

Compensation Study for the City of Key West, FL

FINAL REPORT



Evergreen Solutions, LLC

June 20, 2014

Chapter 1 - Introduction

1.1 INTRODUCTION

Evergreen Solutions was retained by the City of Key West, FL (City) to conduct a Compensation Study of all positions in the organization. The methodology and work plan developed to conduct this study provided the City's Project Manager (CPM), the City's Executive Team 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 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.

1.2 STUDY METHODOLOGY

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

- Conducting a project kick-off meeting;
- Conducting external market salary and benefits surveys;
- Developing recommendations for compensation management;
- Developing detailed implementation plans; and
- Creating draft and final reports.



Kickoff Meeting

The kickoff meeting provided an opportunity to discuss the history of the organization, finalize the work plan, and begin the data collection process. Data collection of relevant background material (including existing pay plans, organization charts, policies, procedures, training materials, job descriptions, and other pertinent material) was part of this process.

Salary and Benefits Surveys

The external market is defined as peers that have similar characteristics, demographics, and service offerings as the target organization. Benchmark positions were identified from each area and level of the organization and typically 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

Solution creation followed the collection of salary survey data and discussion of 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 could be slotted into the proposed pay grade structure using market data and CPM feedback.

As part of the study, the organization 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, or recommendation, 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 to view the total costs associated with proposed structural changes. Information was provided to the City on various ways to implement the proposed structure and possible adjustments that can be made to address any remaining issues.

1.3 REPORT ORGANIZATION

This report includes the following additional chapters:

- Chapter 2 – Assessment of Current Conditions
- Chapter 3 – Market and Benefits Survey Summary
- Chapter 4 – Recommendations

Chapter 2 – 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 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 both further review and potential revision. A summary of this assessment can be found in **Chapter 2** of this report.

Chapter 3 – Market and Benefits Survey Summary

Salary and benefits surveys were developed to determine the market competitiveness of the City's compensation system. Survey tools were then created to solicit salary and benefits 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 benefits offered and the results were summarized in **Chapter 3** of this report.

Chapter 4 – Recommendations

Solution creation and recommendations followed agreement on the structure of the compensation system.

Based on the findings from the data analysis, the salary and benefits surveys, and the City's desired market position, recommendations were made to improve the City's compensation structure. **Chapter 4** of this report discussed the compensation findings, recommendations, and implementation plans.



Chapter 2 - Assessment of Current Conditions

The purpose of this chapter is to provide a statistical analysis of the current compensation and classification structure in place at the City of Key West (the City). The assessment is divided into the following four sections: Pay Plan Analysis, Grade Placement Analysis, Employee Tenure, and Employees by Department. The information described in this chapter reflects employee data as of March 25, 2014, and should be considered a snapshot of the conditions within the City at that time. The data analyzed consisted of information for 387 employees, and excluded contract, part-time, elected, professional out of classification positions, and Fire Inspectors and Fire Captains.

The inferences drawn from this chapter provide a basis for more detailed analysis and are not sufficient cause for recommendations on their own. However, this review of The City's current compensation and classification structure and policies, in combination with stakeholder and market data, is used to develop recommendations appropriate for the City.

Pay Plan Analysis

In 2007, the City established the following four pay plans which are currently used—G, N, F, and P. The first two are general pay plans, and the last two are Fire and Police, respectively. Having established pay plans provides employees with an understood method of salary progression and helps to eliminate confusion about future increases or equity among different pay grades. The pay plans with an incumbent currently in the plan are presented in **Exhibit 2A**, including the pay ranges, range spreads, and number of employees assigned to each grade. Range spreads are a measure of a pay range's width, calculated as the percent increase from the minimum salary to the maximum salary of the range. **Exhibit 2B** shows the count of employees in each pay grade.



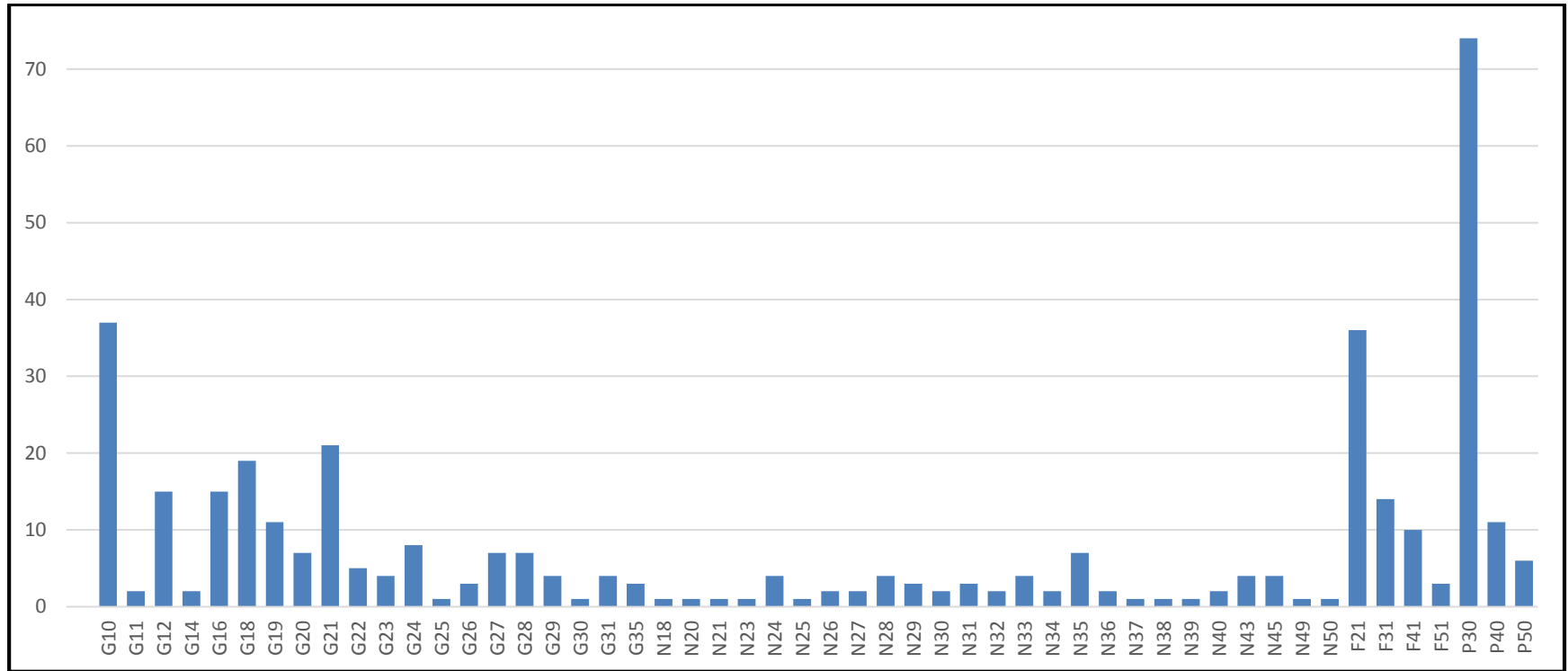
EXHIBIT 2A
CURRENT PAY PLAN (FOR GRADES WITH INCUMBENTS)

Grade	Minimum	Midpoint	Maximum	Range Spread	Employees
G10	\$ 10.37	\$ 13.27	\$ 16.17	56%	37
G11	\$ 10.66	\$ 13.67	\$ 16.69	57%	2
G12	\$ 10.96	\$ 14.09	\$ 17.22	57%	15
G14	\$ 11.59	\$ 14.97	\$ 18.35	58%	2
G16	\$ 12.27	\$ 15.92	\$ 19.56	59%	15
G18	\$ 13.00	\$ 16.93	\$ 20.85	60%	19
G19	\$ 13.38	\$ 17.46	\$ 21.53	61%	11
G20	\$ 13.77	\$ 18.01	\$ 22.24	61%	7
G21	\$ 14.18	\$ 18.58	\$ 22.97	62%	21
G22	\$ 14.61	\$ 19.17	\$ 23.72	62%	5
G23	\$ 15.05	\$ 19.78	\$ 24.51	63%	4
G24	\$ 15.50	\$ 20.41	\$ 25.31	63%	8
G25	\$ 15.97	\$ 21.06	\$ 26.15	64%	1
G26	\$ 16.46	\$ 21.74	\$ 27.02	64%	3
G27	\$ 16.96	\$ 22.44	\$ 27.92	65%	7
G28	\$ 17.48	\$ 23.16	\$ 28.84	65%	7
G29	\$ 18.02	\$ 23.91	\$ 29.80	65%	4
G30	\$ 18.58	\$ 24.69	\$ 30.80	66%	1
G31	\$ 19.16	\$ 25.49	\$ 31.83	66%	4
G35	\$ 21.68	\$ 29.00	\$ 36.32	68%	3
N18	\$ 13.00	\$ 16.33	\$ 19.66	51%	1
N20	\$ 13.77	\$ 17.37	\$ 20.96	52%	1
N21	\$ 14.18	\$ 17.92	\$ 21.65	53%	1
N23	\$ 15.05	\$ 19.07	\$ 23.10	54%	1
N24	\$ 15.50	\$ 19.68	\$ 23.86	54%	4
N25	\$ 15.97	\$ 20.31	\$ 24.65	54%	1
N26	\$ 16.46	\$ 20.96	\$ 25.47	55%	2
N27	\$ 16.96	\$ 21.64	\$ 26.31	55%	2
N28	\$ 17.48	\$ 22.33	\$ 27.19	56%	4
N29	\$ 18.02	\$ 23.06	\$ 28.09	56%	3
N30	\$ 18.58	\$ 23.80	\$ 29.03	56%	2
N31	\$ 19.16	\$ 24.58	\$ 30.00	57%	3
N32	\$ 19.75	\$ 25.38	\$ 31.00	57%	2
N33	\$ 20.37	\$ 26.21	\$ 32.04	57%	4
N34	\$ 21.01	\$ 27.05	\$ 33.08	57%	2
N35	\$ 21.68	\$ 27.95	\$ 34.23	58%	7
N36	\$ 22.36	\$ 28.87	\$ 35.38	58%	2
N37	\$ 23.07	\$ 29.82	\$ 36.58	59%	1
N38	\$ 23.81	\$ 30.81	\$ 37.81	59%	1
N39	\$ 24.57	\$ 31.83	\$ 39.09	59%	1
N40	\$ 25.35	\$ 32.88	\$ 40.41	59%	2
N43	\$ 27.89	\$ 36.27	\$ 44.66	60%	4
N45	\$ 29.72	\$ 38.89	\$ 48.05	62%	4
N49	\$ 33.78	\$ 43.94	\$ 54.10	60%	1
N50	\$ 34.88	\$ 45.36	\$ 55.85	60%	1
F21	\$ 42,528	\$ 54,276	\$ 66,024	55%	36
F31	\$ 51,016	\$ 61,924	\$ 72,832	43%	14
F41	\$ 58,668	\$ 68,508	\$ 78,347	34%	10
F51	\$ 60,661	\$ 70,835	\$ 81,008	34%	3
P30	\$ 46,432	\$ 58,616	\$ 70,800	52%	74
P40	\$ 67,386	\$ 72,753	\$ 78,119	16%	11
P50	\$ 75,843	\$ 80,603	\$ 85,363	13%	6

Source: Evergreen Solutions, May 2014



EXHIBIT 2B TOTAL EMPLOYEE BY PAY GRADE



Source: Evergreen Solutions, May 2014.



