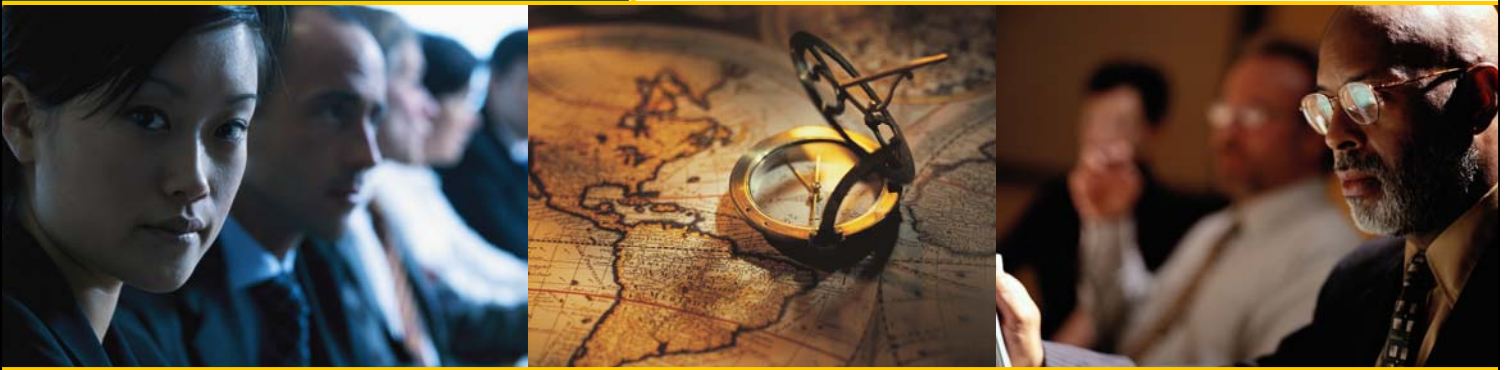


Compensation and Classification Study for the City of Denton, TX

DRAFT REPORT



Evergreen Solutions, LLC

May 12, 2023

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Chapter 1 - Introduction

The leadership of Denton, TX (the “City”) in keeping with its commitment to attracting and retaining the staff necessary to provide high quality services to its citizens determined that its current compensation and classification system and structures needed to be updated to better reflect best practices. The project includes an assessment of current conditions, overview of employee perceptions, analysis of market conditions, and recommendations. This study and the analysis contained within provides leadership with valuable information related to their employee demographics, opinions, market data, as well as internal and external equity.

Internal equity relates to the fairness of an organization’s compensation practices among its current employees. Specifically, by reviewing the skills, responsibilities, and duties of each position, it can be determined whether similar positions are being compensated in an equitable manner within the organization. External equity relates to the differences between how an organization’s classifications are valued and the compensation available in the marketplace for the same skills, responsibilities, and duties. This component of the study aims to address how the City is positioned in the market relative to other local area government organizations with similar positions and to develop recommendations that allow the City to recruit and retain quality employees. The classification component of this study resolves any inconsistencies related to job requirements or job titles and ensures that all jobs are appropriately categorized and aligned with the work currently performed.

1.1 STUDY METHODOLOGY

Evergreen Solutions combines qualitative and quantitative data analysis to produce recommendations that maximize the fairness and competitiveness of an organization’s compensation structure and practices. It is important to note that the data utilized in the study represents a snapshot in time. As market conditions can change rapidly, it is important for the City to conduct regular market surveys to ensure their external market position does not decay. A full compensation and classification review is recommended every three - five years. Some examples of project activities included:

- Conducting a project kick-off meeting;
- Presenting orientation sessions to employees;
- Facilitating focus group sessions with employees;
- Conducting an external market salary survey;
- Developing recommendations for compensation management;
- Revising classification descriptions based on employee JAT feedback;
- Developing recommendations for compensation and classification changes;



- Creating draft and final reports; and
- Conducting training sessions with human resources staff in the methodology used to systematically assess job classifications.

Kickoff Meeting

The kickoff meeting provided an opportunity to discuss the history of the City, finalize the work plan, and begin the data collection process. Data collection included the gathering of relevant background material including existing pay plans, organization charts, policies, procedures, training materials, classification specifications, and other pertinent material.

Employee Outreach

Through the orientation sessions, Evergreen consultants briefed employees on the purpose and major processes of the study. This process addressed employee questions to resolve misconceptions about the study and related tasks and explained the importance of employee participation in the JAT process.

In addition, employees participated in focus group sessions designed to gather input from their varied perspectives as to the strengths and weaknesses of the current system. Feedback received from employees in this context was helpful in highlighting aspects of the organization which needed particular attention and consideration. This information provided some basic perceptual background and a starting point for the research process.

Job Assessment Tool® (JAT) Classification Analysis

Employees were asked to complete individual JAT surveys, where they shared information pertaining to their work in their own words. These JATs were analyzed and compared to the current classification descriptions, and classifications were individually scored based on employee responses to five compensable factor questions. Each of the compensable factors—Leadership, Working Conditions, Complexity, Decision Making, and Relationships—were given weighted values based on employee responses, resulting in a point factor score for each classification. The rank order of classes by JAT scores was used to develop a rank order of classes within the proposed compensation structure. Combined with market data, this information formed the foundation of the combined recommendations. The nature of each compensable factor is described below:

- Leadership – relates to the employee’s individual leadership role, be it as a direct report of others who have leadership responsibilities, or as an executive who has leadership over entire departments or the City as a whole.
- Working Conditions – deals with the employee’s physical working conditions and the employee’s impact on those conditions, as well as the working conditions impact or potential impact on the employee.
- Complexity – describes the nature of work performed and includes options ranging from entry-level manual or clerical tasks up to advanced scientific, legal, or executive management duties.



- Decision Making – deals with the individual decision-making responsibility of the employees. Are decisions made on behalf of the employee or is the employee making autonomous decisions that impact the individual, other employees, or even the entire organization and the citizens that rely on the City?
- Relationships –deals with organizational structure and the nature of the employee's working relationships. Responses range from employees who work primarily alone, those who work as members of a team, those who oversee teams, and even those who report to elected officials or the public.

Salary Survey

The external market for this study was defined as identified local government organizations with similar positions as well as similar characteristics, demographics, and service offerings. Private data was also used to identify the marketability of benchmarked positions, as cities must also compete with the private sector for many jobs. Eighty-nine (89) positions were surveyed, although not all positions had matching positions in the peer organizations. The data was then analyzed comparing City classifications to the jobs performing the same duties at peer organizations to gain a fuller understanding of their market position.

Recommendations

Evergreen developed recommendations for the City to consider helping maximize the effectiveness and efficiency of its current compensation and classification structure. Evergreen provided the City with a variety of recommendations for the future at various costs. Plans ranged from minor tweaks to the current compensation and classification systems to wholesale changes to the entire organizational structure. These plans were designed to fix the issues identified in this report, while continuing to build on the strengths the City currently exhibits.

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 – Benefits Analysis
- Chapter 6 – Recommendations

Chapter 2 – Summary of Outreach

Outreach was conducted by Evergreen. Evergreen met with City employees and explained the process of the study and fielded questions from Employees. Focus groups were conducted to solicit information from employees that gave Evergreen solid information to begin researching. Employees provided Evergreen their opinions on classifications that were outdated, behind market, or had become crucial classifications that were difficult to retain or recruit.



Information was also provided on the employees' opinions of the biggest competitors to the City. Finally, employees provided information on all the positive aspects of employment with the City. Evergreen used employee opinions as a starting point for some data collection, but everything that was used during this study was independently verified by Evergreen. A full summary of the outreach can be found in **Chapter 2** of this report.

Chapter 3 - Assessment of Current Conditions

An assessment of current conditions was conducted to help Evergreen better understand the current standing of all City pay plans, demographics, and compensation structures. This assessment should be considered a snapshot in time and reflects the conditions within the City upon this study's start. By leveraging this information, Evergreen gained a better understanding of the strengths and weaknesses of the current compensation system. When combined with the market results, the Assessment of Current Conditions helped provide a basis for recommendations. A full summary of the Assessment of Current Conditions can be found in **Chapter 3** of this report.

Chapter 4 - Market Summary

A salary survey was designed by Evergreen and approved by the City's human resources department. The external market was defined by City leaders, in conjunction with Evergreen consultants. After the results were received, the data were analyzed to compare the City to the overall results. Combined with the Assessment of Current Conditions, the market survey gave Evergreen the information needed to understand the City's position relative to its labor market. A full summary of the market results can be found in **Chapter 4** of this report.

Chapter 5 – Benefits

A benefits survey was designed by Evergreen and approved by the City's human resources department. A benefits analysis represents a snapshot in time of what is available in peer organizations and can provide the City with an understanding of the full compensation package offered by its peers. A full summary of the benefits survey can be found in **Chapter 5** of this report.

Chapter 6 – Recommendations

During the recommendations phase, Evergreen provided several different solution options based on their current relationship to market. Solutions were provided that only require minor tweaks to the current compensation and classification systems, as well as some solutions that would require wholesale changes to City current structures. Evergreen has provided the City with recommendations that can both leverage the current compensation structure and help expand its ability to recruit and retain talent in the most competitive classifications. A full explanation of the recommendations can be found in **Chapter 6** of this report.



Chapter 2 – Summary of Employee Outreach

Between November 28 – December 2, 2022, Evergreen consultants conducted orientation sessions and focus groups for the City. Orientation sessions were conducted to inform employees about the study's purpose, while also giving them information about the separate ways they would be asked to participate in the study. Focus groups were designed to solicit open feedback from employees about several topics related to compensation and classification. Overall, the goal of these groups was to gauge the general employee sentiment towards the current compensation and classification structures of the City, while also gathering specific concerns employees had.

The observations in this chapter are a generalized summary of opinions, general themes, and trends expressed by employees who either participated in a focus group or provided direct feedback to Evergreen. Information that may identify the commenter has been removed. Note that the views shared in this summary are perceptual and may not reflect actual conditions in the City.

Comments are separated by the following four categories below:

- 2.1 General Feedback
- 2.2 Compensation and Classification
- 2.3 Market Peers
- 2.4 Summary

2.1 GENERAL FEEDBACK

The primary focus of this study is to address the City's compensation and classification structures. However, it is important to understand how employees currently view employment at large within the City, and as a result, general feedback was sourced from employees on what brought them to work for the City and what were the primary factors that led to their continued employment. The comments described in this section reflect the factors that incentivize prospective applicants to pursue employment with the City and the reasons employees have decided to continue working for the City. These elements are important to highlight, as compensation, while a key factor, is often not the sole determination for where employees wish to work. The responses varied from the benefits, family atmosphere, stability the job provides. Additional comments expressed by employees include:

- **Benefits** – As mentioned by several focus group participants, benefits were one of the leading reasons employees decided to pursue employment with the City. The retirement plan was mentioned as being wonderful for employees. In addition to the



fantastic health coverage, employees were also ecstatic about the Health Clinic that is available for use.

- **Culture** – Several employees described the quality of people they work with as the number one reason they have stayed with the organization. The relationships employees have formed with their coworkers and the superior work environment have kept employees happy in their jobs.
- **Stability** – Many employees mentioned they came to work for the City for the stability the job provides. Some employees mentioned that they had been working for the City long before Covid and felt that the City took care of them during that time.

Many employees stated that they enjoy working with others in the organization and serving their community. Overall, personnel revealed that the City is a wonderful and unique place to work with several distinct advantages in place for employees.

2.2 COMPENSATION AND CLASSIFICATION

As the focus of this study, feedback on compensation and classification was solicited from employees. Employees were asked to identify any concerns, challenges, or limitations observed with how the City currently compensates and classifies its positions. It is important to note that the perceptions of employees listed below do not necessarily reflect or align with the data collected in the market survey, found in **Chapter 4**.

