



Meeting Date: June 23, 2016

Agenda Item: 7-A

Report to Town Council

Topic: Compensation and Benefits Study presentation

Recommended Motion: As determined by Council.

Summary: Please see attached staff report.

Requested by: Ms. Witt, Town Manager

Approved by: Ms. Witt, Town Manager



MEMORANDUM
TOWN OF PONCE INLET – OFFICE OF THE TOWN MANAGER

THE TOWN OF PONCE INLET STAFF SHALL BE PROFESSIONAL, CARING, AND FAIR IN DELIVERING COMMUNITY EXCELLENCE WHILE ENSURING PONCE INLET CITIZENS OBTAIN THE GREATEST VALUE FOR THEIR TAX DOLLAR.

TO: Town Council
FROM: Jeaneen Witt, CMC, Town Manager 
DATE: June 15, 2016
SUBJECT: Compensation and Benefits Study

During last fiscal year's budget preparation and adoption, a compensation study update was authorized and a contract for such was executed in October 2015. Evergreen Solutions, LLC made a presentation to Council in November 2015 on the study and to obtain approval of the peer group. The study began and was underway when Council discussed at its biannual goals workshop in January 2016 that a benefits study would also be helpful. A quote for such was obtained from Evergreen and Council approved this later that month and added it to the total project. The benefits study questionnaire was then prepared and submitted to these same peers.

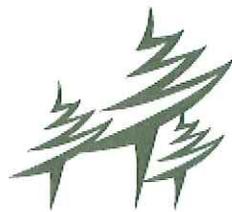
Evergreen has completed both the compensation and the benefits study, which is combined in the attached comprehensive report and will be presented by the consultant at this regular meeting on June 23rd.

Actions to be considered include:

- 1) Adoption of the recommended pay plan pursuant to the compensation portion of the study.
- 2) Implementation in FY 16/17 of salary adjustments for current employees. Town staff recommends using the current range placement with class tenure and grade considerations which is outlined in further detail in this report.
- 3) Consider the results of the benefit portion of the pay plan for possible modifications where determined appropriate.

Town of Ponce Inlet Compensation and Benefits Study

FINAL REPORT



Evergreen Solutions, LLC

June 16, 2016

Chapter 1 - Introduction

Evergreen Solutions conducted a Compensation and Benefits Study for the Town of Ponce Inlet, Florida beginning in early October, 2015. The purpose of the study was to analyze the Town's compensation structure and benefits offerings compared to the market and make recommendations to improve the Town's competitiveness in regards to its ability to recruit and retain a diverse and qualified workforce. This involved reviewing and analyzing the external equity of the Town's current compensation structure through a market salary survey and making recommendations in response to the findings and also analyzing the benefits offered and comparing the offerings to those provided by the Town's peers.

External equity, or the market competitiveness of the Town's current overall compensation and benefits structure, was reviewed by conducting and analyzing the results of a salary and benefits survey. Ultimately, the results of this analysis were considered when making recommendations to improve the Town's competitive market position. To achieve this goal, Evergreen Solutions was tasked with:

- Evaluating the Town's current salary structure to determine its strengths and weaknesses;
- Developing recommendations for improvements to classification titles and the creation of new titles, if necessary;
- Conducting a market salary survey to assess the market competitiveness of the Town's current Compensation plan;
- Conducting a market benefits survey to determine common benefits offered by peer organizations;
- Developing a compensation structure and slotting classifications into that structure while ensuring internal and external equity;
- Developing an implementation strategy and providing cost estimates for implementation;
- Developing and submitting draft and final reports that summarize study findings and recommendations.

Evergreen Solutions used a combination of quantitative and qualitative methods to develop recommendations to improve the Town's competitive position. Study activities included:

- Conducting a study kick-off meeting;



- Peer Review Presentation to the Town Council to approve target peers for salary survey;
- Analyzing the current conditions of the Town's compensation system;
- Conducting a market salary survey;
- Developing classification and compensation structure recommendations;
- Developing implementation options for the proposed structure;
- Creating draft and final reports.

Kick-off Meeting

The kick-off meeting allowed members of the study team from both the Town and Evergreen Solutions to discuss different aspects of the study. During the meeting, information about the Town's compensation and classification structures and philosophies was shared and the work plan for the study was finalized. The meeting also provided an opportunity for Evergreen Solutions to explain the types of data needed to begin the study.

Peer Review Presentation to Town Council

A presentation was made to the Town Council to discuss the target peers used in the surveys and to provide a summary of the study.

Analysis of Current Conditions

The Town's current employee database was analyzed with a close look at how the current pay plan was being utilized. The current pay plan, the progression of employee salaries through pay grades, employee tenure, and the distribution of employees among the Town's departments were all examined during this process. **Chapter 2** of this report summarizes the findings of this analysis.

Market Analysis

For the market analysis, peer organizations were identified that compete with the Town for human resources and provide similar services. All of the current classifications were selected for salary range comparison for the survey. After the selection of peers, a survey tool was developed for the collection of salary range data for each position. A survey tool was also developed to collect data about the core and fringe benefits offered by the identified peer organizations. The salary and benefits data collected during this survey were analyzed, and a summary of the data can be found in **Chapter 3** of this report.

Recommendations

During the recommendation phase of the study, Evergreen Solutions developed a market-based pay plan and slotted classifications into the pay plan based on internal and external equity. Next, implementation options were developed to transition employee salaries into the new pay grades, and the associated costs of adjusting employee salaries were estimated. A summary of the recommendations made by Evergreen Solutions regarding the classification and compensation structure can be found in **Chapter 4** of this report.



Chapter 2 – Assessment of Current Conditions

The purpose of this chapter is to address the current pay structure of the Town and its effectiveness. Additionally, the assessment of current conditions aims to diagnose any potential issues that may be occurring within the Town's compensation system, as well as identify potential strengths that Evergreen's recommendations can build upon.

The data and analyses found within this chapter are reflective of the current conditions of the Town's compensation plan and policies, and should be treated as such. The insights gained from this chapter do not alone merit recommendations for the Town, but rather are one of the many inputs that go into the recommendations formulated for the Town.

Included within this chapter are the following sections:

- 2.1 Pay Plan Analysis
- 2.2 Grade Placement Analysis
- 2.3 Quartile and Tenure Analysis
- 2.4 Employees by Department
- 2.5 Compression Analysis
- 2.6 Chapter Summary

2.1 PAY PLAN ANALYSIS

An organized pay plan is important because it allows employees to understand the process of salary progression and can clarify issues of equity between pay grades. The Town's current pay plan utilizes 15 pay grades, 13 of which have employees currently assigned to them. A complete list of the Town's pay grades as well as the respective minimum, midpoint, and maximum salaries for each grade can be found in **Exhibit 2A**. The range spread, a measure of the width of individual pay grades, the midpoint progression which measures the difference at midpoint, and the number of incumbents per grade is also listed.

**EXHIBIT 2A
CURRENT PAY PLAN**

Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Progression	Employees
1	\$21,371.30	\$26,714.13	\$32,056.95	50%		2
2	\$22,867.29	\$28,584.11	\$34,300.93	50%	7%	2
3	\$24,468.00	\$30,585.00	\$36,702.00	50%	7%	4
4	\$26,180.76	\$32,725.95	\$39,271.14	50%	7%	0
5	\$28,275.22	\$35,344.03	\$42,412.83	50%	8%	8
6	\$30,537.24	\$38,171.55	\$45,805.85	50%	8%	2
7	\$32,980.22	\$41,225.27	\$49,470.32	50%	8%	8
8	\$35,619.00	\$44,523.50	\$53,428.00	50%	8%	6
9	\$38,468.12	\$48,085.15	\$57,702.18	50%	8%	6
10	\$41,930.00	\$52,412.50	\$62,895.00	50%	9%	1
11	\$45,704.00	\$57,130.00	\$68,556.00	50%	9%	2
12	\$50,731.00	\$63,414.00	\$76,097.00	50%	11%	2
13	\$56,311.87	\$70,389.84	\$84,467.80	50%	11%	4
14	\$62,506.18	\$78,132.72	\$93,759.26	50%	11%	0
15	\$69,381.85	\$86,727.32	\$104,072.78	50%	11%	1
Total/Avg	-	-	-	50%	9%	48

Grade 7 is currently the Town's most occupied grade with eight employees. The Town has two grades with only one occupant; Grade 10 which has the General Manager of Public Works and grade 15 which houses the Town Manager classification. The only unoccupied grades within the Town's pay plan are Grades 4 and 14. The range spread remains constant at 50 percent across pay grades with an average midpoint progression of nine percent.

2.2 GRADE PLACEMENT ANALYSIS

For the purpose of assessing how well the Town's compensation structure is performing, the employee salary distribution is analyzed for each pay grade. Midpoint analysis reveals the distribution of employee salaries relative to their respective salary range midpoint. A skewed distribution of employee salaries to either above or below the midpoint can be an indicator of poor progression of employee salaries throughout their ranges.

Exhibit 2B shows the results of the midpoint analysis conducted for the Town.

**EXHIBIT 2B
EMPLOYEES ABOVE AND BELOW MIDPOINT BY PAY GRADE**

Grade	Employees	# < Mid	% < Mid	# > Mid	% > Mid
1	2	2	100.0%	0	0.0%
2	2	1	50.0%	1	50.0%
3	4	3	75.0%	1	25.0%
5	8	4	50.0%	4	50.0%
6	2	0	0.0%	2	100.0%
7	8	8	100.0%	0	0.0%
8	6	5	83.3%	1	16.7%
9	6	2	33.3%	4	66.7%
10	1	0	0.0%	1	100.0%
11	2	1	50.0%	1	50.0%
12	2	1	50.0%	1	50.0%
13	4	0	0.0%	4	100.0%
15	1	0	0.0%	1	100.0%
Total	48	27	56.3%	21	43.8%

The Town currently has 27 of its employees, representing approximately 56 percent of total employees, being compensated below their salary range midpoint. Conversely, 21 employees, which account for the remaining 44 percent, are being compensated above their salary range midpoint. This relatively even distribution may indicate that compression is not a problem in employee compensation by grade. This can be confirmed or dispelled through Quartile and Tenure Analysis which will provide more information regarding the distribution of employee salaries relative to time spent by employee in their current classification.

Exhibit 2C shows the number of employees in each grade who have a current salary at either the minimum or maximum of the range.

**EXHIBIT 2C
EMPLOYEES AT MINIMUM AND MAXIMUM OF PAY GRADE**

Grade	Employees	# at Min	% at Min	# at Max	% at Max
1	2	0	0.0%	0	0.0%
2	2	1	50.0%	1	50.0%
3	4	0	0.0%	1	25.0%
5	8	0	0.0%	0	0.0%
6	2	0	0.0%	0	0.0%
7	8	0	0.0%	0	0.0%
8	6	0	0.0%	0	0.0%
9	6	0	0.0%	2	33.3%
10	1	0	0.0%	0	0.0%
11	2	0	0.0%	0	0.0%
12	2	0	0.0%	0	0.0%
13	4	0	0.0%	1	25.0%
15	1	0	0.0%	0	0.0%
Total	48	1	2.08%	5	10.42%

This analysis is useful for identifying if the Town has unusually high number of employees at either the pay range minimum or maximum points. An organization with a large percentage of employees at the minimum can cause employee morale issues, as newly hired employees may have a salary similar to those with more experience. Alternatively, an inordinate number of employees at the grade maximum can indicate that employees are capping out in their current salary range too frequently and promotion to additional grades or wider range spreads may be necessary to prevent employee retention issues.

The Town has one employee at their respective salary range minimum and five employees that are at their salary grade maximum. It can be seen that the only employees at their pay grade minimum are in Grade 2, while the only employees at the grade maximum are in Grades 2, 9, and 13. These positions are the part-time Office Specialist, the full-time Office Specialist, Firefighter/Lieutenant, Police Sergeant, and the Director of Planning & Development respectively. It is important to note that while the Office Specialist position is a part-time role, the salary of this position given hours per week worked is still at the minimum of this classification's pay grade range.

2.3 QUARTILE AND TENURE ANALYSIS

Although midpoint analysis allows insight to the distribution of employees above and below their respective midpoints, quartile analysis takes that further and has the ability to reveal the clustering of salaries in any given quartile. Quartile analysis is performed by taking employee salary ranges and dividing them in four equal sections. The first quartile represents the 0-25 percent of employee salary ranges, while the second quartile represents the 26-50 percent range; the third quartile represents the 51-75 percent range, and the fourth quartile the final

76-100 percent range. By analyzing tenure along with quartile analysis, it is possible to observe how the distribution of employee salaries throughout the quartiles interacts with average employee tenure by grade.

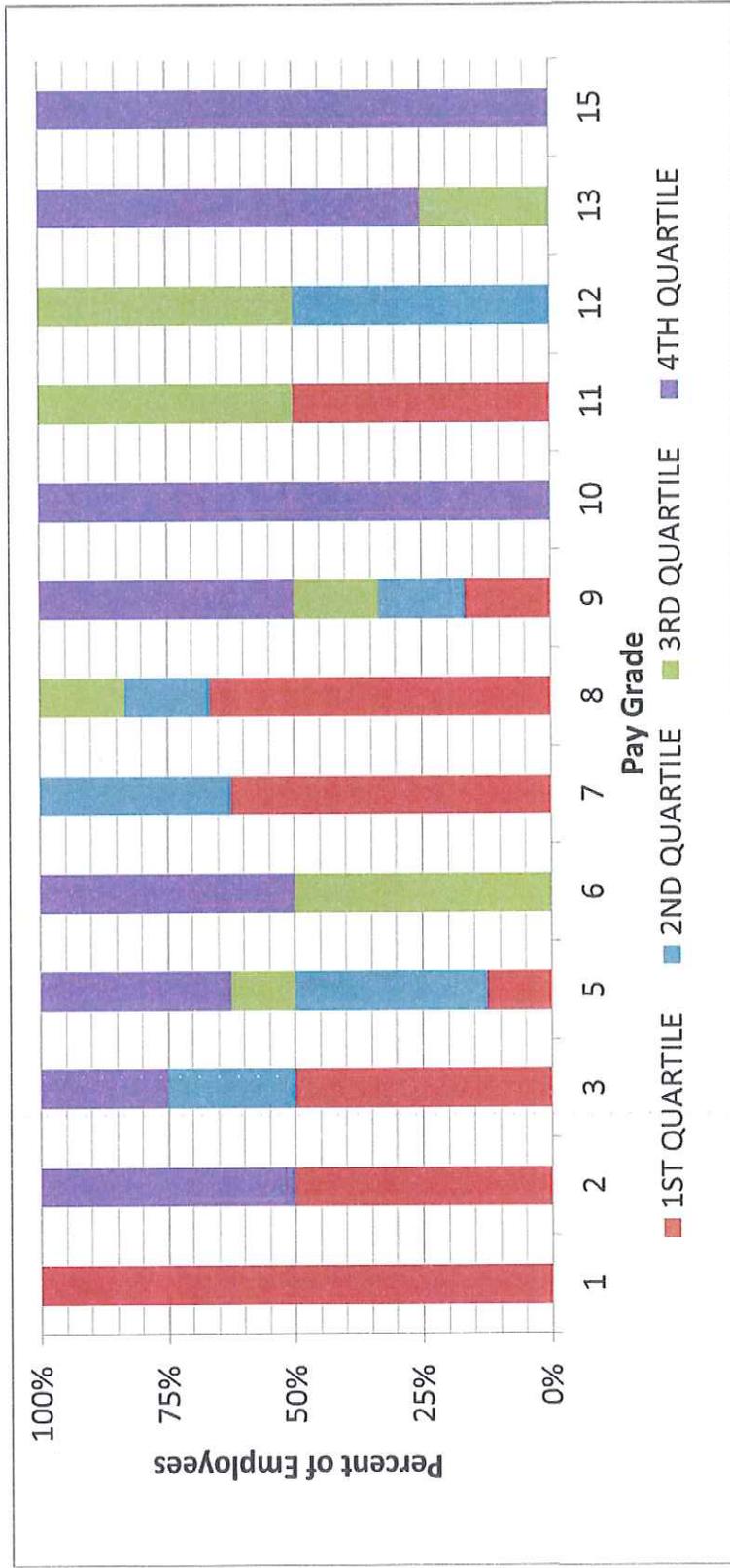
Exhibit 2D describes in detail each pay grade and the distribution of employees within each grade across the quartiles, along with their average tenure within their current classification. **Exhibit 2E** graphically depicts how employees within each pay grade are distributed among the four quartiles.



