

Classification and Compensation Study for the City of Fredericksburg, VA

FINAL REPORT



Evergreen Solutions, LLC

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Chapter 1 - Introduction

Evergreen Solutions conducted a Classification and Compensation Study for the City of Fredericksburg, VA (City) beginning in September, 2016. The purpose of the study was to analyze its classification and compensation system and make recommendations to improve the City's competitive position in the market. The study activities involved analyzing the internal and external equity of the City's system and making recommendations in response to those findings. Evergreen Solutions was also tasked with preparing and providing revised job descriptions. These will be provided to the City under separate cover.

Study tasks involved:

- leading orientation and focus group sessions for employees and conducting interviews with department heads;
- evaluating the City's current salary structure to determine its strengths and weaknesses;
- collecting classification information through the Job Assessment Tool (JAT) to analyze the internal equity of the City's classifications;
- developing recommendations for improvements to classification titles and the creation of new titles as appropriate;
- facilitating discussions with the study team to develop an understanding of the City's compensation practices;
- conducting market salary and benefits surveys to assess the market competitiveness of the City's current pay plan and to determine common benefits offered by peer organizations;
- developing a competitive compensation structure and slotting classifications into that structure while ensuring internal and external equity;
- developing appropriate options for transitioning employees' salaries into the new structure and calculating cost estimates for each;
- providing the City with information and strategies regarding compensation and classification administration;



- updating job descriptions to reflect recommended classification changes and employee responses to the JAT, and Fair Labor Standards Act (FLSA) status recommendations; and
- developing and submitting draft and final reports that summarize the study findings and recommendations.

1.1 STUDY METHODOLOGY

Evergreen Solutions used a combination of quantitative and qualitative methods to develop recommendations to improve the City's competitive position for its classification and compensation systems. Study activities included:

- conducting a study kick-off meeting;
- conducting employee outreach;
- conducting job assessments utilizing the JAT;
- assessing the current condition of the City's compensation system;
- developing an understanding of the City's compensation practices;
- conducting market salary and benefits surveys;
- developing classification and compensation structure recommendations;
- developing implementation options for the proposed structure;
- developing recommendations for maintaining the new system;
- updating job descriptions to accurately reflect work performed; and
- creating draft and final reports.

Kick-off Meeting

The kick-off meeting allowed members of the study team from the City and Evergreen Solutions to discuss different aspects of the study. During the meeting, information about the City's compensation and classification structures and practices 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.

Employee Outreach

The orientation sessions, which occurred in October 2016, provided an opportunity for employees and supervisors to learn more information about the purpose of the study, and receive specific information related to their participation in the study process. The focus group meetings and department head interviews allowed City employees, supervisors, and senior management to identify practices that were working well at the City, as well as to suggest areas of opportunities for improvement with regard to compensation, classification, and benefits. The feedback received during these sessions is summarized in **Chapter 2** of this report.



Classification Analysis

To perform an analysis of the City's classification system, all employees were asked to complete a JAT in which they had the opportunity to describe the work they performed in their own words. Supervisors were then asked to review their employees' JATs and provide additional information as needed about the position. The information provided in the completed JATs was utilized in the classification analysis in two ways. First, the work described was reviewed to ensure that classification titles were appropriate. Second, the JATs were evaluated to quantify, by a scoring method, each classification's relative value within the organization. Each classification's score was based on employee and supervisor responses to the JAT, and the scores allowed for a comparison of classifications across the City.

Analysis of Current Conditions

This analysis provided an overall assessment of the City's current pay structure (plan) and related employee data at the time the study. The current pay plan, the progression of employees' salaries through the pay grades, and the distribution of employees among the City's departments were all examined during this process. The findings of this analysis are summarized in **Chapter 3** of this report.

Compensation Practices

Evergreen Solutions conducted meetings with the City's study team to develop an understanding of its employee compensation practices. This provided the framework for the recommendations for the classification and compensation system and related pay practices.

Market Analysis

For the market analysis, peer organizations were identified that compete with the City for human resources and provide similar services. A number of classifications were selected as benchmarks for the salary survey. These positions represented a cross-section of the departments and levels of work at the City. After the selection of peers and benchmark classifications, a survey tool was developed for the collection of salary range data. A survey tool was also developed to collect data about benefits offered by the identified peer organizations. The salary and benefits data collected during these surveys were analyzed, and a summary of the data can be found in **Chapter 4** of this report.

Recommendations

During the review of compensation practices, the City identified its desire to implement a compensation system that would be competitive with its peers. Understanding this, and following the analysis of both internal and external equity, a new, competitive classification and compensation structure was created. Next, implementation options were developed to transition employees' salaries into the new system and the associated costs of adjusting employees' salaries were estimated. The recommended approach for implementation is presented in this report. In addition, information is provided on how to maintain the



recommended classification and compensation system going forward. A summary of the study findings and recommendations can be found in **Chapter 5** of this report.

1.2 REPORT ORGANIZATION

This report includes the following additional chapters:

- Chapter 2 – Summary of Employee Outreach
- Chapter 3 - Assessment of Current Conditions
- Chapter 4 – Market Summary
- Chapter 5 – Recommendations



Chapter 2 – Summary of Employee Outreach

This chapter provides a summary of feedback received from participants in employee outreach sessions. Evergreen Solutions consultants visited the City in October, 2016 to conduct orientation meetings, interviews with senior leaders, and focus group sessions with employees and supervisors. The orientation meetings provided employees and supervisors an opportunity to learn about the study process and their role in the study. During the focus groups and interviews, questions were asked that were designed to gather feedback on several topics related to the study. This feedback provided Evergreen Solutions with valuable information regarding the employees' and leaders' perceptions of the current classification and compensation system. Summarized below are their comments from these meetings.

2.1 GENERAL FEEDBACK

Overall, employees stated that they enjoyed working for the City and serving the community in which they live. The positive relationships they had with their co-workers were also a factor that made the City a pleasant working environment. While participants suggested potential areas for improvements to the classification and compensation system, they also provided additional positive comments including that:

- employees enjoyed the stable work environment the City provided; and
- employees believed the City provided them opportunities for advancement, though some voiced these were limited and would like to have these enhanced with the development of career ladders.

2.2 COMPENSATION

Specific comments shared by participants related to compensation included the following:

- current salary ranges were a main concern (ahead of benefits or job title issues), and that as a result of this study they would like to see these adjusted to be competitive;
- most employees believed there was transparency in the system and were generally aware of how the City's pay structure worked;
- they would like the City to provide additional compensation for licenses and certifications that while may not be required for a position, if possessed or attained by the employee, provide a benefit to the City;



- employees believed salary compression was an issue as new employees were being compensated similarly or equal to longer tenured employees and some shared that compression existed between supervisors and their subordinates;
- many employees shared that they would like to see compensation tied more to performance, as all employees have received the same increases whether they were low or high performers;
- several employees stated that they would like to see attainment of education be tied to career and salary advancement;
- several participant groups stated that police and fire positions were in the same pay plan, and that the City should consider separating these into two distinct pay plans as they believed was done in other cities in the area;
- some employees noted that some departments provided salary supplements for additional skills, e.g.; foreign language translation; while others did not.

2.3 CLASSIFICATION

General comments provided by employees related to classification included the following:

- employees expressed that they would like to see more specificity in job titles, as large groups of jobs seemed to be grouped into very broad titles;
- employees shared that the titles used did not always reflect the roles and responsibilities of their position, e.g.; a lead laborer may really have been performing the duties of a crew leader; and
- several participants shared that there was a lack of career progression in the levels of firefighters, and that they would like to see a more robust career path for these employees.

2.4 BENEFITS

As a component of the focus groups, employees were asked to provide feedback related to the benefits offered by the City. In response, employees provided the following:

- the employee benefits provided by the City served as an attractor for employees and generally the costs were reasonable;
- the amount of leave time and holidays provided were very generous and were greatly appreciated;



- many employees, especially those with longer tenure, shared that they have remained with the City specifically for the retirement benefits which likely would not be offered in other organizations;
- many shared that they were disappointed that health benefits are no longer offered to retirees, noting that this was a significant advantage to working at the City compared to other organizations;
- some employees, while appreciative of the benefits provided, noted that increases in their costs have considerably diminished the effect of any raises they have received; and
- some noted that while dental insurance was offered, it was employee paid and did not cover many services.

2.5 MARKET PEERS

Focus group participants were asked to name organizations they considered to be market peers, including local peers as well as more distant peers they believe have characteristics similar to the City. The responses are listed below and were considered when developing the list of peers for the salary survey:

- City of Alexandria; VA
- City of Charlottesville, VA
- City of Fairfax, VA;
- City of Manassas, VA;
- City of Staunton, VA;
- City of Williamsburg, VA;
- City of Winchester, VA;
- Caroline County, VA;
- Culpepper County, VA;
- Hanover County, VA;
- Henrico County, VA;
- James City County, VA;
- King George County, VA;
- Orange County, VA;
- Prince William County, VA;
- Spotsylvania County, VA;
- Stafford County, VA;
- University of Mary Washington, VA;
- Commonwealth of Virginia;
- Potomac and Rappahannock Transportation Commission (PRTC) - Transit Only; and
- Virginia Department of Transportation.



2.6 RECRUITMENT AND RETENTION

Focus group participants were also asked to name positions and or functional areas in which the City was having difficulties with recruitment and retention of employees. Below are the positions and areas they identified:

- Eligibility Worker;
- Deputy Sheriff;
- Family Services Specialist;
- Fire;
- Mechanic;
- Police Officer; and
- Wastewater Operations.

2.7 SUMMARY

The concerns expressed and reported above are common and exist in many organizations today. The feedback received by the Evergreen Solutions team during outreach was positive when considered as a whole. Employees believed that the City was a good place to work which they attributed to the work environment, the City's culture, and their co-workers. However, it was apparent that employees perceived weaknesses in certain areas related to the City's classification and compensation system.

The information received during employee outreach provided a foundation for understanding the current environment while conducting the remainder of the study. It also aided Evergreen Solutions in the consideration for and development of recommendations for the City's classification and compensation system which can be found in **Chapter 5** of this report.



Chapter 3 – Assessment of Current Conditions

The purpose of this evaluation was to provide an overall assessment of the City's compensation structure, employee salary progression, and employee counts in each department. Data included here reflect the conditions when the study began, and should be considered, as such, a snapshot in time. The insights gained from this evaluation provided the basis for further analysis through the course of this study, and were not considered sufficient cause for recommendations independently. Instead, the results of this evaluation were considered during the analysis of internal equity and peer market data. Subsequently, appropriate compensation related recommendations were developed for the City and are described later in this report.

3.1 PAY PLAN ANALYSIS

The City administered one pay plan for both full and part-time employees. **Exhibit 3A** illustrates the plan which had an open-range design with established minimum, midpoint, and maximum salaries. Each pay grade within the plan had a range spread, or the percentage difference between the minimum and maximum of the pay grades, relative to the grade's minimum. The pay plan for the 556 employees in classifications with salary range data consisted of 30 grades (with employees) with range spreads of 50 percent. There were five employees in appointed, elected, or contracted positions that did not have salary ranges and, thus, are not included in the exhibit. There were also 19 part-time employees (four Parks & Recreation Supervisors, one Parking Enforcement Attendant in Grade 5, and 14 Travel Counselors assigned to grade 6) that did not have salary ranges and are also not included in the exhibit.