Specific feedback shared by employees related to compensation practices included the following:

- **External Equity** – Feedback on the competitiveness of pay in the City revealed that most employees felt that their pay is lower than other organizations in the area. Employees do not feel as though the pay is competitive and believe this detracts applicants from applying to work for the City. This has left departments with several hard-to-fill vacancies.
- **Internal Equity** – There were several concerns regarding compression within many departments. Some employees explained that subordinate and supervisor pay were similar, causing a compression issue. Many other employees explained that new hires were being hired at rates above those of tenured employees. This brings morale down among employees who have worked at the organization for years. Several employees believed the only way to receive higher wages from the City is to quit and reapply for the same job.
- **Turnover** – Several positions were mentioned as positions employees felt had a high turnover ratio. Many mentioned entry-level positions as being difficult to recruit. Additional positions included:
 - Inspectors
 - Entry level laborer positions
 - Dispatchers



- Operators
 - Engineers
 - SCADA (Supervisory Control and Data Acquisition)
 - Planning Technicians
- **Vacancies** – Employees mentioned many vacant positions that have high turnover and do not receive many applications. They mentioned that this places an unfair burden on current employees, who then take on the additional responsibilities of the unfilled positions.
 - **Certification and Incentive Pay** – A main point of concern in many focus groups was certification pay. Several employees mentioned that they would like to see some sort of certification or incentive pay for bilingual speakers as it relates to their position. Others mentioned certification pay for receiving additional licenses or certifications.
 - **Raises** – The consensus was that merit increases across all major departments were unequal. Employees stated they are provided a merit increase in the form of a lump sum check. Employees would like to see these merit increases provided as an additional dollar amount added to their hourly rate.
 - **Benefits (perceived strengths)** – Most employees spoke glowingly about their benefits packages. Specifically, employees love the health coverage, wellness clinic, and low monthly premiums. Others mentioned the abundance of sick and vacation time are wonderful benefits that the City offers.
 - **Benefits (perceived weaknesses)** – While most employees had wonderful things to say about the Benefits, there were a few benefits that employees would like to see offered. Remote work was a topic discussed in many focus groups, as employees want to work from home more than two days per week. Additionally, employees who do not utilize the benefits desire to see an incentive program that boosts take-home pay.
 - **Performance Management** – Many employees stated that the performance review process has changed several times over the years. The overall criticism of this plan was this it seems to be a “one size fits all” approach that does not appear to be working for different, individual departments. Some employees explained that they want a performance review every six months to stay on track of their goals.

2.3 MARKET PEERS

Focus group participants were asked to name organizations they considered to be market peers who they believe to be competitors in the labor market. Respondents shared specific public-sector municipalities and mentioned several private sector competitors. Responses are listed below and were considered when developing the list of peers for the compensation and classification survey. Participants named several organizations as the City’s biggest competitors in terms of employee compensation and classification. Organizations included private companies, such as Buccee’s, and cities such as Addison, Plano, McKinney, Lewisville, Fort Worth, or Flower Mound, and the County of Dallas.



2.4 SUMMARY

The feedback received by Evergreen provided a solid foundation for developing recommendations for the City. The willingness of City employees to contribute to this dialogue was evident in the number of employees that took time out of their busy schedules to provide several reasonable observations with respect to potential compensation and classification strengths/weaknesses across the organization. These comments were verified and considered when identifying challenges and formulating recommendations for the City.

Employees were enthusiastic when describing their passion for their job and considered working for the city a positive experience. Employees pointed out well-defined advantages of working for the City that have kept them there. Even though employees emphasized several potential problems, many of these issues are commonly found in other public-sector municipalities.

The employees of the City take pride in their work, enjoy serving their community, and strive to make distinct contributions to their organization and their community. The Evergreen Team used the information gathered from employees throughout the rest of this study to arrive at appropriate recommendations for the City.



Chapter 3 – Assessment of Current Conditions

The purpose of this chapter is to provide a statistical analysis of the classification and compensation system in place in the City at the start of this study. The assessment is divided into the following sections:

- 3.1 Analysis of Pay Plans
- 3.2 Grade Placement Analysis
- 3.3 Quartile Analysis
- 3.4 Compression Analysis
- 3.5 Summary

The analysis represented in this chapter represents a snapshot in time – this chapter was built off employee information collected in November of 2022. Every organization changes continuously, so this chapter is not meant to be a definitive statement on continuing compensation practices at the City. Rather, this AOCC is meant to represent the conditions that were in place when this study began. The data contained in provide the baseline for analyses through this study but are not sufficient cause for recommendations in isolation. By reviewing employee data, Evergreen gained a better understanding of the structure and methods in place and identified issues for both further review and potential revision.

3.1 ANALYSIS OF PAY PLANS

The purpose of analyzing the various pay plans used within the City is to help gain an overview of the compensation philosophy as it existed when the study began. The City had a system in place that categorized classifications by level and type of work. This system used various step plans, and utilized alpha-numeric pay grades to represent classifications of varying level and responsibility. The City utilizes separate pay plans to differentiate between General, Electric, Technology, Police, Fire, and Special Agreement employees. **Exhibit 3A** displays the City's pay plans summarized for ease of comparison. The exhibit provides the name; each pay grade on the plan; the value of each pay grade at minimum, midpoint and maximum; the range spread for each pay grade – which is a measure of the distance between the minimum and maximum of the grade; and the number of employees per pay grade.

The City's pay plan includes 78 occupied pay grades that hold 1,283 employees. Range spreads are at 66 percent across the General, Electric and Technology pay plans. The Police and Fire pay plans have narrower pay ranges, varying from 6 to 12 percent. The Special Agreement pay plan ranges from 24 to 58 percent. Several pay grades have only one incumbent, while pay grade G07 contains the most employees with 181.



EXHIBIT 3A PAY PLAN SUMMARY

Pay Plan	Grade	Minimum	Midpoint	Maximum	Range Spread	Employees
General Plan	G04	\$ 29,328	\$ 39,021	\$ 48,693	66%	42
General Plan	G05	\$ 32,261	\$ 42,910	\$ 53,560	66%	74
General Plan	G06	\$ 35,485	\$ 47,216	\$ 58,926	66%	132
General Plan	G07	\$ 39,042	\$ 51,938	\$ 64,813	66%	181
General Plan	G08	\$ 42,952	\$ 57,117	\$ 71,302	66%	105
General Plan	G09	\$ 47,237	\$ 62,837	\$ 78,416	66%	58
General Plan	G10	\$ 51,979	\$ 69,118	\$ 86,278	66%	23
General Plan	G30	\$ 47,476	\$ 63,143	\$ 78,810	66%	27
General Plan	G31	\$ 49,612	\$ 65,985	\$ 82,357	66%	37
General Plan	G32	\$ 51,845	\$ 68,954	\$ 86,063	66%	9
General Plan	G33	\$ 54,178	\$ 72,057	\$ 89,935	66%	52
General Plan	G34	\$ 56,616	\$ 75,300	\$ 93,983	66%	11
General Plan	G35	\$ 59,164	\$ 78,688	\$ 98,212	66%	32
General Plan	G36	\$ 61,826	\$ 82,229	\$102,631	66%	16
General Plan	G37	\$ 64,608	\$ 85,929	\$107,250	66%	12
General Plan	G38	\$ 67,516	\$ 89,796	\$112,076	66%	24
General Plan	G39	\$ 70,554	\$ 93,837	\$117,119	66%	11
General Plan	G40	\$ 73,729	\$ 98,060	\$122,390	66%	17
General Plan	G41	\$ 77,047	\$102,472	\$127,897	66%	10
General Plan	G42	\$ 80,514	\$107,084	\$133,653	66%	12
General Plan	G43	\$ 84,137	\$111,902	\$139,667	66%	4
General Plan	G44	\$ 87,923	\$116,938	\$145,952	66%	13
General Plan	G45	\$ 91,879	\$122,200	\$152,520	66%	4
General Plan	G46	\$ 96,014	\$127,699	\$159,383	66%	6
General Plan	G47	\$100,335	\$133,446	\$166,556	66%	11
General Plan	G48	\$104,850	\$139,451	\$174,051	66%	2
General Plan	G49	\$109,568	\$145,726	\$181,883	66%	1
General Plan	G80	\$110,664	\$147,183	\$183,702	66%	12
General Plan	G81	\$128,370	\$170,732	\$213,094	66%	7
Electric Plan	E06	\$ 39,562	\$ 52,624	\$ 65,666	66%	5
Electric Plan	E08	\$ 47,861	\$ 63,669	\$ 79,456	66%	4
Electric Plan	E09	\$ 52,645	\$ 70,034	\$ 87,402	66%	7
Electric Plan	E09E	\$ 55,286	\$ 73,528	\$ 91,770	66%	1
Electric Plan	E10E	\$ 60,819	\$ 80,891	\$100,963	66%	2
Electric Plan	E11	\$ 63,710	\$ 84,739	\$105,768	66%	7
Electric Plan	E31	\$ 49,897	\$ 66,363	\$ 82,829	66%	1
Electric Plan	E32	\$ 52,442	\$ 69,748	\$ 87,054	66%	1
Electric Plan	E33	\$ 55,117	\$ 73,306	\$ 91,494	66%	2
Electric Plan	E35	\$ 60,882	\$ 80,973	\$101,064	66%	1
Electric Plan	E36	\$ 63,987	\$ 85,103	\$106,218	66%	1
Electric Plan	E38	\$ 70,680	\$ 94,005	\$117,329	66%	12
Electric Plan	E40	\$ 78,073	\$103,837	\$129,601	66%	2



EXHIBIT 3A (CONTINUED)
PAY PLAN SUMMARY

Pay Plan	Grade	Minimum	Midpoint	Maximum	Range Spread	Employees
Electric Plan	E41	\$ 82,055	\$109,133	\$136,211	66%	2
Electric Plan	E42	\$ 86,240	\$114,699	\$143,158	66%	2
Electric Plan	E44	\$ 95,260	\$126,696	\$158,132	66%	4
Electric Plan	E45	\$100,119	\$133,158	\$166,197	66%	10
Electric Plan	E46	\$105,225	\$139,949	\$174,673	66%	1
Electric Plan	E62	\$ 81,643	\$106,136	\$130,628	60%	1
Electric Plan	E80	\$117,394	\$156,134	\$194,873	66%	1
Electric Plan	E81	\$140,872	\$187,360	\$233,848	66%	4
Electric Plan	E82	\$169,047	\$224,833	\$280,618	66%	1
Technology Plan	T05	\$ 46,238	\$ 61,485	\$ 76,752	66%	1
Technology Plan	T06	\$ 50,856	\$ 67,642	\$ 84,427	66%	2
Technology Plan	T07	\$ 55,952	\$ 74,402	\$ 92,872	66%	8
Technology Plan	T29	\$ 59,582	\$ 79,244	\$ 98,906	66%	1
Technology Plan	T30	\$ 63,050	\$ 83,856	\$104,662	66%	2
Technology Plan	T31	\$ 66,517	\$ 88,468	\$110,419	66%	3
Technology Plan	T32	\$ 70,176	\$ 93,334	\$116,492	66%	2
Technology Plan	T33	\$ 74,035	\$ 98,467	\$122,899	66%	2
Technology Plan	T34	\$ 78,107	\$103,883	\$129,658	66%	5
Technology Plan	T35	\$ 82,403	\$109,596	\$136,789	66%	6
Technology Plan	T36	\$ 86,935	\$115,624	\$144,313	66%	4
Technology Plan	T37	\$ 91,717	\$121,984	\$152,250	66%	2
Technology Plan	T39	\$102,083	\$135,771	\$169,458	66%	1
Technology Plan	T40	\$105,161	\$139,864	\$174,567	66%	4
Technology Plan	T80	\$110,419	\$146,857	\$183,295	66%	1
Technology Plan	T82	\$121,737	\$161,910	\$202,083	66%	1
Police Plan	HE11	\$130,000	\$137,500	\$145,000	12%	4
Police Plan	HF10	\$140,000	\$157,000	\$174,000	24%	1
Fire Plan	IG25	\$ 72,842	\$ 82,410	\$ 91,978	26%	6
Fire Plan	IG26	\$ 95,534	\$ 98,363	\$101,483	6%	2
Fire Plan	IG45	\$117,187	\$120,432	\$123,677	6%	2
Fire Plan	IG50	\$133,973	\$138,174	\$142,376	6%	2
Fire Plan	IG90	\$140,000	\$157,000	\$174,000	24%	2
Special Agreement Plan	SA1	\$ 20,800	\$ 26,000	\$ 31,200	50%	105
Special Agreement Plan	SA2	\$ 22,880	\$ 28,080	\$ 33,280	45%	57
Special Agreement Plan	SA3	\$ 24,960	\$ 32,240	\$ 39,520	58%	22
Special Agreement Plan	SA4	\$ 29,120	\$ 35,360	\$ 41,600	43%	18



Comparing the summary data in **Exhibit 3A** to best practices, a few observations can be made regarding the City pay plans. Based on the analysis of the pay plan, the following facts can be observed:

- The number of employees on each pay grade is widely varied. Multiple pay grades have only a single incumbent occupying the grade, while a few pay grades contain more than one hundred employees.
- The minimum full time equivalent annualized pay offered to any City employee is \$20,800 while the maximum salary of any pay grade is \$280,618.

3.2 GRADE PLACEMENT ANALYSIS

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

Exhibits 3B displays the percentage and number of employees compensated at their pay grade minimum and pay grade maximum. The percentages presented are based on the total number of employees in that grade. As can be seen in the exhibit, 1.0 percent (13 total) of all employees are compensated at their pay grade's minimum. A slightly larger percentage of employees, at 13.6 percent (175 total), are compensated at their pay grade's maximum.