**EXHIBIT 2D
QUARTILE AND TENURE ANALYSIS**

GRADE	Average Class		1st Quartile		2nd Quartile		3rd Quartile		4th Quartile	
	Total Employees	Avg Class Tenure	# Employees	Avg Class Tenure	# Employees	Avg Class Tenure	# Employees	Avg Class Tenure	# Employees	Avg Class Tenure
1	2	0.6	2	0.6					1	14.1
2	2	7.8	1	1.6					1	14.1
3	4	6.8	2	3.0	1	7.1				
5	8	5.9	1	0.8	3	7.2	1	4.1	3	6.9
6	2	7.4					1	10.1	1	4.6
7	8	5.2	5	2.7	3	9.3				
8	6	3.2	4	1.9	1	4.6	1	7.4		
9	6	5.2	1	4.6	1	4.9	1	0.9	3	6.9
10	1	9.1							1	9.1
11	2	5.8	1	5.8			1	5.8		
12	2	3.0			1	1.4	1	4.5		
13	4	6.7					1	5.6	3	7.1
15	1	5.8							1	5.8
Overall Total	48		17		10		7		14	
Overall Average		5.6		2.6		5.8		5.5		8.6

EXHIBIT 2E
 QUARTILE ANALYSIS (PERCENTAGE OF EMPLOYEES PER PAY GRADE)



The results of the quartile analysis show that 17 employees (35.4 percent) are currently occupying the first quartile of their salary ranges, ten (20.8 percent) are occupying the second quartile, seven (14.6 percent) are in the third quartile, and 14 (29.2 percent) in the fourth.

Average tenure, the average amount of years an employee has spent with the Town, across the four quartiles consists of approximately four years for the first quartile, eight years for the second, 11 years for the third, and 13 years for the fourth. Average tenure increases as expected relative to employee salaries progressing through the quartiles, however there are some irregularities with regard to employee tenure given the quartile their salaries occupy. Grade 9 has average tenure of 11 years in the first quartile which is much higher than the quartiles average of three years. Similarly, Grade 3 in the fourth quartile has a much higher average time of tenure compared to the rest of that salary quartile, while Grade 9 in the third quartile has an average tenure significantly less than that of the rest of that quartile.

Although there is a high concentration of employees in the first and fourth quartiles of their salary ranges, the distribution of employees across the quartiles is generally appropriate given their tenure.

2.4 EMPLOYEE BY DEPARTMENTS

As of October 2015, the Town employed 48 individuals in full time positions. Exhibit 2F shows the distribution of employees across the departments within the Town, as well as the number of classifications per department.

EXHIBIT 2F
EMPLOYEES BY DEPARTMENT

Department	Employees	Classes	% of Total
Finance, Utilities & Maintenance	11	7	22.9%
Fire	11	5	22.9%
Planning and Development	7	7	14.6%
Police	14	8	29.2%
Town Manager	5	5	10.4%
Total	48	32	100.0%

The Town currently has its 48 employees distributed across five departments. The largest department within the Town is the Police Department, which currently has 14 incumbents representing 29.2 percent of the Town's total workforce. The smallest department is Town Manager which possesses five employee and accounts for 10.4 percent of the Town's total employment.

2.5 COMPRESSION ANALYSIS

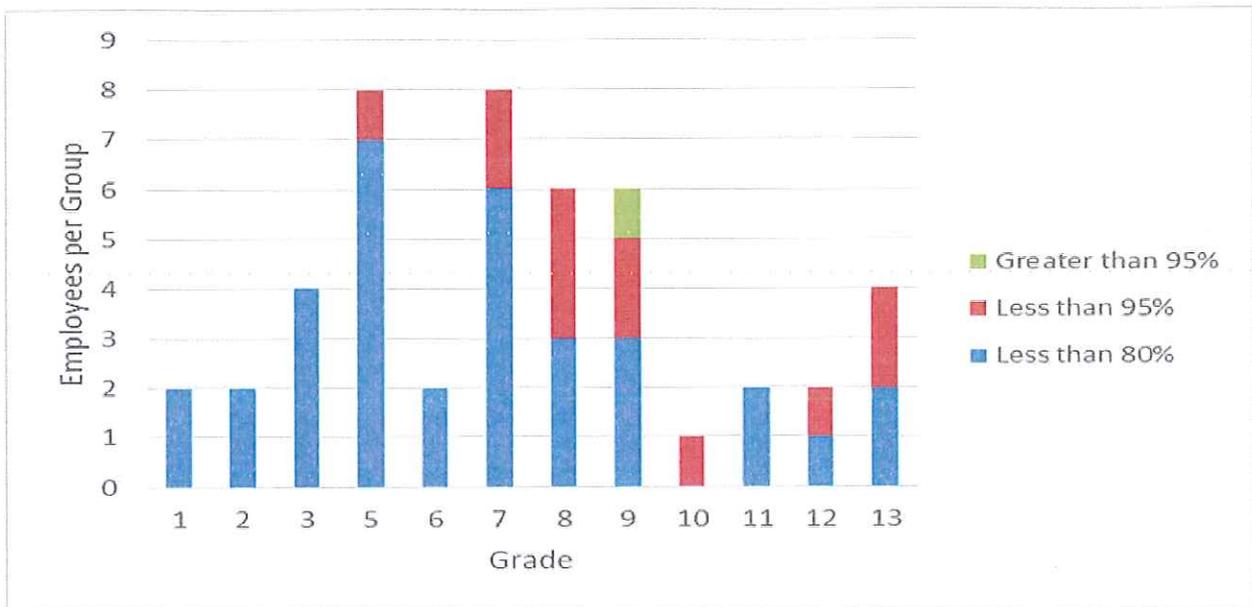
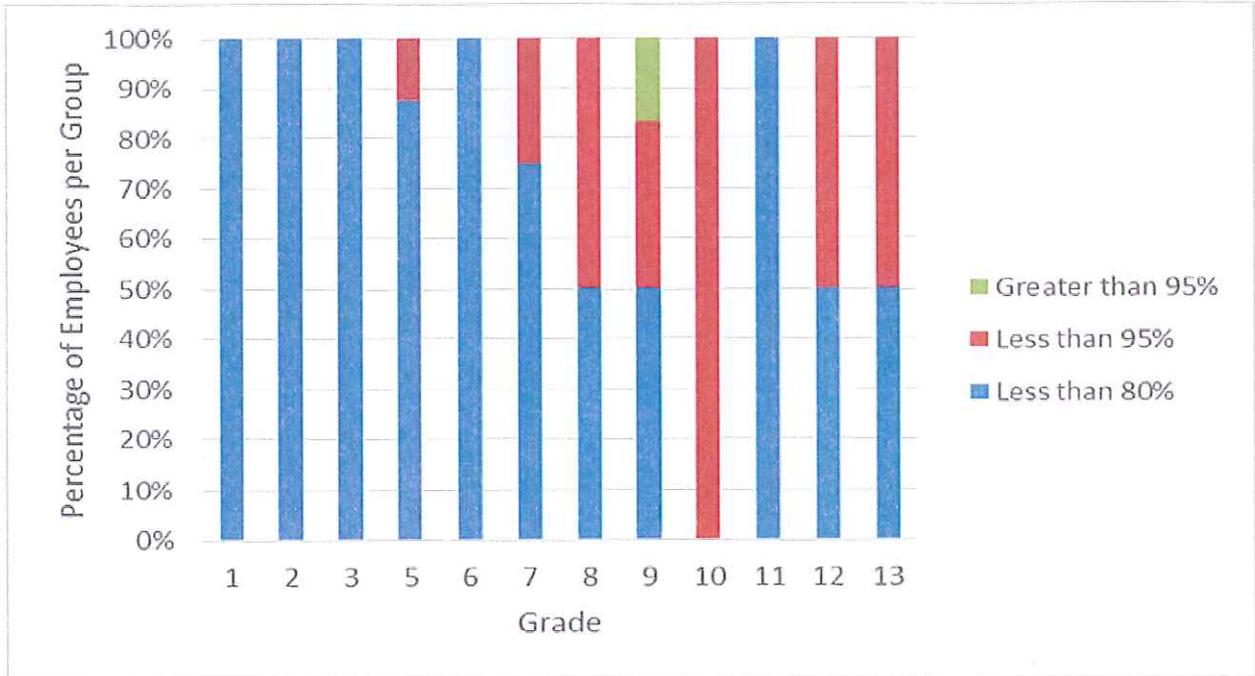
Pay compression is defined as the lack of variation in salaries between employees with significantly different levels of experience and responsibility, and can be seen as a threat to internal equity. Two common types of pay compression can be observed when the pay of supervisors and their subordinates are too close, or when the pay of highly tenured staff and newly hired employees in the same job are too similar.

According to the Society for Human Resources Management (SHRM), specific examples of actions that may cause pay compression include the following:

- Reorganizations change peer relationships and can create compression if jobs are not reevaluated.
- In some organizations, certain departments or divisions may be relatively liberal with salary increases, market adjustments, and promotions—while others are not.
- Some employers have overlooked their Human Resources policies designed to regulate pay, paying new hires more than incumbents for similar jobs under the mantra of “paying what it takes to get the best talent.”
- Many organizations have found it easy to hire people who had already done the same work for another organization, eliminating the need for training. Rather than hiring people with high potential and developing them for the long term, they have opted for people who could “hit the ground running”—regardless of their potential.

Exhibit 2G indicates the ratio of subordinate to supervisor salaries by grade. Employees were grouped into categories reflecting whether their actual salary was less than 80 percent, less than 95 percent, or greater than 95 percent of their supervisor’s salary.

**EXHIBIT 2G
EMPLOYEE TO SUPERVISOR SALARY RATIO
BY PAY GRADE**



Through observation, possible compression may be occurring in Grades 8, 9, 10, 12 and 13 as at least half of the employees in each grade earn 80 percent or more of their supervisor's salary. This characteristic occurs most commonly within the Police and Fire Departments, where 43 percent of police employees and 25 percent of fire employees receive a salary that is equivalent to 80 percent or more of their supervisor's salary.

Exhibit 2H displays by pay grade, the variation between employees' actual salaries and their expected salaries given years of tenure with the Town. Employees have been grouped into one of four categories for ease of analysis, including: those whose actual salaries are 10 percent or more above expected salary; employees whose actual salaries are between 0 and 10 percent above expected salary; employees whose actual salaries are between 0 and -10 percent below expected salary; and employees whose actual salaries are -10 percent or greater below expected salary. Expected placement is calculated by completing the following process for each employee:

- Step 1: Calculate

$$\text{Expected Range Penetration} = \frac{\text{Years of Experience in Current Job}}{\text{Expected duration of career within Town}}$$

- Step 2: Calculate

$$\text{Expected Salary Placement} = \text{Expected Range Penetration} \times (\text{Max} - \text{Min}) + \text{Min}$$

In order to calculate the expected range penetration, the first equation makes use of a ratio of years of experience, or tenure in an employee's specific classification, to the expected duration of a full career within the Town. For this study we use 30 years as a measure of a full career which is equivalent to saying the expected time it would take an employee to move from the minimum to the maximum of a classification's corresponding pay grade is 30 years.

The second equation then uses this ratio to define a salary progression from a given grade's salary range that weighs each year of additional experience within that job classification the same. This progression, multiplied by an employee's years of experience in that job, gives us the additional salary an employee should earn for every year of additional experience. By adding this figure to specific pay grade's salary minimum, we will have constructed an expected salary placement based on a pay grade's salary range, expected career duration, and actual years of experience.

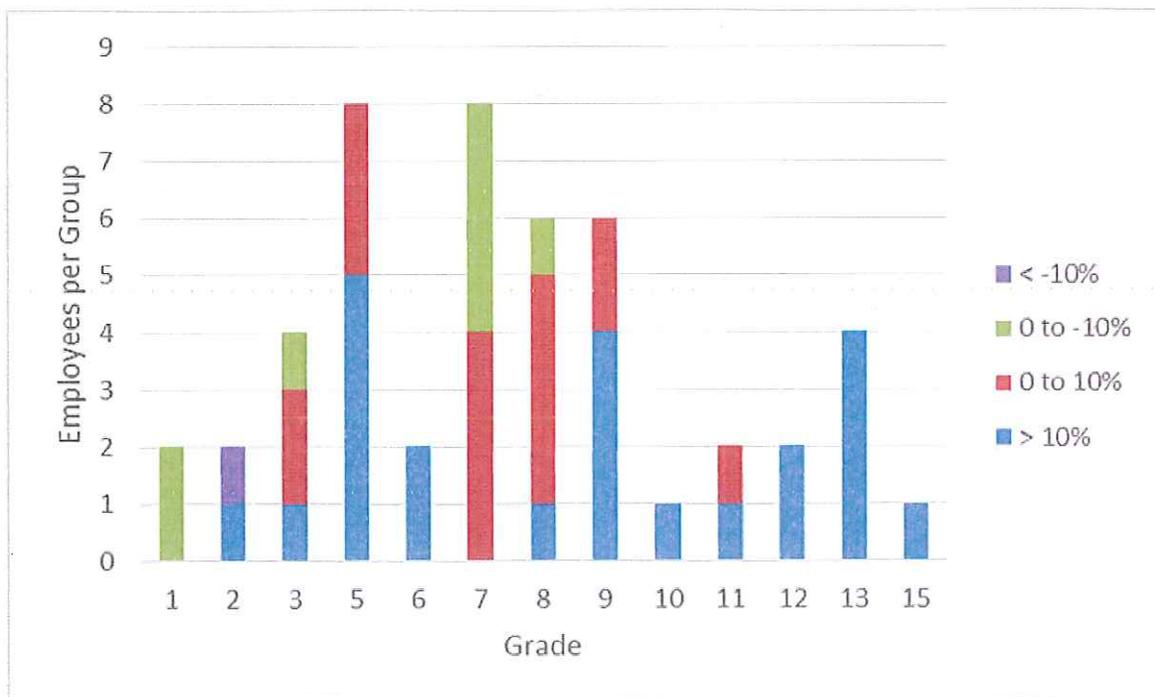
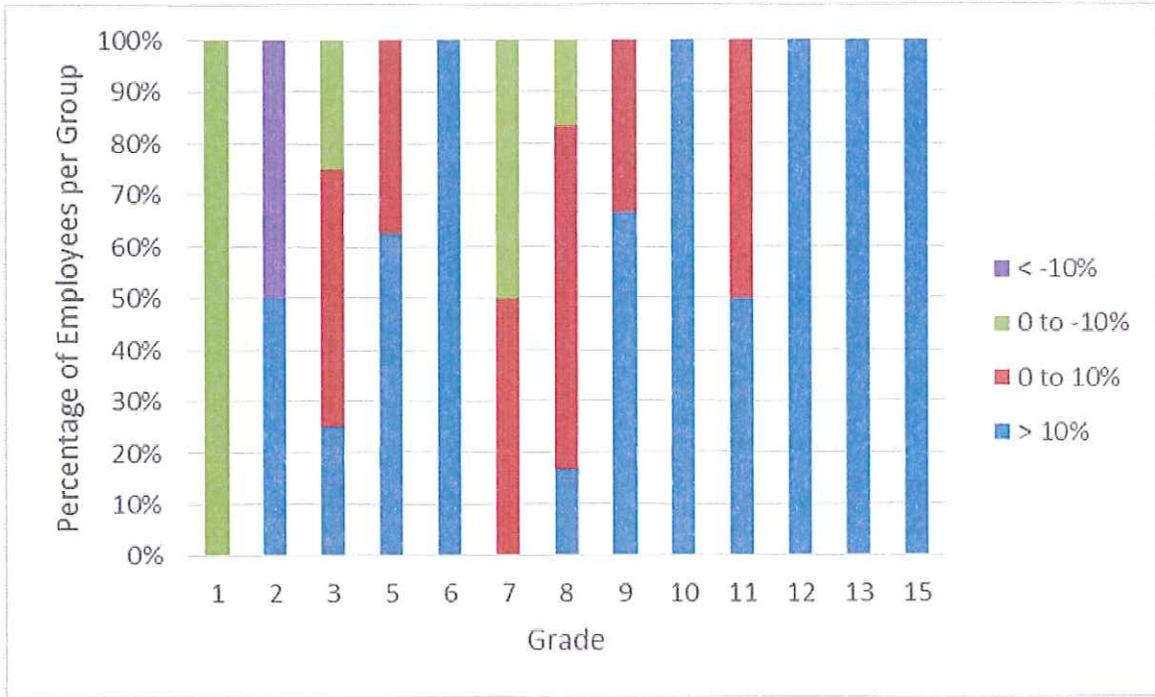
Once the expected salary placement is determined, it is compared to each employee's actual salary to calculate the percentage of variation. For those employees where the variance is found to be negative, it is typically recommended that their salary be brought to the level of expected salary unless there is reason for current placement. For those employees with little to no variation, or positive variation, no action is typically needed. Recommendations to address placement issues are included in **Chapter 4** of this report.

Based on data in the exhibit, it can be determined that across all departments and grades, while 18.8 percent of employee's actual salaries are below their expected salary given years of tenure with the Town, only 2.1 percent are over ten percent below those expectations. This characteristic is the most prominent within the Public Works unit of the Finance, Utilities & Maintenance Department as well as the Fire Department. The data indicated that 25 percent

of all workers in the Fire Department have actual salaries that are below their expected, tenure based salaries. Those in the Finance, Utilities, & Maintenance Department reported that the rate of employees being paid below tenure based salary expectations are 27.3 percent. The Police Department had the only employee observed being paid less than ten percent below their salary expectations.



