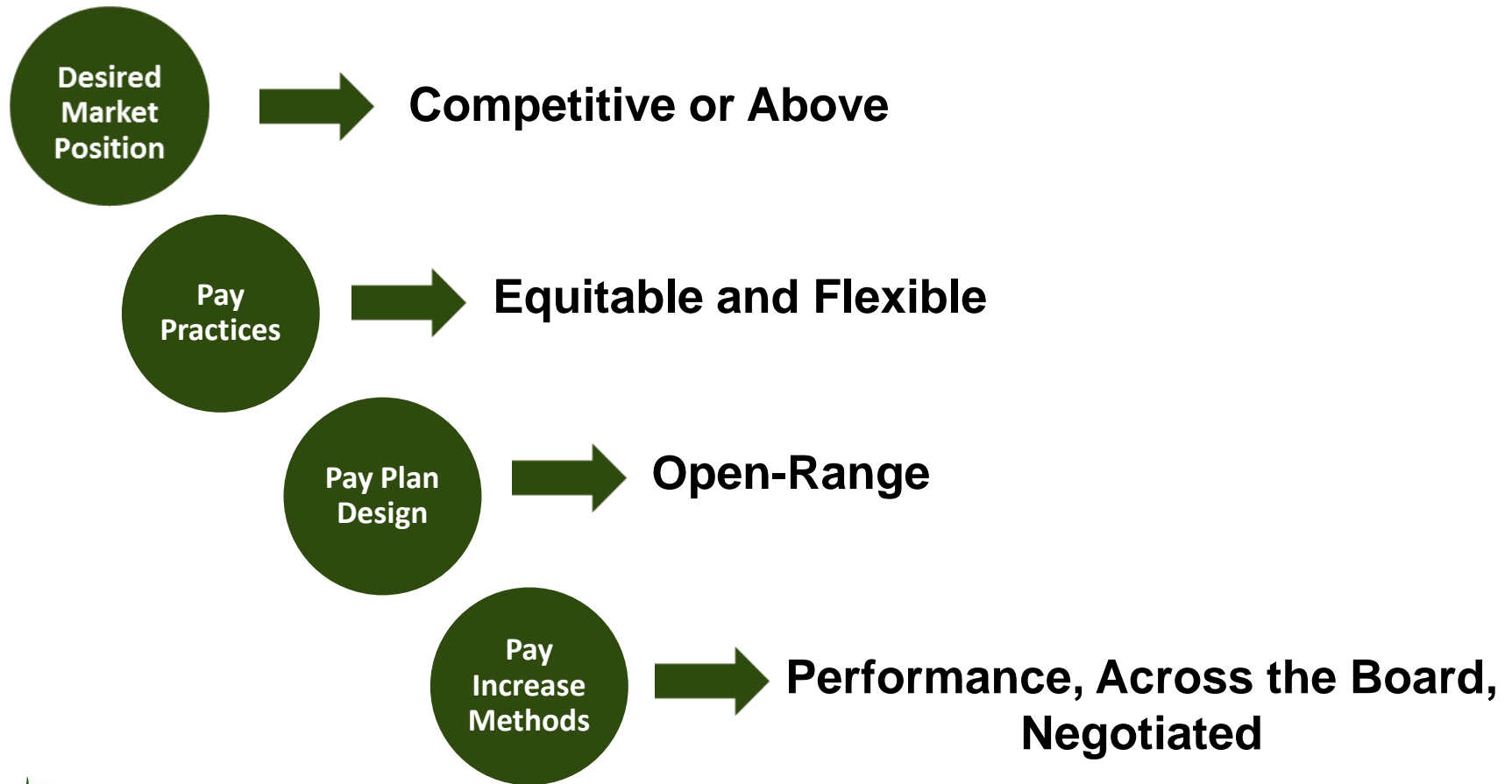
IAFF and PBA

1st Quartile	2nd Quartile	3rd Quartile	4th Quartile
30.3%	13.1%	10.3%	46.3%



Compensation Philosophy

Reviewed the City's Compensation Philosophy:



Internal Equity

*Reviewed JAT employee input; determined **internal equity**:*

by **reviewing all job classifications** to determine the relationships between the type of work performed by employees; assigned a composite score to each classification that quantified the classification's level of five separate compensatory factors, based on responses to the JAT.

and made title change recommendations, e.g.:

Current Class Title	Recommended Class Title
ADMINISTRATIVE MANAGER	Administrative Services Manager
BUSINESS ADVOCATE	Business Liaison
CUSTOMER SERVICE REP. I	Utilities Staff Assistant I
SOLID WASTE HELPER	Solid Waste Assistant
STAFF ASSISTANT I	Fleet Service Writer



External Equity

Utilizing best practice methodology, developed a tool to survey public sector competitive and comparable organizations to assess the market position of the City's current pay plans:

Target (Peer) selection included:

- *competitive organizations within a geographic proximity (approximately 50-75 mile radius) to the City;*
- *similar comparable size organizations; and*
- *comparable relative population being served by the organization.*

Benchmark selection involved:

- *selecting a cross-section of the City's classifications, so that the surveyed positions made up a subset of all work areas and job levels in the City.*



External Equity (cont.)

Target (peer) selection included surveying competitive organizations within the City's geographic proximity and appropriate comparable organizations outside the local labor market.

Target List	Reason
Bradenton, FL	Competitive
Cape Coral, FL	Competitive
Daytona Beach, FL	Comparable
Delray Beach, FL	Comparable
Fort Myers, FL	Competitive
Homestead, FL	Comparable
Kissimmee, FL	Comparable
Lakeland, FL	Comparable
Naples, FL	Comparable
North Miami, FL	Comparable
Punta Gorda, FL	Competitive
Sarasota City, FL	Competitive
Sebring, FL	Comparable

Target List	Reason
St. Petersburg, FL	Comparable
Tampa, FL	Comparable
Tamarac, FL	Comparable
Venice, FL	Competitive
Charlotte County, FL	Competitive
Collier County, FL	Comparable
Desoto County, FL	Competitive
Hillsborough County, FL	Comparable
Lee County, FL	Competitive
Manatee County, FL	Competitive
Pinellas County, FL	Comparable
Sarasota County, FL	Competitive
Englewood Water District	Competitive

External Equity (cont.)

Data collected outside of the City's local market was adjusted for cost of living using a cost of living factor; this allows salary range data from to be compared in spending power relevant to the City.

- Values over 1.0 indicate a lower cost of living for the market peer
- Values under 1.0 indicate a higher cost of living than the City

Market Peers	COL Factor
Cape Coral, FL	1.05
Daytona Beach, FL	1.09
Delray Beach, FL	0.97
Fort Myers, FL	1.05
Kissimmee, FL	1.17
Naples, FL	0.99
Punta Gorda, FL	1.09
Sarasota City, FL	1.00
St. Petersburg, FL	0.97
Venice, FL	1.00
Charlotte County, FL	1.09
Collier County, FL	0.99
Hillsborough County, FL	1.03
Lee County, FL	1.05
Manatee County, FL	1.07
Pinellas County, FL	0.97
Sarasota County, FL	1.00
Englewood Water District	1.00

Note: Values obtained from current data from the Cost of Living Index (COLI) published by the Council for Community and Economic Research.



External Equity (cont.)