EXHIBIT 3B EMPLOYEES AT MINIMUM AND MAXIMUM BY GRADE

Grade	Employees	# at Min	% at Min	# at Max	% at Max
G04	42	1	2.4%	0	0.0%
G05	74	2	2.7%	1	1.4%
G06	132	3	2.3%	2	1.5%
G07	181	0	0.0%	2	1.1%
G08	105	0	0.0%	4	3.8%
G09	58	1	1.7%	0	0.0%
G10	23	0	0.0%	1	4.3%
G30	27	0	0.0%	0	0.0%
G31	37	0	0.0%	0	0.0%
G32	9	0	0.0%	1	11.1%
G33	52	0	0.0%	3	5.8%
G34	11	0	0.0%	1	9.1%
G35	32	0	0.0%	0	0.0%
G36	16	0	0.0%	2	12.5%
G37	12	0	0.0%	0	0.0%
G38	24	0	0.0%	2	8.3%
G39	11	0	0.0%	0	0.0%
G40	17	0	0.0%	0	0.0%
G41	10	0	0.0%	0	0.0%
G42	12	0	0.0%	0	0.0%
G43	4	0	0.0%	0	0.0%
G44	13	0	0.0%	0	0.0%
G45	4	0	0.0%	0	0.0%
G46	6	0	0.0%	0	0.0%
G47	11	0	0.0%	1	9.1%
G48	2	0	0.0%	0	0.0%
G49	1	0	0.0%	0	0.0%
G80	12	0	0.0%	0	0.0%
G81	7	0	0.0%	0	0.0%
E06	5	0	0.0%	0	0.0%
E08	4	0	0.0%	0	0.0%
E09	7	1	14.3%	0	0.0%
E09E	1	0	0.0%	0	0.0%
E10E	2	0	0.0%	0	0.0%
E11	7	0	0.0%	0	0.0%
E31	1	0	0.0%	0	0.0%
E32	1	0	0.0%	0	0.0%
E33	2	0	0.0%	0	0.0%
E35	1	0	0.0%	0	0.0%
E36	1	0	0.0%	0	0.0%
E38	12	0	0.0%	0	0.0%
E40	2	0	0.0%	0	0.0%
E41	2	0	0.0%	0	0.0%
E42	2	0	0.0%	0	0.0%
E44	4	0	0.0%	0	0.0%
E45	10	0	0.0%	0	0.0%
E46	1	0	0.0%	0	0.0%
E62	1	0	0.0%	0	0.0%
E80	1	0	0.0%	0	0.0%



EXHIBIT 3B (CONTINUED)
EMPLOYEES AT MINIMUM AND MAXIMUM BY GRADE

Grade	Employees	# at Min	% at Min	# at Max	% at Max
E81	4	0	0.0%	0	0.0%
E82	1	0	0.0%	0	0.0%
T05	1	0	0.0%	0	0.0%
T06	2	0	0.0%	0	0.0%
T07	8	0	0.0%	0	0.0%
T29	1	0	0.0%	0	0.0%
T30	2	0	0.0%	0	0.0%
T31	3	0	0.0%	0	0.0%
T32	2	0	0.0%	0	0.0%
T33	2	0	0.0%	0	0.0%
T34	5	0	0.0%	0	0.0%
T35	6	0	0.0%	0	0.0%
T36	4	0	0.0%	0	0.0%
T37	2	0	0.0%	0	0.0%
T39	1	0	0.0%	0	0.0%
T40	4	0	0.0%	0	0.0%
T80	1	0	0.0%	0	0.0%
T82	1	0	0.0%	0	0.0%
HE11	4	0	0.0%	2	50.0%
HF10	1	0	0.0%	1	100.0%
IG25	6	0	0.0%	6	100.0%
IG26	2	0	0.0%	2	100.0%
IG45	2	1	50.0%	0	0.0%
IG50	2	2	100.0%	0	0.0%
IG90	2	0	0.0%	0	0.0%
SA1	105	1	1.0%	80	76.2%
SA2	57	1	1.8%	39	68.4%
SA3	22	0	0.0%	7	31.8%
SA4	18	0	0.0%	18	100.0%
Total	1283	13	1.0%	175	13.6%

In addition to assessing the number of employees at minimum and maximum, an analysis was conducted to determine the number of employees below and above pay grade midpoint. The percentages refer to the percentage of employees in each pay grade that are above and below midpoint. **Exhibit 3C** displays the results of this analysis: a total of 614 employees are compensated below their pay grade midpoint—which is 47.9 percent of all employees for the City. There are 658 employees compensated above midpoint of their pay grade, which is 51.3 percent of all employees.

EXHIBIT 3C EMPLOYEES ABOVE AND BELOW MIDPOINT BY PAY GRADE

Grade	Employees	# < Mid	% < Mid	# > Mid	% > Mid
G04	42	35	83.3%	4	9.5%
G05	74	57	77.0%	14	18.9%
G06	132	103	78.0%	29	22.0%
G07	181	104	57.5%	73	40.3%
G08	105	47	44.8%	58	55.2%
G09	58	33	56.9%	24	41.4%
G10	23	7	30.4%	16	69.6%
G30	27	16	59.3%	11	40.7%
G31	37	22	59.5%	15	40.5%
G32	9	4	44.4%	5	55.6%
G33	52	26	50.0%	26	50.0%
G34	11	3	27.3%	8	72.7%
G35	32	18	56.3%	14	43.8%
G36	16	9	56.3%	7	43.8%
G37	12	0	0.0%	12	100.0%
G38	24	7	29.2%	17	70.8%
G39	11	8	72.7%	3	27.3%
G40	17	9	52.9%	8	47.1%
G41	10	4	40.0%	6	60.0%
G42	12	5	41.7%	7	58.3%
G43	4	0	0.0%	4	100.0%
G44	13	3	23.1%	10	76.9%
G45	4	3	75.0%	1	25.0%
G46	6	2	33.3%	4	66.7%
G47	11	3	27.3%	8	72.7%
G48	2	1	50.0%	1	50.0%
G49	1	1	100.0%	0	0.0%
G80	12	4	33.3%	8	66.7%
G81	7	1	14.3%	6	85.7%
E06	5	4	80.0%	1	20.0%
E08	4	3	75.0%	1	25.0%
E09	7	6	85.7%	1	14.3%
E09E	1	1	100.0%	0	0.0%
E10E	2	2	100.0%	0	0.0%
E11	7	6	85.7%	1	14.3%
E31	1	0	0.0%	1	100.0%
E32	1	1	100.0%	0	0.0%
E33	2	1	50.0%	1	50.0%
E35	1	1	100.0%	0	0.0%
E36	1	1	100.0%	0	0.0%
E38	12	8	66.7%	4	33.3%
E40	2	0	0.0%	2	100.0%
E41	2	1	50.0%	1	50.0%
E42	2	1	50.0%	1	50.0%
E44	4	1	25.0%	3	75.0%
E45	10	2	20.0%	8	80.0%
E46	1	0	0.0%	1	100.0%
E62	1	0	0.0%	1	100.0%
E80	1	0	0.0%	1	100.0%

EXHIBIT 3C (CONTINUED)
EMPLOYEES ABOVE AND BELOW MIDPOINT BY PAY GRADE

Grade	Employees	# < Mid	% < Mid	# > Mid	% > Mid
E81	4	3	75.0%	1	25.0%
E82	1	0	0.0%	1	100.0%
T05	1	0	0.0%	1	100.0%
T06	2	2	100.0%	0	0.0%
T07	8	3	37.5%	5	62.5%
T29	1	0	0.0%	1	100.0%
T30	2	2	100.0%	0	0.0%
T31	3	3	100.0%	0	0.0%
T32	2	2	100.0%	0	0.0%
T33	2	2	100.0%	0	0.0%
T34	5	3	60.0%	2	40.0%
T35	6	4	66.7%	2	33.3%
T36	4	3	75.0%	1	25.0%
T37	2	2	100.0%	0	0.0%
T39	1	1	100.0%	0	0.0%
T40	4	2	50.0%	2	50.0%
T80	1	0	0.0%	1	100.0%
T82	1	0	0.0%	1	100.0%
HE11	4	2	50.0%	2	50.0%
HF10	1	0	0.0%	1	100.0%
IG25	6	0	0.0%	6	100.0%
IG26	2	0	0.0%	2	100.0%
IG45	2	1	50.0%	1	50.0%
IG50	2	2	100.0%	0	0.0%
IG90	2	0	0.0%	2	100.0%
SA1	105	1	1.0%	104	99.0%
SA2	57	2	3.5%	55	96.5%
SA3	22	0	0.0%	22	100.0%
SA4	18	0	0.0%	18	100.0%
Total	1283	614	47.9%	658	51.3%

3.3 QUARTILE ANALYSIS

The last part of the Grade Placement Analysis is a detailed look at how salaries are distributed through pay grades, through a quartile analysis. Here, each pay grade is divided into four segments of equal width, called quartiles. The first quartile represents the first 25 percent of the pay range; the second quartile represents the part of the range above the first quartile up to the mathematical midpoint; the third quartile represents the part of the range from the midpoint to 75 percent of the pay range; and the fourth quartile represents the part of the

range above the third quartile up to the pay range maximum. Employees are assigned to a quartile within their pay range based on their current salary.

The quartile analysis is used to determine the location of employee salary clusters. Quartile analysis helps identify whether clusters exist in specific quartiles of pay grades. Also, the amount of time the employee has spent at the organization is analyzed to observe any relationship between organizational tenure and salary progression. This information, while not definitive alone, can shed light on any root issues within the current compensation and classification plan when combined with market data and employee feedback.

Exhibit 3D shows the number of employees that are in each quartile of each grade, as well as the average overall tenure (i.e., how long an employee has worked for the City) by quartile. Overall, data provides that 14.5 percent of employees fall into Quartile 1 of their respective grade; 34.2 percent fall into Quartile 2; 23.8 percent fall into Quartile 3; and 27.5 percent fall into Quartile 4. While this distribution does not lead to a conclusion, data for average tenure do lead to determinations on the relationship between tenure and salary.

Specifically, overall average tenure generally increases as quartile increases; the average tenure in Quartile 1 is 3.0 years; in Quartile 2 is 6.0 years; in Quartile 3 is 10.4 years; and in Quartile 4 is 8.7 years. This indicates that employees are moved through their pay grades equitably, or at least a positive linear relationship exists between tenure and pay.

Exhibit 3E-3I display graphical representations of the data contained in **Exhibit 3D**, separated by pay grade. Each pay grade is divided into up to four sections representing the percentage of employees, in that pay grade, who belong in each quartile. For example, pay grade SA4 has zero employees in Quartile 1, 2, or 3. That pay grade is represented by a 100 percent green bar, showing that 100 percent of SA4 employees are in Quartile 4. Pay grades G30-G33 have employees in all four quartiles, however, and are consequently represented with bars displaying all four colors, corresponding to the percentage of employees for each pay grade in each quartile.

EXHIBIT 3D QUARTILE ANALYSIS AND TIME WITH THE ORGANIZATION

GRADE	Total Employees	Average Tenure	1st Quartile		2nd Quartile		3rd Quartile		4th Quartile	
			# Employees	Avg Tenure	# Employees	Avg Tenure	# Employees	Avg Tenure	# Employees	Avg Tenure
G04	42	3.4	16	1.1	22	1.9	2	18.6	2	23.0
G05	74	4.2	29	1.1	31	3.5	7	8.3	7	16.4
G06	132	6.3	42	2.8	61	6.6	21	10.9	8	11.1
G07	181	8.7	19	2.2	89	5.6	47	12.7	26	16.7
G08	105	7.5	9	3.0	38	5.5	33	8.3	25	11.0
G09	58	8.6	10	2.8	24	6.0	17	13.3	7	14.4
G10	23	11.4	0	-	7	7.2	8	10.7	8	15.8
G30	27	10.8	7	4.1	9	7.7	9	17.1	2	19.3
G31	37	6.0	3	3.4	19	4.8	14	7.9	1	11.6
G32	9	3.9	2	0.8	2	2.4	2	5.6	3	5.9
G33	52	9.3	6	5.0	20	4.5	19	13.2	7	15.9
G34	11	12.1	0	-	3	5.9	4	12.8	4	15.9
G35	32	7.6	3	2.0	15	3.1	11	15.3	3	7.7
G36	16	7.4	3	3.8	6	3.7	4	5.8	3	20.8
G37	12	16.2	0	-	0	-	6	11.3	6	21.2
G38	24	9.4	1	15.1	6	10.4	12	6.5	5	13.9
G39	11	11.5	1	16.2	7	13.2	3	6.0	0	-
G40	17	13.2	2	4.5	7	10.8	7	19.5	1	3.1
G41	10	13.2	0	-	4	18.3	3	13.4	3	6.2
G42	12	10.0	0	-	5	3.5	4	9.5	3	21.4
G43	4	6.6	0	-	0	-	4	6.6	0	-
G44	13	10.9	1	1.8	2	15.2	7	14.4	3	3.0
G45	4	1.7	1	0.0	2	1.4	0	-	1	3.9
G46	6	3.4	0	-	2	4.3	3	2.4	1	4.6
G47	11	1.9	1	0.8	2	2.5	7	2.0	1	1.2
G48	2	20.0	0	-	1	11.1	0	-	1	28.9
G49	1	23.0	0	-	1	23.0	0	-	0	-
G80	12	6.1	0	-	4	5.5	4	2.8	4	9.9
G81	7	9.0	0	-	1	0.8	3	4.8	3	15.9
E06	5	7.2	2	6.1	2	6.8	1	10.0	0	-
E08	4	9.1	2	0.7	1	13.8	1	21.1	0	-
E09	7	4.2	5	1.8	1	0.1	0	-	1	20.3
E09E	1	7.8	1	7.8	0	-	0	-	0	-
E10E	2	14.9	1	7.9	1	22.0	0	-	0	-
E11	7	7.4	4	5.8	2	12.0	1	4.6	0	-
E31	1	13.5	0	-	0	-	1	13.5	0	-
E32	1	4.9	1	4.9	0	-	0	-	0	-
E33	2	9.0	0	-	1	3.5	1	14.4	0	-
E35	1	1.6	1	1.6	0	-	0	-	0	-
E36	1	2.3	0	-	1	2.3	0	-	0	-