The general pay plans (G and N) are hourly open range plans, which consist of pay ranges with established salary minimums and maximums. An advantage to an open salary pay plan is that it can allow employers the flexibility to increase an employee's salary within the same classification. The G pay plan has 20 occupied pay grades, and the N pay plan has 25 occupied pay grades. The general pay plans apply to 233 employees, or 60.2 percent of employees analyzed.

The Fire and Police pay plans are step plans with grades and steps. A step plan has an established pay range minimum and maximum for each grade as well as established intermediate salaries, or steps, by which an employee's salary progresses during her or his career. An advantage of step plans is that they allow employees to plan ahead due to having advance knowledge of how their salary will change throughout their career. These employees are assigned grades and steps depending on their positions and experience. The Fire pay plan applies to a total of 63, or 16.3 percent, of employees analyzed; and the Police pay plan applies to a total of 91, or 23.5 percent, of employees analyzed.

Grade Placement Analysis

The Grade Placement Analysis examines how employee salaries are distributed throughout the pay grades. This can help identify salary progression issues, which are usually accompanied by employee salaries that are clustered in segments of the pay grades. A clustering of employee salaries in the lower part of ranges can indicate a lack of growth potential for employees or a high level of employee turnover. A clustering of employee salaries in the high end of pay ranges can be a sign of high employee tenure or can possibly be a sign that the pay ranges are behind market, causing the organization to offer new hires salaries near the maximum salary. The Grade Placement Analysis examines how salaries compare to pay range midpoints, minimums and maximums, and quartiles. Only the pay grades with at least one incumbent are included in this analysis.

The first step of the Grade Placement Analysis is to identify how employee salaries are balanced above and below the pay grade midpoints. **Exhibit 2C** shows the number and percentage of employees in each pay grade who have salaries below, at, and above the pay grade midpoint. The same information is provided in graph form in **Exhibit 2D**.



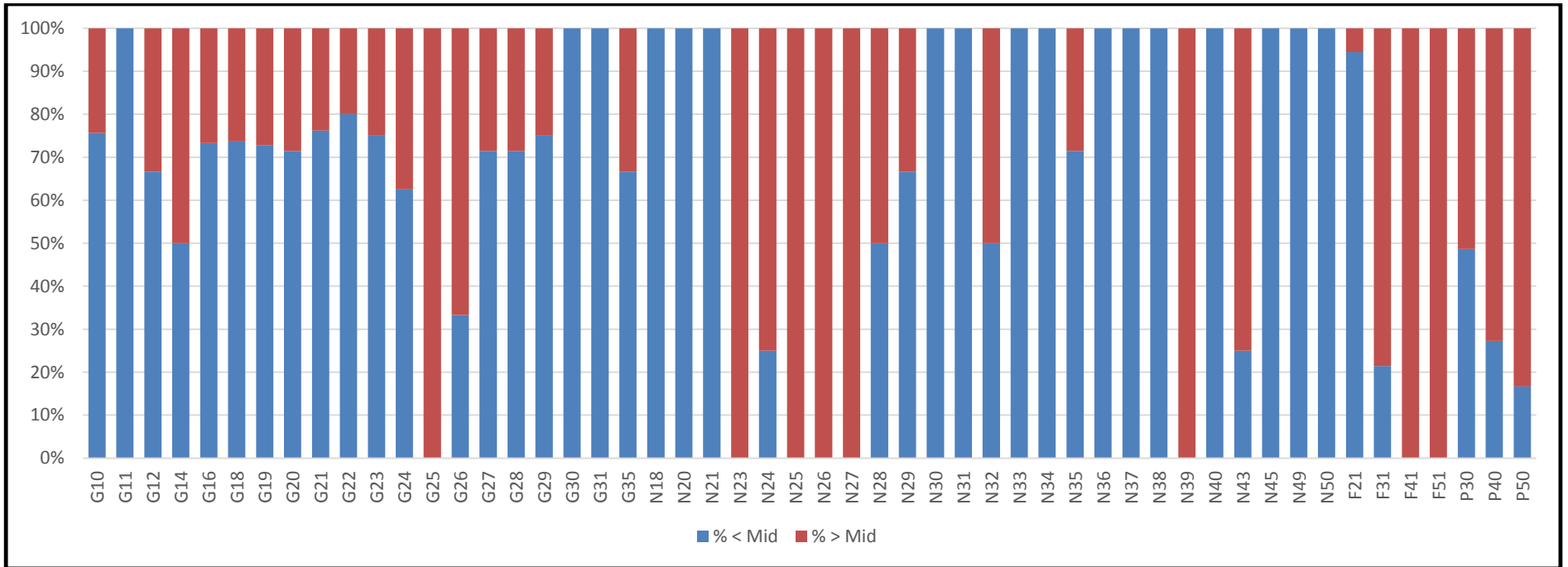
**EXHIBIT 2C
MIDPOINT ANALYSIS BY PAY GRADE**

Grade	Employees	# < Mid	% < Mid	# > Mid	% > Mid
G10	37	28	75.7%	9	24.3%
G11	2	2	100.0%	0	0.0%
G12	15	10	66.7%	5	33.3%
G14	2	1	50.0%	1	50.0%
G16	15	11	73.3%	4	26.7%
G18	19	14	73.7%	5	26.3%
G19	11	8	72.7%	3	27.3%
G20	7	5	71.4%	2	28.6%
G21	21	16	76.2%	5	23.8%
G22	5	4	80.0%	1	20.0%
G23	4	3	75.0%	1	25.0%
G24	8	5	62.5%	3	37.5%
G25	1	0	0.0%	1	100.0%
G26	3	1	33.3%	2	66.7%
G27	7	5	71.4%	2	28.6%
G28	7	5	71.4%	2	28.6%
G29	4	3	75.0%	1	25.0%
G30	1	1	100.0%	0	0.0%
G31	4	4	100.0%	0	0.0%
G35	3	2	66.7%	1	33.3%
N18	1	1	100.0%	0	0.0%
N20	1	1	100.0%	0	0.0%
N21	1	1	100.0%	0	0.0%
N23	1	0	0.0%	1	100.0%
N24	4	1	25.0%	3	75.0%
N25	1	0	0.0%	1	100.0%
N26	2	0	0.0%	2	100.0%
N27	2	0	0.0%	2	100.0%
N28	4	2	50.0%	2	50.0%
N29	3	2	66.7%	1	33.3%
N30	2	2	100.0%	0	0.0%
N31	3	3	100.0%	0	0.0%
N32	2	1	50.0%	1	50.0%
N33	4	4	100.0%	0	0.0%
N34	2	2	100.0%	0	0.0%
N35	7	5	71.4%	2	28.6%
N36	2	2	100.0%	0	0.0%
N37	1	1	100.0%	0	0.0%
N38	1	1	100.0%	0	0.0%
N39	1	0	0.0%	1	100.0%
N40	2	2	100.0%	0	0.0%
N43	4	1	25.0%	3	75.0%
N45	4	4	100.0%	0	0.0%
N49	1	1	100.0%	0	0.0%
N50	1	1	100.0%	0	0.0%
F21	36	34	94.4%	2	5.6%
F31	14	3	21.4%	11	78.6%
F41	10	0	0.0%	10	100.0%
F51	3	0	0.0%	3	100.0%
P30	74	36	48.6%	38	51.4%
P40	11	3	27.3%	8	72.7%
P50	6	1	16.7%	5	83.3%
Total	387	243	62.8%	144	37.2%

Source: Evergreen Solutions, May 2014.



**EXHIBIT 2D
PERCENT ABOVE OR BELOW MIDPOINT BY PAY GRADE**



Source: Evergreen Solutions, May 2014.

The data show that 243 (62.8 percent) of employees analyzed have salaries below their midpoint, and 144 (37.2 percent) have salaries above their midpoint. Since nearly two-thirds of employees are below their midpoints, this may be an early indication of salary compression. Compression, in this context, occurs when new hires, or shorter tenure employees are paid near to, the same, or more than long term employees within a compensation system that rewards years of experience.

The next step of the Grade Placement Analysis is to examine how many employee salaries are at the extreme ends of the pay ranges. **Exhibit 2E** shows the number and percentage of employees in each pay grade with salaries that are at the minimum and maximum of the pay ranges. Employees at the grade minimum are typically newer to the organization or to the classification. Contrarily, employees at the grade maximum are typically highly experienced and highly proficient in their classification. This is occurring the City due to the high number of employees who have long tenure with the City but choose to remain in their current classification.



