



CITY OF HOLLY HILL, FLORIDA

CITY COMMISSION

MINUTES • JANUARY 8, 2018

City Commission Chamber

Work Session

2:00 PM

CITY HALL
1065 RIDGEWOOD AVENUE
HOLLY HILL, FL 32117

City Clerk's office: (386) 248-9441 - Fax: (386) 248-9448

1. CALL TO ORDER

a. Roll Call

Attendee Name	Title	Status	Arrived
Arthur J. Byrnes	District 1 - Commissioner	Present	
Penny Currie	District 2 - Commissioner	Present	
John C. Danio	District 3 - Commissioner	Present	
Chris Via	District 4 - Commissioner	Present	
John Penny	Mayor	Present	

2. EVERGREEN SOLUTIONS - CLASSIFICATION & COMPENSATION STUDY

1.

Evergreen Solutions - Classification & Compensation Study

(Requested by Valerie Manning, City Clerk)

Queenell Fox, Manager at Evergreen Solutions showed a PowerPoint presentation to the Mayor, City Commissioners and staff that were present. Ms. Fox showed the following PowerPoint slides of the Pay and Classification Study that was completed by Evergreen Solutions. This workshop was held to show the final data to the Mayor and Commissioners for their information. No final decision is going to be made today. This is for informational purposes for them. The following PowerPoint presentation was shown:

Agenda

- Study Process
- Summary of Employee Outreach
- Compensation Philosophy Review
- Compensation Review Results
- Implementation Recommendation
- Additional Recommendations



Study Process

Completed:

- ✓ Conducted employee outreach and summarized findings.
- ✓ Reviewed current conditions of the compensation system.
- ✓ Reviewed the City's compensation philosophy.
- ✓ Analyzed **internal equity** by reviewing Job Assessment Tools (JAT), developed proposed class structure.
- ✓ Conducted a salary survey to analyze the **external equity** of the current compensation system.
- ✓ Utilized internal and external equity results to develop a new pay plan, and individually assigned pay grades to classifications.



Study Process (cont.)

Completed (cont.):

- ✓ Developed a recommended implementation option and estimated annualized salary costs to implement the new pay plan.
- ✓ Reviewed all classifications for Fair Labor Standards Act (FLSA) status.
- ✓ Finalized study results, provided draft and final reports;
- ✓ Trained Human Resources on how to revise job descriptions utilizing existing descriptions and input from employee JATs and MITs.



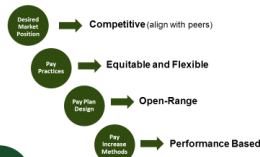
Outreach Summary

- Overall, employees enjoy working for the City and serving the community in which they live.
- The desire to serve their community was a reason many employees continue to work for the City.
- Duties have expanded to provide services for vacant positions without corresponding increases in compensation or changes in job titles.



Compensation Philosophy

City's Compensation Philosophy:



Compensation

Conducted a salary survey and collected salary range data from 19 peers to analyze **external (market) equity** for benchmark classifications:

Market Peers
City of Brevard
City of Clearwater
City of Cocoa Beach
City of Dade
City of Deltona
City of Edgewater
City of Green Cove Springs
City of Highland
City of New Smyrna Beach
City of Ocala
City of Orange City
City of Oviedo Beach
City of Palm Bay
City of Port Orange
City of Seville Beach
City of South Daytona
Flagler County
Town of Ponce de Leon
Volusia County, FL



Compensation (cont.)

Collected salary range data for total of 62 benchmark classifications (subset of all classifications) and compared the data at the **average**:

Benchmark Classifications	Differential at the Range Minimum	Differential at the Range Midpoint	Differential at the Range Maximum
Overall Average	-15.8%	-15.6%	-15.5%
Outliers Removed	-14.8%	-14.7%	-14.6%

Midpoint is typically considered "market" as employees receiving pay at this point should be proficient and satisfactorily performing the duties of their classification.