EXHIBIT 3D (CONTINUED)
QUARTILE ANALYSIS – CITY TENURE

GRADE	Total Employees	Average Tenure	1st Quartile		2nd Quartile		3rd Quartile		4th Quartile	
			# Employees	Avg Tenure	# Employees	Avg Tenure	# Employees	Avg Tenure	# Employees	Avg Tenure
E38	12	8.7	0	-	8	10.1	4	5.9	0	-
E40	2	22.0	0	-	0	-	0	-	2	22.0
E41	2	18.2	1	14.0	0	-	0	-	1	22.4
E42	2	8.5	1	2.9	0	-	1	14.1	0	-
E44	4	8.6	0	-	1	4.6	2	12.6	1	4.8
E45	10	25.5	0	-	2	1.2	0	-	8	31.6
E46	1	5.2	0	-	0	-	0	-	1	5.2
E62	1	8.9	0	-	0	-	1	8.9	0	-
E80	1	9.8	0	-	0	-	0	-	1	9.8
E81	4	6.0	0	-	3	6.8	0	-	1	3.6
E82	1	22.8	0	-	0	-	1	22.8	0	-
T05	1	21.0	0	-	0	-	1	21.0	0	-
T06	2	12.4	0	-	2	12.4	0	-	0	-
T07	8	7.8	0	-	3	1.4	4	9.1	1	22.1
T29	1	7.9	0	-	0	-	0	-	1	7.9
T30	2	6.0	0	-	2	6.0	0	-	0	-
T31	3	2.0	1	2.2	2	1.9	0	-	0	-
T32	2	15.6	0	-	2	15.6	0	-	0	-
T33	2	4.2	2	4.2	0	-	0	-	0	-
T34	5	9.5	0	-	3	9.6	2	9.2	0	-
T35	6	10.6	0	-	4	8.0	2	15.8	0	-
T36	4	11.8	0	-	3	9.0	0	-	1	20.3
T37	2	3.6	2	3.6	0	-	0	-	0	-
T39	1	13.8	1	13.8	0	-	0	-	0	-
T40	4	4.9	0	-	2	5.0	2	4.8	0	-
T80	1	1.0	0	-	0	-	1	1.0	0	-
T82	1	1.8	0	-	0	-	0	-	1	1.8
HE11	4	21.6	0	-	2	18.4	0	-	2	24.8
HF10	1	28.0	0	-	0	-	0	-	1	28.0
IG25	6	20.5	0	-	0	-	0	-	6	20.5
IG26	2	19.1	0	-	0	-	0	-	2	19.1
IG45	2	20.6	1	18.2	0	-	0	-	1	23.0
IG50	2	10.0	2	10.0	0	-	0	-	0	-
IG90	2	24.8	0	-	0	-	1	26.6	1	23.0
SA1	105	2.2	1	2.6	0	-	17	2.1	87	2.2
SA2	57	1.9	1	1.4	1	4.1	0	-	55	1.8
SA3	22	4.4	0	-	0	-	0	-	22	4.4
SA4	18	3.8	0	-	0	-	0	-	18	3.8
Overall	1283	7.3	186	3.0	439	6.0	305	10.4	353	8.7

EXHIBIT 3E QUARTILE PLACEMENT BY PAY GRADE (GENERAL PAY PLAN)

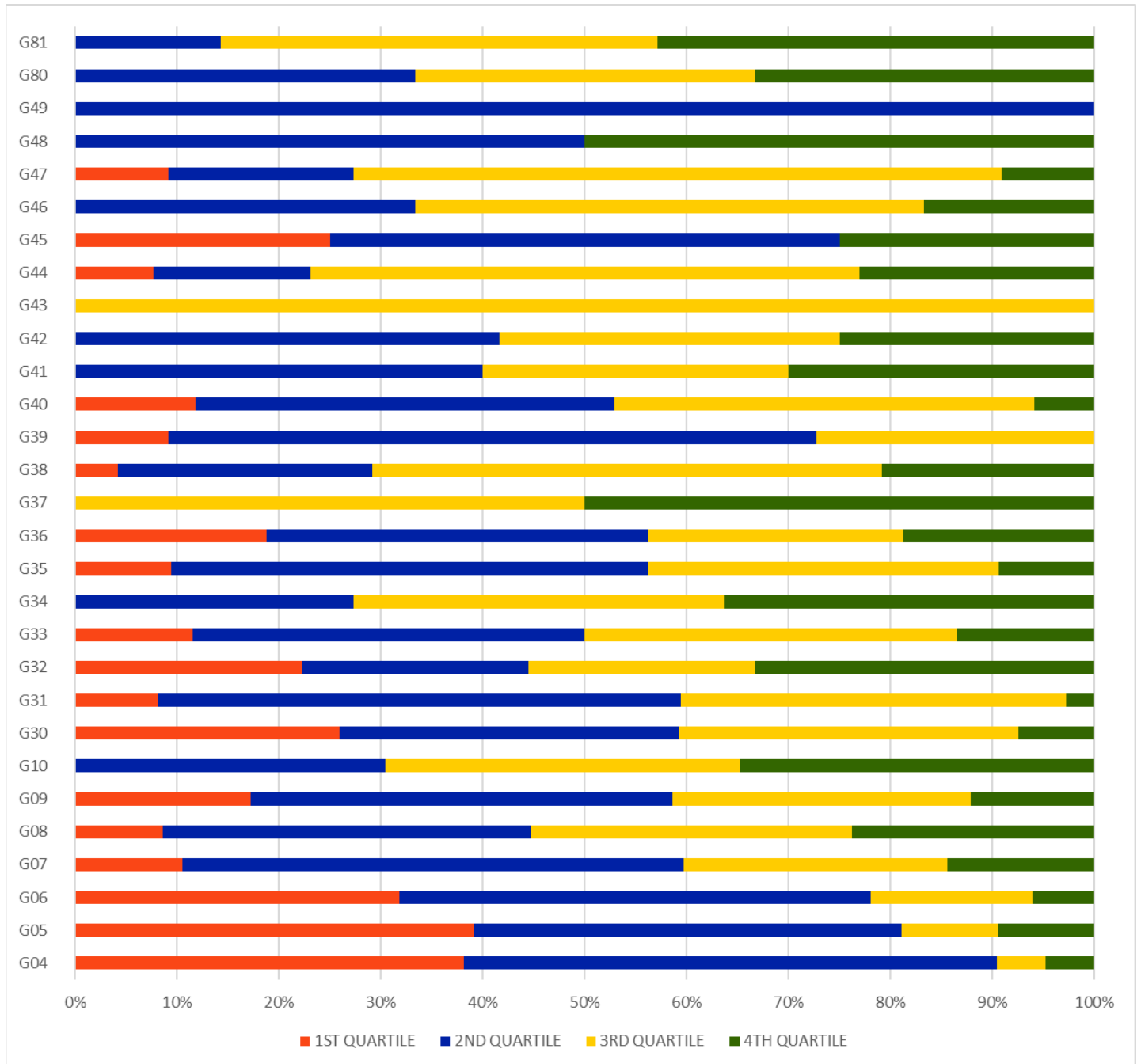


EXHIBIT 3F
QUARTILE PLACEMENT BY PAY GRADE (ELECTRIC PAY PLAN)

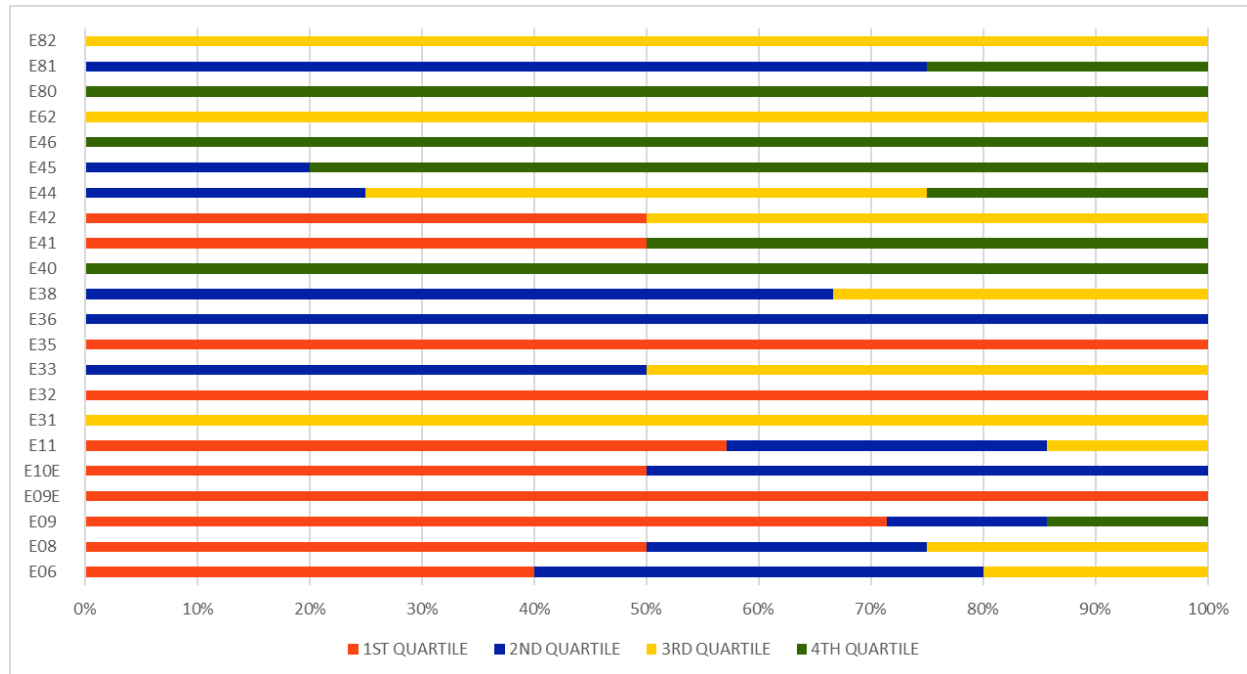


EXHIBIT 3G
QUARTILE PLACEMENT BY PAY GRADE (TECHNOLOGY PAY PLAN)

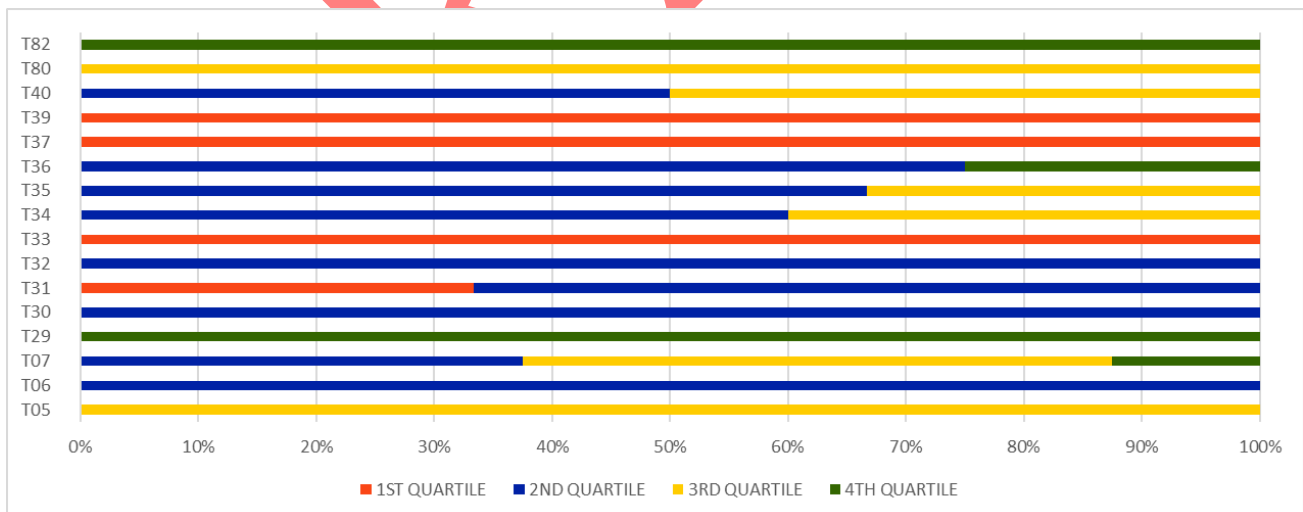


EXHIBIT 3H QUARTILE PLACEMENT BY PAY GRADE (FIRE PAY PLAN)