EXHIBIT 2H
ACTUAL VERSUS EXPECTED SALARY VARIATION
BY PAY GRADE

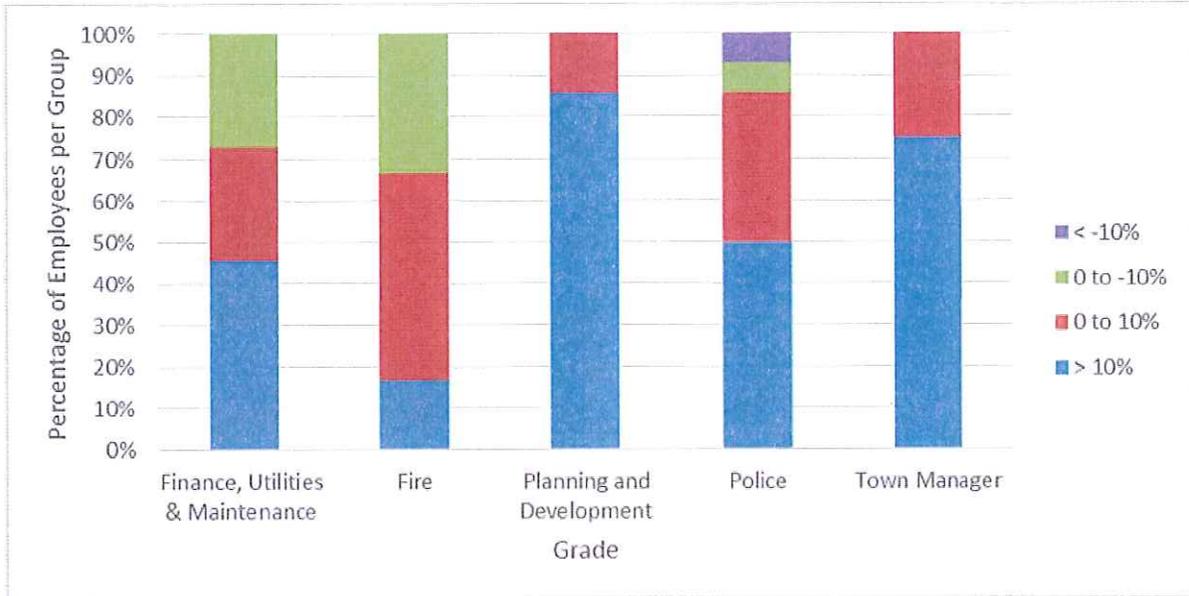


Based on data in the **Exhibit 2I**, we can see that while nine (14.9 percent) of employee's actual salaries are below their expected step given years of tenure within the Town, only one employee in the Police Department (1.4 percent of all employees) was over ten percent below their expectation. The data indicated that 27.3 percent of all Finance, Utilities, and Maintenance workers and over 33 percent of all of Fire Department employees have actual salaries that are below their expected, tenure based salaries.

Approximately 55 percent of Town employees receive a salary ten percent above where their tenure based salary expectations projected. The two departments with the highest proportion of their employees receiving salaries ten percent above expectation come from the Town Manager Department (75 percent) as well as the Planning and Development Department (85.7 percent.) These are also the two smallest departments with respect to the number of employees, but it is important to note that employees within this department are more likely to be white-collared professionals as opposed to other departments which have a higher proportion of laborers and clerical workers. The largest department within the Town, the Police Department, reported that half of their employees receive salaries ten percent above their expected, tenure based projection.



**EXHIBIT 21
PERCENT DIFFERENCE BETWEEN EXPECTED AND ACTUAL SALARIES
BY DEPARTMENT**



Department	>10%		0 to 10%		0 to -10%		<-10%		Total Employees
	Number of Employees	Percentage of employees							
Finance, Utilities & Maintenance	5	45.5%	3	27.3%	3	27.3%	0	0.0%	11
Fire	2	16.7%	6	50.0%	4	33.3%	0	0.0%	12
Planning and Development	6	85.7%	1	14.3%	0	0.0%	0	0.0%	7
Police	7	50.0%	5	35.7%	1	7.1%	1	7.1%	14
Town Manager	3	75.0%	1	25.0%	0	0.0%	0	0.0%	4
Total	23		16		8		1		48
Average		54.6%		30.5%		13.5%		1.4%	

2.6 SUMMARY

The Town's current compensation system is performing relatively well, and the following are key points to summarize this chapter's findings:

- The Town does not have an unusual number of employees at their salary ranges' minimums, or maximums overall, or in any particular grade.
- Employee-Supervisor ratios suggest the possible existence of compression within the Town in Grades 8, 9, and possibly 10.
- Approximately half of the Town's employees' salaries are at or above their respective salary range midpoint.
- Quartile and Tenure analysis reveals that although about a third of the Town's employees are located in the first quartile of their salary ranges, the distribution of employee salaries is appropriate given their years of tenure.

The analyses within this chapter reveal that the Town's current structure has done well in that employee salaries are progressing through their quartiles appropriately over time. The information from this chapter is used along with the analyses found in the Market Summary Chapter (**Chapter 3**), along with Town Management feedback in order to formulate recommendations that build upon the strengths of the Town's current system.



Chapter 3 – Market Summary

Conducting a market comparison analysis helps determine the relative competitive market pay position of the Town's compensation system by examining average salary ranges offered by the market for a sample of the Town's classifications. The data collected is used to analyze overall market competitiveness of the organization as well as for developing a compensation plan that will assist the Town in recruiting and retaining talent. The market comparison analysis is used to examine the overall competitiveness of the organization and not for evaluating salaries at the individual level, as individual pay is determined through a combination of factors, which can include demand for the type of job, performance, experience, and negotiation skills during the hiring process and budget.

Market comparison analysis should be considered a snapshot of current market conditions, as the data collected is reflective of market information at the time of the study. Market conditions can change, and market surveys should be done at regular intervals to ensure the organization's salary structure remains up-to-date with the current market.

3.1 MARKET SALARY SURVEY DATA SOURCES

Evergreen Solutions collected pay range information from target peers in the Town's competitive market utilizing a survey tool. All of the current classifications found within the Town were selected to be surveyed. A total of 35 classifications were surveyed. The classification title, a description of assigned duties, and the education and experience requirements were provided to each peer in the survey tool for each classification.

Data was collected from other cities, counties as well as a database of private sector wage information to create the list of 23 market peers shown in **Exhibit 3A**. Peers were selected based on a number of factors such as location and relative population. Data was adjusted for cost of living using cost of living index factors when appropriate, which allows for salary dollars from entities outside of the Town area to be compared in spending power relevant to the Town.



**EXHIBIT 3A
TARGET MARKET PEERS WHO RESPONDED**

Market Peers	Population
Town of Ponce Inlet, FL	3,075
City of Cocoa Beach, FL	11,400
City of Daytona Beach, FL	63,011
City of DeLand, FL	29,194
City of Edgewater, FL	21,121
City of Indialantic, FL	2,755
City of Lake Mary, FL	15,801
City of Maitland, FL	16,823
City of New Smyrna Beach, FL	23,658
City of Orange City, FL	11,056
City of Ormond Beach, FL	39,075
City of Port Orange, FL	58,742
City of Rockledge, FL	26,071
City of Satellite Beach, FL	10,418
City of South Daytona	12,397
Volusia County, FL	507,531
Brevard County, FL	556,885
Flagler County, FL	102,408
Seminole County, FL	442,516
Economic Research Institute	N/A
Volusia County Sheriffs Office	507,531
Brevard County Sheriffs Office	556,885
Flagler County Sheriffs Office	102,408
Seminole County Sheriffs Office	442,516

Exhibit 3B shows the market peers and the cost of living index used. A higher cost of living index than the Town indicates that the cost of living was higher in the peer's region than in the Town's region, and thus an individual's salary has a higher purchasing power in the peer's region than in the Town's region. A cost of living index below the Town indicates that the cost of living was lower in the peer's region.

**EXHIBIT 3B
TARGET MARKET PEERS AND COST OF LIVING FACTORS**

Market Peers	Cost of Living Index
Town of Ponce Inlet, FL	99.3
City of Cocoa Beach, FL	103.0
City of Daytona Beach, FL	99.3
City of DeLand, FL	99.3
City of Edgewater, FL	99.3
City of Indialantic, FL	103.0
City of Lake Mary, FL	106.5
City of Maitland, FL	104.4
City of New Smyrna Beach, FL	99.3
City of Orange City, FL	99.3
City of Ormond Beach, FL	99.3
City of Port Orange, FL	99.3
City of Rockledge, FL	103.0
City of Satellite Beach, FL	103.0
City of South Daytona	99.3
Volusia County, FL	99.3
Brevard County, FL	103.0
Flagler County, FL	99.0
Seminole County, FL	106.5
Economic Research Institute	99.3
Volusia County Sheriffs Office	99.3
Brevard County Sheriffs Office	103.0
Flagler County Sheriffs Office	99.0
Seminole County Sheriffs Office	106.5

3.2 MARKET DATA

Making use of the Town's assigned pay grade ranges, Evergreen Solutions was able to make direct market evaluations across classifications and compare the ranges of positions to the salary ranges collected from the target organizations mentioned above. The market differentials, the percent difference between the Town and the market, are shown for survey market range minimum, midpoint, and maximum. A positive differential indicates the Town was above market for that classification at the range minimum, midpoint, or maximum. A negative differential indicates that the Town was below market for that classification.

Exhibit 3C provides a summary of the results from the cost-of-living-adjusted (COLA) salary market data evaluated at the 50th percentile (median). The exhibit contains the following information:

- Each classification that were surveyed.
- The market salary range information for each classification including the median of the peers' responses for the salary range minimum, midpoint, and maximum for each classification. Those without salary differentials at the minimum, midpoint, and maximum are indicated by a hyphen and represent either a lack of peer data, or a lack of Town salary range information.
- The Town's current salary range was compared to the market and assigned a percent differential. In the next to last row of the exhibit, the average percent differentials for the range minimum, midpoint and maximum are provided. In order to consider the data valid and accurate, Evergreen Solutions typically desires a minimum of five responses for each surveyed classification and a midpoint market differential bounded by 40 percent i.e., a median market midpoint for a target classification being less than 40 percent above the Town's midpoint for that positions and greater than 40 percent below the Town's midpoint. In application, any classification with less than five responses, or with a market differential above 40 percent or below -40 percent was omitted in the overall average row provided at the bottom of Exhibit 3C.
- The survey average range, displayed in the second column from the right, provides the average range width for each classification surveyed. This spread was the percent difference of the average minimum and average maximum salaries of respondents in terms of the surveyed average minimum salary.
- The total number of survey responses for each classification is provided in the column on the far right, and the average number of responses for all of the classifications is provided in the last row.



**EXHIBIT 3C
SALARY SURVEY MARKET SUMMARY - COST OF LIVING ADJUSTED**

ID	Classification	Survey Minimum		Survey Midpoint		Survey Maximum		Survey Avg Range	# Resp.
		COLA Median	% Diff	COLA Median	% Diff	COLA Median	% Diff		
1	Administrative Assistant	\$26,667.73	5.7%	\$34,555.50	2.2%	\$42,827.82	-1.0%	64.1%	18
2	Administrative Supervisor	\$31,304.00	-2.5%	\$41,173.60	-7.9%	\$51,043.20	-11.4%	65.6%	7
3	Building Inspector	\$35,501.22	7.7%	\$47,005.35	2.2%	\$57,773.92	-0.1%	62.6%	14
4	Chief Building Official	\$53,976.00	-6.4%	\$70,840.74	-11.7%	\$91,917.40	-20.8%	65.7%	17
5	Chief of Police	\$70,075.20	-24.4%	\$94,763.50	-34.6%	\$123,540.00	-46.3%	64.7%	13
6	Code Enforcement Officer	\$31,725.95	-12.2%	\$42,018.42	-18.9%	\$51,549.76	-21.5%	60.8%	14
7	Corporal	\$40,557.10	-13.9%	\$52,255.78	-17.4%	\$63,954.46	-19.7%	51.5%	7
8	Crew Leader	\$29,982.25	1.8%	\$44,466.44	-16.5%	\$54,912.00	-19.9%	71.2%	9
9	Deputy Clerk	\$37,137.95	18.7%	\$47,561.79	16.7%	\$59,173.82	13.7%	60.8%	13
10	Detective/Lieutenant	\$53,967.21	-18.1%	\$70,317.00	-23.1%	\$85,523.95	-24.8%	53.9%	15
11	Development Review Clerk	\$28,747.85	5.9%	\$38,700.01	-1.4%	\$49,901.41	-8.9%	65.9%	6
12	Director of Planning & Development	\$72,313.67	-28.4%	\$98,758.50	40.3%	\$126,011.00	-49.2%	68.8%	11
13	Finance Manager	\$55,980.55	0.6%	\$77,924.40	-10.7%	\$102,190.32	-21.0%	64.7%	17
14	Fire Chief	\$65,987.00	-17.2%	\$89,170.50	-26.7%	\$109,116.80	-29.2%	62.1%	15
15	Firefighter/EMT	\$32,856.07	0.4%	\$41,686.26	-1.1%	\$51,837.89	-4.8%	56.1%	16
16	Firefighter/EMT/Driver Engineer	\$35,194.00	1.2%	\$48,228.18	-8.3%	\$59,682.00	-11.7%	56.7%	7
17	Firefighter/Lieutenant	\$42,211.28	-9.7%	\$54,222.01	-12.8%	\$61,622.86	-6.8%	49.8%	13
18	General Manager of Public Works	\$57,275.48	-36.6%	\$75,835.65	-44.7%	\$95,535.18	-51.9%	63.1%	16
19	Human Resource Director	\$64,138.78	-40.3%	\$81,471.26	-42.6%	\$101,095.58	-47.5%	63.3%	16
20	IT Technician	\$35,322.85	0.8%	\$46,810.97	-5.1%	\$57,803.20	-8.2%	62.9%	12
21	Law Enforcement Officer	\$34,815.86	-5.6%	\$44,577.45	-8.1%	\$54,984.07	-11.1%	58.6%	18
22	Maintenance Tech I	\$23,259.00	-8.8%	\$30,580.08	-14.5%	\$36,535.68	-14.0%	61.1%	15
23	Maintenance Tech II	\$24,897.60	-1.8%	\$32,274.11	-5.5%	\$40,746.70	-11.0%	59.9%	13



**EXHIBIT 3C
SALARY SURVEY MARKET SUMMARY – COST OF LIVING ADJUSTED (CONTINUED)**

ID	Classification	Survey Minimum		Survey Midpoint		Survey Maximum		Survey Avg	# Resp.
		COLA Median	% Diff	COLA Median	% Diff	COLA Median	% Diff		
24	Maintenance Technician III	\$27,059.22	-22.9%	\$37,268.86	-	\$45,691.69	-	66.4%	6
25	Museum Educator	\$34,749.11	-22.9%	\$49,225.34	-39.3%	\$64,125.06	-51.2%	84.8%	2
26	Office Specialist - Police	\$24,356.80	-6.5%	\$31,285.00	-9.4%	\$38,896.00	-13.4%	61.0%	11
27	Office Specialist - Finance & Utilities	\$27,060.80	-18.3%	\$34,808.80	-21.8%	\$42,892.21	-25.0%	65.9%	8
28	Parks and Recreation Coordinator	\$33,512.28	-18.5%	\$45,591.63	-29.0%	\$57,697.95	-36.0%	65.4%	14
29	Planner I	\$40,539.20	20.1%	\$53,976.00	14.9%	\$66,913.60	12.1%	67.2%	13
30	Police Sergeant	\$44,803.20	-16.5%	\$56,659.20	-17.8%	\$68,430.92	-18.6%	50.6%	19
31	Senior Planner	\$48,178.34	5.0%	\$64,085.24	-1.1%	\$79,164.14	-4.0%	65.6%	12
32	Town Manager	\$89,853.85	-29.5%	\$118,013.97	-36.1%	\$145,628.34	-39.9%	62.2%	8
33	Utilities Accounts Payable Clerk	\$28,609.79	-1.2%	\$37,440.00	-5.9%	\$45,593.60	-7.5%	64.9%	11
34	Utility Billing Clerk	\$26,582.40	6.0%	\$33,976.80	3.9%	\$41,709.22	1.7%	61.4%	9
35	Zoning Technician	\$31,574.40	-11.7%	\$40,580.80	-14.8%	\$49,587.20	-16.9%	62.4%	5
Overall Average			-8.1%		-14.3%		-18.4%	62.6%	12.0
Outliers Removed			5.0%		10.7%		14.2%	61.5%	12.3

*Outliers are defined as positions that possess absolute midpoint differentials of 40% or greater from the Town of Ponce Inlet or received less than 5 responses. Outliers are removed so that extreme differentials do not skew the average results. The positions that were identified as outliers were the Director of Planning & Development, General Manager of Public Works, Human Resource Director, and the Museum Educator.