Results do not indicate that all benchmarks (classifications) were ahead or behind.



Compensation (cont.)

Developed new, competitive open-range pay plan for Non-Union employees:

- increasing range spreads
 - 55% grades 100-110
 - 60% grades 111-115
 - 65% grades 116-119
- easy to administer
- aligns with compensation philosophy

Grade	Minimum	Midpoint	Maximum	Range Spread	Range Progression
100	\$ 22,800	\$ 39,000	\$ 56,160	33%	6%
101	\$ 24,180	\$ 40,814	\$ 57,440	33%	6%
102	\$ 25,560	\$ 42,628	\$ 58,798	33%	6%
103	\$ 27,135	\$ 44,629	\$ 60,991	33%	6%
104	\$ 28,764	\$ 46,700	\$ 63,316	33%	6%
105	\$ 30,438	\$ 48,842	\$ 65,763	33%	6%
106	\$ 32,162	\$ 51,056	\$ 68,334	33%	6%
107	\$ 33,936	\$ 53,343	\$ 70,939	33%	6%
108	\$ 35,760	\$ 55,704	\$ 73,578	33%	6%
109	\$ 37,634	\$ 58,139	\$ 76,251	33%	6%
110	\$ 39,558	\$ 60,648	\$ 78,958	33%	6%
111	\$ 41,532	\$ 63,231	\$ 81,699	33%	7%
112	\$ 43,556	\$ 65,888	\$ 84,474	33%	7%
113	\$ 45,630	\$ 68,619	\$ 87,283	33%	7%
114	\$ 47,754	\$ 71,424	\$ 90,126	33%	7%
115	\$ 49,928	\$ 74,303	\$ 93,003	33%	7%
116	\$ 52,152	\$ 77,256	\$ 95,916	33%	8%
117	\$ 54,426	\$ 80,283	\$ 98,865	33%	8%
118	\$ 56,750	\$ 83,384	\$ 101,849	33%	8%
119	\$ 59,124	\$ 86,559	\$ 104,868	33%	8%



Compensation (cont.)

Developed new, competitive open-range pay plan for NAGE employees:

NAGE Unit					
Grade	Minimum	Midpoint	Maximum	Range Spread	Range Progression
N100	\$ 22,800	\$ 29,200	\$ 35,500	55%	
N101	\$ 24,188	\$ 30,814	\$ 37,460	55%	6%
N102	\$ 25,618	\$ 32,663	\$ 39,708	55%	6%
N103	\$ 27,095	\$ 34,673	\$ 42,051	55%	6%
N104	\$ 28,784	\$ 36,700	\$ 44,616	55%	6%
N105	\$ 30,512	\$ 38,902	\$ 47,293	55%	6%
N106	\$ 32,382	\$ 41,236	\$ 50,130	55%	6%
N107	\$ 34,283	\$ 43,711	\$ 53,138	55%	6%
N108	\$ 36,340	\$ 46,333	\$ 56,327	55%	6%
N109	\$ 38,520	\$ 49,113	\$ 59,706	55%	6%

*Compensation (cont.)*

Developed new, competitive open-range pay plan for Fire and Police Union employees:

IAFF Unit					
Grade	Minimum	Midpoint	Maximum	Range Spread	Range Progression
F108	\$ 36,340	\$ 46,333	\$ 56,327	50%	
F109 *	\$ 38,520	\$ 49,113	\$ 59,706	50%	6%
F110	\$ 40,831	\$ 52,060	\$ 63,289	50%	6%
F111 *	\$ 43,000	\$ 56,796	\$ 69,903	60%	7%
F112	\$ 46,748	\$ 60,772	\$ 74,796	60%	7%
F113 *	\$ 50,020	\$ 65,026	\$ 80,032	60%	7%