**EXHIBIT 3A
EXISTING PAY PLAN**

Grade	Minimum	Midpoint	Maximum	Range Spread	Employees
7	\$ 25,395	\$ 31,742	\$ 38,090	50%	20
8	\$ 27,181	\$ 33,975	\$ 40,769	50%	23
9	\$ 28,965	\$ 36,205	\$ 43,445	50%	8
10	\$ 30,753	\$ 38,439	\$ 46,125	50%	22
11	\$ 32,538	\$ 40,670	\$ 48,802	50%	84
12	\$ 34,323	\$ 42,902	\$ 51,481	50%	57
13	\$ 36,107	\$ 45,132	\$ 54,157	50%	11
14	\$ 37,893	\$ 47,365	\$ 56,836	50%	55
15	\$ 39,678	\$ 49,595	\$ 59,513	50%	33
16	\$ 41,464	\$ 51,829	\$ 62,193	50%	74
17	\$ 43,250	\$ 54,059	\$ 64,869	50%	24
18	\$ 45,036	\$ 56,292	\$ 67,548	50%	7
19	\$ 46,820	\$ 58,522	\$ 70,225	50%	38
20	\$ 48,606	\$ 60,755	\$ 72,903	50%	6
21	\$ 50,390	\$ 62,985	\$ 75,580	50%	25
22	\$ 52,176	\$ 65,218	\$ 78,260	50%	4
23	\$ 53,962	\$ 67,450	\$ 80,937	50%	8
24	\$ 55,748	\$ 69,682	\$ 83,616	50%	12
25	\$ 57,532	\$ 71,912	\$ 86,292	50%	4
27	\$ 61,102	\$ 76,375	\$ 91,648	50%	10
28	\$ 62,888	\$ 78,608	\$ 94,328	50%	1
29	\$ 64,675	\$ 80,840	\$ 97,004	50%	9
31	\$ 68,245	\$ 85,303	\$102,360	50%	6
34	\$ 73,606	\$ 91,998	\$110,390	50%	1
37	\$ 78,957	\$ 98,692	\$118,427	50%	5
38	\$ 80,751	\$100,928	\$121,106	50%	1
39	\$ 82,538	\$103,161	\$123,783	50%	1
40	\$ 84,312	\$105,386	\$126,461	50%	2
42	\$ 87,884	\$109,850	\$131,817	50%	4
48	\$ 98,605	\$122,534	\$146,463	49%	1
	Average / Total			50%	556

3.2 EMPLOYEE SALARY PLACEMENT BY GRADE

When assessing the effectiveness of the City's pay plan and practices, it is important to analyze where employees' salaries fell within each pay range. Identifying those areas where there may have been clusters of employees' salaries could illuminate potential pay



progression concerns within the current pay plan. It should be noted that employees' salaries, and the progression of the same, is associated with an organization's compensation practice – specifically, the method of salary progression and the availability of resources. Therefore, the placement of employees' salaries should be viewed with this context in mind.

Exhibit 3B illustrates the placement of employees' salaries relative to pay grade minimums and maximums. The exhibit contains the following:

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



EXHIBIT 3B
SALARY PLACEMENT
BELOW MINIMUM AND ABOVE MAXIMUM BY GRADE

Grade	Employees	# < Min	% < Min	# = Min	% = Min	# = Max	% = Max	# > Max	% > Max
7	20	1	5.0%	0	0.0%	0	0.0%	0	0.0%
8	23	3	13.0%	0	0.0%	0	0.0%	0	0.0%
9	8	0	0.0%	0	0.0%	0	0.0%	0	0.0%
10	22	4	18.2%	0	0.0%	0	0.0%	0	0.0%
11	84	0	0.0%	4	4.8%	0	0.0%	0	0.0%
12	57	1	1.8%	2	3.5%	0	0.0%	2	3.5%
13	11	0	0.0%	0	0.0%	0	0.0%	0	0.0%
14	55	0	0.0%	0	0.0%	0	0.0%	0	0.0%
15	33	0	0.0%	0	0.0%	0	0.0%	0	0.0%
16	74	0	0.0%	0	0.0%	0	0.0%	1	1.4%
17	24	0	0.0%	2	8.3%	0	0.0%	0	0.0%
18	7	0	0.0%	0	0.0%	0	0.0%	0	0.0%
19	38	0	0.0%	0	0.0%	0	0.0%	0	0.0%
20	6	0	0.0%	0	0.0%	0	0.0%	0	0.0%
21	25	1	4.0%	1	4.0%	0	0.0%	0	0.0%
22	4	0	0.0%	0	0.0%	0	0.0%	0	0.0%
23	8	0	0.0%	0	0.0%	0	0.0%	0	0.0%
24	12	0	0.0%	0	0.0%	0	0.0%	0	0.0%
25	4	0	0.0%	0	0.0%	0	0.0%	0	0.0%
27	10	0	0.0%	0	0.0%	0	0.0%	0	0.0%
28	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
29	9	0	0.0%	0	0.0%	0	0.0%	1	11.1%
31	6	0	0.0%	0	0.0%	0	0.0%	0	0.0%
34	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
37	5	0	0.0%	0	0.0%	0	0.0%	0	0.0%
38	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
39	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
40	2	0	0.0%	0	0.0%	0	0.0%	0	0.0%
42	4	0	0.0%	0	0.0%	0	0.0%	1	25.0%
48	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	556	10	1.8%	9	1.6%	0	0.0%	5	0.9%

Employees with salaries at the grade minimum are typically new hires or are new to their particular classification following a recent promotion; on the other hand, employees with salaries at the grade maximum are typically highly experienced and proficient in their classification. In the pay plan at the time of this study, there were 19 employees (3.4 percent) with salary at or below their grade minimum and five employees with a salary at or above the grade maximum.



Exhibit 3C illustrates the placement of employees' salaries relative to pay grade midpoints. The exhibit contains the following:

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



EXHIBIT 3C
SALARY PLACEMENT AROUND MIDPOINT
BY GRADE

Grade	Employees	# < Mid	% < Mid	# at Mid	% at Mid	# > Mid	% > Mid
7	20	18	90.0%	0	0.0%	2	10.0%
8	23	20	87.0%	0	0.0%	3	13.0%
9	8	6	75.0%	0	0.0%	2	25.0%
10	22	18	81.8%	0	0.0%	4	18.2%
11	84	81	96.4%	0	0.0%	3	3.6%
12	57	44	77.2%	0	0.0%	13	22.8%
13	11	10	90.9%	0	0.0%	1	9.1%
14	55	46	83.6%	0	0.0%	9	16.4%
15	33	26	78.8%	0	0.0%	7	21.2%
16	74	63	85.1%	0	0.0%	11	14.9%
17	24	19	79.2%	0	0.0%	5	20.8%
18	7	5	71.4%	0	0.0%	2	28.6%
19	38	31	81.6%	0	0.0%	7	18.4%
20	6	5	83.3%	0	0.0%	1	16.7%
21	25	21	84.0%	0	0.0%	4	16.0%
22	4	2	50.0%	0	0.0%	2	50.0%
23	8	5	62.5%	0	0.0%	3	37.5%
24	12	9	75.0%	0	0.0%	3	25.0%
25	4	2	50.0%	0	0.0%	2	50.0%
27	10	6	60.0%	0	0.0%	4	40.0%
28	1	1	100.0%	0	0.0%	0	0.0%
29	9	3	33.3%	0	0.0%	6	66.7%
31	6	6	100.0%	0	0.0%	0	0.0%
34	1	0	0.0%	0	0.0%	1	100.0%
37	5	2	40.0%	0	0.0%	3	60.0%
38	1	1	100.0%	0	0.0%	0	0.0%
39	1	1	100.0%	0	0.0%	0	0.0%
40	2	1	50.0%	0	0.0%	1	50.0%
42	4	0	0.0%	0	0.0%	4	100.0%
48	1	1	100.0%	0	0.0%	0	0.0%
Total	556	453	81.5%	0	0.0%	103	18.5%

Employees with salaries close to the midpoint of a pay range should be fully proficient in their classification and require minimal supervision to complete their job duties while performing satisfactorily. Within this framework, grade midpoint is commonly considered to be the salary an individual could reasonably expect for similar work in the market. Therefore, it is important to examine the percentage and number of employees with salaries above and below the calculated midpoint. Of the 556 employees with classifications in the City's pay plan, 453



employees (81.5 percent) had salaries below the midpoint of their respective range, while 103 employees (18.5 percent) had salaries above the midpoint. There were no employees being paid at exactly the midpoint of their respective grades.

3.3 SALARY QUARTILE ANALYSIS

This section provides an additional analysis of the distribution of employees' salaries across the pay grades at the time of this study. Examining employee salary placement by grade quartile provided insight into whether clustering of employees' salaries existed within each pay grade. For this analysis, employees' salaries were slotted within one of four equal distributions. The first quartile (0-25) represents the lowest 25.0 percent of the pay range. The second quartile (26-50) represents the segment of the pay range above the first quartile up to the pay range's midpoint. The third quartile (51-75) represents the part of the pay range above the midpoint up to the 75th percentile of the pay range. The fourth quartile (76-100) is the highest 25.0 percent of the pay range. This analytical method provided an opportunity to assess how employees' salaries are disbursed throughout each grade (pay range).

Exhibit 3D provides a breakdown of placement of employees' salaries relative to salary quartile and provides the following:

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

As previously noted, the majority of the City's employees' salaries fell below the midpoint; and with this analysis, it can be observed that the majority of these employees, 325 employees or 58.5 percent, had salaries in the first quartile of their respective pay ranges. In this analysis, the next largest cluster of employees' salaries was found in the second quartile (128 employees); additionally, 68 employees had salaries in the third quartile of their respective pay ranges, while the fewest number of employees (35) had salaries in the fourth quartile of their respective pay ranges. It is important to note that it appears the City faced challenges with progressing employees' salaries to and beyond the midpoints of the plan's salary ranges. The results of this analysis substantiate the concern expressed by City employees during employee outreach in this regard.



EXHIBIT 3D
SALARY QUARTILE ANALYSIS

GRADE	Total Employees	1st Quartile	2nd Quartile	3rd Quartile	4th Quartile
		# Employees	# Employees	# Employees	# Employees
7	20	14	4	2	0
8	23	17	3	3	0
9	8	4	2	1	1
10	22	14	4	3	1
11	84	72	9	3	0
12	57	30	14	7	6
13	11	7	3	1	0
14	55	33	13	5	4
15	33	15	11	5	2
16	74	47	16	4	7
17	24	16	3	4	1
18	7	2	3	2	0
19	38	22	9	6	1
20	6	3	2	1	0
21	25	15	6	3	1
22	4	0	2	1	1
23	8	0	5	3	0
24	12	7	2	2	1
25	4	0	2	2	0
27	10	0	6	3	1
28	1	1	0	0	0
29	9	0	3	2	4
31	6	5	1	0	0
34	1	0	0	0	1
37	5	0	2	3	0
38	1	1	0	0	0
39	1	0	1	0	0
40	2	0	1	0	1
42	4	0	0	2	2
48	1	0	1	0	0
Overall Total	556	325	128	68	35

3.4 EMPLOYEES BY DEPARTMENT

At the time the study commenced, the City employed 580 individuals across 49 departments. **Exhibit 3E** depicts the number of employees and the number of classifications in each department and is intended only to provide basic information regarding how employees are distributed among departments. Also provided is the percentage breakdown of employees by department.