Market Minimums

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

As Exhibit 3C above illustrates, the Town when using the median of cost-of-living adjusted data was approximately 8.1 percent below market at the minimum of their respective salary ranges for all surveyed classifications. However, when removing outliers and those classifications with low responses (i.e., less than five), the Town was on average five percent below market at the minimum. Several conclusions can be drawn based on the collected data:

- The surveyed position differentials ranged from 40.3 percent below market minimum in the case of the Human Resources Director to 20.1 percent above market for the Planner I classification, however the Human Resources Director would be considered an outlier due to the midpoint differential being less than -40 percent.
- Of the 34 positions with market minimum percent differentials, 22 classifications (64.7 percent) were below market at the minimum. The remaining 12 (35.3 percent) were found to be above market at the minimum of surveyed salary ranges.
- Six surveyed positions were greater than 20 percent below market. These classifications are listed below with their market minimum differentials:
 - Chief of Police – 24.4 percent below market
 - Director of Planning & Development – 28.4 percent below market
 - General Manager of Public works – 36.6 percent below market
 - Human Resources Director – 40.3 percent below market
 - Museum Educator – 22.9 percent below market
 - Town Manager – 29.5 percent below market

Please note that the Director of Planning & Development, General Manager of Public Works, Human Resources Director and the Museum Educator would be considered outliers due to the magnitude of their differentials at midpoint, the limited number of responses, or both.

- There was one surveyed positions with a salary minimum greater than 20 percent above market at minimum and one other position greater than 10 percent above the market minimum. Those positions are listed below with their market minimum differential:
 - Deputy Clerk – 18.7 percent above market
 - Planner I – 20.1 percent above market



Market Midpoints

This section explores the comparison between the median peer midpoints and the midpoints for classifications at the Town. Market midpoints are important to consider because they are commonly recognized as the salary point at which employees have achieved full proficiency, and are performing satisfactorily in their classification. As such, midpoint was often considered as the salary point at which a fully proficient employee could expect their salary to be placed.

As **Exhibit 3C** above illustrates, the Town when using the median of cost-of-living adjusted data was on average, 14.3 percent below market at the midpoint of the respective salary ranges, for all surveyed classifications. However, when again removing outliers and classifications with low responses (i.e., less than five), the Town was on average 10.7 percent below market at the midpoint. Based on the collected data, the following observations can be made:

- The surveyed position differentials ranged from 44.7 percent below market midpoint for the General Manager of Public Works classification to 16.7 percent above market for Deputy Clerk classification, however the General Manager of Public Works would be considered an outlier due to midpoint differential being less than -40 percent.
- Of the 34 positions with market midpoint percent differentials, 29 (85.3 percent) were below market at the midpoint, while the remaining 5 classifications (14.7 percent) placed above the market at their surveyed salary midpoints.
- Ten surveyed positions were greater than 20 percent below market at midpoint. These classifications are listed below with their market midpoint differentials:
 - Chief of Police – 34.6 percent below market
 - Detective/Lieutenant – 23.1 percent below market
 - Director of Planning & Development – 40.3 percent below market
 - Fire Chief – 26.7 percent below market
 - General Manager of Public Works – 44.7 percent below market
 - Human Resources Director – 42.6 percent below market
 - Museum Educator – 39.3 percent below market
 - Office Specialist – Finance & Utilities – 21.8 percent below market
 - Parks and Recreation Coordinator – 29.0 percent below market
 - Town Manager – 36.1 percent below market

Please note that the Director of Planning & Development, General Manager of Public Works, Human Resources Director and the Museum Educator would be considered outliers due to the magnitude of their differentials at midpoint, the limited number of responses, or both.

- There were no surveyed positions with a salary midpoint greater than 20 percent above market at midpoint, however two positions were at least 10 percent or greater above the market. Those positions are listed below with their market midpoint differential:

- Deputy Clerk – 16.8 percent above market
- Planner I – 14.9 percent above market

Market Maximums

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

As **Exhibit 3C** above illustrates, the Town when using median cost-of-living adjusted data was on average, 18.4 percent below market at the maximum of the respective salary ranges for all surveyed classifications. However, once those classifications with low responses (i.e., less than five) and the responses considered outliers are removed, the Town was on average 14.2 percent below market at the maximum. Based on the collected data, the following observations can be made:

- The surveyed position differentials ranged from 51.9 percent below market maximum again in the case of the General Manager of Public Works to 13.7 percent above market for the Deputy Clerk classification, however the General Manager of Public Works would be considered an outlier due to midpoint differential being less than -40 percent.
- Of the 34 positions with market differentials, 31 (91.2 percent) were below market at the maximum, while the remaining three classifications (8.8 percent) were above market.
- 13 surveyed positions were greater than 20 percent below market at the maximum. These classifications are listed below with their market maximum differentials:
 - Chief Building Official – 20.8 percent below market
 - Chief of Police – 46.3 percent below market
 - Code Enforcement Officer – 21.5 percent below market
 - Detective/Lieutenant – 24.8 percent below market
 - Director of Planning & Development – 49.2 percent below market
 - Finance Manager – 21.0 percent below market
 - Fire Chief – 29.2 percent below market
 - General Manager of Public Works – 51.9 percent below market
 - Human Resources Director – 47.5 percent below market
 - Museum Educator – 51.2 percent below market
 - Office Specialist – Finance & Utilities – 25.1 percent below market
 - Parks and Recreation Coordinator – 36.0 percent below market
 - Town Manager – 39.9 percent below market

Please note that the Director of Planning & Development, General Manager of Public Works, Human Resources Director and the Museum Educator would be considered outliers due to the magnitude of their differentials at midpoint, the limited number of responses, or both.

- There were no surveyed positions with a salary maximum greater than 20 percent above market at the maximum, however two positions were at least 10 percent or greater above the market. Those positions are listed below with their market maximum differential:
 - Deputy Clerk – 13.7 percent above market
 - Planner I – 12.1 percent above market

Range Spreads

Range spreads, the width of salary ranges, allow for flexibility when determining hiring salaries, indicates the room for growth within a classification, and provides a metric for which the Town can compare its current compensation structure to the rest of the market. **Exhibit 3C** show the average market range spreads for each of the surveyed positions. The average market range spread across the salaries of all surveyed positions was 62.6 percent and 61.5 percent once outliers and low responses are accounted for and removed. The market range spreads vary between 49.8 percent for the Fire/Lieutenant position and 84.8 percent for the Museum Educator. The Town has significantly less variation within its own range spreads. Within the Town, a range spread of 50 percent was consistently applied across each classification.

Actual Salaries

The average actual analysis was also used to examine the overall competitiveness of the organization, and should not be used as the sole criteria when comparing salaries. Individual salaries are determined through a combination of factors which can include demand for the type of job, past performance, years of tenure, and negotiation skills during the hiring process and budget constraints. When utilized together with salary range spreads and tenure data, we can also make statements regarding the progression of a salary and how that compares to industry and internal standards. While the range comparison above showed how the Town's structure competes in the market place, whether or not individuals are compensated competitively within the range can be determined through analysis of average actual salaries. This was because what an employee's take home pay is, can reveal whether or not the Town was progressing salaries competitively.



**EXHIBIT 3D
SALARY SURVEY AVERAGE ACTUAL
SALARIES WITH DIFFERENTIALS**

ID	Classification	Average Actual Salary		% Difference	# Resp
		Town of Ponce Inlet	Peer Avg.		
1	Administrative Assistant	\$35,829.66	\$36,141.89	-0.9%	7
2	Administrative Supervisor	\$44,591.04	\$47,711.53	-7.0%	3
3	Building Inspector	\$48,476.48	\$43,154.58	11.0%	4
4	Chief Building Official	\$57,220.80	\$75,109.40	-31.3%	8
5	Chief of Police	\$82,607.20	\$112,183.75	-35.8%	13
6	Code Enforcement Officer	\$40,000.48	\$35,688.94	10.8%	7
7	Corporal	\$43,814.32	\$56,312.30	-28.5%	2
8	Crew Leader	\$34,354.32	\$41,390.92	-20.5%	5
9	Deputy Clerk	\$51,209.60	\$56,251.85	-9.8%	8
10	Detective/Lieutenant	\$58,649.76	\$71,213.23	-21.4%	7
11	Development Review Clerk	\$41,009.28	\$45,754.60	-11.6%	4
12	Director of Planning & Development	\$84,468.80	\$91,693.48	-8.6%	8
13	Finance Manager	\$71,341.92	\$97,313.31	-36.4%	7
14	Fire Chief	\$78,528.32	\$86,111.58	-9.7%	8
15	Firefighter/EMT	\$35,910.78	\$35,945.30	-0.1%	7
16	Firefighter/EMT/Driver Engineer	\$39,885.66	\$47,647.84	-19.5%	3
17	Firefighter/Lieutenant	\$48,378.03	\$55,296.38	-14.3%	6
18	General Manager of Public Works	\$58,250.40	\$87,311.24	-49.9%	9
19	Human Resource Director	\$51,209.60	\$75,627.98	-47.7%	8
20	IT Technician	\$35,620.00	\$44,245.73	-24.2%	6
21	Law Enforcement Officer	\$36,069.20	\$40,593.26	-12.5%	7
22	Maintenance Tech I	\$21,372.00	\$26,548.68	-24.2%	8
23	Maintenance Tech II	\$29,354.00	\$32,642.88	-11.2%	6

**EXHIBIT 3D
SALARY SURVEY AVERAGE ACTUAL
SALARIES WITH DIFFERENTIALS (CONTINUED)**

ID	Classification	Average Actual Salary		% Difference	# Resp
		Town of Ponce Inlet	Peer Avg.		
24	Maintenance Technician III	-	\$40,026.73	-	3
25	Museum Educator	\$33,173.92	-	-	-
26	Office Specialist - Police	\$33,173.92	\$29,739.21	10.4%	8
27	Office Specialist - Finance & Utilities	\$34,301.28	\$32,292.02	5.9%	6
28	Parks and Recreation Coordinator	\$33,173.92	\$45,444.48	-37.0%	5
29	Planner I	\$38,467.52	\$39,928.25	-3.8%	4
30	Police Sergeant	\$55,506.36	\$54,000.62	2.7%	7
31	Senior Planner	\$68,205.28	\$61,943.56	9.2%	5
32	Town Manager	\$101,325.12	\$133,840.16	-32.1%	8
33	Utilities Accounts Payable Clerk	\$41,510.56	\$37,913.79	8.7%	5
34	Utility Billing Clerk	\$41,510.56	\$27,954.32	32.7%	5
35	Zoning Technician	-	\$33,280.80	-	4
Overall Average				-12.7%	6.2
Outliers Removed*				-10.3%	6.1

Organizations that provided average actual data included the following: City of DeLand, City of Edgewater, City of Indialantic, City of New Smyrna Beach, City of Orange City, City of Ormond Beach, City of South Daytona, City of Cocoa Beach, City of Rockledge, City of Daytona Beach, City of Lake Mary, City of Maitland, City of Port Orange, City of Satellite Beach, Brevard County, and Flagler County.

Exhibit 3D shows the average actual salaries of market peers as compared to the average actual salaries within the Town for the surveyed classifications. In this exhibit you will also find the number of peer respondents for each classification with an average response rate of six peers. That average becomes 7.2 once we exclude outliers. The average percent differential of the Town's positions was 11.9 percent below the average actual salaries found in the market for those 31 classifications with market comparisons and that the Town provided average actual salary data. When classifications with outliers or four or fewer responses are omitted, the average percent differential of the Town's positions fell to 9.3 percent below the average actual salaries found in the market. Based on the collected data, the following observations can be made:

- The surveyed position differentials ranged from 49.9 percent below the market's actual average salaries for the General Manager of Public Works to 32.7 percent above market for the Utility Billing Clerk. Recall however that the General Manager of Public Works classification would be considered an outlier due to the magnitude of percent differential.
- Of the 32 positions with market actual salary differentials, 24 classifications (75.0 percent) were below the market while the remaining eight classifications (25.8 percent) were above market.

- Ten surveyed positions were greater than 20 percent below the market’s average actual salaries. These classifications are listed below with their market average actual salary differentials:
 - Chief Building Official – 31.3 percent below market
 - Chief of Police – 35.8 percent below market
 - Corporal – 28.5 percent below market
 - Crew Leader – 20.5 percent below market
 - Detective/Lieutenant – 21.4 percent below market
 - Finance Manager – 36.4 percent below market
 - General Manager of Public Works - 49.9 percent below market
 - Human Resources Director - 47.7 percent below market
 - IT Technician – 24.2 percent below market
 - Maintenance Tech I - 24.2 percent below market
 - Parks & Recreation Coordinator – 37.0 percent below market
 - Town Manager – 32.1 percent below market

Please note that the General Manager of Public Works and the Human Resources Director would be considered outliers due to the magnitude of their differentials at midpoint.

- There was one surveyed positions with an average actual salary greater than 20 percent above market and three more that were at least ten percent above the market. Those positions are listed below with their market average actual salary differential:
 - Building Inspector - 11 percent above market
 - Code Enforcement Officer – 10.8 percent above market
 - Office Specialist - Police - 10.4 percent above market
 - Utility Billing Clerk – 32.7 percent above market

3.4 SALARY SURVEY SUMMARY

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

- The Town was approximately 5 percent below the market minimum once outliers were omitted.
- The Town was approximately 10.7 percent below the market midpoint once outliers were omitted.
- The Town was approximately 14.2 percent below the market maximum once outliers were omitted.



- The Town was approximately 10.3 percent below market average when actual salaries were compared once outliers were omitted.
- Of the 35 positions with salary ranges, one (2.9 percent) had less than five respondents. The average response rate for each position was 12.3 responses.
- Market differentials at the minimum and the maximum for the Town suggest that the Town is more competitive at the minimums of their respective ranges compared to the maximums.

Information gained from the market survey was used, in conjunction with feedback from stakeholders and current environmental factors such as the budget, to develop a recommended compensation system that places the Town in a strong position to stay competitive in today's market. Discussion of a potential pay plan and additional study recommendations can be found in **Chapter 4** of this report.

3.5 BENEFITS SURVEY RESULTS

As a component of this study, Evergreen Solutions conducted a benefits market analysis in addition to a compensation market analysis. A benefits analysis, much like a salary evaluation, represents a snapshot in time of what was available in peer organizations and provides the Town with an understanding of the total compensation (salary and benefits) offered by its peers. It is important to realize that there are intricacies involved with benefits programs that are not captured by a market survey alone.

Evergreen Solutions sought to receive benefits data from the same peers identified for the salary survey. **Exhibit 3E** provides the 17 market peers from which benefits data were actually received or collected.

**EXHIBIT 3E
BENEFITS RESPONDENTS**

Market Peers	Population
Town of Ponce Inlet, FL	3,075
City of Cocoa Beach, FL	11,400
City of Daytona Beach, FL	63,011
City of DeLand, FL	29,194
City of Edgewater, FL	21,121
City of Indialantic, FL	2,755
City of Longwood, FL	13,877
City of Maitland, FL	16,823
City of New Smyrna Beach, FL	23,658
City of Orange City, FL	11,056
City of Ormond Beach, FL	39,075
City of Port Orange, FL	58,742
City of Rockledge, FL	26,071
City of Satellite Beach, FL	10,418
City of South Daytona	12,397
Volusia County, FL	507,531
Brevard County, FL	556,885
Flagler County, FL	102,408

While comparison data is provided in the following sections, a line-by-line comparison of benefits offered is not recommended since different organizations often have different philosophies regarding the importance of specific benefits. Furthermore, benefits are usually negotiated and acquired through third parties, which often makes individual comparisons even more difficult. The analysis below highlights aspects of the benefits survey that provided pertinent information regarding benefits offerings at peer organizations.

General Benefits

Exhibit 3F displays organizational demographics for the seven responding peers. On average peer organizations had 691 full-time positions and approximately 84 part-time positions, while the Town had significantly less full and part-time employees at the time of the study, with 49 and one, respectively. The amount of positions covered could affect the negotiation rates for various types of benefits offered by peer organizations such as health and dental insurance.



**EXHIBIT 3F
ORGANIZATION DEMOGRAPHICS**

Organization Demographics	Peer Average		Town of Ponce Inlet	
Full-Time Employees	691	89.1%	49	98.0%
Part-Time Employees	84	10.9%	1	2.0%

Benefits as a percentage of total compensation is a common, yet broad indicator that organizations use to assess a level of generosity related to discretionary benefits. Total compensation refers to the compensation package (salary and benefits) an employee receives from their organization. Therefore, benefits as a percentage of total compensation was calculated by dividing benefits expressed as a dollar amount by the amount of total compensation (salary plus benefits). This amount can be seen in **Exhibit 3G**. The market average for benefits as a percentage of total compensation was approximately 28 percent based on the information provided, while for the Town, this percentage was 30.0 percent. It is not uncommon for this number to vary depending on the compensation philosophy adopted by an organization and the relative cost of health benefits. In review of the exhibit below, the Town was ahead of its peers in terms of the benefits offered as a percentage of total compensation.

**EXHIBIT 3G
BENEFITS PERCENTAGE OF TOTAL COMPENSATION**

Total Compensation	Peer Average	Town of Ponce Inlet
Benefits as a percentage of total compensation	28.0%	30.0%

Exhibit 3H shows number of health plans offered by the peers and the Town (a combination of Health Maintenance Organization (HMO), Health Savings Accounts (HAS), Preferred Provider Organization (PPO) or other insurance plan options. As the exhibit shows, the Town offered a slightly higher number of health plans than its peers, while the average number of plans offered by peer organizations was 2.2.