Cost of Living Adjustment Example:

Market Peers	COL Factor
Cape Coral, FL	1.05
Daytona Beach, FL	1.09
Delray Beach, FL	0.97
Fort Myers, FL	1.05
Kissimmee, FL	1.17
Naples, FL	0.99
Punta Gorda, FL	1.09
Sarasota City, FL	1.00
St. Petersburg, FL	0.97
Venice, FL	1.00
Charlotte County, FL	1.09
Collier County, FL	0.99
Hillsborough County, FL	1.03
Lee County, FL	1.05
Manatee County, FL	1.07
Pinellas County, FL	0.97
Sarasota County, FL	1.00
Englewood Water District	1.00

Before COL Adjustment:

Delray Beach \$100,000

After COL Adjustment:

Delray Beach \$100,000 X .97 = \$97,000

The cost of living adjustment in this example lowers the peer's salary ranges to be properly compared to North Port's salary ranges.



External Equity (cont.)

Conducted a **public sector** salary survey; collected salary range data from 18 peers; analyzed external (market) equity:

Peer Data Collected
Cape Coral, FL
Daytona Beach, FL
Delray Beach, FL
Fort Myers, FL
Kissimmee, FL
Naples, FL
Punta Gorda, FL
Sarasota City, FL
St. Petersburg, FL
Venice, FL
Charlotte County, FL
Collier County, FL
Hillsborough County, FL
Lee County, FL
Manatee County, FL
Pinellas County, FL
Sarasota County, FL
Englewood Water District

Peer Data Not Collected
Bradenton, FL
Homestead, FL
Lakeland, FL
North Miami, FL
Sebring, FL
Tampa, FL
Tamarac, FL
Desoto County, FL



External Equity (cont.)

Compared collected data at the **average** to City's salary ranges:

Exempt and Non-Exempt

	Differential at Range Minimum	Differential at Range Midpoint	Differential at Range Maximum
Overall Average	-3.0%	-9.3%	-13.8%

IAFF and PBA

	Differential at the Range Minimum	Differential at the Range Midpoint	Differential at the Range Maximum
Overall Average	-10.8%	-12.9%	-14.5%

Note: Results do not indicate that all classifications were ahead or behind the survey results.

Note: 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.



External Equity (cont.)

Collected **private sector** salary range data for subset of benchmark classifications and compared the data at the **average**:

	Differential at Range Minimum	Differential at Range Midpoint	Differential at Range Maximum
Overall Average	-2.0%	-15.2%	-24.2%

Note: Results do not indicate that all classifications were ahead or behind the survey results.

Note: Data were obtained from the Economic Research Institute (ERI).

Proposed Pay Plans

Developed new, **Competitive, At Market** pay plans:

- Open-range design
- Range spreads: 50%
- Easy to administer, flexible

Exempt and Non-Exempt - At Market			
Proposed Minimum	Proposed Midpoint	Proposed Maximum	Range Spread
\$48,188.14	\$60,235.18	\$72,282.21	50.0%
\$51,561.31	\$64,451.64	\$77,341.96	50.0%
\$55,170.60	\$68,963.25	\$82,755.90	50.0%
\$59,032.54	\$73,790.68	\$88,548.82	50.0%
\$63,164.82	\$78,956.03	\$94,747.23	50.0%
\$67,586.36	\$84,482.95	\$101,379.54	50.0%
\$72,317.40	\$90,396.76	\$108,476.11	50.0%
\$77,379.62	\$96,724.53	\$116,069.43	50.0%
\$82,796.20	\$103,495.25	\$124,194.29	50.0%
\$88,591.93	\$110,739.91	\$132,887.89	50.0%
\$95,679.28	\$119,599.11	\$143,518.93	50.0%
\$103,333.63	\$129,167.03	\$155,000.44	50.0%
\$111,600.32	\$139,500.40	\$167,400.48	50.0%
\$120,528.34	\$150,660.43	\$180,792.51	50.0%
\$130,170.61	\$162,713.26	\$195,255.91	50.0%
\$27,611.25	\$34,514.06	\$41,416.88	50.0%
\$29,544.04	\$36,930.05	\$44,316.06	50.0%
\$31,612.12	\$39,515.15	\$47,418.18	50.0%
\$33,824.97	\$42,281.21	\$50,737.46	50.0%
\$36,192.72	\$45,240.90	\$54,289.08	50.0%
\$38,726.21	\$48,407.76	\$58,089.31	50.0%
\$41,437.04	\$51,796.30	\$62,155.56	50.0%
\$44,337.64	\$55,422.04	\$66,506.45	50.0%
\$47,884.65	\$59,855.81	\$71,826.97	50.0%
\$51,715.42	\$64,644.27	\$77,573.13	50.0%
\$55,852.65	\$69,815.81	\$83,778.98	50.0%



Proposed Pay Plans cont.)