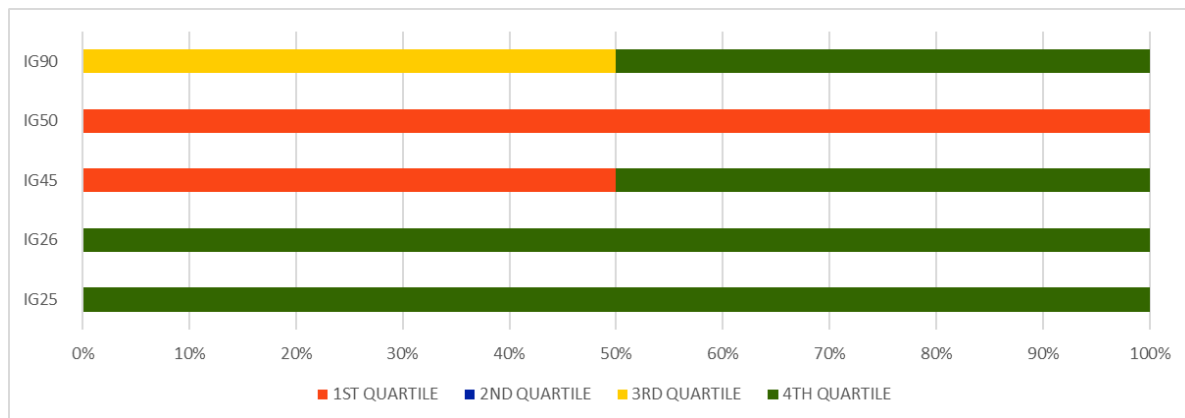
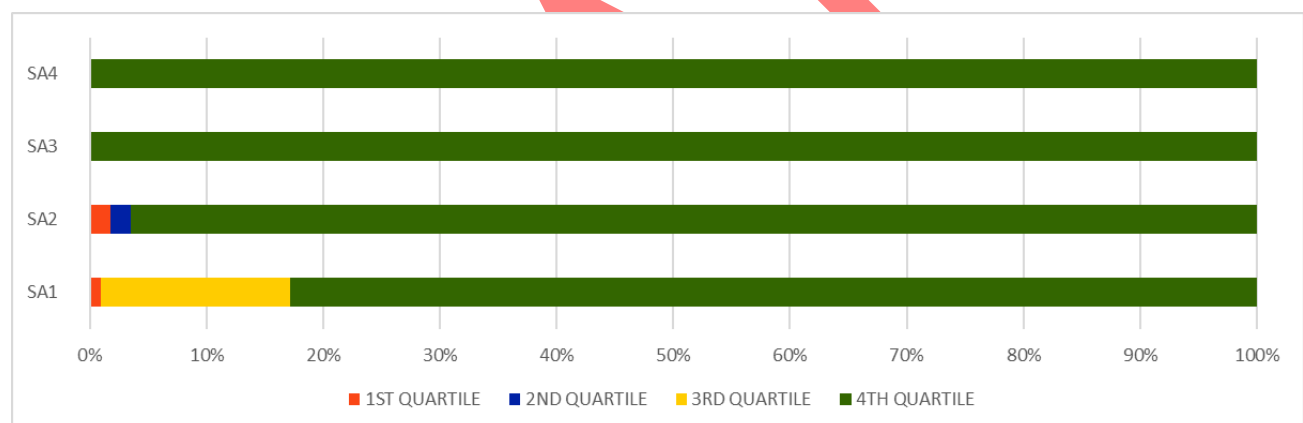


EXHIBIT 3I QUARTILE PLACEMENT BY PAY GRADE (SPECIAL AGREEMENT PAY PLAN)



3.4 COMPRESSION ANALYSIS

Pay compression can be defined as the lack of variation in salaries between employees with significantly various levels of experience and responsibility. Compression can be seen as a threat to internal equity and morale. 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 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 have already done the same work for another organization, eliminating the need for training. Rather than hiring individuals with high potential and developing them for the long term, they have opted for employees who could “hit the ground running” regardless of their potential.

Exhibit 3J indicates the ratio of subordinate to supervisor salaries by grade graphically. Employees were grouped into categories reflecting whether their actual salary was less than 80 percent, greater than 80 percent but less than 95 percent, greater than 95 percent but less than 100 percent, or greater than 100 percent of their supervisor’s salary. Less than 80 percent would indicate that the ratio of an employee’s salary to his supervisor’s salary would yield a result of less than 0.8. For example, an employee with a salary of \$79,000.00 and a supervisor with a salary of \$100,000.00 would yield a ratio of 0.79 and be placed into the Less than 80 percent category.

An analysis of the data would quickly reveal that while most positions in the City are in a great position, with plenty of space between employee and supervisor salaries, there is still a small percentage of employees with salaries more than 95 percent of their supervisor’s salary. Anywhere red or blue appears on **Exhibit 3J** is somewhere that warrants an examination of supervisor vs. employee salary.



EXHIBIT 3J
EMPLOYEE TO SUPERVISOR SALARY RATIO BY PAY GRADE

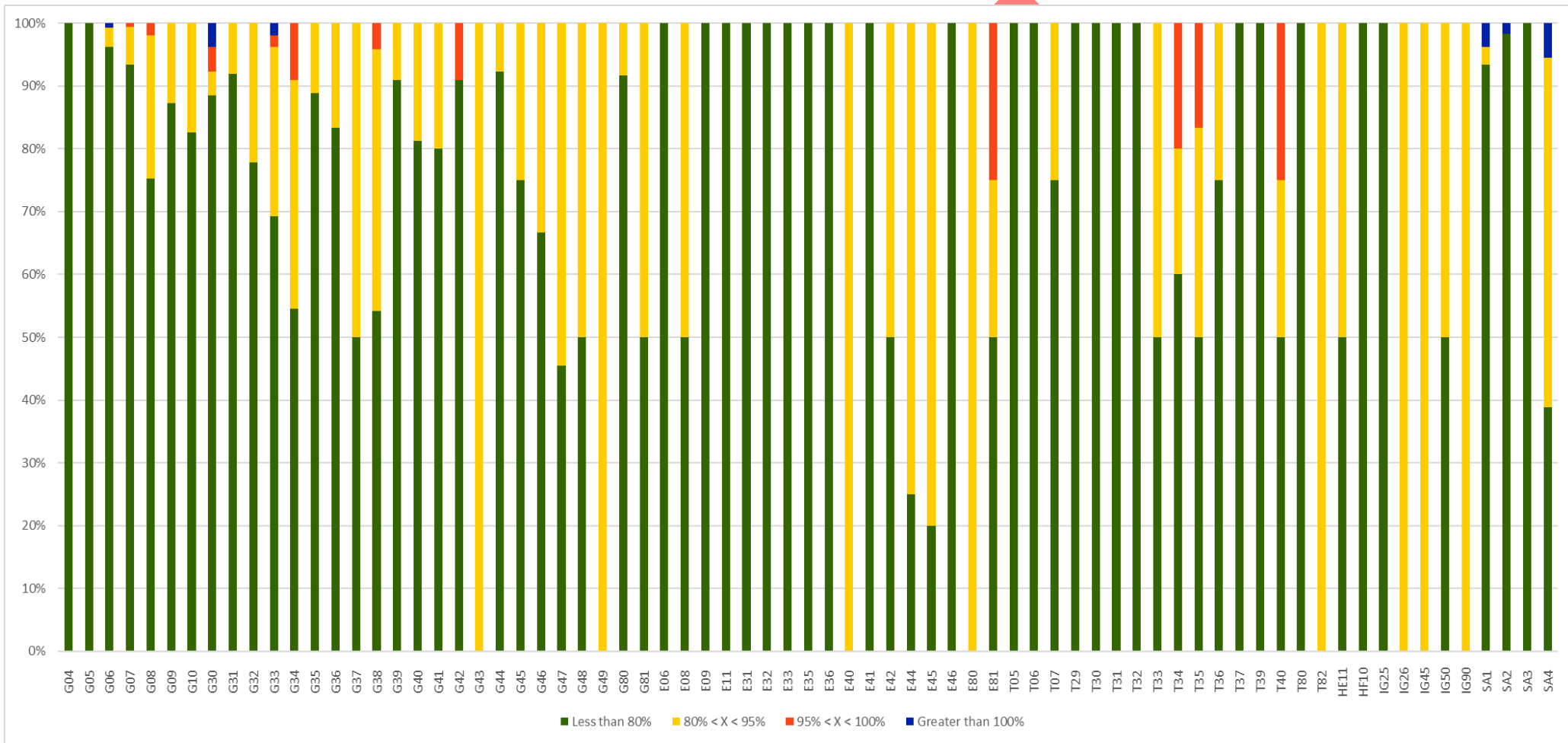
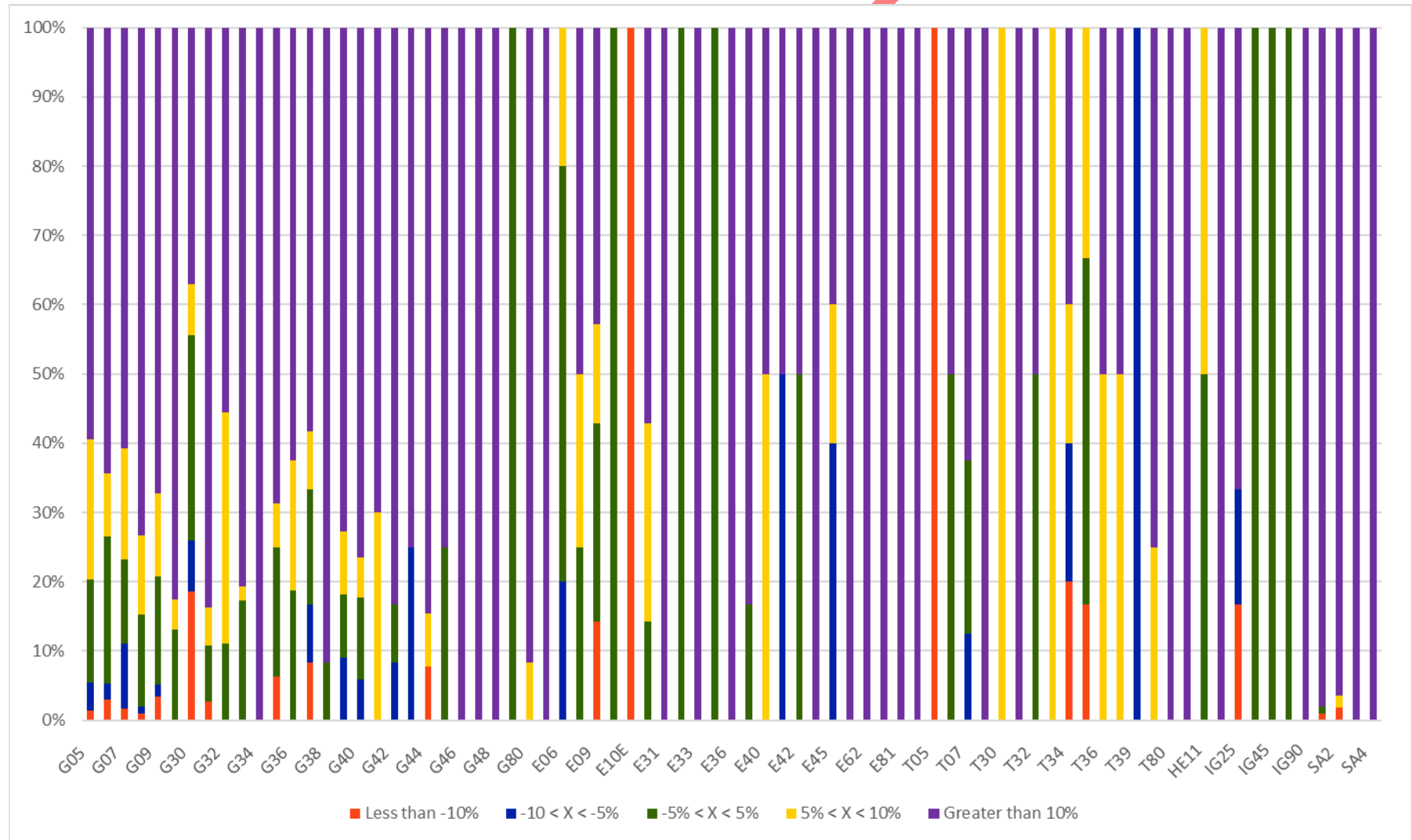


Exhibit 3K highlights the actual vs. expected salaries of City employees, sorted by pay grade. Expected salary is calculated using a fifteen-year progression assumption for employees. For example, an employee who had worked at his position for seven and a half years would expect to be at the grade midpoint, while an employee with fifteen or more years of class years would expect to be at the grade maximum. An important distinction between this compression table and the quartile analysis: this compression table utilizes class years, while the Quartile analysis uses tenure. Class years are differentiated from tenure by using the date that you started working in your current classification as the start date, instead of the date you first were hired by the City. To illustrate, if an employee had been an accountant for fifteen years, and then was promoted last year to Accountant Supervisor that employee would have fifteen years of tenure, but only one class year.