**EXHIBIT 3E
EMPLOYEES BY DEPARTMENT**

Department	Employees	Classes	% of Total
BUILDING & DEVELOPMENT	8	7	1.4%
BUILDINGS & GROUNDS	19	7	3.3%
CITY ATTORNEY	2	2	0.3%
CITY MANAGERS OFFICE	5	5	0.9%
CITY SHOP	10	9	1.7%
CLERK OF COUNCIL	1	1	0.2%
COMMISSIONER OF REVENUE	13	8	2.2%
COMMONWEALTH ATTORNEY	14	10	2.4%
DOMESTIC VIOLENCE GRANT	1	1	0.2%
DRAINAGE	4	3	0.7%
E911 DISPATCHERS	17	4	2.9%
ECONOMIC DEV & TOURISM	22	9	3.8%
EMERGENCY MEDICAL SERVICES	17	4	2.9%
ENGINEERING ADMIN	7	7	1.2%
ENVIRONMENTAL SECTION	2	2	0.3%
FARMER'S MARKET	2	1	0.3%
FIRE DEPARTMENT	45	12	7.8%
FISCAL AFFAIRS	8	6	1.4%
HUMAN RESOURCES	3	3	0.5%
INFORMATION SYSTEMS	7	7	1.2%
P&R ADMIN	5	5	0.9%
P&R ADMIN (PT) REGULAR	5	3	0.9%
P&R MAINTENANCE	9	3	1.6%
P&R MAINTENANCE (PT) RE	5	1	0.9%
P&R SUPERVISION	4	4	0.7%
P&R SUPERVISION (PT) RE	3	2	0.5%
P&R SUPERVISION (PT) SE	1	1	0.2%
PARKING GARAGE	4	2	0.7%
PLANNING	7	7	1.2%
PLANNING GRANT	1	1	0.2%
POLICE DEPARTMENT	84	19	14.5%
PUMPING & TRANSMISSION	4	4	0.7%
RECYCLING COLLECTION	2	2	0.3%
REFUSE COLLECTION	10	4	1.7%
SAFETY PROGRAM	1	1	0.2%
SHERIFF	36	10	6.2%
SOCIAL SERVICES	35	13	6.0%
SOCIAL SERVICES - CSA	1	1	0.2%
SOCIAL SERVICES-MWH GRANT	1	1	0.2%
STREET MAINTENANCE	12	7	2.1%
STREET SANITATION	13	6	2.2%
TRAFFIC ENGINEERING	5	5	0.9%
TRANSIT DEPT	87	13	15.0%
TREASURER	10	4	1.7%
VICTIM-WITNESS PROGRAM	2	2	0.3%
WASTEWATER	12	7	2.1%
WATER & SEWER CREW	5	4	0.9%
WATER ADMINISTRATION	7	3	1.2%
WATER UTILITY BILLING	2	2	0.3%
Total	580	245	100.0%

As the exhibit illustrates, the largest department in the City was the Transit Department, with 87 employees representing 15.0 percent of the City's workforce. On the other hand, there



were seven departments with only one employee each, when combined represent just over one percent of the workforce.

3.5 SUMMARY

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

- The City's existing pay plan for full and part-time employees was designed as open-range with pay grades of constant range spreads of about 50 percent.
- The majority of the employees' salaries fell below the midpoint; furthermore, the majority of employees' salaries were observed in the first quartile of the respective pay ranges.
- Employees' salaries were not distributed as expected throughout the pay grades indicating the City faced challenges in providing employees salary growth opportunities.

The City's pay plan provided employees with a clear pay structure, although it seems that some clustering of employee' salaries has occurred over time. As a pay system is intended to encourage employee salary growth based on an organization's compensation philosophy, this clustering of salaries indicates that salary growth may not have occurred for a variety of reasons.

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



Chapter 4 – Market Summary

This chapter provides a market analysis in which the City's salary ranges and benefit offerings were compared to the salary ranges and benefits at peer organizations. The data from targeted market peers were used to evaluate the overall compensation and benefits at the City at the time of this study. It is important to note that the market comparisons contained herein do not translate at the individual level and are instead used to provide the City with an overall analysis. The utilized methodology is not intended to evaluate particular salaries or benefits offered to individuals as individual compensation (including benefits) are determined through a combination of factors, which could include: the demand for a particular job, a candidate's prior experience, or an individual's negotiation skills during the hiring process.

Furthermore, it should be noted that market comparisons are best thought of as a snapshot of current market conditions. In other words, market conditions change, and in some cases change quickly; so while market surveys are useful for making updates to salary structures or benefits offered to employees, they must be done at regular intervals if the City wishes to remain competitive with its market peers and salary trends.

4.1 PUBLIC SECTOR SALARY SURVEY RESULTS

Evergreen Solutions collected pay range information from target public sector organizations in the City's competitive market utilizing a salary survey tool. Development of this tool included selecting benchmark classifications within the City to be surveyed. The desired outcome was to select a cross-section of the City's classifications, so that those surveyed made up a subset of all work areas and levels of classifications. For each benchmarked classification, the classification title, a description of the assigned duties, and the education and experience requirements were provided to each peer.

The target peers were selected by Evergreen Solutions with concurrence from the City's project team. Several factors were utilized when developing this peer list, including geographic proximity to the City, the organization size, and the relative population being served by the organization. All data collected were adjusted for cost of living using a national cost of living index factor; this allowed salary dollars from organizations outside of the immediate area to be adjusted for the cost of living relative to the City. **Exhibit 4A** provides the list of 14 market peers from which data were collected for 60 benchmark classifications.



**EXHIBIT 4A
MARKET PEERS**

Peer Data Collected
City of Charlottesville, VA
City of Manassas, VA
City of Staunton, VA
City of Williamsburg, VA
City of Winchester, VA
Culpeper County, VA
Hanover County, VA
Henrico County, VA
James City County, VA
King George County, VA
Prince William County, VA
Spotsylvania County, VA
Stafford County, VA
Virginia Department of Transportation

It was the desire of the City to have its compensation plan to be competitive at the market average. The City also expressed that they wanted survey data from Stafford County and Spotsylvania County to be weighted more heavily than the other peers because of their close proximity. Based on this desired market position, Evergreen Solutions utilized a comparison of the City's current structure, or salary ranges for the benchmark classifications to the average of the collected peer data (noting that Stafford and Spotsylvania Counties were given 33 percent more weight in the averaging process). **Exhibit 4B** provides a summary of the results of the salary data and contains the following information:

- The market salary range information for each classification. This includes the average of the peer responses for the salary range minimum, midpoint, and maximum for each benchmarked classification.
- The result of the City's current salary range compared to the desired market position, or the percent differentials. A positive differential indicates the City was above the desired position for that classification at the minimum, midpoint, or maximum. A negative differential indicates the City was below the desired market position for that classification. If the differential is blank, the City did not have a current salary range for that position. The final row of the exhibit provides the average percent differentials for the minimum, midpoint, and maximum for all benchmarked classifications. This represents an average of all classifications' differentials.



- The survey average range provides the average range width for each classification surveyed, which is determined by the average minimum and average maximum salaries of the respondents, relative to the minimum. The average range spread for all of the classifications is provided in the final row of the exhibit.
- The number of responses collected for each classification is provided in the final column and the average number of responses for all of the classifications is provided in the final row.

Overall, the City's benchmark classifications were 0.3 percent behind the desired position at the minimum, 6.1 percent behind the desired position at the midpoint, and 9.9 percent behind the desired position at the maximum. The average market range spread, the percentage difference between the range maximum and minimum, was 64.7 percent compared to an average range spread for the City's compensation structure of 50.0 percent. The last column provides the number of comparative data points (responses) collected for each classification.

EXHIBIT 4B PUBLIC SECTOR MARKET DATA

Classification	Survey Minimum		Survey Midpoint		Survey Maximum		Survey Avg Range	# Resp.
	Average	% Diff	Average	% Diff	Average	% Diff		
Account Clerk I	\$27,461.66	15.6%	\$36,911.24	9.2%	\$46,360.82	5.0%	69.4%	12.0
Accountant	\$44,265.67	1.7%	\$59,067.45	-4.9%	\$73,869.22	-9.4%	67.6%	13.0
Administrative Assistant	\$31,911.21	1.9%	\$42,519.67	-4.5%	\$53,128.13	-8.9%	66.8%	15.0
Assistant City Manager	\$94,629.84	4.0%	\$126,070.65	-2.9%	\$157,511.45	-7.5%	66.9%	10.0
Assistant Commonwealth Attorney	\$66,499.75	2.6%	\$87,322.98	-2.4%	\$108,146.22	-5.7%	63.1%	11.0
Assistant Director of Fiscal Affairs	\$73,332.19	-20.0%	\$97,136.19	-27.2%	\$120,940.19	-32.0%	65.9%	8.0
Assistant Director of Public Works	\$80,543.19	-24.5%	\$108,079.80	-33.7%	\$135,616.41	-39.8%	69.5%	8.0
Automotive Mechanic	\$33,712.70	15.0%	\$45,210.00	8.8%	\$56,707.30	4.7%	68.6%	13.0
Building Official	\$71,048.67	-1.5%	\$94,051.98	-7.4%	\$117,055.29	-11.4%	65.5%	12.0
Building Permit Technician	\$31,368.79	-2.0%	\$41,288.26	-7.4%	\$51,207.73	-11.0%	63.4%	8.0
Chief Information Officer	\$86,025.84	-9.0%	\$115,459.77	-17.0%	\$144,893.69	-22.3%	69.5%	11.0
City Engineer	\$72,304.22	-11.8%	\$95,413.79	-18.0%	\$118,523.36	-22.2%	64.2%	8.0
Communications Officer	\$34,002.90	0.9%	\$44,629.13	-4.0%	\$55,255.37	-7.3%	62.8%	12.0
Community Development Planner II	\$49,418.29	-5.5%	\$64,901.69	-10.9%	\$80,385.09	-14.5%	63.2%	9.0
Crew Leader	\$36,894.08	2.6%	\$48,273.90	-1.9%	\$59,653.71	-5.0%	62.1%	8.0
Deputy Circuit Court Clerk II	\$32,871.97	-1.0%	\$43,345.87	-6.6%	\$53,819.77	-10.3%	64.4%	9.0
Deputy Director for Planning and Senior Planner	\$68,646.28	-6.1%	\$91,105.45	-12.7%	\$113,564.62	-17.1%	66.0%	7.0