Developed new, (optional)

3% Above Market pay plans:

- Open-range design
- Range spreads: 50%
- Easy to administer, flexible

Exempt and Non-Exempt - 3% Above Market			
Proposed Minimum	Proposed Midpoint	Proposed Maximum	Range Spread
\$49,849.80	\$62,312.25	\$74,774.70	50.0%
\$53,339.29	\$66,674.11	\$80,008.93	50.0%
\$57,073.04	\$71,341.30	\$85,609.55	50.0%
\$61,068.15	\$76,335.19	\$91,602.22	50.0%
\$65,342.92	\$81,678.65	\$98,014.38	50.0%
\$69,916.92	\$87,396.15	\$104,875.38	50.0%
\$74,811.11	\$93,513.88	\$112,216.66	50.0%
\$80,047.89	\$100,059.86	\$120,071.83	50.0%
\$85,651.24	\$107,064.05	\$128,476.86	50.0%
\$91,646.82	\$114,558.53	\$137,470.24	50.0%
\$98,978.57	\$123,723.21	\$148,467.85	50.0%
\$106,896.86	\$133,621.07	\$160,345.28	50.0%
\$115,448.60	\$144,310.76	\$173,172.91	50.0%
\$124,684.49	\$155,855.62	\$187,026.74	50.0%
\$134,659.25	\$168,324.06	\$201,988.88	50.0%
\$28,147.39	\$35,184.24	\$42,221.09	50.0%
\$30,117.71	\$37,647.14	\$45,176.56	50.0%
\$32,225.95	\$40,282.44	\$48,338.92	50.0%
\$34,481.77	\$43,102.21	\$51,722.65	50.0%
\$36,895.49	\$46,119.36	\$55,343.23	50.0%
\$39,478.17	\$49,347.72	\$59,217.26	50.0%
\$42,241.65	\$52,802.06	\$63,362.47	50.0%
\$45,198.56	\$56,498.20	\$67,797.84	50.0%
\$48,814.45	\$61,018.06	\$73,221.67	50.0%
\$52,719.60	\$65,899.50	\$79,079.40	50.0%
\$56,937.17	\$71,171.46	\$85,405.75	50.0%



Proposed Pay Plans (cont.)

Utilizing the new plans; individually assigned a range for each classification:

- Utilized both internal and external equity results
- Some pay ranges increased, some remained relatively the same

Utilizing the new pay plan/ranges; developed the best option (considering compression and compensation philosophy) and cost estimates for implementing the proposed pay plans.

Implementation (At Market Pay Plans)

Range Placement Capped at Midpoint, and 2% if Above (Midpoint):

*Assuming the competitive **at market** Exempt and Non-Exempt pay plans are implemented, employees would have their salaries adjusted in the new plan based on the relative position of their salary in the current plan's range (range penetration). For employees' salaries below the new midpoints, a calculation is performed to determine the range penetration of their current salary in the current structure, and their salaries are adjusted to the same relative position in the new structure. Then, a calculation is performed to advance salaries toward the new midpoint. These increments are designed to give larger increases (in percentage terms) to those at the lower end of the pay range and adjustments vary depending on employee tenure. If the calculated adjustment is less than two percent, the salary is adjusted by two percent. Employees' salaries at or above the new midpoints would be adjusted by two percent provided their salary does not exceed the new maximums.*