EXHIBIT 2E
EMPLOYEES AT MINIMUM AND MAXIMUM BY PAY GRADE

Grade	Employees	# at Min	% at Min	# at Max	% at Max
G10	37	6	16.2%	0	0.0%
G11	2	0	0.0%	0	0.0%
G12	15	1	6.7%	0	0.0%
G14	2	1	50.0%	0	0.0%
G16	15	2	13.3%	1	6.7%
G18	19	3	15.8%	1	5.3%
G19	11	0	0.0%	0	0.0%
G20	7	0	0.0%	1	14.3%
G21	21	2	9.5%	0	0.0%
G22	5	0	0.0%	0	0.0%
G23	4	0	0.0%	1	25.0%
G24	8	2	25.0%	0	0.0%
G25	1	0	0.0%	0	0.0%
G26	3	0	0.0%	1	33.3%
G27	7	0	0.0%	0	0.0%
G28	7	0	0.0%	0	0.0%
G29	4	0	0.0%	0	0.0%
G30	1	0	0.0%	0	0.0%
G31	4	0	0.0%	0	0.0%
G35	3	0	0.0%	0	0.0%
N18	1	0	0.0%	0	0.0%
N20	1	0	0.0%	0	0.0%
N21	1	0	0.0%	0	0.0%
N23	1	0	0.0%	0	0.0%
N24	4	1	25.0%	0	0.0%
N25	1	0	0.0%	1	100.0%
N26	2	0	0.0%	0	0.0%
N27	2	0	0.0%	0	0.0%
N28	4	1	25.0%	2	50.0%
N29	3	0	0.0%	1	33.3%
N30	2	0	0.0%	0	0.0%
N31	3	0	0.0%	0	0.0%
N32	2	0	0.0%	0	0.0%
N33	4	0	0.0%	0	0.0%
N34	2	0	0.0%	0	0.0%
N35	7	1	14.3%	0	0.0%
N36	2	0	0.0%	0	0.0%
N37	1	0	0.0%	0	0.0%
N38	1	0	0.0%	0	0.0%
N39	1	0	0.0%	0	0.0%
N40	2	0	0.0%	0	0.0%
N43	4	0	0.0%	0	0.0%
N45	4	0	0.0%	0	0.0%
N49	1	0	0.0%	0	0.0%
N50	1	0	0.0%	0	0.0%
F21	36	1	2.8%	2	5.6%
F31	14	0	0.0%	1	7.1%
F41	10	0	0.0%	10	100.0%
F51	3	0	0.0%	3	100.0%
P30	74	1	1.4%	9	12.2%
P40	11	0	0.0%	7	63.6%
P50	6	0	0.0%	5	83.3%
Total	387	22	5.7%	46	11.9%

Source: Evergreen Solutions, May 2014.



The data show that 22 employees (5.7 percent) earn salaries that are the minimum of their assigned pay grade, and 46 (11.9 percent) earn salaries that are the maximum of their assigned pay grades. These relatively low percentages indicate that the City tends to allow for movement through the grades and across grades once the maximum is reached. The one exception is the Fire Captain Level I grade (F41) which has all 10 members at the maximum of the range. This is an example of a classification with many employees who have long tenure with the City.

The last part of the Grade Placement Analysis is a more detailed look at how salaries are distributed through pay grades by means of a quartile analysis. Here, each pay grade is divided into four segments of equal width, called quartiles. The first quartile represents the first 25 percent of the pay range; the second quartile represents the part of the range above the first quartile up to the calculated midpoint; the third quartile represents the part of the range from the midpoint to 75 percent of the pay range; and the fourth quartile represents the part of the range above the third quartile up to the pay range maximum. Employees are assigned to a quartile within their pay range based on their current salary.

The quartile analysis is used to determine the location of employee salary clusters. In the first part of the Grade Placement Analysis, an imbalance of employees below the midpoint was identified. This analysis will help identify if other clusters exist in specific quartiles of pay grades. 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 2F gives the number of employees within each quartile of each pay grade. **Exhibit 2G** also shows the distribution of employees in each quartile of each pay grade, but presents the information graphically as the percentage of employees within each pay grade that are in each quartile. For display purposes, **Exhibit 2G** does not include the Police and Fire pay plans.

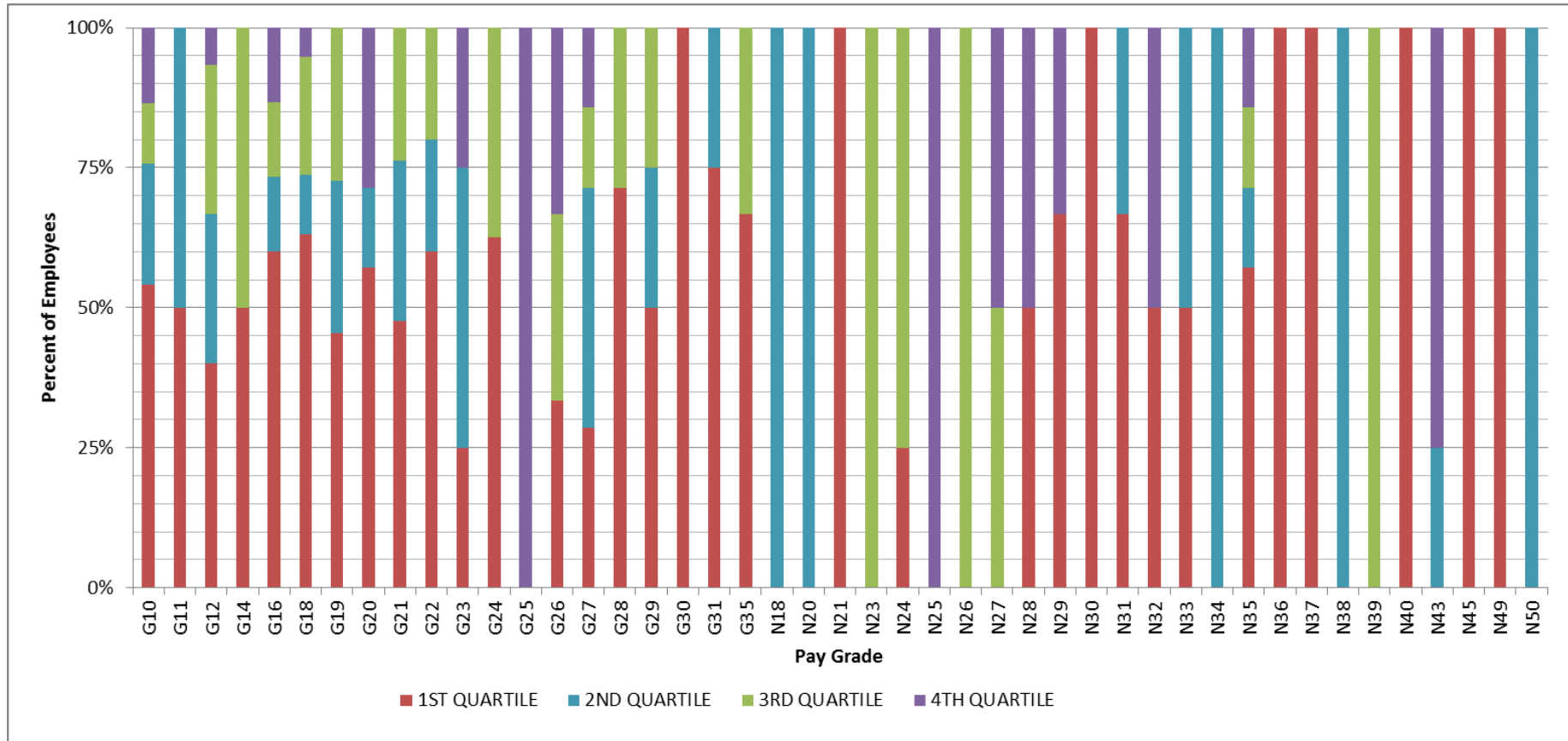
EXHIBIT 2F QUARTILE ANALYSIS

GRADE	Total Employees	1st Quartile	2nd Quartile	3rd Quartile	4th Quartile
		# Employees	# Employees	# Employees	# Employees
G10	37	20	8	4	5
G11	2	1	1	-	-
G12	15	6	4	4	1
G14	2	1	-	1	-
G16	15	9	2	2	2
G18	19	12	2	4	1
G19	11	5	3	3	-
G20	7	4	1	-	2
G21	21	10	6	5	-
G22	5	3	1	1	-
G23	4	1	2	-	1
G24	8	5	-	3	-
G25	1	-	-	-	1
G26	3	1	-	1	1
G27	7	2	3	1	1
G28	7	5	-	2	-
G29	4	2	1	1	-
G30	1	1	-	-	-
G31	4	3	1	-	-
G35	3	2	-	1	-
N18	1	-	1	-	-
N20	1	-	1	-	-
N21	1	1	-	-	-
N23	1	-	-	1	-
N24	4	1	-	3	-
N25	1	-	-	-	1
N26	2	-	-	2	-
N27	2	-	-	1	1
N28	4	2	-	-	2
N29	3	2	-	-	1
N30	2	2	-	-	-
N31	3	2	1	-	-
N32	2	1	-	-	1
N33	4	2	2	-	-
N34	2	-	2	-	-
N35	7	4	1	1	1
N36	2	2	-	-	-
N37	1	1	-	-	-
N38	1	-	1	-	-
N39	1	-	-	1	-
N40	2	2	-	-	-
N43	4	-	1	-	3
N45	4	4	-	-	-
N49	1	1	-	-	-
N50	1	-	1	-	-
F21	36	20	14	-	2
F31	14	-	3	4	7
F41	10	-	-	-	10
F51	3	-	-	-	3
P30	74	19	17	15	23
P40	11	2	1	-	8
P50	6	-	1	-	5
Overall Total	387	161	82	61	83

Source: Evergreen Solutions, May 2014.



EXHIBIT 2G QUARTILE ANALYSIS (COUNT OF EMPLOYEES)



Source: Evergreen Solutions, May 2014.

The quartile analysis shows that 161 employees (41.6 percent) are in the first quartile of pay ranges, 82 (21.2 percent) are in the second quartile of pay ranges, 61 (15.8 percent) are in the third quartile of pay ranges, and 83 (21.4 percent) are in the fourth quartile of pay ranges. This shows that the imbalance above and below midpoint seen earlier in the Grade Placement Analysis is concentrated in the first quartile of pay grades. This is likely due to the occurrence of high turnover in classifications in lower pay grades.

