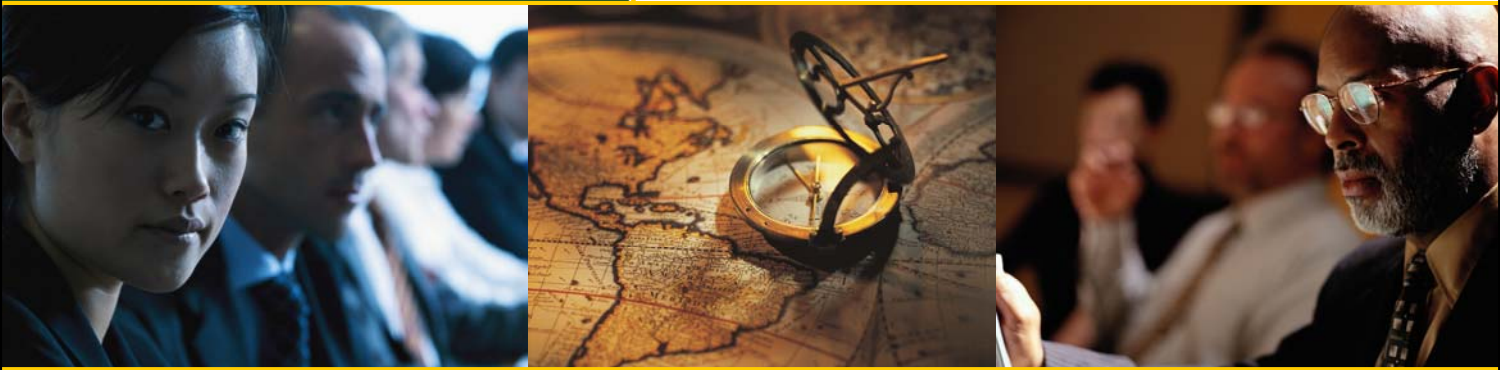


Classification and Compensation Study for the City of Powder Springs, GA

DRAFT REPORT



Evergreen Solutions, LLC

August 23, 2021

Classification and Compensation Study for the City of Powder Springs, GA

1.0 INTRODUCTION

Evergreen Solutions (Evergreen) was hired in March 2021 by the City of Powder Springs (the City) to conduct a Classification and Compensation Study. The purpose of the study was to analyze its classification and compensation (pay) system, and make recommendations to improve the City's competitive position in the labor market. The study activities involved analyzing the internal and external equity of the City's system and making recommendations in response to those findings.

As part of the study, Evergreen was tasked with:

- holding a kickoff meeting to discuss and review data that would be needed to conduct the study;
- analyzing the City's current salary structure (pay plan) to determine its strengths and weaknesses;
- collecting classification information through the Job Assessment Tool (JAT) process to analyze the internal equity of the City's classification system;
- developing recommendations for improvements to classification titles as appropriate;
- conducting a market survey to assess the external equity (market competitiveness) of the City's current pay system;
- revising or developing a new competitive pay structure (pay plan) and slotting classifications into each while ensuring internal and external equity;
- developing the most appropriate method for transitioning employees' salaries into a revised pay structure (plan);
- providing the City with information and strategies regarding compensation and classification administration; and
- preparing and submitting draft and final reports that summarize the study findings and recommendations; and
- revising job descriptions that reflect employee and supervisor review responses to the JAT and proper Fair Labor Standards Act (FLSA) status.



Kickoff Meeting

The kickoff meeting provided an opportunity to discuss and begin the data collection process and review the study tasks and milestones. Data collection of relevant background material (including organization charts, job descriptions, and other pertinent material) was part of this process.

Assessment of Current Conditions

This analysis provided an overall assessment of the City's current pay structure (plan) and related employee data at the time of the study. The current pay plan and the progression of employees' salaries through the pay ranges were examined during this process. The findings of this analysis are summarized in **Section 2** of this report.

Classification Analysis

To provide the basis for the analysis of the classification system, employees were asked to complete a JAT. This process provided them the opportunity to describe the work they performed in their own words. Each employee completed a JAT. Supervisors then reviewed the completed employee JATs and provided additional information as needed. The information provided in the JATs was used in the classification analysis in two ways:

- first, to ensure that job titles were appropriate; and
- second, to assist in the revision of job descriptions.

The results of this analysis are provided in **Section 3**.

Salary Survey

A salary survey, which included all classifications, was conducted to assess the external labor market. Peers were identified and contacted that had similar characteristics, demographics, and service offerings as the City, or were communities which would compete with the City for talent. The collected pay range data were then analyzed to provide aggregate findings. The results of which are provided in **Section 4**.

Recommendations

The City's compensation philosophy was reviewed to determine its desired market position. Understanding the City's drive to remain competitive and update its classification system to be current with the labor market, recommendations were developed in these areas. Additionally, in development are new job descriptions to more appropriately describe the work performed by employees. A summary of all study findings and recommendations are provided in **Section 5** of this report.