**EXHIBIT 3H
NUMBER OF HEALTH PLANS**

Number of Plans	Peer Average	Town of Ponce Inlet
Number of health plans offered	2.2	3

As displayed in **Exhibit 3I**, 76.9 percent of responding peers offered an HMO plan, 100 percent offered at least one PPO plan, 100 percent offered a Health Savings Account (HSA), and 87.5 percent offered some other type of health plan, such as Point of Service (POS) or Health Reimbursement Accounts (HRA) plans.

**EXHIBIT 31
TYPE OF HEALTH PLANS**

Health Plan Premiums & Deductibles	Peer HMO Average	Peer PPO Average	Peer HSA Average	Other Plans Average	Town of Ponce Inlet HMO Platinum Plan	Town of Ponce Inlet HMO Gold Plan	Town of Ponce Inlet HSA - HDHP
Percentage of peers offering each plan	76.9%	100.0%	100.0%	87.5%			
DOLLAR AMOUNT (monthly) of employee premium paid by employer	\$596.87	\$627.08	\$515.68	\$595.70	\$744.11	\$588.70	\$547.12
PERCENTAGE (monthly) of employee premium paid by employer	93.4%	87.7%	94.1%	73.4%	100.0%	100.0%	100.0%
DOLLAR AMOUNT (monthly) of employee premium paid by employee	\$41.58	\$81.55	\$38.45	\$117.31	\$0.00	\$0.00	\$0.00
PERCENTAGE (monthly) of employee premium paid by employee	6.6%	12.3%	5.9%	26.6%	0.0%	0.0%	0.0%
Individual Maximum Deductible In Network	\$1,475.00	\$800.00	\$1,075.00	\$1,664.29	\$1,500.00	\$2,000.00	\$1,500.00
Individual Maximum Deductible Out of Network	\$125.00	\$1,458.33	\$2,866.67	\$3,460.00			
DOLLAR AMOUNT (monthly) of employee plus child premium paid by employer	\$644.46	\$886.51	\$777.57	\$742.22	\$744.11	\$744.11	\$744.11
PERCENTAGE (monthly) of employee plus child premium paid by employer	57.2%	66.3%	70.8%	55.4%	54.1%	68.3%	73.5%
DOLLAR AMOUNT (monthly) of employee plus child premium paid by employee	\$410.23	\$422.79	\$321.24	\$370.98	\$632.49	\$344.98	\$268.06
PERCENTAGE (monthly) of employee plus child premium paid by employee	42.8%	33.7%	29.2%	44.6%	45.9%	31.7%	26.5%
Employee Plus Child Maximum Deductible In Network	\$2,928.57	\$2,250.00	\$2,525.00	\$2,660.00	\$1,500.00	\$2,000.00	\$1,500.00
Employee Plus Child Maximum Deductible Out of Network	\$250.00	\$3,500.00	\$6,733.33	\$6,400.00			
DOLLAR AMOUNT (monthly) of employee plus spouse premium paid by employer	\$675.64	\$972.04	\$843.54	\$780.72	\$744.11	\$744.11	\$744.11
PERCENTAGE (monthly) of employee plus spouse premium paid by employer	59.4%	64.8%	70.7%	56.2%	50.0%	63.2%	68.0%
DOLLAR AMOUNT (monthly) of employee plus spouse premium paid by employee	\$398.95	\$503.46	\$333.72	\$359.86	\$744.11	\$433.28	\$350.12
PERCENTAGE (monthly) of employee plus spouse premium paid by employee	40.6%	35.2%	19.9%	43.8%	50.0%	36.8%	32.0%
Employee Plus Spouse Maximum Deductible In Network	\$2,500.00	\$2,150.00	\$2,525.00	\$2,660.00	\$1,500.00	\$2,000.00	\$1,500.00
Employee Plus Spouse Maximum Deductible Out of Network	\$250.00	\$3,500.00	\$5,050.00	\$6,400.00			
DOLLAR AMOUNT (monthly) of employee plus family premium paid by employer	\$732.72	\$1,243.19	\$1,139.50	\$943.04	\$744.11	\$744.11	\$744.11
PERCENTAGE (monthly) of employee plus family premium paid by employer	48.1%	60.3%	67.5%	50.9%	35.1%	44.4%	47.7%
DOLLAR AMOUNT (monthly) of employee plus family premium paid by employee	\$715.58	\$757.57	\$536.33	\$615.80	\$1,376.60	\$933.67	\$815.15
PERCENTAGE (monthly) of employee plus family premium paid by employee	51.9%	39.7%	32.5%	49.1%	64.9%	55.6%	52.3%
Employee Plus Family Maximum Deductible In Network	\$3,666.67	\$2,375.00	\$3,366.67	\$3,828.57	\$3,000.00	\$3,000.00	\$4,000.00
Employee Plus Family Maximum Deductible Out of Network	\$250.00	\$4,000.00	\$6,733.33	\$8,120.00			

Exhibits 3I displays the average insurance premiums paid by the peers for HMO, PPO and HSA plans. The exhibit shows that 76.9 percent of peers offer a HMO plan. The peer average percentage paid for the HMO plan by the employer for individual premiums was 93.4 percent, 57.2 percent for employee plus child, 59.4 percent for employee plus spouse and 48.1 percent for family coverage. The peer average percentage paid for the HMO plan by the employee for individual premiums was 6.6 percent, 42.8 percent for employee plus child, 40.6 percent for employee plus spouse and 51.9 percent for family coverage for an employee.

In comparison, the Town's Platinum HMO plan pays a slightly larger percentage of premiums for its employees compared to the average. The percentage paid by the employer for individual employees was 100 percent, 54.1 percent for employee plus child, 50 percent for employee plus spouse, and 35.1 percent for family coverage. The Town's percentage paid for the HMO plan paid by the employee for individual coverage was zero percent, 45.9 percent for employee plus child, 50 percent for employee plus spouse and 64.9 percent for family coverage.

The Town's Gold HMO plan in contrast pay a slightly higher percentage of premiums for its employees. The percentage paid by the employer for the individual employee was 100 percent, 68.3 percent for employee plus child, 63.2 percent for employee plus spouse, and 44.4 percent for family coverage. The Town's percentage paid for the HMO plan paid by the employee for individual coverage was zero percent, 31.7 percent for employee plus child, 36.8 percent for employee plus spouse and 55.6 percent for family coverage.

The exhibit also shows that 100 percent of peers offer a PPO plan, but the Town does not. The peer average percentage paid for the PPO plan by the employer for individual premiums was 87.7 percent, 66.3 percent for employee plus child, 64.8 percent for employee plus spouse and 60.3 percent for family coverage. The peer average percentage paid for the PPO plan by the employee for individual premiums was 12.3 percent, 33.7 percent for employee plus child, 35.2 percent for employee plus spouse and 39.7 percent for family coverage for an employee.

When surveyed regarding a HSA plan, 100 percent of peers reported offering a HSA plan. The peer average percentage paid for the HSA plan by the employer for individual premiums was 94.1 percent, 70.8 percent for employee plus child, 70.7 percent for employee plus spouse and 67.5 percent for family coverage. The peer average percentage paid for the HSA plan by the employee for individual premiums was 5.9 percent, 29.2 percent for employee plus child, 19.9 percent for employee plus spouse and 32.5 percent for family coverage for an employee.

The Town's HSA - HDHP plan in contrast paid a higher percentage of premiums for its employees. The percentage paid by the employer for the individual employee was 100 percent, 73.5 percent for employee plus child, 68 percent for employee plus spouse and 47.7 percent for family coverage. The Town's percentage paid for the HAS-HDHP plan paid by the employee for individual coverage was zero percent, 26.5 percent for employee plus child, 32 percent for employee plus spouse and 52.3 percent for family coverage.

Exhibit 3J displays the percentages of peers who offer additional benefits, such as dental and vision insurance coverage. The exhibit shows that 28.6 percent of peers offer at least one employer paid DHMO plan. The average maximum monthly amount the employer pays for employee only coverage from peers was \$13.61 and \$34.68 for employee plus dependent

coverage. The Town also offers a similar plan where the average maximum monthly amount that the employee pays for employee only coverage was zero and the average maximum monthly amount that the employee pays for employee plus dependent coverage was \$30.10. The average maximum monthly amount the employer pays for employee only coverage was \$15.43 and the average maximum monthly amount the employer pays for employee plus dependent coverage was zero.

Exhibit 3J also shows the percentages of peers who offer a dental PPO. For this plan, 80 percent of peers offer at least one employer paid PPO plan. The average maximum monthly amount that the employee pays for employee only coverage was on average \$20.75 and the average maximum monthly amount that the employee pays for employee plus dependent coverage was \$35.20. The average maximum monthly amount the employer pays for employee only and dependent coverage from peers was zero. The Town also offers a similar plan where the average maximum monthly amount that the employee pays for employee only coverage was \$15.00 and the average maximum monthly amount that the employee pays for employee plus dependent coverage was \$94.12. The average maximum monthly amount the employer pays for employee only coverage was \$15.43 and the average maximum monthly amount the employer pays for employee plus dependent coverage was zero.

When surveyed regarding an employer paid vision plan, 26.7 percent of peers reported offering an employer paid vision plan. The average maximum monthly amount the employer pays for employee only coverage was \$1.53 and the average maximum monthly amount the employer pays for employee plus dependent coverage was \$6.39. The Town did not offer this benefit. An employee paid vision plan was offered by 60 percent of surveyed peers. The average maximum monthly amount that the employee pays for employee only coverage was \$4.69 and the average maximum monthly amount that the employee pays for employee plus dependent coverage was \$12.53.

**EXHIBIT 3J
DENTAL AND VISION**

Dental and Vision Offerings		Peer Percentage Offered	Average Number of Plans Offered	Average maximum monthly amount that the employee pays for employee only coverage	Average maximum monthly amount that the employee pays for employee plus dependent coverage	Average maximum monthly amount the employer pays for employee only coverage	Average maximum monthly amount the employer pays for employee plus dependent coverage
Dental Insurance	Employer Paid DHMO	28.6%	0.8	-	-	\$13.61	\$34.68
	Town of Ponce Inlet	Yes	1.0	\$0.00	\$30.10	\$15.43	\$0.00
	Employer & Employee Paid PPO	80.0%	1.0	\$20.75	\$35.20	-	-
	Town of Ponce Inlet	Yes	1.0	\$15.00	\$94.12	\$15.43	\$0.00
Vision Plan	Employer Paid	26.7%	1	-	-	\$1.53	\$6.39
	Town of Ponce Inlet	No					
	Employee Paid	60.0%	1.1	\$4.69	\$12.53	-	-
	Town of Ponce Inlet	No					

The Town was generally comparable with its offered dental plans. The Town’s employees pay a higher dollar amount per month for dependent dental coverage on the employer and employee paid dental PPO plan, but remains competitive on employee only coverage on their Dental Health Maintenance Organization (DHMO) and dental PPO plan.

Exhibit 3K illustrates additional benefits such as short-term and long-term disability. Peers were asked to report employer paid benefits and employee paid disability benefits and the percentage of salary covered in the case of a claim.

**EXHIBIT 3K
DISABILITY**

Disability Insurance		Peer Percentage Offered	Percentage of Salary Covered	How long an employee must be unable to work before it takes effect (Days)
Short-Term Disability	Employer Paid	25.0%	71.7%	-
	Town of Ponce Inlet	Yes	60.0%	15.0
	Employee Paid	50.0%	58.8%	7.9
	Town of Ponce Inlet	No		
Long-Term Disability	Employer Paid	43.8%	60.6%	-
	Town of Ponce Inlet	Yes	60.0%	90.0
	Employee Paid	46%	60.0%	124.3
	Town of Ponce Inlet	No		

As displayed in Exhibit 3K, the monthly costs for employer paid or employee paid disability coverage varied throughout the peer organizations based on employee salaries and age. Employer paid short-term disability was offered by 25 percent and employer paid long-term disability was offered by 43.8 percent of the responding peers. For peer organizations, the average percentage of salary received was 71.7 percent for short-term disability and 60.6 percent for long-term disability. The Town did not offer employee paid short-term disability insurance and the percentage of salary received for long-term disability was slightly lower than the peer average at 60 percent.

Exhibit 3M summarizes the offering of Employee Assistance Programs (EAP) and Exhibit 3N describes tuition reimbursement programs amongst peer organizations. EAP was offered by 87.5 percent of responding peers and those same peers offered EAP benefits to the employee’s family. The Town on the other hand did not offer this benefit to their employees. The Town however offered tuition reimbursement at a rate dependent on the employee and has a total plan limit of \$1,500. Tuition reimbursement was offered by 93.3 percent of responding peers and was also offered by the Town. For some peers, tuition was covered up to two semesters per year for course and course related fees with an average annual amount of \$1,608.33.

**EXHIBIT 3M
EMPLOYEE ASSISTANCE PROGRAM**

EAP	Peer Percentage Yes	Peer Average	Town of Ponce Inlet
Is an EAP offered?	87.5%	-	No
Are benefits available to family members as well as the employee?	86.7%		N/A
Number of Annual EAP Visits Provided	-	5.0	N/A

**EXHIBIT 3N
TUITION REIMBURSEMENT**

Tuition Reimbursement	Peer Percentage Yes	Peer Average	Town of Ponce Inlet
Is Tuition Reimbursement offered?	93.3%	-	Yes
Tuition Reimbursement Limit	-	\$1,608.33	\$1,500.00

Exhibit 30 displays information about offered retirement plans, such as the details on years to fully vest and contributions to retirement plans by peer respondents. On average peers offered two or more retirement plans compared to the one plan offered by the Town. The retirement plan details offered by peer organizations are detailed in Exhibit 30 below. The number of years to fully vest in retirement was on average 7.7 years. 50 percent of peers offered a cost of living adjustment to retiree pensions and 66.7 percent of plans offered a disability provision. On average, 5.7 percent of an employee’s salary is contributed to their retirement options, while the organization contributes on average 6.7 percent of an employee’s salary. The Town in comparison offered a Florida Retirement System (FRS) plan which had the employee contributing three percent to the Town’s retirement option.

**EXHIBIT 3O
RETIREMENT**

Number of Plans	Peer Average	Town of Ponce Inlet
Number of retirement plans offered	2.5	1

Exhibit 3P displays the participation in additional retirement plans of peer organizations and the Town. From these peers, 87.5 percent provided additional retirement options and so did the Town. Of the respondents who offered additional retirement options, 100 percent offered a 401k, 401a, 403(b), or 457(b) retirement plan. Of the respondents who offered additional retirement options, 82.4 percent offered a D.R.O.P. program and 33.3 percent offered an additional retirement program.

**EXHIBIT 3P
RETIREMENT**

Retirement Participation	Peer Percentage Yes	Town of Ponce Inlet	Does the employer contribute to this option?	Town of Ponce Inlet	If so, How much or what percentage is contributed?
Do you provide additional retirement options?	87.5%	Yes	25.0%	No	-
Is D.R.O.P. offered?	82.4%	No	33.3%	No	9.4%
Is a 401k, 401a, 403(b), or 457 offered?	100.0%	Yes - 457	16.7%	Yes	6.3%
Other?	33.3%	No	0.0%	No	-

Exhibit 3Q goes into detail regarding the retirement options offered. Here, the average reported years needed to become fully vested was 7.7 years. Half of all respondents reported offering cost of living adjustments to retiree pensions and over 66 percent of peers reported offering a disability provision. On average the rate of contribution to these plans by the employer was 6.7 percent. The average percent of salary contributed by employees was 5.7 percent, which was a rate significantly higher than the Town's percentage of salary contributed of three percent. When surveyed, those organizations offering a FRS program reported several common positions that are considered Senior Management for FRS purposes. Those most frequent responses were the Assistant City Manager, the City Manager, the City Attorney and the department heads for each the organization.

**EXHIBIT 3Q
RETIREMENT OPTIONS**

Retirement Details	Peer Average	Town of Ponce Inlet
Name of Plan (If the plan is a state plan, there is no need to complete questions #39 thru #44)	-	FRS
Type of Plan (define contribution, defined benefit, other?)	-	
Which employees or bargaining groups are covered by this plan?	-	
Years required to fully vest	7.7	
COLA offered to retiree pension?	50.0%	
If offered, does COLA vary?	-	
Does the retirement plan offer a disability provision?	66.7%	
What percent of salary does the organization contribute to this retirement option?	6.7%	
What percent of salary does the employee contribute to this retirement option?	5.7%	3%

When surveyed regarding insurance options for retirees, the Town as well as 100 percent of all peer respondents indicate they offered health insurance to retired employees. Similarly, 100 percent of surveyed peers and the Town reported offering dental insurance to retired employees, however the Town does not offer life insurance to retired employees while 75 percent of peers reported that as a benefit they offered. Exhibit 3R shows these results below.

**EXHIBIT 3R
RETIREMENT OPTIONS**

Insurance for Retirees	Peer Percentage Yes	Town of Ponce Inlet
Does your organization offer health insurance to retired employees?	100.0%	Yes
Does your organization offer dental insurance to retired employees?	100.0%	Yes
Does your organization offer life insurance to retired employees?	75.0%	No

Exhibit 3S summarizes the life insurance offerings of responding peers and the Town. All peers who responded offered an employer paid life insurance plan as well as an accidental death insurance plan to employees. The death benefit amount for peer organizations was most often reported as one times an employee’s annual base salary. While the town did not offer these following services, 87.5 percent of peers allowed employees to purchase additional life insurance and 75 percent offered dependent coverage.