Summary

Overall, the City's compensation plan has a solid structure on which to grow. The key points of the current pay plan are:

- The City's general pay plans are open range hourly plans, and apply to 60.2 percent of employees analyzed.
- The Fire and Police pay plans are set plans that apply to 16.3 percent of employees analyzed and 23.5 percent of employees analyzed, respectively.
- The pay ranges for the pay grades are non-uniform.
- The City tends to not hold employees at the minimum or maximum of their pay grades.
- 62.8 percent of employees have salaries below their midpoint (41.6 percent of all employees being in the first quartile), and 37.2 percent have salaries above their midpoint. This may be an indication that compression is occurring in the early part of the pay grades.

The information contained in this chapter provides a basis that is used in tandem with market data to develop a recommended compensation plan that aligns with the goals and needs of the City.



Chapter 3 - Market Summary

One of the best and most direct methods of determining the relative competitive position of an organization in the market place is to conduct a market comparison study. A study of this nature focuses on the average salary ranges offered by the market for a sample of benchmark positions. This data is then used to evaluate overall structure, summarize overall market competitiveness, and capture the current highs and lows of the pay plan at a fixed point in time. This methodology is used to provide an overall analysis and not to evaluate salaries for individual positions. Market comparisons do not translate well at the individual level because individual pay is determined through a combination of factors, including demand for the type of job, performance, prior experience, and, in some cases, an individual's negotiation skills during the hiring process. A combination of factors, one of which is the market survey, is used when developing compensation plans and individual salary recommendations.

Market comparison analysis is best thought of as a snapshot of current market conditions, as the data is collected at the time of the study and provides the most up-to-date market information. It should be noted that market conditions can change, and in some cases change quickly. Therefore, although market surveys are useful for making updates to a salary structure, they must be done at regular intervals if the organization wishes to stay current with the marketplace.

Evergreen Solutions consultants conducted a comprehensive market salary survey for the City of Key West, FL (the City) which included 16 market peers and 40 job classifications. Relevant market data was collected for all but one of the positions (Switchboard Operator). Of the 16 market peers contacted, 13 provided responses. The only two non-respondents were the following private organizations: First State Bank of the Florida Keys and Southernmost Hotel Collection.

When seeking to compare the City to its peers, a number of factors were taken into account, such as location, average home value, average income, economic mix, and relative population. **Exhibit 3A** shows the targeted market peers and those marked with an asterisk (*) are the ones who submitted comparison data.

**EXHIBIT 3A
TARGET MARKET PEERS (WITH RESPONDENTS ASTERISKED)**

Salary Survey Peer Organizations
* Broward County, FL
* City of Fort Lauderdale, FL
City of Homestead, FL
* City of Marathon, FL
* City of Marco Island, FL
* Collier County, FL
First State Bank Of The Florida Keys
* Florida Keys Community College
* Keys Energy
* Miami-Dade Community College
* Miami-Dade County, FL
* Monroe County
* Monroe County School Board
* Palm Beach County, FL
Southernmost Hotel Collection
* Village of Islamorada, FL

Source: Evergreen Solutions, May 2014.

Data collected outside of the City's direct region was adjusted for cost of living using national cost of living index factors. The cost of living index used for each respondent is listed in **Exhibit 3B**. This calculation allows salary dollars from entities across the state to be compared in terms of spending power relevant to the City.

**EXHIBIT 3B
COST OF LIVING INDICIES**

Client and Market Peers	Cost of Living Index
City of Key West	118.9
Broward County, FL	107.7
City of Fort Lauderdale, FL	107.7
City of Homestead, FL	104.8
City of Key Largo, FL	118.9
City of Marathon, FL	118.9
City of Marco Island, FL	118.6
Collier County, FL	118.6
Florida Keys Community College	118.9
Keys Energy	118.9
Miami-Dade Community College	104.8
Miami-Dade County, FL	104.8
Monroe County	118.9
Monroe County School Board	118.9
Palm Beach County, FL	116.3
Village of Islamorada, FL	118.9



MARKET DATA

Exhibit 3B displays the results of the target peer data and the percent differential of the City's current pay plan for employees. Survey minimum indicates the average peer response to the minimum pay for that classification. Survey midpoint indicates the average midpoint in the peer response range for that classification and the survey maximum indicates the average peer response to the maximum salary for that classification. Percent differentials are shown for all three demonstrating how the City compares to targets at each point. A positive differential indicates that the City is above market at that measurement point, and a negative differential indicates below market averages. Also included in **Exhibit 3C** is the average salary range for each classification surveyed. The last column in **Exhibit 3C** indicates the number of respondents for each classification surveyed.

EXHIBIT 3C SALARY SURVEY MARKET SUMMARY WITH DIFFERENTIALS

ID	Classification	Survey Minimum		Survey Midpoint		Survey Maximum		Survey Avg Range	# Resp.
		Average	% Diff	Average	% Diff	Average	% Diff		
1	ACCOUNTING CLERK III	\$34,018.99	-33.3%	\$ 42,862.88	-29.5%	\$ 51,706.78	-27.1%	52.1%	8
2	ADMINISTRATIVE ASSISTANT II	\$38,473.89	-42.3%	\$ 50,037.86	-42.1%	\$ 61,601.83	-42.0%	59.7%	12
3	AUDITOR-CONTRACT AD, DEPARTMENT	\$54,935.51	-37.9%	\$ 74,522.60	-45.8%	\$ 94,109.69	-50.8%	70.1%	4
4	BENEFITS SPECIALIST	\$43,112.09	-1.7%	\$ 56,268.93	-3.2%	\$ 69,425.77	-4.2%	60.2%	5
5	BUILDING OFFICIAL, CHIEF	\$71,738.31	NA	\$ 90,014.61	NA	\$ 108,290.92	NA	50.8%	7
6	COMMUNITY SERVICES DIRECTOR	\$57,853.56	NA	\$ 74,274.39	NA	\$ 90,695.22	NA	56.9%	2
7	COMPUTER SYSTEMS SUPPORT ANALY	\$42,163.77	3.5%	\$ 56,662.01	-0.7%	\$ 71,160.25	-3.4%	69.3%	5
8	COORDINATOR III	\$38,697.66	-35.1%	\$ 49,351.34	-31.8%	\$ 60,005.03	-29.7%	54.7%	6
9	CUSTOMER SERVICE, SUPERVISOR	\$45,353.74	-36.5%	\$ 54,747.81	-25.0%	\$ 64,141.88	-17.9%	41.4%	5
10	DIVISION CHIEF/OPERATIONS	\$78,972.94	-27.7%	\$ 108,158.71	-33.7%	\$ 137,344.49	-37.4%	72.8%	5
11	DOCK MASTER	\$45,857.25	-69.6%	\$ 53,733.53	-52.6%	\$ 61,609.81	-42.0%	34.4%	1
12	ELECTRICAL INSPECTOR	\$53,012.98	-17.6%	\$ 62,830.37	-4.2%	\$ 72,647.75	3.8%	37.3%	7
13	ENGINEER, CIVIL	\$58,948.52	18.7%	\$ 71,097.91	24.6%	\$ 83,247.30	28.3%	41.2%	5
14	EQUIPMENT OPERATOR	\$31,694.20	-24.2%	\$ 39,123.92	-18.2%	\$ 46,553.64	-14.4%	47.1%	5
15	EXECUTIVE ASSISTANT II	\$45,298.59	-58.1%	\$ 56,436.59	-56.2%	\$ 67,574.60	-55.0%	49.3%	8
16	FACILITIES MAINTENANCE TECHNIC	\$39,206.01	-11.1%	\$ 49,524.51	-6.1%	\$ 59,843.01	-3.1%	51.0%	5
17	FIRE CAPTAIN INSPECTOR	\$59,882.69	NA	\$ 81,811.35	NA	\$ 103,740.02	NA	71.8%	3
18	FIREMAN LEVEL I	\$44,742.13	-5.2%	\$ 63,169.46	-16.4%	\$ 81,596.80	-23.6%	81.0%	3
19	FOREMAN	\$44,007.27	-44.8%	\$ 54,223.58	-36.0%	\$ 64,439.89	-30.6%	46.2%	2
20	GRANTS ADMINISTRATOR, SENIOR	\$57,629.87	-23.9%	\$ 72,362.20	-20.5%	\$ 87,094.53	-18.3%	51.0%	6
21	HEAVY EQUIPMENT OPERATOR	\$34,688.79	-17.6%	\$ 45,785.98	-18.5%	\$ 56,883.17	-19.1%	63.1%	5
22	INFORMATION TECHNOLOGY DIRECTO	\$80,593.90	NA	\$ 102,572.82	NA	\$ 124,551.75	NA	54.3%	10
23	JANITOR I	\$25,551.52	-18.5%	\$ 31,567.12	-14.4%	\$ 37,582.71	-11.7%	46.6%	6
24	MAINTENANCE WORKER I	\$28,642.32	-32.8%	\$ 37,085.14	-34.4%	\$ 45,527.97	-35.3%	58.2%	10
25	MAINTENANCE WORKER II	\$30,716.76	-34.7%	\$ 38,906.28	-32.7%	\$ 47,095.80	-31.5%	53.3%	8
26	MARINA SUPERVISOR	\$34,375.31	2.6%	\$ 49,089.88	-9.1%	\$ 63,804.44	-16.6%	84.9%	2
27	MECHANIC, CERTIFIED (ASE)	\$42,694.28	-44.7%	\$ 54,246.91	-40.4%	\$ 65,799.53	-37.7%	53.5%	6
28	NETWORK ADMINISTRATOR	\$55,777.66	3.8%	\$ 70,674.57	6.3%	\$ 85,571.49	7.9%	53.5%	9
29	PERMIT TECHNICIAN	\$35,473.00	-31.2%	\$ 45,714.99	-29.9%	\$ 55,956.98	-29.0%	57.7%	2
30	PLANNER DIRECTOR, CITY	\$71,005.34	NA	\$ 97,171.49	NA	\$ 123,337.65	NA	72.8%	7
31	POLICE LIEUTENANT I	\$74,993.70	1.1%	\$ 103,698.12	-28.7%	\$ 132,402.55	-55.1%	75.1%	3
32	POLICE OFFICER I	\$45,933.47	1.1%	\$ 66,513.72	-13.5%	\$ 87,093.97	-23.0%	88.1%	3
33	PORT OPERATIONS COORDINATOR	\$37,938.18	-17.7%	\$ 63,140.94	-54.2%	\$ 88,343.70	-78.0%	132.9%	1
34	PURCHASING AGENT, CENTRAL	\$41,678.24	-21.8%	\$ 51,056.07	-12.9%	\$ 60,433.90	-7.5%	45.0%	1
35	RECORDS CLERK	\$26,790.18	-11.1%	\$ 35,676.78	-14.6%	\$ 44,563.38	-16.7%	66.1%	6
36	SWITCHBOARD OPERATOR	NA	NA	NA	NA	NA	NA	NA	0
37	TELECOMMUNICATOR I	\$38,195.04	-5.0%	\$ 55,518.99	-15.2%	\$ 72,842.95	-21.4%	90.0%	2
38	TRANSFER STATION OPERATOR	\$40,699.69	-38.0%	\$ 61,993.99	-60.4%	\$ 83,288.30	-74.3%	102.4%	2
39	TRANSIT SUPERVISOR, ASSISTANT	\$51,838.01	-38.3%	\$ 62,889.53	-31.1%	\$ 73,941.04	-26.5%	41.7%	3
40	UTILITIES MANAGER	\$79,855.45	-13.7%	\$ 99,890.11	-9.3%	\$ 119,924.77	-6.6%	49.9%	4
Overall Average			-22.5%		-23.8%		-25.0%	61.2%	4.85
Average of Positions with more than 3 respondents			-22.6%		-20.5%		-19.2%	55.2%	NA