2.0 ASSESSMENT OF CURRENT CONDITIONS

This section provides an overall assessment of the compensation system in place for employees at the City. Data included here reflect the demographics in place at the time of the study and should be considered a snapshot in time. The data provided the baseline for analysis throughout the course of this study, but were not sufficient cause for recommendations in isolation. By conducting this review, Evergreen gained a better understanding of the structure and associated salary practices in place and identified issues for both further review and potential revision.

Pay Plan Analysis

The City administered one open-range pay plan (with an established minimum, midpoint, and maximum) for six part-time and 65 full-time employees, with salaries progressing based on merit. As illustrated in **Exhibit 2A**, the plan had 19 pay grades. The range spreads (difference between the minimum and maximum) were 55 percent for most pay grades, with pay grades 61, 63, and 65 having range spreads between 47 and 51 percent.

**EXHIBIT 2A
OPEN RANGE PAY PLAN**

Grade	Minimum	Midpoint	Maximum	Range Spread	Employees
52	\$ 24,944.86	\$ 31,804.72	\$ 38,664.58	55%	1
53	\$ 26,584.49	\$ 33,895.23	\$ 41,205.97	55%	5
54	\$ 27,913.72	\$ 35,590.24	\$ 43,266.76	55%	1
55	\$ 29,165.56	\$ 37,186.58	\$ 45,207.59	55%	3
56	\$ 30,775.33	\$ 39,238.61	\$ 47,701.88	55%	2
57	\$ 31,836.66	\$ 40,592.22	\$ 49,347.78	55%	3
58	\$ 33,679.10	\$ 42,941.20	\$ 52,203.30	55%	2
59	\$ 35,099.96	\$ 44,752.54	\$ 54,405.11	55%	0
60	\$ 36,855.66	\$ 46,990.54	\$ 57,125.41	55%	5
61	\$ 41,246.20	\$ 51,063.96	\$ 60,881.73	48%	20
62	\$ 42,270.63	\$ 53,897.46	\$ 65,524.30	55%	4
63	\$ 45,303.81	\$ 56,897.75	\$ 68,491.69	51%	9
64	\$ 44,050.94	\$ 56,165.26	\$ 68,279.58	55%	2
65	\$ 53,703.15	\$ 66,207.02	\$ 78,710.89	47%	3
67	\$ 52,637.30	\$ 67,111.80	\$ 81,586.30	55%	0
68	\$ 54,450.89	\$ 69,425.90	\$ 84,400.90	55%	2
69	\$ 57,174.39	\$ 72,897.88	\$ 88,621.37	55%	1
71	\$ 63,034.50	\$ 80,368.88	\$ 97,703.26	55%	7
72	\$ 66,186.01	\$ 84,387.59	\$ 102,589.17	55%	1

Employee Salary Placement by Grade

When assessing the effectiveness of the City’s pay plan and practices, it is important to analyze where employees’ salaries fell within each pay range. Identifying those areas where there may be clusters of employees’ salaries could illuminate potential pay progression concerns within the current plan. It should be noted that employees’ salaries, and the progression of the same, is associated with an organization’s compensation philosophy – specifically, the method of salary progression and the availability of resources. Therefore, the placement of employees’ salaries should be viewed with this context in mind.

Exhibit 2B illustrates the placement of employees’ salaries relative to pay grade minimums and maximums. The exhibit contains the following:

- the pay grades,
- the number of employees assigned to the classification,
- the number and percentage of employees with salaries at the minimum, and
- the number and percentage of employees with salaries at the maximum.

**EXHIBIT 2B
SALARY PLACEMENT
AT THE MINIMUM AND MAXIMUM BY GRADE**

Grade	Employees	# at Min	% at Min	# at Max	% at Max
52	1	0	25.0%	0	0.0%
53	5	0	25.0%	0	0.0%
54	1	0	1.4%	0	0.0%
55	3	0	6.0%	0	0.0%
56	2	0	0.7%	0	0.0%
57	3	0	3.5%	0	0.0%
58	2	0	11.1%	0	0.0%
60	5	1	0.0%	0	0.0%
61	20	3	0.0%	0	0.0%
62	4	0	5.2%	0	0.0%
63	9	0	2.3%	0	0.0%
64	2	0	22.2%	0	0.0%
65	3	0	0.0%	0	0.0%
68	2	0	12.5%	0	0.0%
69	1	0	16.7%	0	0.0%
71	7	0	9.1%	0	0.0%
72	1	0	0.0%	0	0.0%
Total	71	4	5.6%	0	0.0%

Employees with salaries at the grade minimum are typically new hires or are new to their classification following a recent promotion; on the other hand, employees with salaries at the grade maximum are typically highly experienced and proficient in their classification. As **Exhibit 2B** illustrates, there were no employees with salaries below the minimum, four employees with salaries at their pay grade minimum, no employees with salaries at their pay grade maximum, and no employees with salaries over their pay grade maximum.