EXHIBIT 4B (CONTINUED)
PUBLIC SECTOR MARKET DATA

Classification	Survey Minimum		Survey Midpoint		Survey Maximum		Survey Avg Range	# Resp.
	Average	% Diff	Average	% Diff	Average	% Diff		
Deputy Sheriff	\$39,391.67	-4.0%	\$51,781.22	-9.3%	\$64,170.78	-12.9%	63.3%	14.0
Deputy Sheriff - Lieutenant	\$57,765.95	-10.7%	\$76,000.36	-16.5%	\$94,234.78	-20.4%	63.7%	12.0
Director of Human Resources	\$86,852.39	-10.0%	\$117,340.24	-18.9%	\$147,828.09	-24.8%	71.5%	10.0
Director of Public Transit	\$75,974.20	3.8%	\$103,983.96	-5.4%	\$131,993.71	-11.5%	74.2%	5.0
Director of Public Works	\$88,277.06	-0.4%	\$116,582.15	-6.1%	\$144,887.23	-9.9%	64.7%	9.0
Director of Social Services	\$91,396.00	-	\$121,486.61	-	\$151,577.22	-	66.8%	8.0
Eligibility Worker Senior	\$40,551.32	-2.2%	\$52,577.68	-6.0%	\$64,604.04	-8.6%	59.6%	6.0
Equipment Operator II	\$32,668.46	-0.4%	\$43,068.70	-5.9%	\$53,468.95	-9.6%	63.8%	8.0
Facilities Technician	\$33,063.04	-1.6%	\$43,403.61	-6.7%	\$53,744.18	-10.1%	62.6%	12.0
Fire Chief	\$91,031.39	-3.6%	\$120,551.86	-9.7%	\$150,072.33	-13.8%	65.6%	11.0
Fire Marshal	\$63,786.34	-	\$83,574.58	-	\$103,362.82	-	62.9%	5.0
Fire Sergeant	\$49,715.36	1.3%	\$64,461.29	-2.3%	\$79,207.23	-4.8%	59.7%	3.0
Firefighter	\$39,956.62	3.6%	\$52,692.31	-1.7%	\$65,427.99	-5.2%	64.2%	13.0
Firefighter - Medic II	\$43,322.37	7.5%	\$56,960.16	2.7%	\$70,597.95	-0.5%	63.4%	14.0
GIS Analyst	\$44,498.69	-12.1%	\$59,315.40	-19.6%	\$74,132.12	-24.6%	67.2%	8.0
Human Resources Assistant	\$36,051.73	9.1%	\$48,246.55	2.7%	\$60,441.36	-1.6%	68.1%	12.0
IT Business Analyst	\$51,627.34	-2.5%	\$67,938.89	-7.9%	\$84,250.43	-11.5%	63.7%	6.0
Laborer II	\$27,744.80	-2.1%	\$36,659.45	-7.9%	\$45,574.10	-11.8%	64.2%	8.0
Manager, Sports and Parks Division	\$55,871.77	-3.5%	\$72,980.17	-8.2%	\$90,088.58	-11.3%	61.6%	10.0
Network Administrator	\$60,528.83	3.8%	\$78,565.11	0.1%	\$96,601.39	-2.4%	60.0%	13.0
Park Maintenance I	\$27,019.82	0.6%	\$35,696.57	-5.1%	\$44,373.33	-8.8%	64.4%	11.0
PC Technician	\$37,342.68	1.5%	\$48,922.89	-3.3%	\$60,503.10	-6.5%	62.4%	12.0
Police Chief	\$96,065.91	-9.3%	\$128,971.45	-17.4%	\$161,876.99	-22.8%	68.7%	7.0
Police Detective	\$45,713.15	2.4%	\$59,449.34	-1.6%	\$73,185.52	-4.2%	60.7%	8.0
Police Lieutenant	\$60,039.99	-7.7%	\$78,938.55	-13.3%	\$97,837.12	-17.0%	63.2%	11.0
Police Officer	\$40,800.17	1.6%	\$53,743.05	-3.7%	\$66,685.93	-7.2%	63.9%	11.0
Police Sergeant	\$50,709.78	-0.6%	\$66,649.79	-5.8%	\$82,589.80	-9.3%	63.6%	12.0
Policy, Planning, and Compliance Manager	\$50,647.66	-4.2%	\$65,792.09	-8.3%	\$80,936.51	-11.0%	59.8%	3.0
Purchasing Agent	\$59,863.24	-	\$78,255.97	-	\$96,648.70	-	62.1%	9.0
Purchasing Clerk	\$32,577.38	5.1%	\$43,181.03	-0.7%	\$53,784.69	-4.5%	65.4%	4.0
Real Estate Supervisor	\$42,353.16	-2.1%	\$56,291.28	-8.6%	\$70,229.41	-12.9%	66.8%	6.0
Self-Sufficiency Case Specialist	\$38,542.88	2.9%	\$50,074.35	-1.0%	\$61,605.81	-3.5%	60.1%	7.0
Senior Permit Technician	\$36,416.64	-6.1%	\$48,022.83	-11.9%	\$59,629.03	-15.8%	64.5%	4.0
Senior Plant Mechanic	\$39,208.57	5.4%	\$51,550.85	0.5%	\$63,893.13	-2.7%	63.9%	5.0
Superintendent of Wastewater	\$54,477.36	-8.1%	\$71,197.89	-13.0%	\$87,918.41	-16.3%	61.8%	7.0
Traffic Maintenance Worker	\$26,157.26	9.7%	\$35,622.75	1.6%	\$45,088.24	-3.8%	72.4%	6.0
Traffic Signal Technician I	\$33,109.76	16.6%	\$45,456.34	8.3%	\$57,802.92	2.9%	74.5%	4.0
Transit Driver	\$26,894.68	17.3%	\$34,924.89	14.1%	\$42,955.10	12.0%	59.7%	3.0
Treasurer	\$74,212.96	8.1%	\$98,451.43	2.5%	\$122,689.91	-1.3%	65.2%	3.0
Utility Maintenance Mechanic	\$33,685.82	11.1%	\$45,572.14	3.8%	\$57,458.46	-1.1%	71.2%	11.0
Wastewater Treatment Plant Operator I	\$34,307.92	-5.4%	\$44,654.95	-9.8%	\$55,001.98	-12.7%	60.8%	10.0
Wastewater Treatment Plant Operator II	\$39,393.44	8.9%	\$51,402.73	4.9%	\$63,412.02	2.2%	61.3%	9.0
Zoning Administrator	\$56,328.25	-4.4%	\$72,545.91	-7.6%	\$88,763.58	-9.7%	57.6%	7.0
Overall Average		-0.3%		-6.1%		-9.9%	64.7%	8.9

Pay Range Minimum Comparisons

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 4B** illustrates, for the benchmarked classifications, the City was, on average, approximately 0.3 percent below the desired market position at the minimum of the respective salary ranges. Several conclusions can be drawn based on the collected data:

- The surveyed classifications' differentials ranged from a low of 24.5 percent below the desired market position minimum in the case of the Assistant Director of Public Works to a high of 17.3 percent above this position for the Transit Driver classification.
- Of the 57 classifications with differentials, 30 (52.6 percent) reported to be below the desired market position at the minimum.

Pay Range Midpoint Comparisons

Market midpoints are important to consider as midpoint is commonly recognized as the salary point at which employees are typically fully proficient and satisfactorily performing the duties of their job. As such, midpoint is often considered as the salary point at which these employees could expect their salary to be placed.

As **Exhibit 4B** illustrates, for the benchmarked classifications, the City was, on average, 6.1 percent below the desired market position at the midpoint of the respective salary ranges. Based on the collected data, the following observations can be made:

- The surveyed classifications' differentials ranged from a low of 33.7 percent below the desired market midpoint in the case of the Assistant Director of Public Works to a high of 14.1 percent above market for the Transit Driver classification.
- Of the 57 classifications with differentials, 45 (78.9 percent) reported to be below the desired market position at the midpoint.

Pay Range Maximum Comparisons

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

As **Exhibit 4B** illustrates, the City's benchmarked positions were, the City was, on average, 9.9 percent below at the desired market position at the maximum of the respective salary ranges. Based on the collected data, the following observations can be made:



- The surveyed position differentials ranged from a low of 39.8 percent below the desired market position maximum in the case of the Assistant Director of Public Works to a high of 12.0 percent above market for the Transit Driver classification.
- Of the 57 classifications with differentials, 51 (89.5 percent) reported to be below the desired market position at the maximum.

4.2 PRIVATE SECTOR MARKET DATA

Some classifications at the City can be found in the private sector. To supplement the public sector data, private sector salary data for December 2016 from Economic Research Institute (ERI) were analyzed. **Exhibit 4C** summarizes the ERI private sector salary data for Fredericksburg, VA. While salary data from the private sector were useful in determining characteristics of that market as a whole, there are inherent differences between private and public sector classifications which made it difficult to draw conclusions about public sector salary ranges entirely from private sector data. Only those classifications with skills that are more easily transferable to the private sector are included in **Exhibit 4C**. Differentials are not provided for City classifications for which there are no current ranges. Private sector market data were considered when making pay grade recommendations, which are discussed in **Chapter 5** of this report.



EXHIBIT 4C
PRIVATE SECTOR MARKET DATA

Classification	Survey Minimum		Survey Midpoint		Survey Maximum		Survey Avg Range
	Average	% Diff	Average	% Diff	Average	% Diff	
Account Clerk I	\$31,583.00	2.9%	\$44,138.00	-8.5%	\$56,693.00	-16.2%	79.5%
Accountant	\$54,411.00	-20.8%	\$68,587.50	-21.8%	\$82,764.00	-22.5%	52.1%
Administrative Assistant	\$33,970.00	-4.4%	\$49,072.50	-20.7%	\$64,175.00	-31.5%	88.9%
Automotive Mechanic	\$34,472.00	13.1%	\$49,757.00	-0.3%	\$65,042.00	-9.3%	88.7%
Chief Information Officer	\$104,547.00	-32.4%	\$165,156.00	-67.3%	\$225,765.00	-90.6%	115.9%
Communications Officer	\$33,083.00	3.6%	\$46,327.50	-8.0%	\$59,572.00	-15.7%	80.1%
Director of Human Resources	\$98,182.00	-24.3%	\$121,263.50	-22.9%	\$144,345.00	-21.9%	47.0%
Director of Social Services	\$65,995.00	-	\$88,985.00	-	\$111,975.00	-	69.7%
Eligibility Worker Senior	\$42,648.00	-7.5%	\$49,486.50	0.2%	\$56,325.00	5.4%	32.1%
Equipment Operator II	\$38,320.00	-17.8%	\$53,405.50	-31.3%	\$68,491.00	-40.3%	78.7%
Human Resources Assistant	\$33,419.00	15.8%	\$46,138.50	7.0%	\$58,858.00	1.1%	76.1%
IT Business Analyst	\$60,266.00	-19.6%	\$82,661.50	-31.2%	\$105,057.00	-39.0%	74.3%
Laborer II	\$27,065.00	0.4%	\$31,313.00	7.8%	\$35,561.00	12.8%	31.4%
Network Administrator	\$54,237.00	13.8%	\$76,094.50	3.2%	\$97,952.00	-3.8%	80.6%
PC Technician	\$40,364.00	-6.5%	\$54,153.00	-14.3%	\$67,942.00	-19.5%	68.3%
Purchasing Agent	\$49,257.00	-	\$66,487.50	-	\$83,718.00	-	70.0%
Purchasing Clerk	\$33,924.00	1.2%	\$46,975.50	-9.5%	\$60,027.00	-16.6%	76.9%
Real Estate Supervisor	\$42,097.00	-1.5%	\$57,216.50	-10.4%	\$72,336.00	-16.3%	71.8%
Self-Sufficiency Case Specialist	\$33,334.00	16.0%	\$47,533.50	4.2%	\$61,733.00	-3.7%	85.2%
Superintendent of Wastewater	\$69,747.00	-38.4%	\$95,818.00	-52.1%	\$121,889.00	-61.3%	74.8%
Transit Driver	\$34,003.00	-4.5%	\$47,668.00	-17.2%	\$61,333.00	-25.7%	80.4%
Utility CAD Drafter	\$42,520.00	-12.2%	\$57,223.50	-20.8%	\$71,927.00	-26.6%	69.2%
Utility Maintenance Mechanic	\$35,814.00	5.5%	\$50,914.50	-7.5%	\$66,015.00	-16.1%	84.3%
Wastewater Treatment Plant Operator I	\$41,842.00	-28.6%	\$48,659.50	-19.6%	\$55,477.00	-13.7%	32.6%
Wastewater Treatment Plant Operator II	\$50,337.00	-16.4%	\$59,009.50	-9.2%	\$67,682.00	-4.3%	34.5%
Overall Average		-7.1%		-15.2%		-20.7%	69.7%

4.3 SALARY SURVEY SUMMARY

It should again be noted that the standing of a classification's pay range compared to the City's desired market position is not a definitive assessment of an individual employee's salary being equally above or below market. A salary range does, however, speak to the City's general ability to recruit and retain talent over time. If a range minimum is significantly lower than the market would offer, the City could find itself losing out to its market peers when it seeks to fill a position. It is equally true that range maximums lower than the market maximums may serve as a disincentive for experienced employees to remain at the City. From the analysis of the data gathered above, the City's salary structure was generally found to be below its desired market position when compared to both public and private sectors. When comparing to the public sector, the City was closer to the market at the minimum than at the midpoint and maximum. This is partially due to the fact that the average market range spread for the peers was 64.8 percent compared to an average range spread of 50 percent for the City's compensation structure.