Market Minimums

As **Exhibit 3C** illustrates, at the minimum of the respective salary ranges, the City is 22.6 percent below the market average minimum for positions with more than three respondents. While some classifications are closer to market at the minimum, others exhibit a greater difference from market values. Market minimums are considered entry level salary points. Employees at or near the minimum are typically at the beginning stages of their time in that position and have not acquired all the skills and experience needed to be fully functional in their classification. Exceptions to this rule of thumb can be found when an organization hires at the minimum of the range regardless of qualifications.

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

- For positions with more than three respondents, the surveyed position differentials ranged from a low of 58.1 percent below market minimum in the case of the Executive Assistant II classification to a high of 18.7 percent above market for the Civil Engineer classification.
- Of the 22 City positions with more than three respondents, just three reported to be above market at the minimum.
- A total of three surveyed positions with more than three respondents indicated market differentials at the pay range minimum that were greater than 40.0 percent below market. These are listed below with their market differentials:
 - EXECUTIVE ASSISTANT II - 58.1 percent below market
 - MECHANIC, CERTIFIED (ASE) - 44.7 percent below market
 - ADMINISTRATIVE ASSISTANT II - 42.3 percent below market

Market Midpoints

Market midpoint is important to consider because it is commonly referred to as the closest estimation of full competence and market average compensation. Employees at the midpoint should be fully functional in their classification. As **Exhibit 3C** indicates, the City is on average 20.5 percent below market at the midpoint for positions with more than three respondents.

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

- For positions with more than three respondents, the surveyed position differentials ranged from a low of 56.2 percent below market midpoint in the case of the Executive Assistant II classification to a high of 24.6 percent above market for the Civil Engineer classification.
- Of the 22 City positions with more than three respondents, just two reported to be above market at the midpoint.



- A total of four surveyed positions with more than three respondents indicated market differentials at the pay range midpoint that were greater than 40.0 percent below market. These are listed below with their market differentials:
 - EXECUTIVE ASSISTANT II – 56.2 percent below market
 - AUDITOR-CONTRACT AD, DEPARTMENT – 45.8 percent below market
 - ADMINISTRATIVE ASSISTANT II - 42.1 percent below market
 - MECHANIC, CERTIFIED (ASE) – 40.4 percent below market

Market Maximums

Salary range maximum values as they compare to the survey respondents are also illustrated in **Exhibit 3C**. The City is on average 19.2 percent below market at the maximum for positions with more than three respondents.

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

- For positions with more than three respondents, the surveyed position differentials ranged from a low of 55.0 percent below market maximum in the case of the Executive Assistant II classification to a high of 28.3 percent above market for the Civil Engineer classification.
- Of the 22 City positions with more than three respondents, just three reported to be above market at the maximum.
- A total of three surveyed positions with more than three respondents indicated market differentials at the pay range maximum that were greater than 40.0 percent below market. These are listed below with their market differentials:
 - EXECUTIVE ASSISTANT II – 55.0 percent below market
 - AUDITOR-CONTRACT AD, DEPARTMENT – 50.8 percent below market
 - ADMINISTRATIVE ASSISTANT II - 42.0 percent below market

Salary Survey Discussion

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 salary being equally above or below market. It does, however, speak to the City's ability to recruit and retain talent over time. For example, if starting pay is significantly lower than the market would offer, the City may find itself losing out to their market peers when they seek to fill a position. Additionally, if midpoint or maximum pay is significantly lower than the market, experienced employees may leave for other opportunities. Recommendations provided in the following chapter are in response to this market pressure and will allow the City to effectively address these concerns.

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



- The City is approximately 22.5 percent below the market minimum.
- The City is approximately 23.8 percent below the market midpoint.
- The City is approximately 25.0 percent below the market maximum.

That the City is generally behind the market is not surprising given that the City was unable to offer salary increases for a number of years. Through the economic downturn, some peer organizations were able to maintain cost of living adjustments and the compounding of cost of living increases each year, over five years, is perhaps what created an approximately 20 percent gap between the market and the City. However, there are two compelling reasons why the City may be able to be somewhat under market and nonetheless retain and recruit quality employees. First, the geographical isolation of the City lends itself to potential local employees not having access to other public sector market peers. Second, the City is universally recognized as being one of the most appealing environments in which to live, in terms of climate, history, and recreation opportunities. While the City's allure may therefore outweigh some market considerations, it is advisable that the gap between the market and the City be reduced so that retainment and recruitment will not suffer.

Information gained from the market survey is used, in part, to develop a recommended classification plan that places the City in a strong position to grow and stay competitive in today's market. Discussion of potential recommended changes to the pay plan can be found in the next chapter.



Chapter 4 - Recommendations

Background

Based on the state-wide legislative changes made in 2007 and 2008 to address the public's demand for property tax relief, the City of Key West (the City)—like virtually every other city and county in Florida that depend on property taxes for a major portion of revenues used to pay for government services—experienced unprecedented reductions in tax revenues that started in 2008, and the resulting impacts on the City's annual budgets since that time have continued through the present day. In a letter from the State of Florida dated June 8, 2007, the City was advised that recently enacted special legislation mandated a 3% rollback in the City's tax revenues for fiscal year 2008.

Thus, beginning in 2008, the City has been struggling each fiscal year to address the revenue shortfalls created by those mandated property tax revenue reductions. In addition to the legislatively mandated property tax reductions, other negative changes in the national economy and the local economy also reduced property tax collections because the price of real estate sales dropped tremendously when the real estate market collapsed. Furthermore, the slumping national and local economy also reduced the number of tourists coming to the City by car and cruise ship during 2007 and 2008, which in turn lowered the City's revenues in those years that were obtained via parking meter fees and tickets, and because fewer cruise ships in the port caused a significant reduction in port fees paid received by the City.

The estimated total revenue reductions from the 2007 and 2008 fiscal years left the City short more than \$1 million dollars at the start of FY 2008. Beginning in 2008, the steps taken by the City in each new Fiscal Year to adjust to those substantial revenue losses have included significant budget reductions and departmental reorganizations through which many positions City-wide have been frozen and eliminated, and those steps have resulted in the layoff of some City employees since 2008. For example, during the latter part of Fiscal Year 2007-2008, budget cuts related to the 3% tax base roll-back required the elimination of 16 positions from the City budget in the summer of 2008. Of those 16 positions, 2 employees retired, 4 transferred into another position, and 9 employees were laid-off. Once again, during Fiscal Year 2008-2009, due to the need for significant budget cuts and reorganizations, approximately 11 positions within the City were eliminated. As a result, the 11 City employees who held those positions attempted to transfer into another vacant position within the City. However, of those 11 employees, 5 were actually able to transfer, while the remaining 6 employees were laid off from their respective positions. Similarly, during the City's next budget year in Fiscal Year 2009-2010, 11 more positions within the City were eliminated due to budget reductions and reorganization. Of those 11 employees who faced a layoff in FY 2009-2010, all but 1 employee was able to transfer into another vacant position within the City.



As the market survey results indicate, these factors contributed to the City not being able to keep up with the local labor market. In order to be competitive for quality employees, it is recommended that the compensation structure be adjusted to reflect current market conditions. Overall, the City is comparable to the market with respect to the benefits portion of total compensation, so the following recommendations focus exclusively on pay. In addition to pay plan placement, it is important for the City to have a mechanism to move individuals through the pay plan in a structured way, but also allow for flexibility, particularly for those individuals with long tenure. Adjustment to the structure itself is recommended to better align the organization of the pay plan with the philosophical goals of leadership within the City.

Pay Plan Structure

When selecting a style of pay plan, one must consider the goals of the organization and the method by which employees are moved through the pay ranges. If tenure is the single most important factor for an employer to consider in determining pay then a step-based pay plan is best. In this style of plan, employees progress through their ranges in predetermined increments, usually on an annual basis. This form of pay plan is popular among more unionized environments where predictability is key to successful negotiations. It is not the style of plan to select if an organization desires to integrate merit-based increases.