Exhibit 2C illustrates the placement of employees' salaries in their pay grades relative to the calculated pay grade midpoints (the average of the pay grade minimum and pay grade maximum). The exhibit contains the following:

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

**EXHIBIT 2C
SALARY PLACEMENT EMPLOYEES' SALARIES
BELOW AND ABOVE THE MIDPOINT BY GRADE**

Grade	Employees	# < Mid	% < Mid	# > Mid	% > Mid
52	1	1	75.0%	0	25.0%
53	5	5	75.0%	0	25.0%
54	1	1	82.9%	0	17.1%
55	3	2	83.6%	1	16.4%
56	2	2	77.4%	0	22.6%
57	3	2	80.7%	1	19.3%
58	2	2	66.7%	0	22.2%
60	5	1	75.9%	4	24.1%
61	20	20	73.7%	0	26.3%
62	4	2	85.7%	2	14.3%
63	9	7	77.6%	2	22.4%
64	2	1	58.1%	1	41.9%
65	3	3	66.7%	0	33.3%
68	2	1	80.0%	1	20.0%
69	1	1	88.9%	0	11.1%
71	7	4	50.0%	3	50.0%
72	1	0	75.0%	1	25.0%
Total	71	55	77.5%	16	22.5%

Salary Quartile Analysis

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

Exhibit 2D provides a breakdown of placement of employees' salaries relative to salary quartiles and provide the following:

- the pay grades,
- the number of employees per pay grade, and
- the location (by quartile) of the employees' salaries within each grade.

EXHIBIT 2D SALARY QUARTILE ANALYSIS

Grade	Total Employees	1st Quartile # Employees	2nd Quartile # Employees	3rd Quartile # Employees	4th Quartile # Employees
52	1	1	0	0	0
53	5	5	0	0	0
54	1	1	0	0	0
55	3	3	0	0	0
56	2	2	0	0	0
57	3	3	0	0	0
58	2	2	0	0	0
60	5	2	0	3	0
61	20	18	2	0	0
62	4	2	0	1	1
63	9	5	2	2	0
64	2	1	0	0	1
65	3	2	1	0	0
68	2	1	1	0	0
69	1	1	0	0	0
71	7	3	1	2	1
72	1	0	0	1	0
Overall Total	71	52	7	9	3
Percentage		73.2%	9.9%	12.7%	4.2%

As **Exhibit 2D** illustrates, employees' salaries were heavily clustered in the first quartile with 71 employees (73.2 percent) earning in the first quartile of their salary ranges. The remaining concentration of employee salaries are as follows: seven employees (9.9 percent) earned in the second quartile, nine employees (12.7 percent) earned in the third quartile, and three employees (4.2 percent) earned in the fourth quartile of their respective salary ranges.

Summary

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

- The City administered an open-range pay plan for its employees, with a mostly uniform design with range spreads of 55 percent. A few grades were inconsistent with the structure; recommendations for adjusting the structure are discussed in **Section 5**.
- Employees' salaries were heavily clustered in the first quartile of their pay ranges, with 73.2 percent of salaries falling within the first quartile and 77.5 percent of salaries falling below the midpoint.

The City's existing pay structure provided employees with a clear pay plan with salary ranges; however, salary compression appears to be a concern with a heavy concentration of employee salaries falling below the calculated midpoint. The method by which salaries have progressed and should continue to progress was examined in more detail during the review of the City's compensation philosophy.

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

3.0 CLASSIFICATION ANALYSIS

An organization's classification system establishes how its human resources are employed to perform its core services. A classification system consists of the titles and descriptions of the different classifications, or positions, which define how work is organized and assigned. It is essential that the titles and descriptions of an organization's classifications accurately depict the work being performed by employees in the classifications to ensure equity within the organization and to enable comparisons with positions at peer organizations. The purpose of this classification analysis was to identify such issues as incorrect titles and outdated job descriptions.

In the analysis of the City's classification system, Evergreen collected classification data through the JAT. The JATs, which were completed by employees and reviewed by the City Administrator, provided information about the type and level of work being performed for each of the City's classifications.



Overall, the classification system utilized by the City was sound. However, there were a few instances of titles that could be modified to better reflect the tasks assigned to the position. These are identified in **Section 5** of this report. Additionally, the information collected from the JATs was generally more current and accurate than the information contained in the City's existing job descriptions. Thus, the JAT content was heavily relied upon and utilized when developing new, updated descriptions, which will be provided under separate cover.