**EXHIBIT 3S
LIFE INSURANCE**

Life Insurance	Peer Percentage Yes	Peer Average	Town of Ponce Inlet
Is employer-paid life insurance offered?	100.0%	-	Yes
Who receives?	-	Full-time	General/Supervisors/Department Heads
Dollar amount of death benefit	-	1x Annual Salary	30,000/45,000/60,000
Is Optional dependent coverage offered?	75.0%	-	No
Can the employee purchase (additional) life insurance if desired?	87.5%	-	No
Is accidental death insurance provided?	100.0%	-	Yes, Dept Heads only

Exhibits 3T, 3U, 3V AND 3W provide the average accrual rates for paid time off for respondents and the Town broken down by the type of employee. The Town did not offer sick leave or annual vacation leave to its employees, but did offer personal/administrative leave, paid time off, bereavement and jury leave to exempt General, Sworn Fire, and Sworn Police employees.

**EXHIBIT 3T
GENERAL EMPLOYEE LEAVE TIME ACCRUAL**

General Employees	Organization	A. Offered? (Yes/No)	B. Minimum Accrual Rate (Annually)	C. How many years of service does it require to begin to accrue the minimum rate?	D. Maximum Accrual Rate (Annually)	E. How many years of service does it require to begin to accrue the maximum rate?	F. # of Hours until Leave stops accumulating?
Sick Leave	Peer Percentage	56.3%	58.3	0.1	99.5	2.8	706.7
	Yes/Average Town of Ponce Inlet	No					
Annual/Vacation Leave	Peer Percentage	62.5%	89.0	0.5	163.6	16.7	285.33
	Yes/Average Town of Ponce Inlet	No					
Personal/Administrative Leave (short term absences other than illness) - Exempt	Peer Percentage	37.5%	22.7	0.0	30.7	9.7	38.0
	Yes/Average Town of Ponce Inlet	Yes	40.0	0	40.0	0.0	End of each year
Personal/Administrative Leave (short term absences other than illness) - Non-Exempt	Peer Percentage	27.3%	16.0	0.0	16.0	0.0	-
	Yes/Average Town of Ponce Inlet	No					
Paid Time Off (PTO)/Personal Leave (PL) (instead of separate sick/vacation)	Peer Percentage	43.8%	105.0	0.5	264.8	22.0	680.0
	Yes/Average Town of Ponce Inlet	Yes	144.0	30	264.0	16.0	480
Bereavement Leave (If Yes, Amount per Year)	Peer Percentage	100.0%	2.8	0.0	-	-	3.6
	Yes/Average Town of Ponce Inlet	Yes			3 in state/5 out		
Jury Leave (If Yes, Amount per Year)	Peer Percentage	100.0%	-	0.0	-	-	8.0
	Yes/Average Town of Ponce Inlet	Yes					
Are there circumstances where the employee is allowed to go over the maximum # of hours accumulated (F.)?	Peer Percentage	40.0%	-	-	-	-	-
	Yes/Average Town of Ponce Inlet	Yes	Approval by Town Manager		Approval by Town Manager		

When peers were surveyed regarding general employee leave benefits, on average 56.3 percent of respondents reported offering sick leave and 62.5 percent reported offering annual/vacation leave. Both benefits had an average prior years of service requirement of less than a year to accrue at the minimum rate. Minimum accrual rates for sick leave ranged from eight hours to 96 hours monthly, while for annual/vacation leave they were from eight hours to 192 hours monthly. The average years of service required to accrue at the maximum rate was 2.8 years for sick leave and 16.7 years for annual/vacation leave. The average reported number of hours until leave stop accumulating was 706.7 hours for sick leave and 285.3 hours for annual/vacation.

When looking at personal leave, personal/administrative leave for exempt employees was offered by 37.5 percent of respondents 27.3 percent offered the same benefit to non-exempt employees. Paid time off was offered by 43.8 percent of surveyed peers. The minimum accrual rate for these three options were on average, 22.7 hours annually for exempt personal/administrative leave for exempt employees, 16 hours annuals for non-exempt personal/administrative leave and 144 hours annually for paid time off. The same pattern follows for maximum annual accrual rates in where paid time off has the highest annual accrual rate of 264.8 hours, personal/administrative leave for exempt employees being 30.7 hours and the maximum accrual for personal/administrative leave for non-exempt employees as 16 hours.

Each surveyed peer reports offering bereavement leave and jury leave to general employees. Most respondents reported not having an accrual rate for these types of leave and offer them as needed and for a set duration dependent on travel for bereavement leave. Approximately 40 percent of respondents reported that there are circumstances where an employee would be allowed to go over the maximum number of hours accumulated.

**EXHIBIT 3U
PART-TIME GENERAL EMPLOYEE LEAVE TIME ACCRUAL**

Part-Time General Employees	Organization	A. Offered? (Yes/No)	B. Minimum Accrual Rate (Annually)	C. How many years of service does it require to begin to accrue the minimum rate?	D. Maximum Accrual Rate (Annually)	E. How many years of service does it require to begin to accrue the maximum rate?	F. # of Hours until Leave stops accumulating?
Sick Leave	Peer Percentage	28.6%	43.0	0.0	43.0	0.0	540.0
	Yes/Average Town of Ponce Inlet	No					
Annual/Vacation Leave	Peer Percentage	40.0%	74.7	0.9	126.7	10.0	624
	Yes/Average Town of Ponce Inlet	No					
Personal/Administrative Leave (short term absences other than illness) - Exempt	Peer Percentage	0.0%	-	-	-	-	-
	Yes/Average Town of Ponce Inlet	No					
Personal/Administrative Leave (short term absences other than illness) - Non-Exempt	Peer Percentage	0.0%	-	-	-	-	-
	Yes/Average Town of Ponce Inlet	No					
Paid Time Off (PTO)/Personal Leave (PL) (instead of separate sick/vacation)	Peer Percentage	25.0%	76.3	1.7	132.8	22.5	-
	Yes/Average Town of Ponce Inlet	No					
Bereavement Leave (If yes, Amount per Year)	Peer Percentage	53.8%	-	0.0	-	0.0	4
	Yes/Average Town of Ponce Inlet	No					
Jury Leave (If Yes, Amount per Year)	Peer Percentage	53.8%	-	0.0	-	0.0	-
	Yes/Average Town of Ponce Inlet	No					
Are there circumstances where the employee is allowed to go over the maximum # of hours accumulated (F)? - please explain	Peer Percentage	20.0%	-	-	-	-	-
	Yes/Average Town of Ponce Inlet	No					

When peers were surveyed regarding part-time general employee leave benefits, on average 28.6 percent of respondents reported offering sick leave and 40 percent reported offering annual/vacation leave. Both benefits had an average prior years of service requirement of less than a year to accrue at the minimum rate with the average for annual/vacation leave reported averaging at 0.9 years. Minimum accrual rates for sick leave was on average 43 hours annually, while for annual/vacation leave the average was 74.7 hours annually. The average years of service required to accrue at the maximum rate was unreported for sick leave and 10 years for annual/vacation leave. The average reported number of hours until leave stop accumulating was 540 hours for sick leave and 624 hours for annual/vacation.

When looking at personal leave, personal/administrative leave for exempt part-time General Employees and non-exempt employees, zero peers offered this benefit. Paid time off was offered by 25 percent of surveyed peers. The minimum accrual rate for this option was on average, 76.3 hours annually. For maximum annual accrual rates, paid time off has a maximum annual accrual rate of 132.8 hours.

Bereavement leave and jury leave to part-time general employees was offered by 53.8 percent of peers. Additionally, approximately 20 percent of respondents reported that there are circumstances where an employee would be allowed to go over the maximum number of hours accumulated. The Town did not offer any of these three benefits to part-time employees.

**EXHIBIT 3V
SWORN FIRE LEAVE TIME ACCRUAL**

Sworn Fire Employees	Organization	A. Offered? (Yes/No)	B. Minimum Accrual Rate (Annually)	C. How many years of service does it require to begin to accrue the minimum rate?	D. Maximum Accrual Rate (Annually)	E. How many years of service does it require to begin to accrue the maximum rate?	F. # of Hours until Leave stops accumulating?
Sick Leave	Peer Percentage	35.7%	70.0	0.0	132.0	0.0	700.0
	Yes/Average						
	Town of Ponce Inlet	No	No	No	No	No	No
Annual/Vacation Leave	Peer Percentage	57.1%	118.0	0.6	288.0	18.6	426
	Yes/Average						
	Town of Ponce Inlet		No	No	No	No	No
Personal/Administrative Leave (short term absences other than illness) - Exempt	Peer Percentage	25.0%	-	0.0	-	0.0	-
	Yes/Average						
	Town of Ponce Inlet	No					
Personal/Administrative Leave (short term absences other than illness) - Non-Exempt	Peer Percentage	18.2%	-	0.0	-	0.0	-
	Yes/Average						
	Town of Ponce Inlet		No				
Paid Time Off (PTO)/Personal Leave (PL) (instead of separate sick/vacation)	Peer Percentage	53.8%	167.6	0.5	460.3	23.8	844.0
	Yes/Average						
	Town of Ponce Inlet	yes	204 hrs annually	30 days	372 hrs	16 or above yrs	480 hrs
Bereavement Leave (If yes, Amount per Year)	Peer Percentage	92.3%	4.0	-	-	-	4.3
	Yes/Average						
	Town of Ponce Inlet	Yes					
Jury Leave (If Yes, Amount per Year)	Peer Percentage	0.0%	0.0	-	-	-	-
	Yes/Average						
	Town of Ponce Inlet	Yes					
Are there circumstances where the employee is allowed to go over the maximum # of hours accumulated (F.)? - please explain	Peer Percentage	25.0%	-	-	-	-	-
	Yes/Average						
	Town of Ponce Inlet	No					

When peers were surveyed regarding Sworn Fire leave benefits, on average 35.7 percent of respondents reported offering sick leave and 57.1 percent reported offering annual/vacation leave. Both benefits had an average prior years of service requirement of less than a year to accrue at the minimum rate with the average for annual/vacation leave reported averaging at 0.6 years. Minimum accrual rates for sick leave was on average 70 hours annually, while for annual/vacation leave the average was 118 hours annually. The average years of service required to accrue at the maximum rate was unreported for sick leave and 18.6 years for annual/vacation leave. The average reported number of hours until leave stop accumulating was 700 hours for sick leave and 426 hours for annual/vacation.

When looking at personal leave, personal/administrative leave for exempt employees was offered by 25 percent of respondents 18.2 percent offered the same benefit to Sworn Fire employees. Paid time off was offered by 53.8 percent of surveyed peers. The minimum accrual rate for these three options was unreported for exempt personal/administrative leave and for non-exempt employees and 144 hours annually on average for paid time off. For maximum annual accrual rates, paid time off has a maximum annual accrual rate of 460.3 hours.

From surveyed peer reports, 92.3 percent offered bereavement leave while none beside the Town offered jury leave to Sworn Fire employees. Approximately 25 percent of respondents reported that there are circumstances where an employee would be allowed to go over the maximum number of hours accumulated.

**EXHIBIT 3W
SWORN POLICE LEAVE TIME ACCRUAL**

Sworn Police Employees	Organization	A. Offered? (Yes/No)	B. Minimum Accrual Rate (Annually)	C. How many years of service does it require to begin to accrue the minimum rate?	D. Maximum Accrual Rate (Annually)	E. How many years of service does it require to begin to accrue the maximum rate?	F. # of Hours until Leave stops accumulating?
Sick Leave	Peer Percentage	42.9%	60.1	0.0	112.0	0.0	780.0
	Yes/Average Town of Ponce Inlet						
Annual/Vacation Leave	Peer Percentage	42.9%	96.6	0.6	212.6	17.4	347.6
	Yes/Average Town of Ponce Inlet						
Personal/Administrative Leave (short term absences other than illness) - Exempt	Peer Percentage	23.1%	-	0.0	-	0.0	-
	Yes/Average Town of Ponce Inlet						
Personal/Administrative Leave (short term absences other than illness) - Non-Exempt	Peer Percentage	16.7%	-	0.0	-	0.0	-
	Yes/Average Town of Ponce Inlet						
Paid Time Off (PTO)/Personal Leave (PL) (Instead of separate sick/vacation)	Peer Percentage	53.8%	129.2	0.4	273.5	22.5	780.5
	Yes/Average Town of Ponce Inlet	yes	144 hrs	30 Days	264 hrs	16 or above yrs	480 hrs
Bereavement Leave (If yes, Amount per Year)	Peer Percentage	100.0%	4.0	-	-	-	3.7
	Yes/Average Town of Ponce Inlet						
Jury Leave (If Yes, Amount per Year)	Peer Percentage	0.0%	0.0	0.0	0.0	0.0	0.0
	Yes/Average Town of Ponce Inlet						
Are there circumstances where the employee is allowed to go over the maximum # of hours accumulated (F.)? - please explain	Peer Percentage	28.6%	-	-	-	-	-
	Yes/Average Town of Ponce Inlet						

When peers were surveyed regarding Sworn Police employee leave benefits, on average 42.9 percent of respondents reported offering sick leave and 42.9 percent reported offering annual/vacation leave. Both benefits had an average prior years of service requirement of less than a year to accrue at the minimum rate with the average for annual/vacation leave reported averaging at 0.6 years. Minimum accrual rates for sick leave was on average 60.1 hours annually, while for annual/vacation leave the average was 96.6 hours annually. The average years of service required to accrue at the maximum rate was not reported for sick leave and 17.4 years for annual/vacation leave. The average reported number of hours until leave stopped accumulating was 780 hours for sick leave and 347.6 for annual/vacation.

When observing personal leave, personal/administrative leave for exempt Sworn Police was offered by 23.1 percent of respondents while 16.7 percent offered the same benefit to non-exempt employees. Paid time off was offered by 53.8 percent of surveyed peers. The minimum accrual rate for these three options were not reported for exempt employees or non-exempt employees, but was 129.2 hours annually for paid time off. For maximum annual accrual rates, paid time off has a maximum annual accrual rate of 273.5 hours.

Each surveyed peer reported offering bereavement leave, but none of the peers surveyed reported offering jury leave to Sworn Police employees. The accrual rate for bereavement leave was on average four days annually. Approximately 28.6 percent of respondents reported that there are circumstances where an employee would be allowed to go over the maximum number of hours accumulated.

Exhibit 3X summarizes respondents' policies regarding sick leave payout. Sick leave was paid out upon voluntary separation in 66.7 percent of peer organizations and upon involuntary separation in 40 percent of responding peer organizations. The Town offered up to 25 percent of hours of sick leave to be paid out upon voluntary separation, but did not offer a payout

upon involuntary separation. The average maximum hours paid for voluntary separation was 560.5 hours and 180.5 hours for involuntary separation at peer organizations.

Peers also reported 23.1 percent of respondents allowed unused sick leave to be counted towards retirement. When surveyed about unused annual/vacation leave, all peers reported this time to be paid out upon separation including the Town, at an average maximum number of hours at 1117.3 hours. In contrast only 76.3 reported offering unused annual/vacation leave to be paid out upon involuntary separation with a maximum amount on average being 395.3 hours. The town did not offer this benefit.

**EXHIBIT 3X
SICK LEAVE POLICIES**

Sick Leave Policies	Peer Percentage Yes	Town of Ponce Inlet	If paid/used, is the number of hours paid out capped at a certain amount?	Town of Ponce Inlet	If so, what is the maximum number of hours that can be paid/used	Town of Ponce Inlet
Is unused sick leave paid out upon voluntary separation?	66.7%	Yes	25.0%	No	560.5	25.0%
Is unused sick leave paid out upon involuntary separation?	40.0%	No	12.5%		180.5	
Can unused sick leave count towards retirement?	23.1%	No	0.0%		0	
Is unused annual/vacation leave paid out upon voluntary separation?	100.0%	Yes	50.0%	Yes	1117.3	480 hrs
Is unused annual/vacation leave paid out upon involuntary separation?	73.3%	No	27.3%		395.25	

Exhibit 3Y details compensation time and overtime policies for peer organizations. The Town offers this benefit to non-exempt General Employees as well as Sworn Fire and Sworn Police. In contrast, 20 percent of peers reported offering this benefit to exempt General Employees, 80 percent offered it to non-exempt General Employees, 40 percent to part-time General employees, 71.4 percent to Sworn Fire and 69.2 percent to Sworn Police employees. When asked if there were circumstances where exempt employees were paid overtime, the Town answered “yes” along with 23.1 percent of responding peers.

**EXHIBIT 3Y
COMPENSATION AND OVERTIME POLICIES**

Compensation Time Policies	Peer Percentage Yes	Town of Ponce Inlet
General Employees - Exempt	20.0%	No
General Employees - Non-Exempt	80.0%	Yes, not allowed to accrue more than 40 hours and may not be cashed in except upon separation; Dept Head approval to use
General Employees - Part-time	40.0%	No
Uniformed/Sworn Fire Employees	71.4%	Yes
Uniformed/Sworn Police Employees	69.2%	Yes
Are there circumstances where exempt employees are paid overtime	23.1%	Yes

The percentages of peers offering various holidays and the holidays at the Town are shown in **Exhibit 3Z**. All peers recognize New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. 50 percent of peers also reported offering additional holidays not listed in **Exhibit 3Z** which typically took the form of a floating holiday.