A newer trend observed in some organizations is a hybrid approach where the first half of a pay grade is divided into steps as described above but from the middle of the grade to the maximum of the grade is an open-range configuration with no steps. In this model, employees progress to midpoint at a predetermined pace and once they reach midpoint, performance determines whether or not they advance further over the remainder of their career. The hybrid approach is less flexible than a purely open-range plan but does allow for some integration of performance-based pay. This style can be more complicated to administer because over time you will have groups of employees in the step portion of the range and others in the open-range segment. This may complicate things such as cost of living adjustments or other across-the-board salary changes. However, after discussions with City leadership and the human resources team, it was determined that the hybrid approach to pay plan design is the one most in alignment with the City's compensation goals. In an open-range plan each grade has established minimums and maximums and employees progress through the grade at a variable pace. Flexibility is the predominant strength of an open-range plan.

Four unique pay plans were developed to account for four major groupings of job classifications. Hybrid open-range pay plans were developed for the General and Executive classifications. These pay plans are designed to move employees to the midpoint over the course of ten years. The Police and Fire pay plans are pure step-based pay plans that move employees through the entire pay range over their careers.

Exhibit 4A shows each of the four series of pay grades. Progression is the distance between grades and because of the non-overlapping nature of the Public Safety plans, the progression between grades is not shown.

**EXHIBIT 4A
CITY OF KEY WEST PROPOSED PAY PLANS**

GENERAL PAY PLAN

New Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Progression
101	\$24,536.05	\$33,123.67	\$ 41,711.29	70%	
102	\$25,272.13	\$34,117.38	\$ 42,962.63	70%	3.0%
103	\$26,030.30	\$35,140.90	\$ 44,251.51	70%	3.0%
104	\$26,811.21	\$36,195.13	\$ 45,579.05	70%	3.0%
105	\$27,615.54	\$37,280.98	\$ 46,946.42	70%	3.0%
106	\$28,444.01	\$38,399.41	\$ 48,354.81	70%	3.0%
107	\$29,297.33	\$39,551.39	\$ 49,805.46	70%	3.0%
108	\$30,176.25	\$40,737.94	\$ 51,299.62	70%	3.0%
109	\$31,081.54	\$41,960.07	\$ 52,838.61	70%	3.0%
110	\$32,013.98	\$43,218.88	\$ 54,423.77	70%	3.0%
111	\$32,974.40	\$44,515.44	\$ 56,056.48	70%	3.0%
112	\$33,963.63	\$45,850.91	\$ 57,738.18	70%	3.0%
113	\$34,982.54	\$47,226.43	\$ 59,470.32	70%	3.0%
114	\$36,032.02	\$48,643.23	\$ 61,254.43	70%	3.0%
115	\$37,112.98	\$50,102.52	\$ 63,092.07	70%	3.0%
116	\$38,226.37	\$51,605.60	\$ 64,984.83	70%	3.0%
117	\$39,373.16	\$53,153.77	\$ 66,934.37	70%	3.0%
118	\$40,554.36	\$54,748.38	\$ 68,942.40	70%	3.0%
119	\$41,770.99	\$56,390.83	\$ 71,010.68	70%	3.0%
120	\$43,024.12	\$58,082.56	\$ 73,141.00	70%	3.0%
121	\$44,314.84	\$59,825.03	\$ 75,335.23	70%	3.0%
122	\$45,644.28	\$61,619.78	\$ 77,595.28	70%	3.0%
123	\$47,013.61	\$63,468.38	\$ 79,923.14	70%	3.0%
124	\$48,424.02	\$65,372.43	\$ 82,320.84	70%	3.0%
125	\$49,876.74	\$67,333.60	\$ 84,790.46	70%	3.0%
126	\$51,373.04	\$69,353.61	\$ 87,334.17	70%	3.0%
127	\$52,914.24	\$71,434.22	\$ 89,954.20	70%	3.0%
128	\$54,501.66	\$73,577.24	\$ 92,652.83	70%	3.0%
129	\$56,136.71	\$75,784.56	\$ 95,432.41	70%	3.0%
130	\$57,820.81	\$78,058.10	\$ 98,295.38	70%	3.0%
131	\$59,555.44	\$80,399.84	\$101,244.24	70%	3.0%
132	\$61,342.10	\$82,811.84	\$104,281.57	70%	3.0%
133	\$63,182.36	\$85,296.19	\$107,410.02	70%	3.0%
134	\$65,077.83	\$87,855.08	\$110,632.32	70%	3.0%
135	\$67,030.17	\$90,490.73	\$113,951.29	70%	3.0%

Source: Evergreen Solutions, May 2014.



EXHIBIT 4A (CONTINUED)
CITY OF KEY WEST PROPOSED PAY PLANS

EXECUTIVE PAY PLAN

New Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Progression
201	\$ 68,691.13	\$ 85,863.91	\$103,036.69	50%	
202	\$ 75,560.24	\$ 94,450.30	\$113,340.36	50%	10.0%
203	\$ 83,116.26	\$103,895.33	\$124,674.39	50%	10.0%
204	\$ 91,427.89	\$114,284.86	\$137,141.83	50%	10.0%
205	\$100,570.68	\$125,713.35	\$150,856.02	50%	10.0%
206	\$110,627.75	\$138,284.68	\$165,941.62	50%	10.0%
207	\$121,690.52	\$152,113.15	\$182,535.78	50%	10.0%
208	\$133,859.57	\$167,324.47	\$200,789.36	50%	10.0%

Source: Evergreen Solutions, May 2014.

POLICE PAY PLAN

Grade	Min	Mid	max	Range Spread	Step Increase
301	\$46,892.80	\$65,672.04	\$84,451.28	80%	4%
302	\$67,902.33	\$80,415.68	\$92,929.03	37%	4%
303	\$72,896.13	\$86,329.76	\$99,763.39	37%	4%

Source: Evergreen Solutions, May 2014.

FIRE PAY PLAN

Grade	Min	Mid	max	Range Spread	Step Increase
401	\$46,998.45	\$62,005.44	\$77,012.43	64%	3%
402	\$53,620.10	\$67,604.71	\$81,589.32	52%	3%
403	\$60,054.51	\$72,454.98	\$84,855.45	41%	3%
404	\$63,057.24	\$76,077.73	\$89,098.23	41%	3%

Source: Evergreen Solutions, May 2014.

Implementation

In order to implement the proposed pay plan, classifications must be assigned pay grades based on their market competitiveness and organizational structure; and employees must be fit into these grades. **Appendix I** shows the proposed grade order list, or the pay grade assignment for every classification.

Due to the differences between the market position and pay plan type, implementation for the General and Executive pay plans is treated separately from implementation of the Police and Fire pay plans.



General and Executive Implementation

Three primary steps or types of salary adjustment are proposed in this implementation. Step one, is the step necessary to fully implement the pay plan. Any employee who is below the proposed minimum of their grade is brought up to that minimum to get the plan fully in place.

This step impacts 128 employees at an approximate cost of \$308,207, or \$335,946 including associated pension costs. Approximately 17.0 percent of the costs are related to union positions (\$53,909) and 76.0 percent (\$234,305) are related to general positions. The remaining costs are related to contract and temporary positions.

Step two is to assess employee positioning in the proposed step plan based on years of service with the City, as of October 1, 2014. Employee pay was assessed to determine which step of the pay plan it fell in based on number of years of service. The following factors were considered when determining current step for each employee:

- Employee salary is recommended to increase if current actual salary is below the value of their proposed step.
- Employee salary is not recommended to increase if current actual salary is above the value of their proposed step.
- Employees currently above the midpoint are not recommended for increase.
- Employees are not recommended for increase beyond Step 10 during the implementation period.

This step impacts 235 employees at an approximate cost of \$1,541,763 including retirement benefits. The total costs for this step related to union positions is \$408,787, approximately 27.0 percent and the costs associated with general employees is \$1,070,742, 69.0 percent. The remaining costs are related to contract and temporary positions.

What is important to understand is that the recent difficulties in the economy have impacted the ability of the City to keep pace with the market in terms of compensation. As such, it is recommended that full implementation of the proposed pay plan be achieved over 5 years. Step three of implementation is the following proposed schedule of pay raises to be given over the period of five years:

- Employee salary is projected based on their recommended step in 5 years.
- Employee salary is recommended for increase by a set increment each year for 5 years in order to achieve the proposed step by the end of implementation.
- Employees are not recommended for increase if they are currently above the proposed midpoint or beyond the proposed midpoint over the 5 year implementation period.

The total incremental pay roll increase recommended each year, for 5 years, is approximately \$454,054. At the conclusion of the implementation period, the total payroll cost is



approximately \$6,810,809, or \$7,423,782 including the cost of pension benefits over the five year implementation period. These figures account for the incremental increase made each year in addition to those made in previous years, resulting in the cumulative total. The portion of these costs related to union positions is roughly 26.0 percent, or \$1,953,397, and the costs related to general positions is 67.0 percent, or \$4,950,244. The remaining costs are related to contract and temporary positions.

Police and Fire Implementation

As the current salaries offered through the Police and Fire pay plans are closer to the market average than the general and executive salaries, these pay plans do not require the same level of salary adjustment. Two types of salary adjustment are proposed in the implementation for these pay plans.

Step one, is to adjust the step assigned to each employee to match the proposed step plan. Employees are matched to the appropriate step based on current step and current salary. Employees are not recommended for increase if their current salary is greater than the proposed salary for their new step.

This step impacts 123 employees of the 157 employees in Police and Fire classifications at an approximate cost of \$320,705.

Similar to implementation for the General and Executive pay plans, it is recommended that the Police and Fire pay plans be implemented over a period of 5 years, according to the following schedule:

- Employee salary is projected based on their recommended step in 5 years.
- Employee salary is recommended for increase by a set increment each year for 5 years in order to achieve the proposed step by the end of implementation.
- Employees are not recommended for increase beyond the proposed maximum step for that pay grade over the 5 year implementation period.

The total incremental pay roll increase recommended each year, for 5 years, is approximately \$338,184. Taking into consideration the projected costs of the current plan, the net total payroll cost is approximately \$3,118,075, or \$4,053,498 including pension costs over the implementation period.