4.0 MARKET ANALYSIS

This section provides a market assessment of salary ranges of peer organizations, as well as a comparison of the City's benefits to those of peers. The data from the targeted market peers were used to evaluate the overall compensation and benefits at the City at the time of this study. It is important to note that the market comparisons contained herein do not translate at the individual level and are instead used to provide an overall analysis. The utilized methodology is not intended to evaluate salaries paid to individuals. An employee's compensation (salary) is determined through a combination of factors, which could include: the market conditions for a job, geographic location of the organization, the candidate's prior education and experience, and/or an individual's negotiation skills during the hiring process.

Salary Survey Results

Evergreen collected pay range information from target (peer) organizations utilizing a salary survey tool. The development of this tool included all classifications at the City. The job title, a description of assigned duties, and the education and experience requirements for each benchmarked classification were provided in the survey tool so that peers could determine if the position existed within their organization.

Evergreen received concurrence from the City's project team regarding the targets to which the survey was provided. Several factors were utilized when developing this peer list, including geographic proximity to the City, similar service offerings, organization size, relative population being served by the organization, organizations to which the City is losing employees, and senior leader recommendations. All collected data were adjusted for the cost-of-living using an index factor which allowed salary dollars from organizations outside of the immediate recruiting area to be adjusted for the cost of living relative to the City. **Exhibit 4A** provides the list of 14 peer organizations from which data was collected for 33 classifications from which salary range data were collected.



**EXHIBIT 4A
MARKET PEERS**

Market Peers
Acworth, GA
Austell, GA
College Park, GA
Conyers, GA
Dallas, GA
Doraville, GA
Douglasville, GA
Fairburn, GA
Forest Park, GA
Hiram, GA
Holly Springs, GA
Kennesaw, GA
Lilburn, GA
Marietta, GA
Norcross, GA
Riverdale, GA
Smyrna, GA
Villa Rica, GA
Cobb County, GA
Paulding County, GA

*Bold indicates data included from peer

The City expressed a desire to develop an organized, clear competitive pay plan at the market average; thus, the collected data were aggregated and results calculated at this position. It is important to note that the averages in the subsequent exhibits reflect an average of the salary ranges reported by each peer for a given classification. The market range data presented in this Section were not the sole criteria for the proposed pay ranges provided later in this report. Some classifications' grade assignments varied from their associated market range due to the other factors, such as the results of our internal hierarchy assessment. More detail on this analysis is provided in **Section 5**.

Exhibit 4B contains the following information:

- The market salary range information for each classification. This indicates the average of the minimum, midpoint, and maximum of the peer survey data for each benchmarked classification.
- The survey average range width. This provides the average range width for each classification surveyed determined by the average minimum and average maximum



salaries of the respondents, relative to the minimum. The average range width for all the classifications is provided in the final row.

- The number of survey responses for each classification is provided in the final column. The average number of responses for all the classifications is provided in the final row of the exhibit.

Market Minimums

A starting point of the analysis was to compare the peer's market minimum for each classification to the Town's range minimums. Market minimums are generally considered an entry level salary for employees who meet the minimum qualifications of a classification. Employees with salaries at or near the range minimums typically have not mastered the job and probably have not acquired the skills and experience necessary to be fully proficient in their classification.

As **Exhibit 4B** illustrates for benchmarked classifications, the City was, on average, approximately 10.7 percent below the average market position at the minimum of the respective salary ranges.

Market Midpoints

Market midpoints are important to consider because they are commonly recognized as the salary point at which employees are fully proficient in satisfactorily performing their work. As such, midpoint is often considered as the salary point at which a fully proficient employee could expect his or her salary to be placed.

As **Exhibit 4B** illustrates for the benchmarked classifications, the City was, on average, approximately 10.8 percent below the competitive market position at the midpoint of the respective salary ranges.

Market Maximums

In this section, salary range maximums are compared to the peers' average of maximums for each benchmarked classification. The market maximum is significant as it represents the upper limit salary that an organization might provide to retain and/or reward experienced and high performing employees. Additionally, being competitive at the maximum allows organizations to attract highly qualified individuals for in-demand classifications.

As **Exhibit 4B** illustrates for the benchmarked classifications, the City was, on average, approximately 10.8 percent below the competitive market position at the maximum of the respective salary ranges.