On **Exhibit 3K**, it is easy to discern that most City employees are being paid wages more than 10 percent above what they would expect to receive, based on their class years. While this is clearly good for employees, it is not necessarily bad for the City. It could mean that the City is overpaying employees or that pay grades are too low, forcing the City to advance employees more quickly through pay grades to keep competitive with the market. However, it could just as easily be another indicator of employee promotion and advancement through the ranks. When an employee has advanced to near the top of his pay grade and he receives a promotion, he will often not start at his new pay grade minimum. An employee will not accept a pay decrease, so that employee is therefore started above the minimum on his new pay grade. That puts him above his “expected pay,” by definition. He has zero class years, but his pay is above the minimum. Then, if he advances exactly at the speed expected for the rest of his career, he will always remain above his “expected” pay. While the truth lies somewhere in between these examples, a definitive answer cannot be determined without more data.



EXHIBIT 3K
ACTUAL VS. EXPECTED SALARY



3.5 SUMMARY

The City utilizes different pay plans to classify their various employee groups. This provides a customized approach to allow the City to adjust each pay plan as much or as little as needed to fit the changing needs of the three distinct groups. There were many observations made about the City's compensation system at the start of the study.

- Range spreads, recommended to be between 50-70 percent, vary across the different pay plans.
- One percent of employees are paid at the minimum of their pay grade.
- About a third of employees (34.2 percent) are in Quartile 2 of their pay grade.
- Most City employees are paid less than 80.0 percent of their supervisors' salaries.
- Many employees are paid more than their expected salary, based on a fifteen-year progression plan.
- While there will always be outliers, the City has a positive relationship between tenure and pay grade penetration.

This analysis acts as a starting point for the development of recommendations in subsequent chapters of this report. Paired with market data, Evergreen can make recommendations that will ensure that the City compensation system is structurally sound in terms of best practice, competitive with the market, and treats all employees equitably moving forward.



Chapter 4 – Market Summary

The market summary chapter benchmarks the City's compensation practices against its market peers to establish how competitive the City is for employees within its market. To complete this market study, Evergreen compared pay ranges of select benchmark positions that the City possesses against the compensation of positions performing those same duties within peer organizations. By aggregating the differences in pay ranges across all the positions, a reasonable determination is made as to the City's competitive position within the market.

It is important to note that individual salaries are not analyzed in this methodology, since individual compensation can be affected by variables such as experience and performance. For this reason, Evergreen looked at average pay ranges across the entire classification to make the most accurate comparison. The results of this market study should be considered reflective of the current state of the market at the time of this study; however, market conditions can change rapidly. Consequently, it is necessary to perform market surveys of peer organizations regularly for an organization to consistently monitor its position within the market. Furthermore, the market results detailed in this chapter provide a foundation for understanding the City's overall structural standing to the market, and the rates reflected in this chapter, while a crucial factor, are not the sole determinant for how classifications were placed into the proposed salary ranges outlined in **Chapter 6**.

Evergreen conducted a comprehensive market salary survey for the City, which included 29 peers including cities, counties, airports, electric utility companies, and state entities. Target peers were selected based on several factors, including geographic proximity and population size. Target organizations were also identified for their competition to the City for employee recruitment and retention efforts. The list of targets provided data for this study is included in **Exhibit 4A**.



EXHIBIT 4A TARGET MARKET PEERS

Market Peers
Alliance Airport
Austin Energy
Bryan Texas Utilities
City of Addison
City of Allen
City of Arlington
City of Austin
City of Carrollton
City of Coppell
City of Corinth
City of Dallas
City of Flower Mound
City of Fort Worth
City of Frisco
City of Grand Prairie
City of Grapevine
City of Irving
City of Lewisville
City of McKinney
City of Mesquite
City of Plano
City of Richardson
City of Sugar Land
Dallas County
Denton County
Lubbock Power & Light
Meacham Airport
North Texas Municipal Water District
Upper Trinity Regional Water District

Since the data collected for the market summary was from various regions of Texas, it was necessary to adjust peer responses relative to the City based on cost of living. For all organizations that fell outside the City's immediate region, a cost-of-living adjustment was applied to the reported pay ranges to ensure the market average was attained in terms of the spending power an employee would have in the City. Evergreen utilizes cost of living index information from the Council for Community and Economic Research, and the scale is based on the national average cost of living being set at 100. The cost-of-living index figures for the City and each respondent market peer are in **Exhibit 4B**.

EXHIBIT 4B
RESPONDENTS WITH COST-OF-LIVING ADJUSTMENTS

Market Peers	Cost of Living Index
City of Denton	101.7
Alliance Airport	106.1
Austin Energy	109.2
Bryan Texas Utilities	104.3
City of Addison	106.7
City of Allen	109.2
City of Arlington	94.0
City of Austin	109.2
City of Carrollton	101.7
City of Coppell	106.1
City of Corinth	104.3
City of Dallas	109.2
City of Flower Mound	104.3
City of Fort Worth	109.2
City of Frisco	101.7
City of Grand Prairie	104.3
City of Grapevine	109.3
City of Irving	106.1
City of Lewisville	109.2
City of McKinney	109.2
City of Mesquite	101.7
City of Plano	109.2
City of Richardson	106.1
City of Sugar Land	93.6
Dallas County	93.8
Denton County	101.7
Lubbock Power & Light	99.1
Meacham Airport	104.3
North Texas Municipal Water District	104.3
Upper Trinity Regional Water District	106.7

4.1 MARKET DATA

The results of the market study are displayed in **Exhibit 4C**, which includes the benchmark job titles and the market average salaries for each position at the minimum, midpoint, and maximum points of the pay ranges. Also included within the exhibit are the percentage differentials of the City's pay ranges at each respective point, relative to the market average pay. A positive percent differential is indicative of the City's pay range exceeding that of the



average of its market peers; alternatively, a negative percent differential indicates the City's compensation for a given position lagging behind the average of its peers. For those classifications where no differential is shown, this is due to the City not possessing a pay range for comparison to the market. The exhibit also includes the average pay range for the market respondents for each position and how many responses each benchmark received.

While all benchmarks are surveyed by each peer, not every peer organization possesses an appropriate match to supply salary information for. Consequently, the benchmarks receive varying levels of response. For this study's purpose, all positions that received less than five matches from market peers were not considered in establishing the City's competitive position. The rationale behind these positions being excluded is that insufficient response can lead to unreliable averages that may skew the aggregated data, blurring the reality of the City's actual position in the market. Eighty-nine of the 111 positions surveyed had a sufficient response for inclusion.



EXHIBIT 4C MARKET SURVEY RESULTS

Classification	Survey Minimum Average	% Diff	Survey Midpoint Average	% Diff	Survey Maximum Average	% Diff	Survey Avg Range	# Resp.
Accountant	\$52,012.38	4.1%	\$65,240.86	9.9%	\$78,469.34	13.6%	50.9%	21
Administration Manager	\$78,554.45	-6.3%	\$98,417.90	-0.4%	\$118,281.36	3.4%	50.5%	6
Administrative Assistant I	\$36,453.07	-21.6%	\$45,252.95	-14.8%	\$54,052.82	-10.4%	48.3%	19
Administrative Assistant II	\$39,039.42	-19.0%	\$48,092.31	-11.4%	\$57,145.21	-6.5%	46.4%	9
Administrative Supervisor	\$44,131.06	16.3%	\$57,374.38	18.6%	\$70,617.70	20.0%	60.0%	6
Airport Operations Manager	\$76,196.29	-20.8%	\$99,108.40	-18.6%	\$122,020.51	-17.3%	60.1%	8
Animal Services Officer	\$37,677.99	-15.5%	\$46,491.92	-8.0%	\$55,305.86	-3.2%	46.8%	17
Applications Architect I	\$64,602.54	8.3%	\$82,421.56	12.4%	\$100,240.58	15.0%	55.2%	8
Applications Architect II	\$69,770.43	16.6%	\$89,781.84	19.9%	\$109,793.26	21.9%	57.5%	5
Assistant City Manager	\$161,971.08	-	\$197,248.79	-	\$232,526.49	-	43.2%	9
Assistant Court Rep I	\$33,878.90	-14.4%	\$41,489.17	-6.1%	\$49,099.44	-0.8%	45.0%	16
Assistant Court Rep II	\$37,226.24	-14.3%	\$46,288.24	-7.6%	\$55,350.24	-3.3%	48.7%	10
Assistant Director of Finance	\$105,981.99	-1.1%	\$132,818.55	4.9%	\$156,176.02	10.8%	47.6%	9
Assistant Fire Chief	\$135,314.37	3.4%	\$151,991.79	3.2%	\$167,669.15	3.7%	23.9%	11
Associate Video Producer	\$51,731.92	-37.2%	\$77,597.89	-48.7%	\$103,463.85	-54.9%	100.0%	1
Asst Director of Parks & Rec	\$94,718.43	1.4%	\$118,134.60	7.8%	\$139,340.93	13.4%	47.4%	12
Benefits & HRIS Specialist	\$49,227.87	5.4%	\$61,763.08	11.2%	\$74,298.29	14.9%	51.0%	15
Benefits and Leave Coordinator	\$47,423.53	8.9%	\$59,256.57	15.1%	\$71,089.60	19.1%	49.9%	7
Building Inspector II	\$46,115.06	-7.1%	\$57,079.70	0.1%	\$68,044.35	4.7%	47.7%	16
Business Services Manager	\$73,888.05	17.3%	\$95,232.27	20.5%	\$116,576.49	22.4%	57.8%	9
Buyer	\$44,545.21	10.8%	\$55,393.71	17.5%	\$66,242.21	21.7%	48.8%	16
Chief Financial Officer	\$136,904.71	-	\$174,614.47	-	\$203,785.78	-	49.3%	12
Comptroller/Controller	\$94,204.74	6.3%	\$116,707.53	5.4%	\$139,210.32	17.9%	47.8%	13
Construction Projects Manager	\$75,335.35	-10.9%	\$94,429.84	-5.0%	\$113,524.33	-1.3%	50.7%	6
Crew Leader	\$44,426.40	-3.4%	\$54,928.51	3.9%	\$65,430.61	8.6%	47.4%	17
Crime Scene Investigator	\$48,582.59	-2.8%	\$60,924.87	3.1%	\$73,267.14	6.8%	50.9%	6
Customer Service Manager	\$77,686.24	25.4%	\$100,563.92	28.1%	\$123,441.59	29.7%	59.0%	7
Customer Service Rep	\$33,299.71	-3.1%	\$41,087.40	4.4%	\$48,875.08	9.2%	46.7%	14
Deputy City Attorney	\$115,434.57	-14.0%	\$143,579.34	-7.3%	\$171,724.12	-3.1%	48.6%	6
Deputy Dir of Solid Waste	\$126,411.95	-27.3%	\$157,308.89	-20.8%	\$188,205.83	-16.6%	48.9%	2
Director of Airport	\$123,048.34	-10.6%	\$156,587.97	-6.2%	\$190,127.61	-3.4%	54.4%	6
Director of Capital Projects	\$122,539.23	-10.2%	\$153,780.46	-4.4%	\$183,545.73	0.1%	50.2%	8
Director of Libraries	\$120,339.66	-8.4%	\$153,019.15	-3.9%	\$178,947.21	2.6%	49.0%	10
Director of Water Utilities	\$133,394.18	18.6%	\$167,886.61	13.1%	\$194,939.70	5.9%	46.6%	7
Emer Vehicle Tech Supervisor	\$57,727.44	-10.5%	\$71,330.18	-3.1%	\$84,932.91	1.6%	47.2%	3
Engineer	\$75,822.58	2.8%	\$94,854.78	3.3%	\$113,886.98	7.2%	50.2%	18
Field Services Worker II	\$33,033.21	-11.9%	\$40,265.95	-3.2%	\$47,498.68	2.5%	43.7%	17
Field Service Worker III	\$35,668.22	-10.0%	\$44,174.36	-2.9%	\$52,680.50	1.7%	47.6%	7
Financial Analyst	\$55,854.75	-3.0%	\$70,405.24	2.3%	\$84,955.74	5.7%	52.2%	13
Fleet Technician	\$38,264.36	11.5%	\$47,593.43	18.2%	\$56,922.50	22.4%	48.7%	11
GIS Analyst	\$54,777.09	-1.1%	\$67,444.77	6.6%	\$80,112.45	11.6%	46.4%	16
GIS Technician	\$42,995.91	-9.6%	\$52,653.81	-1.4%	\$62,311.71	3.9%	45.0%	12
Head Lifeguard	\$31,104.84	3.7%	\$37,195.57	14.3%	\$43,286.31	21.2%	39.2%	9
Health Inspector	\$47,459.24	-0.5%	\$58,766.26	6.7%	\$70,073.27	11.2%	47.6%	4
Heavy Equipment Operator I	\$39,660.51	-11.1%	\$49,092.51	-3.9%	\$58,524.51	0.7%	47.7%	14
Heavy Equipment Operator II	\$41,317.92	-5.7%	\$52,760.42	-1.6%	\$64,202.91	0.9%	55.4%	6
Homeless Programs Coordinator	\$48,558.76	15.3%	\$64,052.86	16.1%	\$79,546.95	16.6%	63.8%	4
HR Compensation/HRIS Admr	\$66,376.65	-15.9%	\$83,664.97	-10.5%	\$100,953.30	-7.2%	52.1%	12
HVAC Technician (Licensed Facilities Trades Tech)	\$42,985.82	9.4%	\$53,977.15	15.2%	\$64,968.47	18.8%	51.3%	9
IT Project Manager	\$82,542.26	10.5%	\$103,813.30	16.1%	\$125,084.34	19.6%	51.7%	12
Kennel Technician	\$32,578.27	-10.5%	\$39,371.42	-0.9%	\$46,164.57	5.3%	41.6%	10
Laboratory Manager	\$71,668.17	-6.0%	\$92,805.97	-3.3%	\$113,943.77	-1.7%	59.0%	6
Lead Civilian Property Tech	\$39,215.63	-0.4%	\$48,871.88	6.1%	\$58,528.14	10.2%	49.2%	7
Librarian	\$47,290.87	0.4%	\$58,892.56	7.0%	\$70,494.25	11.1%	49.1%	16
Library Assistant II	\$34,754.92	2.1%	\$42,547.48	10.4%	\$50,340.04	15.7%	44.8%	15
Library Branch Manager	\$68,295.14	-5.5%	\$86,441.59	-0.6%	\$104,588.04	2.5%	53.1%	10
Logistics Specialist	\$40,494.65	15.4%	\$52,134.50	18.6%	\$63,774.36	20.6%	57.6%	5
Maintenance Tech I - WP	\$35,237.57	-18.3%	\$42,441.52	-8.4%	\$49,645.47	-1.9%	40.9%	12
Maintenance Technician II - WP	\$35,665.89	-10.0%	\$43,006.34	-0.2%	\$50,346.80	6.2%	41.0%	7
Maint Tech III - Water Prod	\$39,268.12	-0.6%	\$46,891.43	10.2%	\$54,514.74	17.3%	38.8%	1
Management Analyst	\$49,586.27	8.9%	\$62,179.68	14.7%	\$74,773.09	18.4%	50.7%	7
Marketing & Outreach Coord	\$46,881.97	5.7%	\$58,645.89	11.8%	\$70,409.81	15.6%	50.2%	14
Microbiologist	\$52,509.51	-10.1%	\$65,888.02	-4.3%	\$79,266.53	-0.6%	51.0%	3
Network Infs Architect I	\$71,043.97	4.1%	\$88,565.31	10.6%	\$106,086.66	14.7%	49.4%	10
Network Infs Architect II	\$83,645.61	3.9%	\$104,152.66	10.4%	\$124,659.72	14.6%	49.0%	5
Parks Field Supervisor	\$52,343.23	-10.3%	\$64,881.91	-3.2%	\$77,420.58	1.3%	48.0%	11
Payroll Supervisor	\$52,520.30	-1.0%	\$65,503.67	5.4%	\$78,487.04	9.5%	49.5%	14
Permit Technician I	\$36,400.94	-12.0%	\$45,001.29	-4.7%	\$53,601.63	-0.1%	47.3%	14
Planner	\$51,525.23	-3.8%	\$64,073.46	2.9%	\$76,621.70	7.2%	48.8%	17
Plans Examiner I	\$47,450.26	-19.4%	\$59,001.31	-12.7%	\$70,552.36	-8.5%	48.7%	17
Plumber (Facilities Skilled Trades Tech)	\$43,906.68	-11.7%	\$56,567.35	-8.5%	\$69,228.03	-6.6%	57.7%	6
Police Assistant Chief	\$135,901.95	3.0%	\$154,746.31	1.4%	\$173,072.54	0.5%	27.2%	13
Police Chief	\$140,455.83	-9.0%	\$177,097.11	-3.7%	\$210,918.27	1.0%	50.3%	9
Police Deputy Chief	\$123,765.22	4.9%	\$135,160.21	1.7%	\$146,555.19	-1.1%	18.1%	8
Public Safety Comm Supv	\$57,987.53	-10.9%	\$70,001.92	-1.3%	\$82,016.32	5.1%	41.5%	13
Public Safety Dispatcher	\$44,671.04	-3.9%	\$56,227.08	1.6%	\$67,783.13	5.1%	51.8%	10
Public Works Inspector II	\$49,263.89	-13.7%	\$60,640.14	-6.0%	\$72,016.39	-1.0%	46.1%	6