- Total annualized estimated cost = **\$1,217,488**
- # employees who would receive adjustments = 350

** Cost estimate includes salary only (no benefits) and includes the cost of bringing all employees to the minimums of the proposed pay range.*



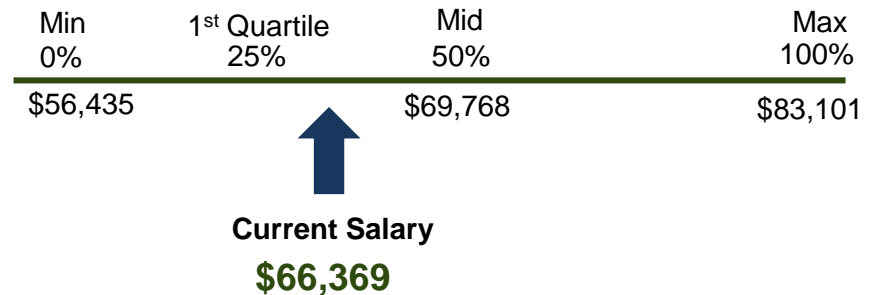
Implementation (At Market Pay Plans)

Example: Salary Adjustment - At Market Pay Plans

Current:

Salary range: \$56,435 – \$83,101

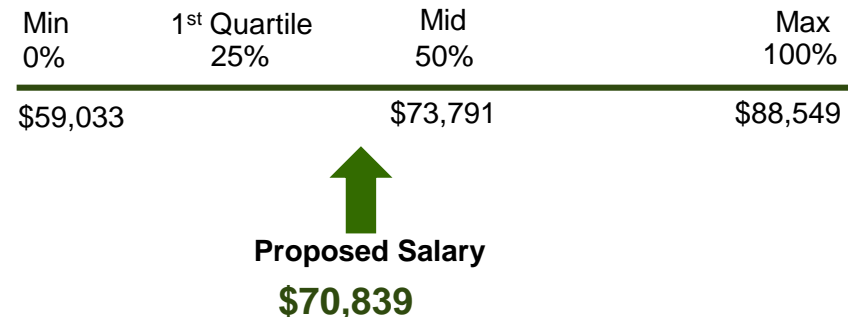
Employee's salary is \$66,369 (37.3% range penetration) and below midpoint. Employee has 7.0 years tenure.



Proposed:

Salary range: \$59,033 – \$88,549

Employee's salary requires an annual adjustment of \$4,470 to place salary at same range penetration (37.3%) in new range and then move toward midpoint. Resulting range penetration is 40%.



Implementation (3% Above Market Pay Plans)

Range Placement Capped at Midpoint, 2% if Above (Midpoint):

*Assuming the competitive, **3% above market** Exempt and Non-Exempt pay plans are implemented, employees would have their salaries adjusted in the new plan based on the relative position of their salary in the current plan's range (range penetration). For employees' salaries below the new midpoints, a calculation is performed to determine the range penetration of their current salary in the current structure, and their salaries are adjusted to the same relative position in the new structure. Then, a calculation is performed to advance salaries toward the new midpoint. These increments are designed to give larger increases (in percentage terms) to those at the lower end of the pay range and adjustments vary depending on employee tenure. If the calculated adjustment is less than two percent, the salary is adjusted by two percent. Employees' salaries at or above the new midpoints would be adjusted by two percent provided their salary does not exceed the new maximums.*

- Total annualized estimated cost = **\$1,530,002.**
- # employees who would receive adjustments = 353

** Cost estimate includes salary only (no benefits) and includes the cost of bringing all employees to the minimums of the proposed pay range.*