**EXHIBIT 4B
SALARY SURVEY SUMMARY—AVERAGE**

Classification	Survey Minimum		Survey Midpoint		Survey Maximum		Survey Avg Range	# of Data Points
	Average	% Diff	Average	% Diff	Average	% Diff		
Accounting Clerk	\$32,504.87	2.8%	\$41,048.38	3.8%	\$49,591.90	4.4%	52.6%	4
Administrative Assistant	\$32,876.88	-3.2%	\$42,013.31	-3.4%	\$51,149.75	-3.6%	55.6%	11
Assistant City Manager	\$95,051.85	-35.8%	\$116,743.68	-32.2%	\$138,435.51	-29.7%	45.6%	4
City Clerk	\$62,961.86	0.1%	\$80,381.16	0.0%	\$97,800.46	-0.1%	55.3%	10
City Manager	\$92,182.13	-	\$122,315.78	-	\$152,449.44	-	65.4%	7
Code Enforcement Officer I	\$37,886.92	-22.2%	\$48,430.60	-22.4%	\$58,974.27	-22.6%	55.7%	8
Coordinator, Parks Operations	\$49,387.83	-	\$62,287.63	-	\$75,187.43	-	52.2%	4
Coordinator, Parks Programming	\$43,272.31	-	\$54,643.11	-	\$66,013.90	-	52.6%	4
Court Clerk	\$38,387.14	-13.8%	\$48,392.40	-12.7%	\$58,397.67	-11.9%	52.1%	10
Deputy City Clerk	\$37,311.18	18.2%	\$47,830.55	17.7%	\$58,349.92	17.4%	56.4%	5
Deputy Court Clerk	\$33,822.45	-15.8%	\$42,664.77	-14.7%	\$51,507.09	-14.0%	52.3%	6
Deputy Police Chief	\$80,882.23	-24.8%	\$103,869.69	-25.5%	\$126,857.15	-26.0%	56.8%	6
Director, Community Development	\$73,067.80	-14.7%	\$94,641.98	-16.3%	\$116,216.16	-17.3%	59.1%	5
Director, Economic Development	\$68,450.03	-8.2%	\$88,240.54	-9.3%	\$108,031.05	-10.0%	57.8%	6
Director, Finance	\$86,003.17	-30.8%	\$110,577.53	-31.6%	\$135,151.89	-32.2%	57.1%	8
Director, Human Resources	\$86,161.58	-31.0%	\$111,415.40	-32.4%	\$136,669.22	-33.3%	58.6%	6
Director, Public Works	\$83,555.65	-28.0%	\$107,468.70	-28.9%	\$131,381.75	-29.4%	57.2%	8
Equipment Operator I	\$31,107.26	-7.4%	\$39,827.16	-7.9%	\$48,547.06	-8.1%	56.1%	8
Executive Assistant	\$39,907.76	-8.0%	\$51,779.65	-9.7%	\$63,651.53	-10.8%	59.5%	5
Maintenance Worker	\$26,972.99	3.4%	\$34,388.80	3.4%	\$41,804.62	3.4%	55.0%	9
Mechanic	\$34,494.31	-12.9%	\$43,821.73	-12.5%	\$53,149.15	-12.3%	54.1%	8
Police Chief	\$92,012.65	-32.7%	\$118,139.58	-33.3%	\$144,266.52	-33.8%	56.8%	11
Police Detective	\$44,824.32	-13.2%	\$66,549.85	-12.1%	\$88,275.39	-11.4%	52.3%	8
Police Evidence Technician	\$37,759.02	3.9%	\$48,610.67	3.0%	\$59,462.33	2.4%	57.5%	8
Police Lieutenant	\$56,985.18	-5.9%	\$72,266.69	-8.8%	\$87,548.20	-10.6%	53.6%	13
Police Major	\$69,218.77	-19.1%	\$90,286.82	-21.3%	\$111,354.88	-22.7%	60.9%	5
Police Officer	\$38,635.16	1.7%	\$47,164.14	6.0%	\$55,693.13	8.9%	44.2%	11
Police Officer (Certified)	\$41,622.97	-5.8%	\$52,123.61	-4.0%	\$62,624.26	-2.8%	50.5%	12
Receptionist	\$26,030.37	-4.3%	\$33,444.09	-5.0%	\$40,857.82	-5.5%	57.0%	5
Senior Accountant	\$50,911.80	6.7%	\$65,148.66	6.4%	\$79,385.52	6.1%	55.9%	4
Sergeant	\$50,946.33	-16.2%	\$64,310.16	-15.2%	\$77,673.99	-14.6%	52.5%	13
Supervisor, Sanitation	\$47,861.84	-	\$60,502.90	-	\$73,143.97	-	52.8%	5
Tax Clerk	\$32,643.70	7.3%	\$41,636.08	7.2%	\$50,628.46	7.2%	55.1%	6
Overall Average		-10.7%		-10.8%		-10.8%	55.0%	7.4

Education and Certification Incentive Pay

Peers were also asked questions about education and certification incentives provided to employees. Peer education incentives averaged the following: 2.5 salary increase for an Associate’s, 5 percent increase for a Bachelor’s degree, and 7.5 percent increase for a Master’s degree. Certification incentive pay averaged 2.5 percent. The City did not offer incentive pay at the time of the study.