**EXHIBIT 3Z
RECOGNIZED HOLIDAYS**

Paid Holiday observed by peer organizations	Peer Percentage Yes	Town of Ponce Inlet
New Year's Day	100.0%	Yes
New Year's Eve	6.7%	No
Martin Luther King, Jr. Day	73.3%	No
Lincoln's Birthday	0.0%	No
Washington's Birthday	0.0%	No
Presidents Day	20.0%	Yes
Good Friday	26.7%	No
Memorial Day	100.0%	Yes
Independence Day	100.0%	Yes
Labor Day	100.0%	Yes
Veteran's Day	40.0%	No
Thanksgiving Day	100.0%	Yes
Day after Thanksgiving	93.8%	Yes
Christmas Eve	56.3%	Yes
Christmas Day	100.0%	Yes
Personal Holiday	53.3%	Yes
Employee Birthday	33.3%	No
Other - Provide name of holiday in this space	50.0%	No

The average number of holidays observed by peers was 10.2, while the Town offered 10 paid holidays each year, as displayed in Exhibit 3AA. For those employees who work on paid holidays, straight pay was offered on average by 57.1 percent of peers to Exempt General Employees, 28.6 percent to non-exempt General Employees, 21.4 percent to part-time General Employees, 28.6 percent to Sworn Fire and by 21.4 percent to Sworn Police. Time and a half if hours worked exceeded maximum for straight time was offered on average by 14.3 percent of peers to Exempt General Employees, 35.7 percent to non-exempt General Employees, 7.1 percent to part-time General Employees, 28.6 percent to Sworn Fire and by 28.6 percent to Sworn Police. Time and a half regardless of hours worked during the pay period was offered on average by 7.1 percent of peers to Exempt General Employees, 50 percent to non-exempt General Employees, 28.6 percent to part-time General Employees, 35.7 percent to Sworn Fire and by 42.9 percent to Sworn Police. The Town reported offering straight time to exempt General Employees, Sworn Fire and Sworn Police as well as time and a half if hours worked exceed the maximum for straight time for Sworn Fire and Sworn Police.

**EXHIBIT 3AA
HOLIDAY POLICIES**

Holiday Policies and other special days off not included as annual, sick, or personal leave)	Peer	Town of Ponce							Town of Ponce Inlet										
	Total/Percentage Yes	Inlet																	
How are employees paid for working on holidays?	10.2	10																	
Straight time	57.1%	No	28.6%	No	21.4%	No	28.6%	28.6%	28.6%	21.4%	Yes	28.6%	28.6%	21.4%	Yes	28.6%	28.6%	21.4%	Yes
Time and a Half if hours worked exceed maximum for straight time	14.3%	No	35.7%	No	7.1%	No	28.6%	28.6%	7.1%	28.6%	Yes	28.6%	28.6%	28.6%	Yes	28.6%	28.6%	28.6%	Yes
Time and a Half regardless of hours worked during the pay period	7.1%	No	50.0%	Yes	28.6%	Yes	35.7%	35.7%	28.6%	42.9%	No	35.7%	35.7%	42.9%	No	35.7%	35.7%	42.9%	No
Other payment methods - Please provide details below:																			
General Employees - Full Time (Exempt)	none.																		
General Employees - Full Time (Non-Exempt)	A Full-time hourly employee who is required to work on the holiday will receive up to eight hours at one and one-half time current salary for actual hours worked.																		
General Employees - Part Time	none.																		
Uniformed/Sworn Fire Employees	in addition to the twelve hours of regular pay, will be compensated for up to eight hours of OT.																		
Uniformed/Sworn Police Employees	in addition to the twenty-four hours of regular pay, will be compensated for up to eight hours of OT.																		



Exhibit 3AB summarizes the types of longevity pay or other bonus programs offered by peers and the Town which offered merit raises upon council approval and evaluation. The exhibit shows that 33.3 percent of responding peers also offered this benefit. Other benefits offered were longevity pay, which 20 percent of peers reported offering to their employees. Other reported bonus benefits include cost of living adjustments or movement through a step plan.

**EXHIBIT 3AB
BONUS POLICIES**

What types of longevity pay or other bonuses or incentive pay programs are offered by your organization?	Peer Percentage Yes	Town of Ponce Inlet
Longevity Pay	20.0%	No
Merit Raises	33.3%	Council approval and evaluation required
Merit Bonuses	0.0%	No
Other - Please place the program name here	66.7%	

Exhibits 3AC, 3AD, 3AE and 3AF list out the responses individual peers reported when surveyed about additional benefits. These additional benefits include the classifications that are offered vehicle allowances and the amount of their annual allowance as well as the classifications that offered to take home a vehicle and what restrictions they may have on that benefit in regards to usage. Those policy responses are found in Exhibits 3AC and 3AD. Surveyed peers were also asked to describe the classifications that offered a cellphone provision or allowance and the annual amount of those allowances. Lastly, peers were surveyed about whether there was a computer purchase program offered within the organization. Individual responses to this question can be found in Exhibits 3AE and 3AF below.

**EXHIBIT 3AC
ADDITIONAL BENEFITS**

Organization	61. Vehicle Allowance Positions - Amount		62. Take Home Vehicle Policy	
	a. Full-time, no limits on use		b. On Call Use Only	
	61. Vehicle Allowance Positions - Amount		62. Take Home Vehicle Policy c. Other (please describe)	
Town of Ponce Inlet	Town Manager - \$6000 Director of Development - \$6000 City Manager - \$7200 Mayor - \$4800 City Council - \$4800 Certain Field Employees - \$5000	Police Chief Fire Chief	Public works On Call Staff	Building Official IT Tech Police Lieutenant General Manager of Public Works
City of Cocoa Beach, FL City of Daytona Beach, FL		Police Police officers allowed to & from work when on shift. Outside city limits changed to \$0.35 per mile	Utilities	
City of DeLand, FL	City Manager - \$7800		ALL PD with assigned cars Fire Chief Fire Marshall CAPS	City Manager
City of Edgewater, FL City of Indiantantic, FL City of Lake Mary, FL City of Lighthouse Point, FL				
City of Longwood, FL City of Maitland, FL City of New Smyrna Beach, FL	City Manager - access to City vehicle and gas card Police Officers	Police Fire Chief	Public Works employees as assigned	City Manager
City of Orange City, FL		City Manager Fire Chief Police Chief Deputy Police Chief	Fire Marshal Utilities Public Works Detectives	



**EXHIBIT 3AD
ADDITIONAL BENEFITS**

Organization	61. Vehicle Allowance Positions - Amount	62. Take Home Vehicle Policy a. Full-time; no limits on use	62. Take Home Vehicle Policy b. On Call Use Only	62. Take Home Vehicle Policy c. Other (please describe)
City of Ormond Beach, FL	Economic Development Director - \$4850 City Manager - \$4742 Leisure Services Dir - \$4200 Planning Dir - \$4200 Assistant City Manager - \$4200 Utility Manager - \$4200 Chief Building Official - \$3400 Mayor/Commissioners - \$2400 City Manager - 6000			Police if reside within city limits
City of Port Orange, FL	Public Utilities Director - 3000 Assistant City Manager - 2400 Deputy City Attorney/ Police Legal Advisor - 3600 City Manager - \$5400	Fire Chief Fire Marshal Police Chief	Police Officer Lieutenants Captains Waste Water Foreman Construction coordinator Fleet Maintenance Coordinator	Sworn Police within limits take cars home, but only use to and from work
City of Rockledge, FL	Assistant City Manager - \$5400 Department Heads - \$4860 Fire Department Chief - \$5520 City Manager - \$3876.96	Police Chief Fire Chief		
City of Satellite Beach, FL		Police Officers		
City of South Daytona Volusia County, FL Brevard County, FL Flagler County, FL Seminole County, FL	Department Heads - \$9600 Council, Assistant Department Heads, Police Captain & Lieutenants - \$ 6600 Parks Rec/Athletic Coordinator - \$6000 County Manager - \$5400		Sworn Police Officers	
PERCENTAGE YES:	55.0%	35.0%	35.0%	20.0%



**EXHIBIT 3AE
ADDITIONAL BENEFITS**

Organization	63. Cell Phone Policy (Positions that receive) - (add more rows if necessary) Position – Annualized Amount	64. Computer Purchase Program - Interest Free Loan with Payroll Deductions Offered? (Yes/No)	64. Computer Purchase Program - Organization Sponsored Discounts with Vendor Offered? (Yes/No)	64. Computer Purchase Program - Dollar Matching Offered? (Yes/No)	64. Computer Purchase Program - Other? Describe Below: Offered? (Yes/No)
Town of Ponce Inlet	Department Heads - Allowance - \$900 Division Heads - Allowance - \$540 Information Technology Tech - Allowance - \$540 Fire Administrative Assistant - Allowance - \$333 General Manager of Public Works- Provided	Yes	No	No	No
City of Cocoa Beach, FL	Function Dependent - Provided or Allowance	No	No	No	No
City of Daytona Beach, FL	Certain Field Employees - Allowance - \$550 Supervisory-Foreman positions Level 1 – cell phone with normal usage (\$600 per year). Supervisory-Foreman positions Level 2 – cell phone with high usage (\$840.00 per year). Department Heads Level 3 – BlackBerry with normal usage (\$1200.00 per year). Department Heads Level 4 – BlackBerry with high usage (\$1440.00 per year).	No	No	No	No
City of DeLand, FL					
City of Edgewater, FL		No	No	No	No
City of Indiantonic, FL		No	No	No	No
City of Lake Mary, FL					
City of Lighthouse Point, FL					
City of Longwood, FL	Directors, Supervisors and On call Employees - Provided Department Heads - allowance- \$720 Supervisors - allowance- \$360	No	Yes	No	No
City of Maitland, FL					
City of New Smyrna Beach, FL	City Manager - Provided Public Works Director - Provided Police Chief - Provided Fire Chief - Provided IT Manager - Provided	No	No	No	No
City of Orange City, FL					



**EXHIBIT 3AF
ADDITIONAL BENEFITS**

Organization	63. Cell Phone Policy (Positions that receive) - (add more rows if necessary)	64. Computer Purchase Program - Interest Free Loan with Payroll Deductions	64. Computer Purchase Program - Organization Sponsored Discounts with Vendor	64. Computer Purchase Program - Dollar Matching	64. Computer Purchase Program - Other? Describe Below:
	Position - Annualized Amount	Offered? (Yes/No)	Offered? (Yes/No)	Offered? (Yes/No)	Offered? (Yes/No)
City of Ormond Beach, FL	Management - Allowance - \$975	No	No	No	No
City of Port Orange, FL	City manager - Allowance - \$600 Assistant City Manager - Allowance - \$600 Department Heads - Allowance - \$300 Police Detectives Supervisors - Allowance - \$300 Full-time employees (Department Head approval required) - Allowance - \$600	No	No	No	No
City of Rockledge, FL		No	No	No	No
City of Satellite Beach, FL		No	No	No	No
City of South Daytona	Council and Department Heads; Allowance - \$1200 Supervisors and Code Enforcement; Allowance - \$900	Yes	No	No	No
Volusia County, FL		No	Yes	No	No
Brevard County, FL					
Flagler County, FL					
Seminole County, FL					
PERCENTAGE YES:	95.00%	8.33%	16.67%	0.00%	0.00%



Benefits Survey Summary

The peer benefits data summarized in this chapter indicates that the Town has a relatively competitive benefits package. Areas where the Town could improve the benefits offered include life insurance provisions by increasing the payout to 1x an employee's salary and increasing the coverage to all employees; as well as providing an employee assistance program. An area where the Town provides exemplary service was the provision of health insurance plans which are provided to employees at no cost for individual coverage. Overall, the Town offered insurance at a lower rate than the market for individual coverage, remained in line with the market for both child and spousal coverage, but provided family coverage at a rate higher than the market. Overall, the Town's employee benefits were comparable, and in some areas, exceeded the offerings of its market peers.

Market Survey Conclusion

Information gained from this market survey was used in conjunction with the internal equity analysis and factors such as fiscal constraints to develop a recommended compensation plan that places the Town in a strong position to stay competitive in today's market. Discussion of the recommended changes to the Town's pay plan can be found in **Chapter 4** of this report.



Chapter 4 – Recommendations

To improve the Town's current classification and compensation system Evergreen Solutions developed recommendations after reviewing the information provided in the preceding chapters of this report. The findings that led to each recommendation are discussed in detail in this chapter. The recommendations are organized into three separate sections: classification, compensation, and administration of the system.

4.1 CLASSIFICATION RECOMMENDATIONS

An organization's classification system establishes how its human resources are employed to perform its core essential services and functions. The classification system consists of the titles and descriptions of the different classifications or positions, which define how work is organized and assigned. It is important that the titles and descriptions of an organization's classifications accurately depict the actual work being performed by personnel in the various classifications in order to ensure equity both internally within the organization across and within departments and to enable comparisons externally with positions at peer organizations that the Town competes with for resources. The purpose of a classification analysis is to identify such issues as outdated job descriptions, incorrect titles, and inconsistent titles and levels across departments. Recommendations are then made to remedy the identified concerns based on human resources best practices. While a full classification study was not performed, based on observations some findings and recommendations are contained in this report.

To perform an analysis of the Town's classification system Evergreen Solutions reviewed the current job descriptions and discussed the various classifications currently utilized in the Town and compared them with classifications typically found in similar sized municipalities in the area.

FINDING:

The current classification system being utilized by the Town was accurate, and titles generally described the work being performed by employees. There were some instances, however, of titles that could be adjusted to better reflect the tasks assigned to the position.

RECOMMENDATION 1: Revise classification titles and create new classifications, as needed.

Exhibit 4A provides Evergreen Solutions’ recommendation for title changes for two classifications. The foundation for these recommendations was the work performed by employees in these classifications as described in their job descriptions and a review of similar classification titles in the municipalities surveyed in the salary survey.

**EXHIBIT 4A
PROPOSED CLASSIFICATION CHANGES**

Department	Current Classification	Proposed Classification
Information Technology	Information Technology Technician	Information Technology Manager
Parks, Recreation & Museum	Parks & Recreation/Museum Educator	Parks & Recreation Manager/Museum Educator

In addition to the classification title changes named above, there is one new classification recommended to be created based on the same analysis. The proposed new classification is shown on Exhibit 4B.

**EXHIBIT 4B
PROPOSED ADDITIONAL CLASSIFICATION**

Department	Proposed Classification
Public Works	Maintenance Technician III

4.2 COMPENSATION RECOMMENDATIONS

The goal in compensation analysis is to identify the current market position of the compensation structure as a whole, relative to identified market peers, and to evaluate the external equity of the system. Specifically, external equity refers to how well the Town compensates similar work in comparison to similar organizations or those that are competing for the same employees. As presented in Chapter 3, the Town’s current compensation structure is somewhat behind the median of all surveyed peers at all points along the salary range. For reference, the current pay plan, which is an open range plan, is shown with the grade, salary range minimum, midpoint, and maximum on Exhibit 4C. Also included in this exhibit are the range spreads for each grade, a percent measure of the distance between the minimum and maximum, as well as the percent increase between midpoints of successive grades.

**EXHIBIT 4C
CURRENT PAY PLAN**

Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Progression
1	\$21,371.30	\$26,714.13	\$32,056.95	50%	-
2	\$22,867.29	\$28,584.11	\$34,300.93	50%	7.0%
3	\$24,468.00	\$30,585.00	\$36,702.00	50%	7.0%
4	\$26,180.76	\$32,725.95	\$39,271.14	50%	7.0%
5	\$28,275.22	\$35,344.03	\$42,412.83	50%	8.0%
6	\$30,537.24	\$38,171.55	\$45,805.85	50%	8.0%
7	\$32,980.22	\$41,225.27	\$49,470.32	50%	8.0%
8	\$35,619.00	\$44,523.50	\$53,428.00	50%	8.0%
9	\$38,468.12	\$48,085.15	\$57,702.18	50%	8.0%
10	\$41,930.00	\$52,412.50	\$62,895.00	50%	9.0%
11	\$45,704.00	\$57,130.00	\$68,556.00	50%	9.0%
12	\$50,731.00	\$63,414.00	\$76,097.00	50%	11.0%
13	\$56,311.87	\$70,389.84	\$84,467.80	50%	11.0%
14	\$62,506.18	\$78,132.72	\$93,759.26	50%	11.0%
15	\$69,381.85	\$86,727.32	\$104,072.78	50%	11.0%

FINDING:

Based on the external market assessment, it was found that the Town's salary ranges were below its identified market at the minimum, midpoint and maximums of its salary ranges.

RECOMMENDATION 2: Update the Town's existing pay plan to reflect market conditions and best practices; slot classifications into updated pay plan based on external and internal equity; and transition employee salaries into the revised pay plan.