4.4 BENEFITS SURVEY RESULTS

In addition to the salary survey, Evergreen Solutions conducted a benefits survey in order to compare the City's current benefits to those of its peers. The information provided in this section is a result of the current policies both at the City and at each peer organization, which are subject to change. Additionally, it should be understood that benefit plans have a number of intricacies that are not represented in this chapter and should not be used as a line-by-line comparison since benefits can be weighted differently depending on the importance to an organization. It should also be noted that benefits are usually negotiated and acquired through third parties, so one-to-one comparisons can be difficult. The analysis below highlights aspects of the benefits survey. Benefit data were collected from the 10 peer organizations in **Exhibit 4D**.

EXHIBIT 4D BENEFITS RESPONDENTS

Peer Data Collected
City of Winchester, VA
Culpeper County, VA
Hanover County, VA
Henrico County, VA
King George County, VA
Prince William County, VA
Spotsylvania County, VA
Stafford County, VA
Commonwealth of Virginia
Virginia Department of Transportation

General Benefits

Exhibit 4E provides counts and a percentage breakdown of the peers and City's full-time and part-time employees. The peer organizations were made up of, on average, 80.9 percent full-time employees and 19.1 percent part-time employees. For the City, this percentage was 72.8 percent full-time, and 27.2 percent part-time. The number of full-time and part-time employees can influence the benefits offered by an organization and thus are provided below:



**EXHIBIT 4E
PERCENT OF FULL-TIME AND PART-TIME EMPLOYEES**

Organization Demographics	Peer Average		Fredericksburg, VA	
Full-Time Employees	2179	80.9%	430	72.8%
Part-Time Employees	515	19.1%	161	27.2%

The percentage of benefits in relation to total compensation is a common broad indicator that organizations use to assess how generous the discretionary benefits are at individual organizations. Total compensation refers to the compensation package (salary and benefits) an employee receives from its organization. Therefore, benefits as a percentage of total compensation is calculated by dividing benefits expressed as a dollar amount by the amount of total compensation (salary plus benefits). As seen in **Exhibit 4F**, the market average for benefits as a percentage of total compensation was approximately 28.3 percent based on the information provided, while for the City, this percentage was 28.0.

It is typical to see benefits as a percent of total compensation for the public sector in the 30.0 to 40.0 percent range. It is not uncommon for this number to vary depending on the compensation practice of the organization and the relative cost of benefits.

**EXHIBIT 4F
BENEFITS AS PERCENT OF TOTAL COMPENSATION**

Total Compensation	Peer Average	Fredericksburg, VA
Benefits as a percentage of total compensation	28.3%	28.0%

Employee Health Plans

Exhibit 4G shows the number of health plans offered to current employees by the responding peers and the City. The average number of health plans offered (any combination of HMO, HSA, PPO, or other) was 3.0 based on the market data. The City offered 3.0 health plan options that included two Preferred Provider Organization (PPO) plans and a High Deductible Health Plan (HDHP).

**EXHIBIT 4G
NUMBER OF HEALTH PLANS**

Number of Plans	Peer Average	Fredericksburg, VA
Number of health plans offered	3.0	3.0

Exhibit 4H displays information regarding the health plans of peers compared to the City. The average percentage of premium paid by peers for a PPO plan was 89.6 percent for employee only coverage as compared to the City which paid 95.0 percent of its employee only coverage. The average percentage of premium paid by peers for a high deductible with HSA plan was 97.5 percent for employee only coverage as compared to the City which paid 95.0 percent of its employee only coverage. **Exhibit 4H** also provides the average peer health plan deductibles compared to those of the City's plan. Some of the respondents offered HMO health plan options and other options such as a Point of Service (POS) plan.

EXHIBIT 4H
HEALTH PLAN PREMIUMS AND DEDUCTIBLES

Health Plan Premiums & Deductibles	Peer HMO Average	Peer PPO Average	Peer HDHP Average	Other Plans Average	Fredericksburg, VA	Fredericksburg, VA	Fredericksburg, VA
Percentage of peers offering each plan	40.0%	90.0%	44.4%	50.0%	PPO	PPO	HDHP
Percentage (monthly) of employee premium paid by employer	90.2%	89.6%	97.5%	90.9%	95.0%	95.0%	95.0%
DOLLAR AMOUNT (monthly) of employee premium paid by employer	\$523.86	\$516.23	\$466.75	\$503.88	\$720.00	\$659.00	\$494.00
PERCENTAGE (monthly) of employee plus One premium paid by employer	80.8%	79.4%	93.3%	78.8%	93.0%	93.0%	93.0%
DOLLAR AMOUNT (monthly) of employee plus One premium paid by employer	\$773.37	\$790.68	\$770.75	\$764.43	\$1,068.00	\$977.00	\$728.00
PERCENT (monthly) of employee plus Family premium paid by employer	73.2%	75.4%	90.4%	71.6%	83.0%	83.0%	83.0%
DOLLAR AMOUNT (monthly) of employee plus Family premium paid by employer	\$1,096.35	\$1,253.56	\$1,205.00	\$1,198.91	\$1,889.00	\$1,727.00	\$1,295.00
Individual Maximum Deductible	\$500.00	\$489.29	\$2,375.00	\$1,256.25	\$0.00	\$300.00	\$2,000.00
Employee Plus One Deductible	\$1,000.00	\$978.57	\$4,750.00	\$2,475.00	\$0.00	\$600.00	\$4,000.00
Employee Plus Family Deductible	\$1,000.00	\$978.57	\$4,750.00	\$2,475.00	\$0.00	\$600.00	\$4,000.00
Individual Out of Pocket Maximum	\$2,500.00	\$2,921.43	\$6,000.00	\$3,250.00	\$3,000.00	\$3,000.00	\$4,000.00
Employee Plus One Out of Pocket Maximum	\$5,000.00	\$6,357.14	\$12,000.00	\$6,487.50	\$6,000.00	\$6,000.00	\$8,000.00
Employee Plus Family Out of Pocket Maximum	\$5,000.00	\$6,357.14	\$12,000.00	\$6,564.29	\$6,000.00	\$6,000.00	\$8,000.00
Is there Coinsurance?	75.0%	100.0%	100.0%	100.0%	Yes	Yes	Yes

Other Insurance Plans

Exhibit 4I displays information from the responding peers regarding provided or offered dental and vision plans. The City, as did its peers, provided dental plans at a cost to the employee. Unlike most of the responding peers, the City offers vision plans for their employees.

**EXHIBIT 4I
DENTAL AND VISION PLANS**

Dental Insurance		Peer Percentage Offered	Average monthly cost for individual coverage?	Average monthly cost for family coverage?	Are employees required to submit their dental bills for reimbursement?	Is dental insurance provided to retirees?	If yes, does the employer contribute?
Dental Insurance	Employer Paid	50.0%	\$21.65	\$65.03	0.0%	100.0%	100.0%
	Fredericksburg, VA	yes	\$21.00	\$21.00	no	yes	yes
	Employee Paid	70.0%	\$23.57	\$72.64	0.0%	100.0%	50.0%
	Fredericksburg, VA	yes	\$0.00	\$47.00	no	Yes	yes

Other Insurance		Peer Percentage Offered	Average monthly cost for individual coverage?	Average monthly amount that the employer pays for family coverage	Percentage of salary the employee receives
Vision Plan	Employer Paid	40.0%	-	-	
	Fredericksburg, VA	Yes	\$2.00	\$2.00	
	Employee Paid	40.0%	\$7.52	\$17.47	
	Fredericksburg, VA	Yes	\$7.00	\$18.00	

Exhibit 4J displays the percentage of responding peers who offered short and long-term disability insurance. Of the responding peers, 50.0 percent provided employer paid short-term disability insurance as did the City. Both the peers and the City also offered employee paid options for short-term disability. Of the responding peers, 37.5 percent provided employer paid long-term disability insurance as did the City. Like most of the peers, the City doesn't offer employee paid options for long-term disability.

**EXHIBIT 4J
DISABILITY INSURANCE**

Other Insurance		Peer Percentage Offered	Average monthly cost for individual coverage?	Average monthly amount that the employer pays for family coverage	Percentage of salary the employee receives
Short-Term Disability	Employer Paid	44.4%	Based on Salary	-	60.0%
	Fredericksburg, VA	Yes	\$.59/1000 salary (Hybrid)		
	Employee Paid	33.3%	Based on Salary		60.0%
	Fredericksburg, VA	No		-	
Long-Term Disability	Employer Paid	33.3%	-	-	55.0%
	Fredericksburg, VA	Yes	\$.59/1000 salary (Hybrid)	-	
	Employee Paid	11.1%	-	-	50.0%
	Fredericksburg, VA	No			

Life Insurance

Exhibit 4K summarizes the life insurance offerings of responding peers and the City. Employer-paid life insurance is offered by 100.0 percent of the peers as well as the City. Most of the peers, as well as the City, didn't offer the option of optional dependent coverage, but did offer accidental death insurance to employees.

**EXHIBIT 4K
LIFE INSURANCE**

Life Insurance	Peer Percentage Yes	Peer Average	Fredericksburg, VA
Is employer-paid life insurance offered?	100.0%	-	Yes
Cost (monthly) to employer for individual coverage	-	Varies based on Salary	Varies based on Salary
Dollar amount of death benefit	-	2 times Salary	2 times Salary
Is Optional dependent coverage offered?	37.5%	-	No
Is accidental death insurance provided?	100.0%	-	Yes

Exhibit 4L summarizes the Employee Assistance Programs (EAP) offering. EAP is provided by 88.9 percent of responding peers. On average, about five annual visits are offered by peers while the City offers three to five annual visits.

**EXHIBIT 4L
EMPLOYEE ASSISTANCE PROGRAM**

EAP	Peer Percentage Yes	Peer Average	Fredericksburg, VA
Is an EAP offered?	90.0%	-	Yes
Number of Annual EAP Visits Provided	-	4.8	3-5

Exhibit 4M shows tuition reimbursement among peers and the City. Tuition reimbursement for employees is offered by 88.9 percent of responding peers with an average reimbursement of \$2925.00 per fiscal year. The City does not offer tuition reimbursement to their employees.

**EXHIBIT 4M
TUITION REIMBURSEMENT BENEFITS**

Tuition Reimbursement	Peer Percentage Yes	Peer Average	Fredericksburg, VA
Is Tuition Reimbursement offered?	90.0%	-	No
Tuition Reimbursement Limit	-	\$2,925.00	

Employee Leave and Holidays

Exhibit 4N provides the average accrual rates for personal, sick, annual/vacation, and paid time off for employees for both responding peers and the City. Responding peers offered an average minimum monthly accrual rate for sick leave of 7.8 hours and a maximum rate of 8.3. The City's accrual rate for sick leave was an average minimum/maximum monthly amount of 8.0 hours, which is in line with its peers. The City and most of the peers do not offer personal and paid time off leave.