* Parametric grade

PFA Unit					
Grade	Minimum	Midpoint	Maximum	Range Spread	Range Progression
P108	\$ 36,340	\$ 46,333	\$ 56,327	50%	
P110	\$ 40,831	\$ 52,060	\$ 63,289	50%	12%
P112	\$ 46,748	\$ 60,772	\$ 74,796	60%	14%
P114	\$ 53,522	\$ 69,578	\$ 85,634	60%	14%

*Implementation*

Developed and reviewed implementation options;

Bring Employees' Salaries to New Minimums:

A calculation is performed to determine if an employee's salary is below the proposed minimum of his/her proposed classification/grade. If his/her salary is below the proposed minimum, it is adjusted to the minimum of his/her proposed pay grade; if his/her salary is within the proposed pay grade, no adjustment is recommended.

- Total annualized estimated cost = **\$98,432.81**
- # employees who would receive adjustments = 41



* Cost estimates are salary only and do not include the cost of benefits.

*Implementation (cont.)***Range Penetration Capped at Midpoint (Maximum 3% Adjustment):**

Assuming the competitive pay plan is 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. This places an employee's salary in the new range based on the relative position in the current range, yet does not place any salary beyond new midpoints unless the salary is already above that point; no employee salary is reduced, and no employee is given more than a 3% increase (unless required for the Bring to Minimum option).

- Total annualized estimated cost = **\$152,898**
- # employees who would receive adjustments = 81

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

*Implementation (cont.)***Range Penetration Capped at Midpoint (Maximum 5% Adjustment):**

Assuming the competitive pay plan is 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. This places an employee's salary in the new range based on the relative position in the current range, yet does not place any salary beyond new midpoints unless the salary is already above that point; no employee salary is reduced, and no employee is given more than a 5% increase (unless required for the Bring to Minimum option).

- Total annualized estimated cost = **\$189,832**
- # employees who would receive adjustments = 81

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



*Implementation (cont.)***Move Toward Midpoint (Market) - 3 Tier:**

Employees' salaries are adjusted based on their tenure and Compa-Ratio. For example, an employee's salary at 75% of the market point (Compa-Ratio) would be brought to 79% of the market point if tenure were less than 5 years, but would be brought to 80% if tenure were 5 to 10 years, and to 81% if tenure were greater than 10 years. These increments are designed to give larger adjustments (in percentage terms) to those with salaries furthest from the market point and to provide greater adjustments to those employees with more tenure. Employees at or above the market point are unaffected. This option includes the Bring to Minimum Cost.

- Total annualized estimated cost = **\$221,938.12**
- # employees who would receive adjustments = 82



* Cost estimates are salary only and do not include the cost of benefits.

Recommendations

- Adopt compensation and classification plan structure recommended by the Evergreen study.
- Communicate study results to the employees.
- Review pay practices; revise as necessary to align with compensation philosophy and be competitive with peers.
- Administer and maintain the new plan; make pay grade/range adjustments as necessary.
- Conduct a comprehensive study every three to five years.



There was **consensus** from the Mayor and Commissioners to come to a reasonable affordable solution by October 1, 2018.

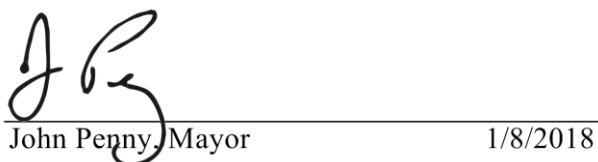
Mr. Forte stated this is just data and information and where they go from now is, he thinks each of the Commissioners will look at the information and they will probably meet one-on-one. They are passed the first of the year so he is going to start setting up meetings with the Union representatives to start discussing not only this but also the entire contracts, which are up for renewal and then probably in a month or two, they will schedule a SHADE meeting and he will present to them the information that he received from the Unions and they will talk about this and a philosophy and figure out where they go from here.



3. ADJOURNMENT

The workshop adjourned at approximately 3:30 PM.


Valerie Manning, City Clerk CMC 1/8/2018


John Penny, Mayor 1/8/2018