EXHIBIT 4C (CONTINUED) MARKET SURVEY RESULTS

Classification	Survey Minimum		Survey Midpoint		Survey Maximum		Survey Avg Range	# Resp.
	Average	% Diff	Average	% Diff	Average	% Diff		
Records Technician	\$35,634.93	-19.4%	\$43,305.23	-10.4%	\$50,975.53	-4.6%	43.0%	12
Recreation Coordinator	\$41,877.27	-7.0%	\$51,842.81	0.2%	\$61,808.34	4.7%	47.6%	13
Recreation Leader	\$34,102.31	-48.5%	\$40,610.88	-43.9%	\$47,119.45	-40.7%	38.1%	6
Recreation Supervisor	\$52,133.21	-5.0%	\$64,772.10	1.9%	\$77,410.98	6.2%	48.6%	12
Senior Engineer	\$86,449.55	-2.7%	\$106,716.22	4.7%	\$126,982.89	9.5%	46.9%	12
Solid Waste Truck Operator	\$38,801.80	0.6%	\$46,263.11	11.5%	\$53,724.42	18.7%	38.4%	6
Streets Operations Manager	\$74,188.57	-5.0%	\$93,767.35	0.1%	\$113,346.14	3.3%	52.8%	8
Support Services Specialist	\$50,187.64	-8.2%	\$62,346.31	-1.4%	\$74,504.98	3.0%	48.6%	19
Talent Devel & Diversity Spec	\$54,423.70	-14.1%	\$70,575.21	-11.6%	\$86,726.73	-10.1%	59.3%	5
Utility Server Supervisor	\$66,172.45	32.4%	\$84,154.19	36.7%	\$102,135.93	39.4%	54.4%	11
Video Producer	\$50,155.26	-15.5%	\$62,969.47	-9.7%	\$75,783.68	-6.1%	51.1%	12
Warehouse Manager	\$56,380.17	18.0%	\$70,475.68	24.1%	\$84,571.19	28.0%	50.0%	1
Warehouse Oper Specialist I	\$34,278.15	-15.5%	\$40,811.64	-4.5%	\$47,345.13	2.8%	38.1%	5
Water Production Operator I	\$36,829.83	-13.2%	\$44,993.93	-4.7%	\$53,158.03	0.8%	44.3%	12
Water Production Operator II	\$40,379.42	-3.4%	\$48,845.87	6.1%	\$57,312.32	12.3%	42.0%	7
Water Production Operator III	\$43,330.38	-0.9%	\$52,511.94	8.4%	\$61,693.49	14.4%	42.5%	9
Water Production Operator IV	\$48,558.68	-2.8%	\$56,430.83	10.7%	\$64,302.99	19.8%	32.2%	6
Water Utilities Electrician II	\$53,561.46	-12.5%	\$69,267.56	-9.7%	\$84,973.66	-8.0%	58.7%	7
WW Collections Operator I	\$40,501.06	-13.2%	\$49,585.07	-4.9%	\$58,669.08	0.4%	44.9%	3
WW Collections Operator II	\$46,788.08	-18.0%	\$57,386.75	-10.0%	\$67,985.43	-4.8%	45.3%	3
AMI Technician	\$45,988.15	4.0%	\$57,097.41	10.9%	\$68,206.67	15.2%	48.0%	4
D.E.C. Maintenance Supervisor	\$90,422.85	5.2%	\$115,483.62	9.3%	\$140,544.39	11.8%	55.3%	4
D.E.C. Plant Manager	\$110,042.42	-4.5%	\$141,811.27	-1.3%	\$173,580.13	0.6%	57.8%	4
Dispatcher	\$45,452.73	-13.9%	\$58,719.53	-10.9%	\$71,986.33	-9.2%	58.7%	6
Electric SCADA Supervisor	\$84,580.04	1.9%	\$117,922.77	-2.8%	\$151,265.50	-5.5%	80.2%	2
Energy Market Operator	\$88,252.03	-21.6%	\$112,895.89	-20.0%	\$137,539.76	-19.0%	55.8%	3
Instrumentation & Control Tech	\$52,344.08	-10.3%	\$64,860.06	-3.2%	\$77,376.05	1.3%	47.7%	8
Line Designer	\$63,260.94	11.1%	\$80,014.59	16.1%	\$96,768.23	19.2%	52.8%	3
Line Division Manager	\$108,328.40	-7.9%	\$139,123.73	-4.4%	\$169,919.07	-2.2%	56.9%	2
Meter Electrician III	\$70,779.40	4.3%	\$90,208.80	-15.5%	\$109,638.20	-30.7%	54.6%	2
SCADA Analyst - EMO	\$78,984.60	3.3%	\$105,839.00	0.3%	\$132,693.39	-1.6%	69.2%	3
System Operations Supervisor	\$106,461.99	-11.1%	\$138,173.46	-8.7%	\$169,884.93	-7.2%	59.8%	3
Overall Average		-4.4%		0.9%		4.6%	49.6%	8.9
Outliers Removed*		-3.8%		2.3%		6.5%		



4.2 SALARY SURVEY RESULTS

Market Minimums

It is important to assess where an organization is relative to its market minimum salaries, as they are the beginning salaries of employees with minimal qualifications for a given position. Organizations that are significantly below market may experience recruitment challenges with entry-level employees. As seen in **Exhibit 4C**, the City is currently 3.8 percent below the market average minimum, when considering positions with sufficient responses. The City's benchmark positions ranged from 48.5 percent below to 32.4 percent above the market minimum.

The following are summary points of the results analysis concerning the market minimum:

- Of the 89 positions receiving a sufficient response, 60 were below market, averaging 10.3 percent below. These 60 classifications represent roughly 67.4 percent of all surveyed positions receiving sufficient response.
- Of the 60 positions below market, 31 were more than 10.0 percent below the average market minimum. These positions are displayed in **Exhibit 4D**.



EXHIBIT 4D
CLASSIFICATIONS MORE THAN 10% BELOW THE MINIMUM

Classifications more than 10% Below Market	Difference
Administrative Assistant I	-21.6%
Administrative Assistant II	-19.0%
Airport Operations Manager	-20.8%
Animal Services Officer	-15.5%
Assistant Court Rep I	-14.4%
Assistant Court Rep II	-14.3%
Construction Projects Manager	-10.9%
Deputy City Attorney	-14.0%
Director of Airport	-10.6%
Director of Capital Projects	-10.2%
Director of Water Utilities	-18.6%
Field Services Worker II	-11.9%
Heavy Equipment Operator I	-11.1%
HR Compensation/HRIS Admr	-15.9%
Kennel Technician	-10.5%
Maintenance Tech I - WP	-18.3%
Parks Field Supervisor	-10.3%
Permit Technician I	-12.0%
Plans Examiner I	-19.4%
Plumber (Facilities Skilled Trades Tech)	-11.7%
Public Safety Comm Supv	-10.9%
Public Works Inspector II	-13.7%
Records Technician	-19.4%
Recreation Leader	-48.5%
Talent Devel & Diversity Spec	-14.1%
Video Producer	-15.5%
Warehouse Oper Specialist I	-15.5%
Water Production Operator I	-13.2%
Water Utilities Electrician II	-12.5%
Dispatcher	-13.9%
Instrumentation & Control Tech	-10.3%

- Of the 89 positions receiving sufficient response, 27 were above market, averaging 8.9 percent above. These classifications represent approximately 30.3 percent of all surveyed positions receiving sufficient response.
- Of those 27 positions, nine were more than 10.0 percent above the market minimum average. These positions are displayed in **Exhibit 4E**.