Appendix I - Position Grade Match

Class Title	Pay Plan	Grade	Minimum	Midpoint	Maximum
JANITOR I	General	101	\$24,536.05	\$33,123.67	\$41,711.29
MAIL COURIER I	General	101	\$24,536.05	\$33,123.67	\$41,711.29
PORT JANITOR I	General	101	\$24,536.05	\$33,123.67	\$41,711.29
SCHOOL CROSSING GUARD	General	101	\$24,536.05	\$33,123.67	\$41,711.29
SECURITY CUSTODIAN (POOL)	General	101	\$24,536.05	\$33,123.67	\$41,711.29
SWITCHBOARD OPERATOR	General	101	\$24,536.05	\$33,123.67	\$41,711.29
LIFE GUARD	General	102	\$25,272.13	\$34,117.38	\$42,962.63
LIFE GUARD	General	102	\$25,272.13	\$34,117.38	\$42,962.63
MAINTENANCE WORKER I	General	102	\$25,272.13	\$34,117.38	\$42,962.63
MAINTENANCE WORKER I	General	102	\$25,272.13	\$34,117.38	\$42,962.63
MAINTENANCE WORKER I/RIGHT OF WAY	General	102	\$25,272.13	\$34,117.38	\$42,962.63
SKATE PARK ATTENDANT	General	102	\$25,272.13	\$34,117.38	\$42,962.63
DATA ENTRY/CLERK	General	104	\$26,811.21	\$36,195.13	\$45,579.05
LEAD MAINTENANCE WORKER	General	104	\$26,811.21	\$36,195.13	\$45,579.05
MAINTENANCE WORKER II	General	104	\$26,811.21	\$36,195.13	\$45,579.05
MAINTENANCE/JANITOR II	General	104	\$26,811.21	\$36,195.13	\$45,579.05
PARKING ENFORCEMENT SPECIALIST	General	104	\$26,811.21	\$36,195.13	\$45,579.05
PORT JANITOR II	General	104	\$26,811.21	\$36,195.13	\$45,579.05
RECORDS CLERK	General	104	\$26,811.21	\$36,195.13	\$45,579.05
CONCRETE TECHNICIAN I	General	106	\$28,444.01	\$38,399.41	\$48,354.81
EQUIPMENT OPERATOR	General	106	\$28,444.01	\$38,399.41	\$48,354.81
EQUIPMENT OPERATOR/RIGHT OF WAY	General	106	\$28,444.01	\$38,399.41	\$48,354.81
FLEET VEHICLE HELPER	General	106	\$28,444.01	\$38,399.41	\$48,354.81
ACCOUNTING CLERK III	General	107	\$29,297.33	\$39,551.39	\$49,805.46
ADMINISTRATIVE ASSISTANT I	General	107	\$29,297.33	\$39,551.39	\$49,805.46
ASSISTANT DOCKMASTER	General	107	\$29,297.33	\$39,551.39	\$49,805.46
COLLECTION/CUSTOMER SERVICE REPRESENTATIVE	General	107	\$29,297.33	\$39,551.39	\$49,805.46
COORDINATOR I	General	107	\$29,297.33	\$39,551.39	\$49,805.46
LEAD RECORDS CLERK	General	107	\$29,297.33	\$39,551.39	\$49,805.46
COORDINATOR II	General	108	\$30,176.25	\$40,737.94	\$51,299.62
PERMIT TECHNICIAN	General	108	\$30,176.25	\$40,737.94	\$51,299.62

Class Title	Pay Plan	Grade	Minimum	Midpoint	Maximum
ACTING APPRENTICE MECHANIC	General	109	\$31,081.54	\$41,960.07	\$52,838.61
ADMINISTRATIVE ASSISTANT II	General	109	\$31,081.54	\$41,960.07	\$52,838.61
APPRENTICE MECHANIC	General	109	\$31,081.54	\$41,960.07	\$52,838.61
CUSTOMER SERVICE SPECIALIST	General	109	\$31,081.54	\$41,960.07	\$52,838.61
DOCK MASTER	General	109	\$31,081.54	\$41,960.07	\$52,838.61
EXECUTIVE ASSISTANT II	General	109	\$31,081.54	\$41,960.07	\$52,838.61
PAINT & BODY SHOP/APPRENTICE MECHANIC	General	109	\$31,081.54	\$41,960.07	\$52,838.61
PARK RANGER	General	109	\$31,081.54	\$41,960.07	\$52,838.61
SECURITY/PARKING ENFORCEMENT SPECIALIST	General	109	\$31,081.54	\$41,960.07	\$52,838.61
BUS DRIVER	General	110	\$32,013.98	\$43,218.88	\$54,423.77
BUS DRIVER	General	110	\$32,013.98	\$43,218.88	\$54,423.77
BUS DRIVER	General	110	\$32,013.98	\$43,218.88	\$54,423.77
BUS DRIVER-SHUTTLE	General	110	\$32,013.98	\$43,218.88	\$54,423.77
CEMETERY SEXTON	General	110	\$32,013.98	\$43,218.88	\$54,423.77
TENANT ADMINISTRATOR	General	110	\$32,013.98	\$43,218.88	\$54,423.77
ACCOUNTING/BUDGET TECHNICIAN (PT)	General	111	\$32,974.40	\$44,515.44	\$56,056.48
ADMINISTRATIVE COORDINATOR	General	111	\$32,974.40	\$44,515.44	\$56,056.48
COORDINATOR III	General	111	\$32,974.40	\$44,515.44	\$56,056.48
FLEET FACILITY SPECIALIST	General	111	\$32,974.40	\$44,515.44	\$56,056.48
HUMAN RESOURCE ASSISTANT I	General	111	\$32,974.40	\$44,515.44	\$56,056.48
PROPERTY/EVIDENCE TECHNICIAN	General	111	\$32,974.40	\$44,515.44	\$56,056.48
COMMUNITY SERVICE AIDE I	General	112	\$33,963.63	\$45,850.91	\$57,738.18
DEPUTY CITY CLERK	General	112	\$33,963.63	\$45,850.91	\$57,738.18
EXECUTIVE ASSISTANT III	General	112	\$33,963.63	\$45,850.91	\$57,738.18
HARC ASSISTANT	General	112	\$33,963.63	\$45,850.91	\$57,738.18
HEAD LIFEGUARD INSTRUCTOR	General	112	\$33,963.63	\$45,850.91	\$57,738.18
HEAVY EQUIPMENT OPERATOR	General	112	\$33,963.63	\$45,850.91	\$57,738.18
MAINTENANCE TECHNICIAN II	General	112	\$33,963.63	\$45,850.91	\$57,738.18
PARKING METER TECHNICIAN	General	112	\$33,963.63	\$45,850.91	\$57,738.18
SCALE/TIPPING FLOOR ATTENDANT	General	112	\$33,963.63	\$45,850.91	\$57,738.18
AFTER SCHOOL PROGRAM COORDINAT	General	113	\$34,982.54	\$47,226.43	\$59,470.32
FOREMAN	General	113	\$34,982.54	\$47,226.43	\$59,470.32
CERTIFIED MECHANIC (ASE)	General	114	\$36,032.02	\$48,643.23	\$61,254.43

Class Title	Pay Plan	Grade	Minimum	Midpoint	Maximum
TRANSFER STATION OPERATOR	General	114	\$36,032.02	\$48,643.23	\$61,254.43
ADMINISTRATIVE SPECIALIST CS	General	115	\$37,112.98	\$50,102.52	\$63,092.07
ADMINISTRATIVE SPECIALIST FIR	General	115	\$37,112.98	\$50,102.52	\$63,092.07
CODE COMPLIANCE INSPECTOR	General	115	\$37,112.98	\$50,102.52	\$63,092.07
CODE ENFORCEMENT LEGAL ANALYST	General	115	\$37,112.98	\$50,102.52	\$63,092.07
EXECUTIVE ADMINISTRATIVE ASSISTANT-POLICE	General	115	\$37,112.98	\$50,102.52	\$63,092.07
EXECUTIVE ADMINISTRATOR TO ASSISTANT CITY MANAGER	General	115	\$37,112.98	\$50,102.52	\$63,092.07
EXECUTIVE ASSISTANT II-CA	General	115	\$37,112.98	\$50,102.52	\$63,092.07
EXECUTIVE ASSISTANT II-COMM	General	115	\$37,112.98	\$50,102.52	\$63,092.07
FOREMAN II	General	115	\$37,112.98	\$50,102.52	\$63,092.07
GYM/FACILITY SUPERVISOR	General	115	\$37,112.98	\$50,102.52	\$63,092.07
HR ADMINISTRATOR II	General	115	\$37,112.98	\$50,102.52	\$63,092.07
PARKING ENFORCEMENT SUPERVISOR	General	115	\$37,112.98	\$50,102.52	\$63,092.07
POOL/FACILITY SUPERVISOR	General	115	\$37,112.98	\$50,102.52	\$63,092.07
PORT OPERATIONS COORDINATOR	General	115	\$37,112.98	\$50,102.52	\$63,092.07
EXECUTIVE ADMINISTRATOR TO CITY MANAGER	General	116	\$38,226.37	\$51,605.60	\$64,984.83
EXECUTIVE DIRECTOR-CRB	General	116	\$38,226.37	\$51,605.60	\$64,984.83
FEMA COORDINATOR	General	116	\$38,226.37	\$51,605.60	\$64,984.83
SUPERVISOR CUSTOMER SERVICE	General	116	\$38,226.37	\$51,605.60	\$64,984.83
ACCOUNTING COORDINATOR	General	117	\$39,373.16	\$53,153.77	\$66,934.37
CENTRAL PURCHASING AGENT	General	117	\$39,373.16	\$53,153.77	\$66,934.37
LICENSING ADMINISTRATOR	General	117	\$39,373.16	\$53,153.77	\$66,934.37
MARINA SUPERVISOR	General	117	\$39,373.16	\$53,153.77	\$66,934.37
MEDIA TECHNICIAN	General	117	\$39,373.16	\$53,153.77	\$66,934.37
PROJECT COORDINATOR	General	117	\$39,373.16	\$53,153.77	\$66,934.37
SENIOR DEPUTY CITY CLERK	General	117	\$39,373.16	\$53,153.77	\$66,934.37
FACILITIES MAINTENANCE ELECTRICIAN	General	118	\$40,554.36	\$54,748.38	\$68,942.40
FACILITIES MAINTENANCE TECHNICIAN	General	118	\$40,554.36	\$54,748.38	\$68,942.40
FMIT WELDER/FABRICATOR	General	118	\$40,554.36	\$54,748.38	\$68,942.40
GEN SVC CONSTRUCTION INSPECTOR	General	118	\$40,554.36	\$54,748.38	\$68,942.40
PLAN REVIEWER	General	118	\$40,554.36	\$54,748.38	\$68,942.40
TRANSFER STATION MECHANIC	General	118	\$40,554.36	\$54,748.38	\$68,942.40
ASSISTANT TRANSIT SUPERVISOR	General	119	\$41,770.99	\$56,390.83	\$71,010.68