Salary Survey Summary

It should again be noted that the standing of a classification’s pay range compared to the market is not a definitive assessment of an individual employee’s salary being equally above or below market. A salary range does, however, speak to the City’s general ability to recruit and retain talent over time. If a range minimum is significantly lower than the market would offer, the City could find itself losing out to its market peers when it seeks to fill a position. It is equally true that range maximums lower than the market maximums may serve as a

disincentive for experienced employees to remain at the City. From the analysis of the data gathered and discussed above, the benchmark classifications’ ranges were generally found to be below the City’s desired position of being competitive with the labor market. All study findings and subsequent recommendations can be found in the next section of this report.

5.0 RECOMMENDATIONS

Classification System

A classification system consists of the titles and descriptions of the different classifications, or positions, which define how work is organized and assigned. It is essential that the titles and descriptions of an organization’s classifications accurately depict the work being performed by employees to ensure equity within the organization and to enable comparisons with positions at peer organizations.

FINDING

Overall, the classification system utilized by the City was sound. However, there were some instances of titles that could be modified to better reflect the tasks assigned to the position.

RECOMMENDATION 1: Revise the titles of some classifications to better reflect work performed and best practice.

Exhibit 5A provides a list of the recommended changes to the classification system. The foundation for all recommendations was the work performed by employees as described in their JATs, best practices in the Human Resources field, or unique needs which required a specific titling method.

EXHIBIT 5A PROPOSED CLASSIFICATION CHANGES

Current Classification Title	Proposed Classification Title
Accounting Clerk	Accounts Payable Clerk
Administrative Assistant	Senior Center Coordinator
City Clerk/IT Manager	City Clerk/Contracts & Procurement Manager
Coordinator	Coordinator, Zoning
Coordinator	GIS/IT Coordinator
Executive Assistant	Deputy Court Clerk
Executive Assistant/Assistant to Chief	Executive Assistant
Field Operator	Park Operations Coordinator
Parks/Events programmer	Recreation Program Coordinator
Quality of Life Officer	Code Enforcement/Patrol Officer
Stormwater inspections	Stormwater Inspector
Technician	Evidence Technician

FINDING

When comparing the City's current job descriptions to the work described by employees in the JATs, Evergreen noted some tasks that were missing from the current job descriptions. This can happen over a period of time if the descriptions are not reviewed and updated on a regular basis. As well, some tasks in one classification are often reassigned to another classification. As such, these changes make it necessary for an organization to update its job descriptions regularly to ensure each job description accurately reflects the work performed.

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

The process of reviewing and updating the City's job descriptions revealed the existing descriptions did not, in some cases, accurately reflect current work performed. To minimize this becoming a concern again in the future, Evergreen recommends a regular review of these descriptions, and FLSA status determinations. To the extent possible, a review of the employee's assigned job classification (description) should occur concurrent with his/her annual performance evaluation. This would be an appropriate time to review the job description for the classification as it should accurately represent the work the employee will perform during an evaluation period. Review of the FLSA determination as well as other aspects of the job, such as physical requirements required to perform essential functions will also ensure consistent, continuous compliance with the Americans with Disabilities Act (ADA) protection. At the time of this report, Evergreen was in the process of revising the job descriptions for all classifications. These will be provided to the City under separate cover for internal review.

Compensation System

The compensation system analysis consisted of two parts: an external market assessment and an internal equity assessment. During the external market assessment, salary range information for the City's classifications were collected for the average of the identified market. Details regarding the external market analysis were provided in **Section 4** of this report.

During the internal equity assessment, consideration of the relationships between and the type of work being performed by the City's employees were reviewed and analyzed. The results of these analyses were utilized when developing the recommendations below.

FINDING

The City's salary ranges were overall found to be behind the market at the minimum, midpoint, and maximum. Implementing a revised competitive pay structure (pay plans) would provide the City with an improved ability to attract, hire and retain employees.

RECOMMENDATION 3: Develop a new open range pay plan to be more competitive with the market; slot all classifications into the plan based on external and internal equity; and implement by transitioning employees' salaries into the revised plan.

Exhibit 5B shows the proposed pay plan, which has 21 pay grades, numbered 101 through 121. The range spreads are a constant 55.0 percent.