There are three steps to instituting a new compensation structure. The first step is the alteration of the existing compensation structure to ensure that it is updated to reflect current market conditions and placed appropriately based on the Town's intended compensation philosophy. As discussed in **Chapter 3**, the Town currently has one pay structure for all employees and it was adjusted in the following manner and is shown in **Exhibit 4D**:

- Started with the current open range pay plan that has 15 grades as a base and kept the same basic structure and the same basic numbering to avoid confusion.
- To develop a starting point for the new pay plan the lowest midpoint found in the Cost of Living Adjusted 50th percentile market comparison which was \$30,580.08 was

used as the midpoint of pay Grade 1. Previously the lowest midpoint was \$26,714.13.

- After discussion with Town Management, it was determined to have the minimum of Grade 10 to be equal to \$47,476.00 which is the minimum salary point at which an employee can be considered exempt. This is the lowest grade at which the Town has determined that employees who are exempt will be placed. Using this point as an anchor, the grades above and below were adjusted accordingly.
- Next, the range spread (percentage from salary minimum to salary maximum for each pay grade) was raised slightly to be closer to what was found in the marketplace, raising it from 50% to 55%. The market average was 61.5%. This will allow for a bit more flexibility in hiring decisions and allow for some further movement in the ranges for long term employees.
- The same gradual midpoint progression (starting at 7% and progressing to 11%) as it will continue to allow for some spacing between employees and supervisors was maintained.
- Lastly, an additional grade was added at the top of the plan to allow for future growth and assist in recruiting for higher level positions.

**EXHIBIT 4D
PROPOSED PAY PLAN**

Proposed Pay Plan					
Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Progression
1	\$24,197.63	\$30,851.98	\$37,506.33	55%	-
2	\$25,891.83	\$33,012.09	\$40,132.34	55%	7.0%
3	\$27,704.28	\$35,322.96	\$42,941.64	55%	7.0%
4	\$29,643.70	\$37,795.71	\$45,947.73	55%	7.0%
5	\$32,015.19	\$40,819.37	\$49,623.55	55%	8.0%
6	\$34,576.33	\$44,084.82	\$53,593.31	55%	8.0%
7	\$37,342.91	\$47,612.21	\$57,881.51	55%	8.0%
8	\$40,329.60	\$51,420.23	\$62,510.87	55%	8.0%
9	\$43,555.96	\$55,533.85	\$67,511.74	55%	8.0%
10	\$47,476.00	\$60,531.90	\$73,587.80	55%	9.0%
11	\$51,749.19	\$65,980.21	\$80,211.24	55%	9.0%
12	\$57,441.60	\$73,238.04	\$89,034.47	55%	11.0%
13	\$63,759.87	\$81,293.83	\$98,827.80	55%	11.0%
14	\$70,773.92	\$90,236.75	\$109,699.57	55%	11.0%
15	\$78,559.15	\$100,162.92	\$121,766.68	55%	11.0%
16	\$87,200.77	\$111,180.98	\$135,161.19	55%	11.0%

After updating the pay plan, Evergreen Solutions slotted each of the Town’s current classifications into the new structure and added new classification. Assigning pay grades to classifications requires a balance of desired market position and internal equity. Recruitment and retention concerns expressed during discussion with Town Management also played a role in the process. Thus, the market ranges shown in **Chapter 3** 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 recommended pay grades for each of the Town’s classifications are shown in **Appendix I**. It should be noted that the above mentioned recommended classification title changes are reflected in the exhibit.

In addition to ensuring internal equity and helping to alleviate problems with recruitment and retention, the proposed pay grade assignments considerably improve the Town’s market position. **Exhibit 4E** shows the overall average percent difference from market for the Town’s classifications.

**EXHIBIT 4E
OVERALL MARKET DIFFERENTIAL COMPARISON**

	Min	Mid	Max	Range Spread
Current	-5.0%	-10.7%	-14.2%	50.0%
Proposed	6.5%	3.4%	1.6%	55.0%

As the exhibit shows, the proposed pay grades improve the overall average differentials for the Town’s classifications, bringing the Town’s classifications to a slightly above market position, and ensures the Town competes more effectively and improves recruitments and retention.

After assigning pay grades to classifications, the next step of implementing the compensation structure is to transition employees’ salaries into the new pay plan. This is accomplished by establishing methods of calculating salaries in the new pay grades and determining whether an adjustment is necessary to individual employees’ salaries to bring them to their calculated salary. Evergreen proposed five different implementation options for the Town to select from which are described below. It is recommend that the Town maintain its current open range structure and therefore the options are centered on movement through those open ranges rather than adopting a step plan.

Of the five proposed implementation options, Evergreen recommends the ‘Current Range Placement with Class Tenure and Grade Considerations’ option as it maintains existing movement across the pay ranges that employees have already achieved but also ensures that some adjustments are made for long term employees to relieve some salary compression while at the same time limiting movement for some long termed employees that would be at or very near to the range maximums. As discussed in **Chapter 3**, salary compression is defined as the lack of variation in salaries between employees with significantly different levels of experience and responsibility, and can be seen as a threat to internal equity.

For each of the five options described below, no employee's current salaries are recommended to be lowered and the cost of the 'Bring to Minimum' option is included. The costs displayed are reflective of salary dollars only, the cost for benefits, retirement, taxes and other payroll associated costs are not included.

Bring to Minimum

All employee salaries are brought to the minimum of their proposed range. If the employee's current salary exceeds the proposed minimum, no adjustment is made.

Utilizing this approach, salary adjustments are recommended for 22 Town employees, with an approximate annualized cost of **\$74,330.20**.

Comparative-Ratio Placement

Employees' current compa-ratio (Comparative Ratio) is calculated (% of the current salary vs. the midpoint of their current range). Employees are then placed into their new range based on this compa-ratio to the midpoint. An employee at the midpoint of their salary range would have a 1.0 compa-ratio.

Utilizing this approach, salary adjustments are recommended for 47 Town employees, with an approximate annualized cost of **\$420,583.72**.

Current Range Placement

Employees' current range placement percentage is calculated (how far they have progressed into their existing range). Employees are then placed into their new range based on this placement percentage. The cost to bring to minimum is included in this option. An employee at the midpoint of their current range would be at 50% range placement.

Utilizing this approach, salary adjustments are recommended for 47 Town employees, with an approximate annualized cost of **\$421,658.76**.

Comparative Ratio Placement with Class Tenure and Grade Considerations

Takes placement given on the Compa-Ratio calculation and sets a lower bound on range placement based on an employee's years within their current classification. For example, this guarantees an employee will be at least 25% through their salary range after 5 years; 50% after 10 years and 75% after 15 years and will see this employee first placed in their range based on the percentage their current salary is away from their current midpoint, but with a floor of being 25% through their range given a class tenure of at least 5 years, 50% after 10 years and 75% after 15 years. Also included is a cap based on the number of grade increases. If an employee currently in Grade 10 or higher moves up one grade, that employee is capped at their proposed minimum salary or their current salary, whichever is greater. Next an adjustment is made to ensure that those that do not benefit due to the caps are placed at least at midpoint and lastly, an adjustment was made for employees that



have or were close to reaching the maximum of their range are capped at 75% range placement. The cost to bring to minimum is included in this option.

Utilizing this approach, salary adjustments are recommended for 47 Town employees, with an approximate annualized cost of **\$277,289.75**.

Current Range Placement with Class Tenure and Grade Considerations

Takes placement given on the Current Range Placement calculation and sets a lower bound on range placement based on an employee's years within their current classification. For example, this guarantees an employee will be at least 25% through their salary range after 5 years; 50% after 10 years and 75% after 15 years and will see this employee first placed in their range based on the range penetration of their current salary, but with a floor of being 25% through their range given a class tenure of at least 5 years, 50% after 10 years and 75% after 15 years. Also included is a cap based on the number of grades increases. If an employee currently in Grade 10 or higher moves up one grade, that employee is capped at their proposed minimum salary or their current salary, whichever is greater. Next an adjustment is made to ensure that those that do not benefit due to the caps are placed at least at midpoint and lastly, an adjustment was made for employees that have or were close to reaching the maximum of their range are capped at 75% range placement. The cost to bring to minimum is included in this option.

Utilizing this approach, salary adjustments are recommended for 47 Town employees, with an approximate annualized cost of **\$269,093.35**.

Timing of implementation

For all implementation options, it is recommended that the Town implement the changes in the upcoming budget for Fiscal Year 2017 which is currently in the planning process in order to bridge the current gap between Ponce Inlet and its market peers. It is recommended that the changes be made effective as of October 1st, 2016. If it is determined, that this is not fiscally feasible at the time, a phased-in approach over a two to three year period should be explored.

4.3 SYSTEM ADMINISTRATION

Any organization's compensation and classification system will need periodic maintenance to ensure competitiveness and desired market position. The recommendations provided in this chapter were developed based on conditions at the time the study was conducted. Without proper upkeep of the system, there is a potential for recruitment and retention issues to increase as the compensation and classification system becomes dated and less competitive.

RECOMMENDATION 3: 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 adjustments to pay grade assignments if necessary.

While it is unlikely that the pay plan as a whole will need to be adjusted for several years, a small number of classifications' pay grades may need to be reassigned more frequently. If some classifications are exhibiting high turnover or having recruitment issues, the Town should collect salary range data from peers to determine whether an adjustment is needed for the pay grade of the classification(s). It is recommended that the Town conduct these internal surveys on at least an annual basis. The same peer organizations that were utilized for the salary survey discussed in Chapter 3 should be used to maintain consistency.

RECOMMENDATION 4: Conduct a comprehensive classification and compensation study every three to five years.

While smaller market surveys and maintaining job descriptions allow for strong maintenance of a compensation and classification system, it is necessary to perform a comprehensive study that can capture all of the changes, both internal and external, that occur over time. A failure to react to these changes early can potentially place the Town in a poor position for recruiting and retaining quality employees.

SUMMARY

The recommendations in this chapter reinforce the established competitive pay plan, externally and internally equitable classification titles and pay grade assignments that will provide the Town with a responsive compensation and classification system for years to come. While the upkeep of this recommended system will require due diligence, the Town will find that having a competitive compensation and classification system that encourages strong recruitment and employee retention is worth this commitment and improved morale and improved performance is like to be achieved.

Appendix I - Position Grade Assignment by Department

Department		Current				Proposed				
		Grade	Minimum	Midpoint	Maximum	Classification	Grade	Minimum	Midpoint	Maximum
Deputy Clerk	Administrative Assistant - Administration	5	\$28,275.22	\$35,344.03	\$42,412.83	Administrative Assistant - Administration	4	\$29,643.70	\$37,795.71	\$45,947.73
Finance	Office Specialist - Finance & Utilities	2	\$22,867.29	\$28,584.11	\$34,300.93	Office Specialist - Finance & Utilities	2	\$25,891.83	\$33,012.09	\$40,132.34
Finance	Finance Manager	12	\$50,731.00	\$63,414.00	\$76,097.00	Finance Manager	13	\$63,759.87	\$81,293.83	\$98,827.80
Finance	Utility Billing/Accounts Payable Clerk	5	\$28,275.22	\$35,344.03	\$42,412.83	Utility Billing/Accounts Payable Clerk	5	\$32,015.19	\$40,819.37	\$49,623.55
Fire	Administrative Assistant - Fire Department	7	\$32,980.22	\$41,225.27	\$49,470.32	Administrative Assistant - Fire Department	7	\$37,342.91	\$47,612.21	\$57,881.51
Fire	Firefighter	8	\$35,619.00	\$44,523.50	\$53,428.00	Firefighter	8	\$40,329.60	\$51,420.23	\$62,510.87
Fire	Firefighter/Driver Engineer	9	\$38,468.12	\$48,085.15	\$57,702.18	Firefighter/Driver Engineer	9	\$43,555.96	\$55,533.85	\$67,511.74
Fire	Firefighter/Lieutenant	13	\$56,311.87	\$70,389.84	\$84,467.80	Firefighter/Lieutenant	14	\$70,773.92	\$90,236.75	\$109,699.57
Fire	Fire Chief	11	\$45,704.00	\$57,130.00	\$68,556.00	Fire Chief	13	\$63,759.87	\$81,293.83	\$98,827.80
Human Resources/Deputy Clerk	Human Resource Director/Deputy Clerk	8	\$35,619.00	\$44,523.50	\$53,428.00	Human Resource Director/Deputy Clerk	10	\$47,476.00	\$60,531.90	\$73,587.80
Information Technology	Information Technology/Technician	5	\$28,275.22	\$35,344.03	\$42,412.83	Information Technology/Manager	10	\$47,476.00	\$60,531.90	\$73,587.80
Parks, Recreation & Museum	Parks & Recreation/Museum Educator	5	\$28,275.22	\$35,344.03	\$42,412.83	Parks & Recreation/Museum Educator	4	\$29,643.70	\$37,795.71	\$45,947.73
Planning and Development	Administrative Assistant - Building	5	\$28,275.22	\$35,344.03	\$42,412.83	Administrative Assistant - Building	4	\$29,643.70	\$37,795.71	\$45,947.73
Planning and Development	Code Enforcement Officer	5	\$28,275.22	\$35,344.03	\$42,412.83	Code Enforcement Officer	5	\$32,015.19	\$40,819.37	\$49,623.55
Planning and Development	Zoning Technician	5	\$28,275.22	\$35,344.03	\$42,412.83	Zoning Technician	4	\$29,643.70	\$37,795.71	\$45,947.73
Planning and Development	Planner I	9	\$38,468.12	\$48,085.15	\$57,702.18	Planner I	9	\$43,555.96	\$55,533.85	\$67,511.74
Planning and Development	Deputy Building Official	10	\$41,930.00	\$52,412.50	\$62,895.00	Deputy Building Official	10	\$47,476.00	\$60,531.90	\$73,587.80
Planning and Development	Chief Building Official	12	\$50,731.00	\$63,414.00	\$76,097.00	Chief Building Official	12	\$57,441.60	\$73,238.04	\$89,034.47
Planning and Development	Director of Planning & Development	13	\$56,311.87	\$70,389.84	\$84,467.80	Director of Planning & Development	14	\$70,773.92	\$90,236.75	\$109,699.57
Planning and Development	Building Inspector					Building Inspector	8	\$40,329.60	\$51,420.23	\$62,510.87
Planning and Development	Development Review Clerk					Development Review Clerk	5	\$32,015.19	\$40,819.37	\$49,623.55
Planning and Development	Senior Planner					Senior Planner	2	\$57,441.60	\$73,238.04	\$89,034.47
Police	Office Specialist - Police	2	\$22,867.29	\$28,584.11	\$34,300.93	Office Specialist - Police	2	\$25,891.83	\$33,012.09	\$40,132.34
Police	Administrative Assistant - Police Department	5	\$28,275.22	\$35,344.03	\$42,412.83	Administrative Assistant - Police Department	4	\$29,643.70	\$37,795.71	\$45,947.73
Police	Supervisor Administrative Assistant - Police Department	6	\$30,537.24	\$38,171.55	\$45,805.85	Supervisor Administrative Assistant - Police Department	6	\$34,576.33	\$44,084.82	\$53,593.31
Police	Law Enforcement Officer	7	\$32,980.22	\$41,225.27	\$49,470.32	Law Enforcement Officer	7	\$37,342.91	\$47,612.21	\$57,881.51
Police	Corporal	8	\$35,619.00	\$44,523.50	\$53,428.00	Corporal	8	\$40,329.60	\$51,420.23	\$62,510.87
Police	Police Sergeant	9	\$38,468.12	\$48,085.15	\$57,702.18	Police Sergeant	9	\$43,555.96	\$55,533.85	\$67,511.74
Police	Detective/Lieutenant	11	\$45,704.00	\$57,130.00	\$68,556.00	Detective/Lieutenant	11	\$51,749.19	\$65,980.21	\$80,211.24
Police	Police Chief	13	\$56,311.87	\$70,389.84	\$84,467.80	Police Chief	14	\$70,773.92	\$90,236.75	\$109,699.57
Public Works	Maintenance Technician I	1	\$21,371.30	\$26,714.13	\$32,056.95	Maintenance Technician I	1	\$24,197.63	\$30,851.98	\$37,506.33
Public Works	Maintenance Technician II	3	\$24,468.00	\$30,585.00	\$36,702.00	Maintenance Technician II	3	\$27,704.28	\$35,322.96	\$42,941.64
Public Works	Administrative Assistant - Public Works	5	\$28,275.22	\$35,344.03	\$42,412.83	Administrative Assistant - Public Works	4	\$29,643.70	\$37,795.71	\$45,947.73
Public Works	Crew Leader	6	\$30,537.24	\$38,171.55	\$45,805.85	Crew Leader	7	\$37,342.91	\$47,612.21	\$57,881.51
Public Works	General Manager of Public Works	10	\$41,930.00	\$52,412.50	\$62,895.00	General Manager of Public Works	11	\$51,749.19	\$65,980.21	\$80,211.24
Public Works	Maintenance Technician III	N/A	N/A	N/A	N/A	Maintenance Technician III	5	\$32,015.19	\$40,819.37	\$49,623.55
Town Manager	Town Manager	15	\$69,381.85	\$86,727.32	\$104,072.78	Town Manager	16	\$87,200.77	\$111,160.98	\$135,161.19