**EXHIBIT 4N
LEAVE TIME ACCRUAL**

Leave Accrual	Organization	Offered?	How many years of service does it require to begin to accrue the maximum rate?	Minimum Accrual Rate (Monthly)	Maximum Accrual Rate (Monthly)	Maximum Allowed to Roll Over to Following Year
Personal Leave	Peer Percentage Yes/Average	22.2%	0.0	1.2	1.2	0.0
	Fredericksburg, VA	No				
Sick Leave	Peer Percentage Yes/Average	88.9%	0.0	7.8	8.3	unlimited
	Fredericksburg, VA	Yes	0.0	8.0	8.0	unlimited
Annual/Vacation Leave	Peer Percentage Yes/Average	88.9%	9.3	8.9	17.9	335.7
	Fredericksburg, VA	General Employees	0.0	6.7	16.7	400.0
	Fredericksburg, VA	Communication Employees	0.0	7.0	17.5	420.0
	Fredericksburg, VA	Firefighters	0.0	9.3	23.3	560.0
Paid-Time Off	Peer Percentage Yes/Average	11.1%	15.0	14.0	22.0	400.0
	Fredericksburg, VA	No				

Exhibit 4O summarizes respondents’ policies regarding the payout of sick leave upon employee termination. The City compared favorably to its peer’s sick leave payout policies, since the City provides payouts for unused sick leave whether it’s voluntary or involuntary separation. Most peers did not pay out unused sick leave for involuntary separation.

**EXHIBIT 4O
SICK LEAVE PAYOUT**

Sick Leave Policies	Peer Percentage Yes	Peer Average	Fredericksburg, VA
Is unused sick leave paid out upon voluntary separation?	62.5%	-	Yes
Max hours of sick leave paid out upon voluntary separation	-	25% of hours accrued	25% not to exceed \$3,000. Must have 5 yrs service
Is unused sick leave paid out upon involuntary separation?	25.0%	-	Yes
Max hours of sick leave paid out upon involuntary separation	-	-	25% not to exceed \$3,000. Must have 5 yrs service
Can unused sick leave count towards retirement?	62.5%	-	Yes
Max hours of sick leave that can count towards retirement	-	25% of hours accrued	25% not to exceed \$3,000. Must have 5 yrs service

Exhibit 4P summarizes respondents’ policies regarding Annual/Vacation Leave payout. Annual/Vacation Leave was paid out by 100.0 percent of respondents for voluntary

separation and 71.4 percent of respondents for involuntary separation. The City also paid out vacation leave for voluntary separation.

**EXHIBIT 4P
ANNUAL/VACATION LEAVE PAYOUT**

Vacation Leave Policies	Peer Percentage Yes	Peer Average	Fredericksburg, VA
Is unused annual/vacation leave paid out upon voluntary separation?	100.0%	-	Yes
Max hours of annual/vacation leave paid out upon voluntary separation	-	330.3	Carryover hours
Is unused annual/vacation leave paid out upon involuntary separation?	62.5%	-	No
Is unused annual/vacation leave paid out upon involuntary separation	-	-	-

The percentages of peers offering various holidays and the holidays at the City are shown in **Exhibit 4Q**. All peers recognized New Year's Day, Martin Luther King Jr Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve, and Christmas Day. The City offered 11.0 paid holidays each year, which was comparable to the peer average of 11.3. Like the City, some of the peers offered Lee Jackson Day as a paid holiday to employees.

**EXHIBIT 4Q
RECOGNIZED HOLIDAYS**

Paid Holiday observed by peer organizations	Peer Percentage Yes	Fredericksburg, VA
New Year's Day	100.0%	Yes
New Year's Eve	0.0%	No
Martin Luther King, Jr. Day	100.0%	Yes
Lincoln's Birthday	0.0%	No
Washington's Birthday	33.3%	Yes
Memorial Day	100.0%	Yes
Independence Day	100.0%	Yes
Labor Day	100.0%	Yes
Veteran's Day	100.0%	Yes
Thanksgiving Day	100.0%	Yes
Day after Thanksgiving	100.0%	Yes
Christmas Eve	100.0%	No
Christmas Day	100.0%	Yes
Personal Holiday	0.0%	No
Employee Birthday	0.0%	No
Other - Lee Jackson Day	44.4%	Yes
Other Floating Holiday	20.0%	No



EXHIBIT 4Q (CONTINUED)
RECOGNIZED HOLIDAYS

Holiday Policies	Peer Total/Percentage Yes	Fredericksburg, VA
Total Number of holidays observed (include breaks and other special days off not included as annual, sick, or personal leave)	11.3	11.0
How are employees paid for holidays?		Yes
Straight time	75.0%	
Time and a Half if hours worked exceed maximum for straight time	40.0%	

Retired Employee Benefits

Exhibit 4R displays the number of retirement plans offered and whether or not peers and the City participated in or offered retirement options other than the state plan. Of the peer respondents, 90.0 percent participated in a retirement option other than a state retirement plan, and 100.0 percent offered other plans such as 401k, 401a, 403(b), or 457.

EXHIBIT 4R
RETIREMENT

Retirement Participation	Peer Percentage Yes	Fredericksburg, VA
Is a retirement option other than a state plan offered?	90.0%	Yes
Is a 401k, 401a, 403(b), or 457 offered?	100.0%	Yes
Is a type of plan other than a 401k, 401a, 403(b) or 457 offered?	0.0%	No
Does the employer contribute to any of these non-state retirement options?	60.0%	Yes



Additional Benefit Questions

When surveying the peer organizations for benefits provided, the City requested additional benefits related information. The questions were related to the number of hours per week considered to be a standard work week for general employees, the standard schedule for fire and police employees, and paying for shift differential.

The City considers working 37.5 hours per week a standard work week for some areas of employees. However, all of the responding peers consider working 40 hours per week a standard work week for general employees. Some of the responding peers fire employees standard work week consists of 24 hours on and 72 hours off, while other peers fire employees worked 24 hours on and 48 hours off. The City's fire employee's standard work is a combination of 24 hours on and 72 hours off the first week followed working 24 hours on and 48 hours off the next week. All of the responding peers offered 12 hour shifts for the police employees and they worked 80 hours every two weeks. Like the peers, the City's police employees work 12 hour shifts. As well, most of the peers responding to the additional benefit question regarding shift differential provided such to their employees.

4.5 BENEFITS SUMMARY

The peer benefit data summarized in this chapter indicate that the City had a competitive benefits package for both current and retired employees. The City was very comparable with their peers with benefit offerings, as their benefits as a percentage of total compensation was approximately 28.0 percent compared to the average of the peers at 28.3 percent. The City was comparable and slightly ahead in most categories of benefits including health plan premiums. However, the City did not offer tuition reimbursement benefits, whereas most of the peers did.

4.6 MARKET SUMMARY

This analysis provided a comparison of the City's current compensation structure, or pay ranges and peer data at a competitive market position. Some classifications had ranges that were ahead of the market while some were well behind. Overall, when comparing the data, the subset of the City's current classifications examined fell behind its peers. The City's benefits were found to be very competitive; though the City may consider making some minor changes to specific offerings. All study findings and recommendations are discussed in the next chapter of this report.

Chapter 5 – Recommendations

The analysis of the City’s classification and compensation systems revealed several areas of opportunities for improvement. Evergreen Solutions worked to build on areas of strength within these systems. Focus was placed on developing a more competitive compensation system, and a sound classification structure. All study findings and recommendations are discussed below.

5.1 CLASSIFICATION SYSTEM

An organization’s classification system establishes how its human resources are employed to perform its core services. 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 essential that the titles and descriptions of an organization’s classifications accurately depict the work being performed by employees in the classifications in order to ensure equity within the organization and to enable comparisons with positions at peer organizations. The purpose of a classification analysis is to identify such issues as incorrect titles, outdated job descriptions, and inconsistent titles across departments.

In the analysis of the City’s classification system, Evergreen Solutions collected classification data through the Job Assessment Tool (JAT) and Management Issues Tool (MIT) processes. The JATs, which were completed by employees and reviewed by their supervisors, provided information about the type and level of work being performed by employees in each of the City’s classifications. The MIT process provided supervisors an opportunity to provide specific recommendations regarding the pay or classification of positions in their areas. Evergreen Solutions reviewed and utilized the data provided in the JATs and MITs as a basis for the classification recommendations below.

FINDING:

Overall, the classification system utilized by the City was generally accurate and well organized. There were instances, however, of titles that could be modified to better reflect the tasks assigned to the position.

RECOMMENDATION 1: Revise the titles of some classifications, establish unique titles for some positions, and establish new titles for new positions.

Exhibit 5A provides a list of the recommended changes to the classification system. Not listed are minor changes e.g., spelling out abbreviated words; however, listed are modifications to entire classifications and those that had unique changes for one or two employees (listed as New Title) in a classification. Titles for new positions are also listed. Five new classification titles (levels) were developed for clerical/administrative positions. These new titles (Administrative Support Specialist I, II, III, IV, and Administrative Supervisor)



will provide consistency for positions performing the same essential functions across the City. Current clerical/administrative positions were identified for review and the proposed new classifications were determined individually based on the work performed as described in the completed JATs. The foundation for all classification recommendations was the work performed by employees as described in their JATs, best practices in the Human Resources field, or unique needs which required a specific titling method.