**EXHIBIT 5B
PROPOSED PAY PLAN**

Grade	Minimum	Midpoint	Maximum	Range Spread
101	\$ 26,940.45	\$ 34,349.07	\$ 41,757.70	55%
102	\$ 28,287.47	\$ 36,066.53	\$ 43,845.58	55%
103	\$ 29,701.84	\$ 37,869.85	\$ 46,037.86	55%
104	\$ 31,186.94	\$ 39,763.34	\$ 48,339.75	55%
105	\$ 32,746.28	\$ 41,751.51	\$ 50,756.74	55%
106	\$ 34,383.60	\$ 43,839.09	\$ 53,294.58	55%
107	\$ 36,102.78	\$ 46,031.04	\$ 55,959.31	55%
108	\$ 37,907.92	\$ 48,332.59	\$ 58,757.27	55%
109	\$ 39,803.31	\$ 50,749.22	\$ 61,695.13	55%
110	\$ 41,793.48	\$ 53,286.68	\$ 64,779.89	55%
111	\$ 43,883.15	\$ 55,951.02	\$ 68,018.89	55%
112	\$ 46,077.31	\$ 58,748.57	\$ 71,419.83	55%
113	\$ 48,381.18	\$ 61,686.00	\$ 74,990.82	55%
114	\$ 51,767.86	\$ 66,004.02	\$ 80,240.18	55%
115	\$ 55,391.61	\$ 70,624.30	\$ 85,856.99	55%
116	\$ 59,269.02	\$ 75,568.00	\$ 91,866.98	55%
117	\$ 63,417.85	\$ 80,857.76	\$ 98,297.67	55%
118	\$ 67,857.10	\$ 86,517.80	\$ 105,178.51	55%
119	\$ 72,607.10	\$ 92,574.05	\$ 112,541.00	55%
120	\$ 77,689.60	\$ 99,054.23	\$ 120,418.87	55%
121	\$ 83,127.87	\$ 105,988.03	\$ 128,848.19	55%

Evergreen slotted each proposed classification into the appropriate pay range in the new pay plan. Both internal and external equity were analyzed when slotting the classifications. Assigning pay grades to classifications requires a balance of internal equity, desired market position, and recruitment and retention concerns. Thus, market range data shown in **Section 4** were not the sole criteria for the proposed pay ranges. Some classifications' grade assignments varied from their associated market range due to the other factors mentioned above. The resulting recommended pay grades for each of the City's classifications are shown in **Exhibit 5C**. It is important to note that if a classification is not assigned to a pay grade, it only means that there is currently no classification proposed to be in that pay grade; however, the pay grade is available for use within the pay plan.

**EXHIBIT 5C
PROPOSED PAY GRADES**

Proposed Classification Title	Proposed Pay Grade	Proposed Minimum	Proposed Midpoint	Proposed Maximum
Museum Assistant Receptionist	101	\$ 26,940.45	\$ 34,349.07	\$ 41,757.70
Maintenance Worker Sanitation Worker	103	\$ 29,701.84	\$ 37,869.85	\$ 46,037.86
Accounts Receivable Clerk Coordinator, Licenses & Permitting Equipment Operator I Meter Reader Senior Center Coordinator Tax Clerk	105	\$ 32,746.28	\$ 41,751.51	\$ 50,756.74
Accounts Payable Clerk Equipment Operator II Mechanic Truck Driver Utility Billing Clerk Utility Locator	106	\$ 34,383.60	\$ 43,839.09	\$ 53,294.58
Executive Assistant Support Services Supervisor Deputy Court Clerk	107	\$ 36,102.78	\$ 46,031.04	\$ 55,959.31
Evidence Technician GIS/CAD Technician Park Operations Coordinator Recreation Program Coordinator Streets Maintenance Coordinator Code Enforcement/Patrol Officer Deputy City Clerk Detective Police Officer Utility Customer Care Manager	108	\$ 37,907.92	\$ 48,332.59	\$ 58,757.27
Accountant Assistant to the City Manager Coordinator, Zoning GIS/IT Coordinator Special Project Coordinator Plan/Zoning Stormwater Inspector Streets Maintenance Supervisor	109	\$ 39,803.31	\$ 50,749.22	\$ 61,695.13
Sergeant Lieutenant Senior Accountant	110	\$ 41,793.48	\$ 53,286.68	\$ 64,779.89
	111	\$ 43,883.15	\$ 55,951.02	\$ 68,018.89
	112	\$ 46,077.31	\$ 58,748.57	\$ 71,419.83
	113	\$ 48,381.18	\$ 61,686.00	\$ 74,990.82
	115	\$ 55,391.61	\$ 70,624.30	\$ 85,856.99

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

Proposed Classification Title	Proposed Pay Grade	Proposed Minimum	Proposed Midpoint	Proposed Maximum
Deputy Finance Director Police Major Stormwater Manager	116	\$ 59,269.02	\$ 75,568.00	\$ 91,866.98
City Clerk/Contracts & Procurement Manager Community Development Director Court Clerk/Administrator Deputy Police Chief	117	\$ 63,417.85	\$ 80,857.76	\$ 98,297.67
Economic Development Director Finance Director Human Resources Director Parks, Recreation, and Cultural Affairs Director Public Works Director	119	\$ 72,607.10	\$ 92,574.05	\$ 112,541.00
Assistant City Manager Police Chief	120	\$ 77,689.60	\$ 99,054.23	\$ 120,418.87
Chief Financial Officer Development & Infrastructure Agency Director Public Services, Equity, & Inclusion Agency Director City Manager	121	\$ 83,127.87	\$ 105,988.03	\$ 128,848.19

After assigning pay grades to classifications, the next step was to develop appropriate methods (options) for transitioning employees’ salaries into the proposed plans. This was done utilizing equitable methods (options) for calculating salaries in the plans and determining whether adjustments were necessary to individual salaries to bring them to their calculated salary. Evergreen calculated and provided optional transition methods for implementing the new plans. The City implemented the following option.