Class Title	Pay Plan	Grade	Minimum	Midpoint	Maximum
FACILITIES MAINTENANCE SUPERVISOR	General	119	\$41,770.99	\$56,390.83	\$71,010.68
RISK MANAGEMENT SPECIALIST	General	119	\$41,770.99	\$56,390.83	\$71,010.68
TELECOMMUNICATOR I	General	119	\$41,770.99	\$56,390.83	\$71,010.68
COMPUTER SUPPORT TECHNICIAN	General	120	\$43,024.12	\$58,082.56	\$73,141.00
LEAD CERTIFIED MECHANIC (ASE)	General	120	\$43,024.12	\$58,082.56	\$73,141.00
PLANNING ANALYST	General	120	\$43,024.12	\$58,082.56	\$73,141.00
PROPERTY/EVIDENCE SUPERVISOR	General	120	\$43,024.12	\$58,082.56	\$73,141.00
TRANSFER STATION SUPERVISOR	General	120	\$43,024.12	\$58,082.56	\$73,141.00
RECREATION FACILITIES MANAGER	General	121	\$44,314.84	\$59,825.03	\$75,335.23
DEPARTMENT AUDITOR-CONTRACT AD	General	122	\$45,644.28	\$61,619.78	\$77,595.28
PLANNER II	General	122	\$45,644.28	\$61,619.78	\$77,595.28
QUARTERMASTER	General	122	\$45,644.28	\$61,619.78	\$77,595.28
REVENUE/CUSTOMER SERVICE SUPERVISOR	General	122	\$45,644.28	\$61,619.78	\$77,595.28
TELECOMMUNICATOR II	General	122	\$45,644.28	\$61,619.78	\$77,595.28
TRANSIT GRANT & PROJECT MANAGER	General	122	\$45,644.28	\$61,619.78	\$77,595.28
BENEFITS SPECIALIST	General	123	\$47,013.61	\$63,468.38	\$79,923.14
COMMUNICATIONS ADMINISTRATOR	General	123	\$47,013.61	\$63,468.38	\$79,923.14
COMPUTER SYSTEMS SUPPORT ANALYST	General	123	\$47,013.61	\$63,468.38	\$79,923.14
NETWORK ADMINISTRATOR II	General	123	\$47,013.61	\$63,468.38	\$79,923.14
SUPERINTENDENT COMMUNITY SERVICES	General	123	\$47,013.61	\$63,468.38	\$79,923.14
BUILDING INSPECTOR I	General	125	\$49,876.74	\$67,333.60	\$84,790.46
ELECTRICAL INSPECTOR	General	125	\$49,876.74	\$67,333.60	\$84,790.46
HARC/PLUMBING INSPECTOR	General	125	\$49,876.74	\$67,333.60	\$84,790.46
LEGAL ASSISTANT II	General	125	\$49,876.74	\$67,333.60	\$84,790.46
SENIOR PLANNER II	General	125	\$49,876.74	\$67,333.60	\$84,790.46
CHIEF LICENSE OFFICIAL/ADM MGR	General	126	\$51,373.04	\$69,353.61	\$87,334.17
FLEET MANAGEMENT ADMINISTRATOR	General	126	\$51,373.04	\$69,353.61	\$87,334.17
MARINA MANAGER	General	126	\$51,373.04	\$69,353.61	\$87,334.17
SENIOR GRANTS ADMINISTRATOR	General	126	\$51,373.04	\$69,353.61	\$87,334.17
SOLID WASTE COORDINATOR	General	126	\$51,373.04	\$69,353.61	\$87,334.17
SUSTAINABILITY COORDINATOR	General	126	\$51,373.04	\$69,353.61	\$87,334.17
TRANSIT SUPERVISOR KWDOT	General	126	\$51,373.04	\$69,353.61	\$87,334.17
URBAN FORESTRY MANAGER	General	126	\$51,373.04	\$69,353.61	\$87,334.17

Class Title	Pay Plan	Grade	Minimum	Midpoint	Maximum
WEB SPECIALIST/TECHNICAL ANALYST	General	126	\$51,373.04	\$69,353.61	\$87,334.17
PUB INFORMATION/CRIME PREVENTION	General	128	\$54,501.66	\$73,577.24	\$92,652.83
BUDGET ANALYST	General	129	\$56,136.71	\$75,784.56	\$95,432.41
HISTORIC PRESERVATION PLANNER	General	129	\$56,136.71	\$75,784.56	\$95,432.41
NETWORK ADMINISTRATOR	General	129	\$56,136.71	\$75,784.56	\$95,432.41
PROJECT MANAGER	General	129	\$56,136.71	\$75,784.56	\$95,432.41
SPECIAL PROJECTS DESIGNER	General	129	\$56,136.71	\$75,784.56	\$95,432.41
SENIOR CONSTRUCTION MANAGER	General	130	\$57,820.81	\$78,058.10	\$98,295.38
CONTRACT & PERMIT ENGINEER	General	133	\$63,182.36	\$85,296.19	\$107,410.02
DIVISION CHIEF/EMERGENCY MANAGEMENT & TRAINING	General	133	\$63,182.36	\$85,296.19	\$107,410.02
DIVISION CHIEF/FIRE MARSHAL	General	133	\$63,182.36	\$85,296.19	\$107,410.02
DIVISION CHIEF/OPERATIONS	General	133	\$63,182.36	\$85,296.19	\$107,410.02
PARKING MANAGER	General	133	\$63,182.36	\$85,296.19	\$107,410.02
SENIOR MANAGER CODE COMPLIANCE	General	133	\$63,182.36	\$85,296.19	\$107,410.02
UTILITIES COLLECTION MANAGER	General	133	\$63,182.36	\$85,296.19	\$107,410.02
CIVIL ENGINEER	General	133	\$63,182.36	\$85,296.19	\$107,410.02
ASSISTANT CITY ATTORNEY I	General	133	\$63,182.36	\$85,296.19	\$107,410.02
DIRECTOR-INFORMATION TECHNOLOGY	General	134	\$65,077.83	\$87,855.08	\$110,632.32
UTILITES MANAGER	General	134	\$65,077.83	\$87,855.08	\$110,632.32
ASSISTANT CITY ATTORNEY II	General	134	\$65,077.83	\$87,855.08	\$110,632.32
CAPTAIN 1-POLICE DEPARTMENT	General	134	\$65,077.83	\$87,855.08	\$110,632.32
CITY CLERK	General	134	\$65,077.83	\$87,855.08	\$110,632.32
SENIOR PROPERTY MANAGER	General	135	\$67,030.17	\$90,490.73	\$113,951.29
CHIEF ASSISTANT CITY ATTORNEY	General	135	\$67,030.17	\$90,490.73	\$113,951.29
DEPUTY DIRECTOR-COMMUNITY SERVICES	Executive	201	\$68,691.13	\$85,863.91	\$103,036.69
DEPUTY DIRECTOR-FINANCE	Executive	201	\$68,691.13	\$85,863.91	\$103,036.69
DEPUTY DIRECTOR-MARINE SERVICE	Executive	201	\$68,691.13	\$85,863.91	\$103,036.69
CHIEF BUILDING OFFICIAL	Executive	201	\$68,691.13	\$85,863.91	\$103,036.69
DIRECTOR-COMMUNITY SERVICES	Executive	202	\$75,560.24	\$94,450.30	\$113,340.36
DIRECTOR-DEPARTMENT OF TRANSPORT	Executive	202	\$75,560.24	\$94,450.30	\$113,340.36
DIRECTOR-ENGINEERING	Executive	202	\$75,560.24	\$94,450.30	\$113,340.36
DIRECTOR-FINANCE	Executive	202	\$75,560.24	\$94,450.30	\$113,340.36
DIRECTOR-HR	Executive	202	\$75,560.24	\$94,450.30	\$113,340.36

Class Title	Pay Plan	Grade	Minimum	Midpoint	Maximum
DIRECTOR-MARINE SERVICES	Executive	202	\$75,560.24	\$94,450.30	\$113,340.36
FIRE CHIEF	Executive	202	\$75,560.24	\$94,450.30	\$113,340.36
ASSISTANT CITY MANAGER	Executive	204	\$91,427.89	\$114,284.86	\$137,141.83
CHIEF OF POLICE	Executive	204	\$91,427.89	\$114,284.86	\$137,141.83
CITY PLANNER DIRECTOR	Executive	204	\$91,427.89	\$114,284.86	\$137,141.83
CITY ATTORNEY	Executive	208	\$133,859.57	\$167,324.47	\$200,789.36
CITY MANAGER	Executive	208	\$133,859.57	\$167,324.47	\$200,789.36
OFFICER I	Police	301	\$46,892.80	\$65,649.92	\$84,407.04
SERGEANT I	Police	302	\$67,902.33	\$81,482.80	\$92,929.03
LIEUTENANT I	Police	303	\$72,896.13	\$87,475.36	\$99,763.39
FIREMAN LEVEL I	Fire	401	\$46,998.45	\$62,005.44	\$77,012.43
DRIVER/ENGINEER	Fire	402	\$53,620.10	\$67,604.71	\$81,589.32
FIRE INSPECTOR	Fire	403	\$60,054.51	\$72,454.98	\$84,855.45
CAPTAIN INSPECTOR/FIRE DEPARTMENT	Fire	404	\$63,057.24	\$76,077.73	\$89,098.23
FIRE CAPTAIN LEVEL I	Fire	404	\$63,057.24	\$76,077.73	\$89,098.23
SHIFT COMMANDER I	Fire	404	\$63,057.24	\$76,077.73	\$89,098.23