**EXHIBIT 5A
PROPOSED CLASSIFICATION CHANGES**

Current Class Title	Recommended Class Title
ACCREDITATION MANAGER	ACCREDITATION ASSISTANT
AUDITOR/DEPUTY COMMISSIONER OF REVENUE	CHIEF DEPUTY COMMISSIONER OF REVENUE
AUTOMOTIVE MECHANIC	AUTOMOTIVE MECHANIC SUPERVISOR
BUILDING & CONSTRUCTION TECHNICIAN II	SENIOR FACILITIES TECHNICIAN
BUILDING INSPECTOR II	BUILDING INSPECTOR
CAPTAIN OF SPECIAL PROJECTS (PT)	CAPTAIN OF SPECIAL PROJECTS
CHIEF INFORMATION OFFICER (INFO SYSTEMS)	CHIEF INFORMATION OFFICER
COMMUNITY DEVELOPMENT PLANNER II	COMMUNITY DEVELOPMENT PLANNER
CSA COORDINATOR	PROGRAM COORDINATOR
CUSTODIAN I	CUSTODIAN
CUSTODIAN SUPERVISOR	CUSTODIAL SUPERVISOR
DEPUTY DIRECTOR OF BUILDING & DEVELOPMENT	BUILDING OFFICIAL
DEPUTY DIRECTOR OF PLANNING & SR. PLANNER	SENIOR PLANNER
DEVELOPMENT ADMINISTRATOR & CODE ENFORCEMENT OFFC	DEVELOPMENT ADMINISTRATOR
DIRECTOR III	DIRECTOR OF SOCIAL SERVICES
DIRECTOR OF PLANNING AND BUILDING AND DEVELOPMENT	DIRECTOR OF PLANNING
DIRECTOR VICTIM/WITNESS	DIRECTOR OF VICTIM/WITNESS PROGRAM
ELIGIBILITY WORKER	BENEFIT PROGRAMS SPECIALIST
ELIGIBILITY WORKER SENIOR	BENEFIT PROGRAMS SPECIALIST SENIOR
ELIGIBILITY WORKER SUPERVISOR	BENEFIT PROGRAMS SUPERVISOR
EXECUTIVE ASSISTANT/DEP CLERK TO COUNCIL	EXECUTIVE ASSISTANT/DEPUTY CLERK TO COUNCIL
FAMILY SERVICES SPECIALIST III	FAMILY SERVICES SPECIALIST
FAMILY SERVICES SPECIALIST SUPERVISOR	FAMILY SERVICES SUPERVISOR
FIREFIGHTER	FIREFIGHTER/EMT
INFORMATION SYSTEMS ANALYST	INFORMATION SYSTEMS BUSINESS ANALYST
LABORER II	EQUIPMENT OPERATOR I
LEAD DRIVER SUPERVISOR	TRANSIT LEAD SUPERVISOR
LEAD LABORER	CREW LEADER
MANAGER, PUBLIC FACILITIES DIVISION	MANAGER, PUBLIC FACILITIES
MECHANIC HELPER	MECHANIC ASSISTANT
NETWORK SUPPORT SPECIALIST	NETWORK PROJECT MANAGER
New Position	AUDITOR
New Position	REAL ESTATE ADMINISTRATOR
New Position	TRANSIT DRIVER SCHEDULER AND DATA SPECIALIST
New Position	TRANSIT PLANNER
New Position	TRANSIT PLANNING AND PROGRAMMING MANAGER
New Title	ADMINISTRATIVE SUPERVISOR
New Title	ADMINISTRATIVE SUPPORT SPECIALIST I
New Title	ADMINISTRATIVE SUPPORT SPECIALIST II
New Title	ADMINISTRATIVE SUPPORT SPECIALIST III
New Title	ADMINISTRATIVE SUPPORT SPECIALIST IV
PARK MAINTENANCE I	PARK MAINTENANCE WORKER I
PARK MAINTENANCE II	PARK MAINTENANCE WORKER II
PC TECHNICIAN	INFORMATION SYSTEMS SUPPORT TECHNICIAN
PERMIT CLERK I	PERMIT CLERK
RECEPTIONIST II	RECEPTIONIST
SECRETARY III - CRIME ANALYST	CRIME ANALYST
SELF-SUFFICIENCY CASE SPECIALIST	BENEFIT PROGRAMS SPECIALIST
SELF-SUFFICIENCY CASE SPECIALIST SENIOR	BENEFIT PROGRAMS SPECIALIST SENIOR
SELF-SUFFICIENCY CASE SPECIALIST SUPERVISOR	BENEFIT PROGRAMS SUPERVISOR
SENIOR PERMIT TECHNICIAN	SENIOR PERMIT CLERK
SENIOR PLANT MECHANIC	WASTEWATER PLANT MECHANIC
SPORTS & FITNESS SUPERVISOR	SPORTS AND FITNESS SUPERVISOR
SUPERVISOR OF MARKETING	MARKETING & EVENTS MANAGER
SUPERVISOR OF PARKS & MAINTENANCE	SUPERINTENDENT OF PARKS & MAINTENANCE
SUPERVISOR OF SPECIAL PROJECTS	BUILDING & GROUNDS SUPERVISOR
TRANSIT DRIVER SUBSTITUTE	TRANSIT DRIVER
UTILITY CAD DRAFTER	UTILITY GRAPHICS COORDINATOR



FINDING

When comparing the City's current job descriptions to the work described by employees in the JATs, Evergreen Solutions noted some tasks that were either missing from the job descriptions, or were inappropriate to the current title. It is common for the tasks outlined in job descriptions to be reassigned to different classifications over time. As such, it is necessary for an organization to update its job descriptions regularly to ensure each job description accurately reflects the work performed.

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

The process of reviewing and updating the City's job descriptions as well as comments received from employees and supervisors during outreach revealed they did not, in some cases accurately reflect current work performed. To minimize this becoming a concern again in the future, Evergreen Solutions recommends a regular review of these descriptions, and FLSA status determinations. To the extent possible, a review of the employee's assigned job classification (description) should occur concurrent with his/her annual performance evaluation.

This would be an appropriate time to review the job description as it should accurately represent the work the employee has and will perform during the evaluation periods. Review of the FLSA determination as well as other aspects of the job, such as physical requirements required to perform essential functions of the job will ensure consistent, continuous compliance with the American's with Disabilities Act (ADA) protection. Updated, draft job descriptions will be provided to the City under separate cover.

5.2 COMPENSATION SYSTEM

The compensation system analysis consisted of two parts: an external market assessment and an internal equity assessment. During the external market assessment, the City's pay ranges for selected benchmark classifications were compared to the City's desired market position. Details regarding this comparison are provided in **Chapter 4** of this report.

FINDING:

The City's salary ranges were behind the desired market position for many of the benchmarked classifications indicating a need for revisions to the pay plan. Implementing a new, market based open-range pay plan with increasing pay range widths would provide the City the ability to remain competitive in the labor market with its peers.

RECOMMENDATION 3: Create a new open-range pay plan aligned with the City's compensation practice that reflects the desired market position and best practices; slot all classifications into the plan based on external and internal equity; and implement the new structure by transitioning employees' salaries into the plan.

Exhibit 5B shows the proposed open-range pay plan which has 27 open range pay grades, numbered 201 through 227. The range spreads of the pay grades begin at 55.0 percent



changing to a spread of 60.0 percent for grades 211 through 220, and to 65.0 percent for grades 221 through 227.

**EXHIBIT 5B
PROPOSED OPEN-RANGE PAY PLAN**

Grade	Minimum	Midpoint	Maximum
201	\$ 26,665	\$ 33,998	\$ 41,330
202	\$ 27,998	\$ 35,697	\$ 43,397
203	\$ 29,398	\$ 37,482	\$ 45,567
204	\$ 30,868	\$ 39,356	\$ 47,845
205	\$ 32,411	\$ 41,324	\$ 50,237
206	\$ 34,032	\$ 43,390	\$ 52,749
207	\$ 35,733	\$ 45,560	\$ 55,387
208	\$ 37,520	\$ 47,838	\$ 58,156
209	\$ 39,396	\$ 50,230	\$ 61,064
210	\$ 41,366	\$ 52,741	\$ 64,117
211	\$ 43,434	\$ 56,464	\$ 69,495
212	\$ 45,606	\$ 59,288	\$ 72,969
213	\$ 47,886	\$ 62,252	\$ 76,618
214	\$ 50,280	\$ 65,364	\$ 80,449
215	\$ 52,794	\$ 68,633	\$ 84,471
216	\$ 55,434	\$ 72,064	\$ 88,695
217	\$ 58,206	\$ 75,668	\$ 93,129
218	\$ 61,116	\$ 79,451	\$ 97,786
219	\$ 64,172	\$ 83,423	\$ 102,675
220	\$ 67,380	\$ 87,595	\$ 107,809
221	\$ 70,750	\$ 93,743	\$ 116,737
222	\$ 74,287	\$ 98,430	\$ 122,574
223	\$ 80,230	\$ 106,305	\$ 132,379
224	\$ 86,648	\$ 114,809	\$ 142,970
225	\$ 93,580	\$ 123,994	\$ 154,407
226	\$ 101,067	\$ 133,913	\$ 166,760
227	\$ 109,152	\$ 144,626	\$ 180,101

After developing the new pay plan, Evergreen Solutions slotted each proposed classification into the appropriate pay range in the recommended pay plan. Both internal and external equity were analyzed when slotting the classifications. Assigning pay grades to classifications requires a balance of internal equity, desired market position, and recruitment and retention concerns. Thus market range data shown in **Chapter 4** were not the sole criteria for the proposed pay ranges. Some classifications' grade assignments varied from their associated market range due to the other factors mentioned above. The resulting recommended pay grades for each of the City's classifications are shown in **Exhibit 5C**. It should be noted that the recommended classification titles are utilized in the exhibits.



EXHIBIT 5C
PROPOSED PAY GRADES

Proposed Class Title	Grade	Proposed Minimum	Proposed Midpoint	Proposed Maximum
CUSTODIAN LABORER I TRAVEL COUNSELOR	201	\$ 26,664.75	\$ 33,997.56	\$ 41,330.36
LABORER II NATURE EDUCATION ASSISTANT PARK MAINTENANCE WORKER I PARKING ENFORCEMENT ATTENDANT	202	\$ 27,997.99	\$ 35,697.43	\$ 43,396.88
PARKING GARAGE ATTENDANT PERMIT CLERK PROGRAM COORDINATOR RECEPTIONIST SPORTS PROGRAM SUPERVISOR	203	\$ 29,397.89	\$ 37,482.31	\$ 45,566.72
CUSTODIAL SUPERVISOR PARK MAINTENANCE WORKER II	204	\$ 30,867.78	\$ 39,356.42	\$ 47,845.06
ADMINISTRATIVE SUPPORT SPECIALIST I DEPUTY CIRCUIT COURT CLERK I EQUIPMENT OPERATOR I FARMERS MARKET MANAGER (PT) FINGERPRINT TECHNICIAN TRANSIT DRIVER	205	\$ 32,411.17	\$ 41,324.24	\$ 50,237.31
ACCOUNT CLERK ACCOUNTING TECHNICIAN I ADMINISTRATIVE SUPPORT SPECIALIST II DEPUTY CIRCUIT COURT CLERK II FACILITIES TECHNICIAN LEAD LABORER WASTEWATER TREATMENT PLANT TRAINEE	206	\$ 34,031.73	\$ 43,390.45	\$ 52,749.18
ADMINISTRATIVE SUPPORT SPECIALIST III ARCHIVIST COMMUNICATIONS OFFICER EQUIPMENT OPERATOR II PARKING GARAGE SUPERVISOR WATER DISTRIBUTION TECHNICIAN	207	\$ 35,733.32	\$ 45,559.98	\$ 55,386.64
ADMINISTRATIVE SUPPORT SPECIALIST IV CONVENTION SALES & SERVICES SPECIALIST CRIME ANALYST INFORMATION SYSTEMS SUPPORT TECHNICIAN MECHANIC ASSISTANT SENIOR PERMIT CLERK SPECIAL EVENTS COORDINATOR	208	\$ 37,519.98	\$ 47,837.98	\$ 58,155.97



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

Proposed Class Title	Grade	Proposed Minimum	Proposed Midpoint	Proposed Maximum
AUTOMOTIVE MECHANIC BENEFIT PROGRAMS SPECIALIST CAPTAIN OF SPECIAL PROJECTS COMMUNICATIONS SUPERVISOR CREW LEADER HUMAN RESOURCES ASSISTANT SECURITY OFFICER SENIOR FACILITIES TECHNICIAN TRAFFIC SIGNAL TECHNICIAN I TRANSIT DRIVER SCHEDULER AND DATA SPECIALIST TRANSIT PLANNER UTILITY GRAPHICS COORDINATOR UTILITY MAINTENANCE MECHANIC WELDER	209	\$ 39,395.98	\$ 50,229.87	\$ 61,063.77
ACCOUNT CLERK SENIOR ACCOUNTING TECHNICIAN II ADMINISTRATIVE SUPERVISOR CONVENTION SALES & SERVICES COORDINATOR DEPUTY SHERIFF LEGAL SECRETARY PARALEGAL POLICE PUBLIC INFORMATION OFFICER REAL ESTATE ADMINISTRATOR SPORTS AND FITNESS SUPERVISOR SUPERINTENDENT OF PARKS & MAINTENANCE TRAINING MANAGER/BUDGET OFFICER TRANSIT DRIVER SUPERVISOR TRANSIT LEAD SUPERVISOR WASTEWATER PLANT MECHANIC	210	\$ 41,365.78	\$ 52,741.37	\$ 64,116.96
ADMINISTRATIVE ASSISTANT AUTOMOTIVE MECHANIC SUPERVISOR BENEFIT PROGRAMS SPECIALIST SENIOR DEPUTY SHERIFF/SERGEANT DETENTION OUTREACH COUNSELOR ECONOMIC DEVELOPMENT SPECIALIST FAMILY SERVICES SPECIALIST FIREFIGHTER/EMT HUMAN RESOURCES SPECIALIST LEAD MECHANIC MARKETING & EVENTS MANAGER POLICE OFFICER PROGRAM COORDINATOR REAL ESTATE ASSESSOR REAL ESTATE SUPERVISOR SR WASTEWATER TREATMENT PLANT OPERATOR TOURISM SALES MANAGER TRAFFIC SIGNAL TECHNICIAN II VICTIM ADVOCATE WASTEWATER TREATMENT PLANT OPERATOR	211	\$ 43,434.07	\$ 56,464.29	\$ 69,494.51