Move Toward Midpoint (3-Tier): Compa-Ratio and Years of Tenure with the City

After employees’ salaries were moved to the proposed pay grade minimum employees’ salaries were moved closer toward the midpoint of the proposed pay grade range based on a combination of years of tenure with the City, and an employee’s salary Compa-ratio. The Compa-ratio for each employee was calculated by taking the salary (after bringing to the proposed minimum if needed) and dividing by the proposed midpoint.

Employees with at least one year and less than three years in classification were moved closer toward the midpoint (market point) of the proposed pay grade range. Employees with between three and seven years in classification were moved even closer toward the midpoint, and employees with more than seven years in classification were moved yet even closer toward the midpoint of the pay range. Adjustment percentage increments were designed to give larger adjustments (in percentage terms) to those with salaries furthest from the midpoint (using Compa-ratio) and to provide greater adjustments to those employees with more time in classification. These calculations were also performed using years of tenure with the City.

Utilizing this approach, adjustments were then recommended for 68 employees with an approximate total annualized cost of **\$175,281**.

Education and Certification Pay

The City did not have education and certification incentive pay for employees pursuing higher degrees or advanced certifications to enhance their job performance. Some of the City's peers, however, did provide education and certification incentive pay to its employees. Recommendations are provided below.

RECOMMENDATION 4: Implement incentive pay as outlined: certification and bilingual incentive pay: 2.5%; education/degree attainment pay: Associate's degree: 2.5%; Bachelor's degree: 5%; Master's degree: 7.5%.

System Administration

The City's compensation system will continue to require periodic maintenance. The recommendations provided to improve the competitiveness of the plan were developed based upon conditions at the time the data were collected. Without proper upkeep, the potential for recruitment and retention issues may increase as the compensation system becomes dated and less competitive.

RECOMMENDATION 5: Conduct small-scale salary surveys as needed to assess the market competitiveness of hard-to-fill classifications and/or classifications with retention issues, and make changes to pay grade assignments if necessary.

While it is unlikely that the pay plan in total will need to be adjusted for several years, a small number of classifications' pay grades may need to be reassigned more frequently. If the City notices high turnover or is experiencing difficulty with recruiting one or more classifications, the City should collect salary range data from peer organizations to determine whether an adjustment is needed for the pay grade of the classification(s).

RECOMMENDATION 6: Conduct a comprehensive classification and compensation study every three to five years, subject to budget constraints and as market conditions are warranted.

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

RECOMMENDATION 7: Review and revise, as appropriate, existing pay practice guidelines including those for determining salaries of newly hired employees, progressing employee salaries through the pay plans and determining pay increases for employees who have been promoted to a different classification.

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

New Hire Salaries

Typically, an employee holding the minimum education and experience requirements for an existing classification is hired at or near the classification's pay grade minimum. Sometimes, for recruiting purposes, an organization might need to consider the ability to offer salaries to new employees that provide "credit" for prior related experience. A hiring guideline has been provided to the City to assist with identifying appropriate starting salaries for employees who possess additional years of related experience beyond minimum qualifications at the time of hire. It is recommended that the City continue its current practice of establishing new hire salaries with some flexibility while preserving the internal equity of employees' salaries within each classification to the extent possible. Current employees' salaries should be improved, to some degree, with implementation of the new pay plan and the proposed adjustments to employees' salaries.

Salary Progression

There are several common methods for salary progression including cost of living adjustments (COLA)/across the board, and employee performance-based. The City currently utilizes both methods to progress salaries. It is recommended that the City continuously evaluate future performance-based methods to progress employees' salaries and continuously make improvements, as appropriate.

Promotions

When an employee is promoted to a new classification, it is important to maintain updated guidelines for calculating the employee's new salary that rewards the employee for his or her new responsibilities, moving the salary into the new pay grade, and ensuring internal equity in the new classification. For example, a range of five to seven percent increase is common today, with consideration given to preserving the internal equity of employees' salaries within the classification. The City should continue to review its promotion guidelines to remain competitive and current with Human Resource best practices.

SUMMARY

The recommendations in this report provide an updated compensation and classification system for the City's employees. Upon implementation, the City's competitiveness in the labor market will be improved and have a responsive compensation system for several years forward. While the upkeep of this will require work, the City will find that having a more competitive compensation system that enhances strong recruitment and employee retention is well worth this commitment.