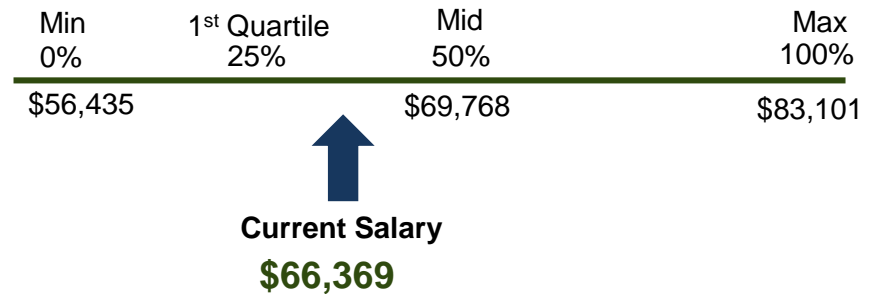
Implementation (3% Above Market Plans)

Example: Salary Adjustment - 3% Above Market Pay Plans

Current:

Salary range: \$56,435 – \$83,101

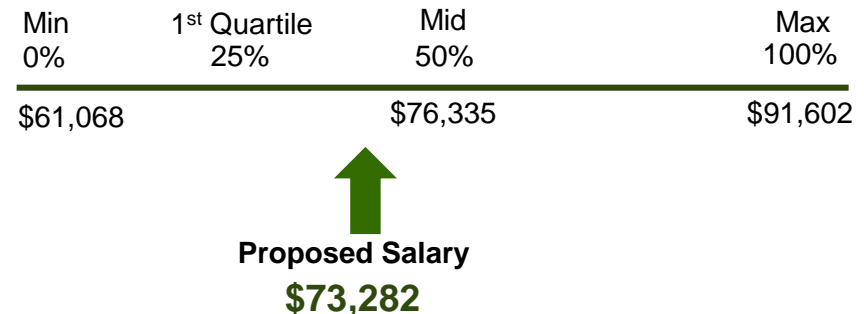
Employee's salary is \$66,369 (37.3% range penetration) and below midpoint. Employee has 7.0 years tenure.



Proposed:

Salary range: \$61,068 – \$91,602

Employee's salary requires an annual adjustment of \$6,913 to place salary at same range penetration (37.3%) in new range and then move toward midpoint. Resulting range penetration is 40%.



Implementation (cont.)

Compared **external equity** results at the time of the study and after new pay plans are implemented:

Current Plans:

	Differential at Range Minimum	Differential at Range Midpoint	Differential at Range Maximum
Overall Average	-3.0%	-9.3%	-13.8%

Proposed Plans: Competitive, At Market

	Differential at Range Minimum	Differential at Range Midpoint	Differential at Range Maximum
Overall Average	3.8%	0.1%	-2.4%

Implementation (cont.)

Compared **external equity** results at the time of the study and after new pay plans are implemented:

Current Plans:

	Differential at Range Minimum	Differential at Range Midpoint	Differential at Range Maximum
Overall Average	-3.0%	-9.3%	-13.8%

Proposed Plans: 3% Above Market

	Differential at Range Minimum	Differential at Range Midpoint	Differential at Range Maximum
Overall Average	6.4%	2.9%	0.4%

Implementation (cont.)

Reviewed salary quartile analysis at the beginning of study; and after new plans are implemented:

Current Plans:

1st Quartile	2nd Quartile	3rd Quartile	4th Quartile
52.5%	8.4%	12.9%	26.2%

Midpoint

Proposed Plans:

- Have wider range spreads; anchored at new market midpoints
- Will continue to improve market placement of employees' salaries

Implementation Option	1st Quartile	2nd Quartile	3rd Quartile	4th Quartile
At Market Adjustment	51.0%	21.5%	14.2%	13.3%
At 3% Above Market Adjustment	49.2%	12.4%	12.6%	25.8%

Midpoint

Additional Recommendations

- Review pay practices (including incentives); recommend revisions as appropriate to align with the compensation philosophy and be competitive with peers.
- Finalize study results.
- Communicate study results to employees.
- Administer and maintain the new plan; make pay grade/range adjustments as necessary.
- Conduct a comprehensive study every three to five years.



Thank You

Additional Questions?

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