EXHIBIT 5C (CONTINUED)
PROPOSED PAY GRADES

Proposed Class Title	Grade	Proposed Minimum	Proposed Midpoint	Proposed Maximum
CHIEF DEPUTY CLERK OF CIRCUIT COURT DEPUTY SHERIFF/FIRST SERGEANT FIREFIGHTER/MEDIC I GIS ANALYST NATURE PROGRAM SUPERVISOR OPERATIONS MANAGER TOURISM SERVICES MANAGER	212	\$ 45,605.77	\$ 59,287.50	\$ 72,969.23
BUILDING & GROUNDS SUPERVISOR BUILDING INSPECTOR CLERK OF COUNCIL CONSTRUCTION INSPECTOR EXECUTIVE ASSISTANT/DEPUTY CLERK TO COUNCIL FIELD SUPERVISOR FIREFIGHTER/MEDIC II FLEET MANAGER POLICE CORPORAL POLICE DETECTIVE SENIOR LEGAL ASSISTANT TRANSIT PLANNING AND PROGRAMMING MANAGER WATERSHED PROPERTY MANAGER	213	\$ 47,886.06	\$ 62,251.88	\$ 76,617.70
ACCOUNTANT ACCREDITATION ASSISTANT BENEFIT PROGRAMS SUPERVISOR COMMUNITY DEVELOPMENT PLANNER DEPUTY SHERIFF/LIEUTENANT FAMILY SERVICES SUPERVISOR PROPERTY MAINTENANCE CODE ADMINISTRATOR SUPERINTENDENT OF LEISURE SERVICES SUPERINTENDENT OF PUBLIC FACILITIES SUPERINTENDENT OF SPORTS AND FITNESS WASTEWATER TREATMENT PLANT OPERATOR/CHIEF	214	\$ 50,280.36	\$ 65,364.47	\$ 80,448.58
DEPUTY SHERIFF/CAPTAIN DEVELOPMENT ADMINISTRATOR DIRECTOR OF VICTIM/WITNESS PROGRAM FIRE SERGEANT HISTORIC RESOURCES PLANNER INFORMATION SYSTEMS BUSINESS ANALYST MEDIC SERGEANT NETWORK PROJECT MANAGER POLICE SERGEANT SENIOR BUILDING INSPECTOR	215	\$ 52,794.38	\$ 68,632.70	\$ 84,471.01
DEPUTY TREASURER MANAGER, ADMINISTRATION AND LEISURE DIVISION MANAGER, PUBLIC FACILITIES MANAGER, SPORTS AND PARKS DIVISION PLAN REVIEWER, CONSTRUCTION PROJECT MANAGER SAFETY PROGRAM MANAGER SENIOR ACCOUNTANT STORMWATER ADMIN/ENVIRONMENTAL PLANNER TRAINING OFFICER-FIRE EMS ZONING ADMINISTRATOR	216	\$ 55,434.10	\$ 72,064.33	\$ 88,694.56
COMMUNICATIONS MANAGER FIRE LIEUTENANT POLICE LIEUTENANT	217	\$ 58,205.81	\$ 75,667.55	\$ 93,129.29



EXHIBIT 5C (CONTINUED)
PROPOSED PAY GRADES

Proposed Class Title	Grade	Proposed Minimum	Proposed Midpoint	Proposed Maximum
PROFESSIONAL STANDARDS MANAGER AUDITOR NETWORK ADMINISTRATOR PURCHASING AGENT SENIOR ENVIRONMENTAL PLANNER SUPERINTENDENT OF WASTEWATER	218	\$ 61,116.10	\$ 79,450.92	\$ 97,785.75
ASSISTANT DIRECTOR I CHIEF DEPUTY COMMISSIONER OF REVENUE DEPUTY SUPERINTENDENT OF TRAFFIC DEPUTY SUPERINTENDENT PUBLIC WORKS FIRE CAPTAIN/BATTALION CHIEF FIRE MARSHAL POLICE CAPTAIN SENIOR PLANNER SUPERINTENDENT OF PUBLIC WORKS	219	\$ 64,171.90	\$ 83,423.47	\$ 102,675.04
BUDGET MANAGER DEPUTY FIRE CHIEF	220	\$ 67,380.50	\$ 87,594.64	\$ 107,808.79
ASSISTANT CITY ATTORNEY ASSISTANT COMMONWEALTH ATTORNEY ASSISTANT DIRECTOR OF FISCAL AFFAIRS ASSISTANT DIRECTOR OF INFORMATION TECHNOLOGY ASSISTANT DIRECTOR OF TRANSIT TRANSPORTATION ADMINISTRATOR	221	\$ 70,749.52	\$ 93,743.11	\$ 116,736.71
ASSISTANT DIRECTOR OF PUBLIC WORKS CITY ENGINEER FIRST ASSISTANT COMMONWEALTH ATTORNEY	222	\$ 74,287.00	\$ 98,430.27	\$ 122,573.54
BUILDING OFFICIAL COMMISSIONER OF THE REVENUE COMMONWEALTH ATTORNEY SHERIFF TREASURER	223	\$ 80,229.96	\$ 106,304.69	\$ 132,379.43
DIRECTOR OF ECONOMIC DEVELOPMENT AND TOURISM DIRECTOR OF HUMAN RESOURCES DIRECTOR OF PARKS, RECREATION & PUBLIC FACILITIES DIRECTOR OF PLANNING DIRECTOR OF PUBLIC TRANSIT DIRECTOR OF SOCIAL SERVICES	224	\$ 86,648.35	\$ 114,809.07	\$ 142,969.78
CHIEF INFORMATION OFFICER DIRECTOR OF FISCAL AFFAIRS DIRECTOR OF PUBLIC WORKS FIRE CHIEF	225	\$ 93,580.22	\$ 123,993.79	\$ 154,407.36
ASSISTANT CITY MANAGER POLICE CHIEF	226	\$ 101,066.64	\$ 133,913.30	\$ 166,759.95



After assigning pay grades to classifications, the next step was to develop options for transitioning employees' salaries into the new pay plan. This was done utilizing equitable methods of calculating salaries in the new pay grades (ranges) and determining whether adjustments were necessary to individual salaries to bring them to their calculated salary. Evergreen Solutions recommends a phased approach utilizing the following method in implementing the new plan.

Phase 1: Bring Employees' Salaries to New Minimums

In this method, employees' current salaries were compared to the minimum of their classification's proposed pay grades. If an employee's current salary was below his or her grade minimum, an adjustment was proposed to raise the individual's salary to the minimum. If the employee's current salary was already above his or her grade minimum, no adjustment was recommended.

Utilizing this approach, salary adjustments are recommended for 142 employees, with an approximate annualized cost of **\$156,226**. The approximate cost is for salary adjustments only and does not include associated cost for employee benefits.

Phase 2: Equity Adjustment

With the implementation of this phase, a calculation is performed to increase all full-time employees' salaries by 1.5% and part-time employees' salaries by 1%. This phase provides an increase for all employees while maintaining or increasing competitiveness and provides an offset to inflation and increasing benefit costs.

Utilizing this approach, salary adjustments are recommended for 584 employees, with an approximate annualized cost of **\$353,921**. This is the approximate cost for salary adjustments only and does not include associated costs for employee benefits.

Phase 3: Move toward Market

With the implementation of this phase, employees with more than one year of service with the City would have their salaries moved closer to the midpoint of the pay grade range. Increments between the minimum and midpoint were used to advance salaries toward the midpoint. These increments are designed to give larger increases (in percentage terms) to those at the lower end of the pay range. Employees' salaries at or above the midpoint are unaffected.

Utilizing this approach, salary adjustments are recommended for 459 employees, with an approximate annualized cost of **\$662,355**. This is the approximate cost for salary adjustments only and does not include associated costs for employee benefits.



5.3 COMPENSATION AND CLASSIFICATION SYSTEM ADMINISTRATION

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

RECOMMENDATION 4: 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 one or more classifications are exhibiting high turnover or are having difficulty with recruitment, the City should collect salary range data from peer organizations to determine whether an adjustment is needed for the pay grade of the classification(s). If increasing a classification's pay grade based on market data does not help with the recruitment and/or retention issues, it may be necessary for the City to offer incentives to attract employees to the position and/or to encourage employees to remain in the position.

RECOMMENDATION 5: Conduct a comprehensive classification and compensation study every three to five years.

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

While the previous two recommendations are intended to maintain the competitiveness over time of particular classifications and the classification and compensation structure as a whole, it is also necessary to review and if necessary establish guidelines for determining equitable pay practices for employees.

RECOMMENDATION 6: Review and revise, as appropriate, guidelines for progressing employee salaries through the pay plan, including procedures for determining salaries of newly hired employees and employees who have been promoted or transferred to a different classification or department.

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



Salary Progression

There are several common methods for salary progression including cost of living adjustments (COLA)/across the board, time based, and employee performance based. The City intends to utilize both across the board and individual performance based methods to progress employees' salaries in his or her classification's assigned pay range. As it is the City's desire to continue to link employee's performance with eligibility for salary advancement, it will be important to continue to review this process and as appropriate, make improvements. Training staff, for example, regarding the purpose of performance evaluation and its desired results is important in order to maintain consistency and impartiality of this method of salary progression.

New Hires

A new employee's starting salary largely depends on the amount of education and experience the employee possesses beyond the minimum requirements for the job. Typically, an employee holding only the minimum education and experience requirements for a classification is hired at or near the classification's pay grade minimum. However, for recruiting and retention purposes the City needs the ability to offer salaries to new employees that consider prior related experience. It is recommended that the City maintain this flexibility when establishing new employee salaries. Consideration should always be given to preserving the internal equity of employees' salaries within the classification.

Promotions

When an employee is promoted to a new classification, it is important to have guidelines for calculating the employee's new salary that rewards the employee for his or her new responsibilities, moving the salary into the new pay grade, and ensuring internal equity in the new classification. For example, a range of three to seven percent increase is common today, with consideration given to preserving the internal equity of employees' salaries within the classification.

Transfers

An employee transfer occurs when an employee is reassigned to a classification at the same pay grade as his or her current classification or when an employee's classification stays the same, but his or her department changes. In either of these cases, it is likely that no adjustment is necessary to the employee's salary. The only situation in which a salary adjustment would be needed for a transferred employee would be if his or her current salary is not aligned with the salaries of employees in the new classification or department. If that occurs, it may be necessary to adjust the salary of the employee or the incumbents of the classification to ensure salary equity within the new classification.

5.4 SUMMARY

The recommendations in this chapter establish a total compensation system that would place the City at its desired market position. By implementing the new competitive pay plan and supportive administration practices the City will have a responsive compensation and



classification structure for years to come. While the upkeep of these recommended systems will require work, the City will find that having a competitive compensation and classification system that encourages strong recruitment and employee retention is well worth this commitment.