EXHIBIT 4E
CLASSIFICATIONS MORE THAN 10% ABOVE THE MINIMUM

Classifications more than 10% Below Market	Difference
Administrative Assistant I	-14.8%
Administrative Assistant II	-11.4%
Airport Operations Manager	-18.6%
Director of Water Utilities	-13.1%
HR Compensation/HRIS Admr	-10.5%
Plans Examiner I	-12.7%
Records Technician	-10.4%
Recreation Leader	-43.9%
Talent Devel & Diversity Spec	-11.6%
Dispatcher	-10.9%

Market Midpoints

The market midpoint is exceptionally important to analyze, as it is often considered the closest estimation of market average compensation. As seen in **Exhibit 4C**, the City is currently 2.3 percent above the market midpoint.

Analysis of the market midpoint comparisons yielded the following information:

- Regarding the midpoint average, 41 of the positions surveyed receiving sufficient response were below the market midpoint, averaging 7.2 percent below. These 41 positions represent 46.1 percent of the positions surveyed.
- Of the 41 positions below the market midpoint, ten were more than 10.0 percent below the midpoint. These positions are displayed in **Exhibit 4F**.



EXHIBIT 4F
CLASSIFICATIONS MORE THAN 10% BELOW THE MIDPOINT

Classifications more than 10% Below Market	Difference
Administrative Assistant I	-14.8%
Administrative Assistant II	-11.4%
Airport Operations Manager	-18.6%
Director of Water Utilities	-13.1%
HR Compensation/HRIS Admr	-10.5%
Plans Examiner I	-12.7%
Records Technician	-10.4%
Recreation Leader	-43.9%
Talent Devel & Diversity Spec	-11.6%
Dispatcher	-10.9%

- Of the 89 positions receiving sufficient response, 46 were above the market midpoint. These comprise 51.7 percent of the total classifications surveyed receiving sufficient response.
- Twenty-one positions were more than 10.0 percent above the market midpoint. Those positions are displayed in **Exhibit 4G**.



EXHIBIT 4G
CLASSIFICATIONS MORE THAN 10% ABOVE THE MIDPOINT

Classifications More than 10% Above Market	Difference
Administrative Supervisor	18.6%
Applications Architect I	12.4%
Applications Architect II	19.9%
Benefits & HRIS Specialist	11.2%
Benefits and Leave Coordinator	15.1%
Business Services Manager	20.5%
Buyer	17.5%
Customer Service Manager	28.1%
Fleet Technician	18.2%
Head Lifeguard	14.3%
HVAC Technician (Licensed Facilities Trades Tech)	15.2%
IT Project Manager	16.1%
Library Assistant II	10.4%
Logistics Specialist	18.6%
Management Analyst	14.7%
Marketing & Outreach Coord	11.8%
Network Infs Architect I	10.6%
Network Infs Architect II	10.4%
Solid Waste Truck Operator	11.5%
Utility Server Supervisor	36.7%
Water Production Operator IV	10.7%

Market Maximums

The pay range maximum averages, and how they compare to the City's, are also detailed in **Exhibit 4C**. The City is, on average, 6.5 percent above the market at the maximum of its salary bands for these 89 classifications.

The following points are regarding the City's position relative to the market average maximum:

- At the market maximum, 24 of the 89 positions fell below the average, averaging 6.7 percent below. These 24 positions represent about 27.0 percent of the total number of positions surveyed receiving sufficient response.
- Of these 24, four fell more than 10.0 percent below the market maximum. These four positions are displayed in **Exhibit 4H**.



EXHIBIT 4H
CLASSIFICATIONS MORE THAN 10% BELOW THE MAXIMUM

Classifications more than 10% Below Market	Difference
Administrative Assistant I	-10.4%
Airport Operations Manager	-17.3%
Recreation Leader	-40.7%
Talent Devel & Diversity Spec	-10.1%

- Of the 89 positions surveyed receiving sufficient response, 63 were above the market maximum. These 63 positions represent 70.8 percent of the total number of positions surveyed.
- Of the 63 above average positions, thirty of them were more than 10.0 percent above the market maximum. The positions are displayed in **Exhibit 4I**.



EXHIBIT 4I
CLASSIFICATIONS MORE THAN 10% ABOVE THE MAXIMUM

Classifications More than 10% Above Market	Difference
Accountant	13.6%
Administrative Supervisor	20.0%
Applications Architect I	15.0%
Applications Architect II	21.9%
Assistant Director of Finance	10.8%
Asst Director of Parks & Rec	13.4%
Benefits & HRIS Specialist	14.9%
Benefits and Leave Coordinator	19.1%
Business Services Manager	22.4%
Buyer	21.7%
Comptroller/Controller	17.9%
Customer Service Manager	29.7%
Fleet Technician	22.4%
GIS Analyst	11.6%
Head Lifeguard	21.2%
HVAC Technician (Licensed Facilities Trades Tech)	18.8%
IT Project Manager	19.6%
Lead Civilian Property Tech	10.2%
Librarian	11.1%
Library Assistant II	15.7%
Logistics Specialist	20.6%
Management Analyst	18.4%
Marketing & Outreach Coord	15.6%
Network Infs Architect I	14.7%
Network Infs Architect II	14.6%
Solid Waste Truck Operator	18.7%
Utility Server Supervisor	39.4%
Water Production Operator II	12.3%
Water Production Operator III	14.4%
Water Production Operator IV	19.8%

4.3 SALARY SURVEY CONCLUSION

The standing of individual classifications pay range relative to the market should not be considered a definitive assessment of actual employee salaries being similarly above or below the market; however, such differentials can, in part, explain symptomatic issues with recruitment and retention of employees.



The main summary points of the market study are as follows:

- The City is approximately 3.8 percent below the market minimum.
- The City is approximately 2.3 percent above the market midpoint.
- The City is approximately 6.5 percent above the market maximum.
- The City's pay range spread is approximately 66.0 percent for most positions, while its peers' pay range spread is only 49.6 percent. That means that the City's salary scale is wider than its peers. As a result, even though the City is slightly below the average compared to the market at the minimum, because it has a wider spread it catches up to its peers at the higher end of the spectrum and surpasses the market by a few percentage points at the maximum.

The results of the market summary chapter are pivotal in the formulation of recommendations by Evergreen Solutions. By establishing the City's market position relative to its peers, Evergreen is better able to propose recommendations that enable the City to occupy its desired competitive position.



Chapter 5 – Benefits Summary

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

This information should be used as a cursory overview and not a line-by-line comparison since benefits can be weighted differently depending on the importance to the organization. It should also be noted that benefits are sometimes negotiated and acquired through third parties, so one-to-one comparisons can be difficult. The analysis in this chapter highlights aspects of the benefits survey that provide pertinent information and had high completion rates by target peers.

Exhibit 5A provides a list of the 8 target peers from which full or partial benefits data were obtained for this analysis.

EXHIBIT 5A BENEFITS SURVEY RESPONDENTS

City of Allen
Town of Flower Mound
City of Frisco
City of Grapevine
City of Irving
City of McKinney
City of Plano
City of Richardson



5.1 EMPLOYEE INSURANCE COVERAGES AND MISCELLANEOUS BENEFITS

Exhibit 5B displays a basic overview of peer organization size, benefits as a percentage of total compensation, and the average number of health plans offered. Market peers have an average of 1,295 full-time employees and 174 part-time employees. Comparatively, the City has 1,552 full-time employees and 35 part-time employees.

**EXHIBIT 5B
OVERALL BENEFITS INFORMATION**

Organization Demographics	Peer Average		Denton, TX	
Full-Time Employees	1295	88.2%	1552	97.8%
Part-Time Employees	174	11.8%	35	2.2%
Benefits as a percentage of total compensation	25.8%		35.0%	
Number of health plans offered	2.2		2.0	

Exhibit 5B also displays that the average number of health plans offered by peers (any combination of HMO, PPO, High Deductible, or other type of plan) is 2.2. This is on par with the City's offerings.

5.2 HEALTH PLANS

Exhibit 5C displays data on the types of health plans offered by peers. As shown, 18.8 percent of peers offer an HMO, 57.9 offer a peer PPO, 46.7 percent offer an HSA and 34.8 percent offer another type of plan. Full details on cost to employees and employers can be seen in **Exhibit 5C**. This side-by-side comparison will illustrate the generous offering by the City.



EXHIBIT 5C
OVERVIEW OF HEALTH PLANS OFFERED BY PEERS AND THE CITY

Health Plan Premiums & Deductibles	Peer HMO Average	Peer PPO Average	Peer HSA Average	Other Plans Average	Denton, TX
Percentage of peers offering each plan	18.8%	57.9%	46.7%	34.8%	PPO
DOLLAR AMOUNT (monthly) of employee premium paid by employer	\$326.44	\$907.37	\$599.60	\$795.24	\$1,254.00
PERCENTAGE (monthly) of employee premium paid by employer	94.7%	86.7%	93.9%	87.0%	91.9%
DOLLAR AMOUNT (monthly) of employee premium paid by employee	\$89.43	\$123.21	\$29.75	\$98.52	\$110.00
PERCENTAGE (monthly) of employee premium paid by employee	5.3%	13.3%	6.1%	13.0%	8.1%
Individual Maximum Deductible In Network	\$1,350.00	\$1,555.56	\$2,083.33	\$1,187.50	\$1,000.00
Individual Maximum Deductible Out of Network	-	\$3,080.00	\$4,000.00	-	n/a
DOLLAR AMOUNT (monthly) of employee plus child premium paid by employer	\$556.30	\$1,150.37	\$1,042.94	\$1,125.76	\$1,255.70
PERCENTAGE (monthly) of employee plus child premium paid by employer	85.3%	76.9%	85.5%	79.6%	80.3%
DOLLAR AMOUNT (monthly) of employee plus child premium paid by employee	\$339.38	\$356.21	\$136.43	\$258.74	\$308.00
PERCENTAGE (monthly) of employee plus child premium paid by employee	14.7%	23.1%	14.5%	20.4%	19.7%
Employee Plus Child Maximum Deductible In	\$3,375.00	\$3,277.78	\$4,441.67	\$2,250.00	\$2,000.00
Employee Plus Child Maximum Deductible Out of	-	\$6,660.00	\$12,000.00	-	n/a
DOLLAR AMOUNT (monthly) of employee plus spouse premium paid by employer	\$658.48	\$1,177.62	\$1,197.51	\$1,390.35	\$1,254.00
PERCENTAGE (monthly) of employee plus spouse premium paid by employer	83.4%	75.5%	82.6%	78.2%	84.8%
DOLLAR AMOUNT (monthly) of employee plus spouse premium paid by employee	\$712.25	\$424.94	\$177.97	\$332.33	\$224.00
PERCENTAGE (monthly) of employee plus spouse premium paid by employee	16.6%	24.5%	17.4%	21.8%	15.2%
Employee Plus Spouse Maximum Deductible In	\$3,375.00	\$3,277.78	\$4,441.67	\$2,250.00	\$2,000.00
Employee Plus Spouse Maximum Deductible Out	-	\$6,660.00	\$12,000.00	-	n/a
DOLLAR AMOUNT (monthly) of employee plus family premium paid by employer	\$811.71	\$1,442.80	\$1,690.38	\$1,702.45	\$1,254.00
PERCENTAGE (monthly) of employee plus family premium paid by employer	81.6%	73.4%	81.5%	75.1%	73.7%
DOLLAR AMOUNT (monthly) of employee plus family premium paid by employee	\$797.55	\$582.71	\$247.00	\$484.35	\$448.00
PERCENTAGE (monthly) of employee plus family premium paid by employee	18.4%	26.6%	18.5%	24.9%	26.3%
Employee Plus Family Maximum Deductible In Network	\$3,375.00	\$3,500.00	\$4,441.67	\$2,250.00	\$2,000.00
Employee Plus Family Maximum Deductible Out of Network	-	\$7,610.00	\$12,000.00	-	n/a



In addition to questions regarding health care coverages, Evergreen asked peers to provide information on dental, vision, short-term disability, long-term disability, and life coverages.

Exhibit 5D shows 46.7 percent of peers offer an employer paid dental plan, while only 26.7 offer an employer paid vision plan. Seventy-five percent offer an employee paid dental plan and 86.7 offer an employee paid vision plan. **Exhibit 5D** also shows the cost to employees and employers. As shown, the cost to City employees is higher than the peer average.

EXHIBIT 5D DENTAL AND VISION COVERAGE

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
Dental Insurance	Employer Paid	46.7%	1.2	-	-
	Denton, TX	No	-	-	-
	Employee Paid	75.0%	1.0	\$19.48	\$62.73
	Denton, TX	Yes	2.0	\$53.71	\$156.48
Vision Plan	Employer Paid	26.7%	1	-	-
	Denton, TX	No	-	-	-
	Employee Paid	86.7%	1.1	\$5.93	\$15.93
	Denton, TX	Yes	1.0	\$7.74	\$20.08

For short-term disability coverage, 37.5 percent of responding peers offer an employer paid plan and 62.5 percent offer an employee paid plan as displayed in **Exhibit 5E**. The City does offer employer paid short-term disability coverage but does not offer employee paid short-term disability coverage.

EXHIBIT 5E SHORT-TERM AND LONG-TERM DISABILITY COVERAGE

Disability Insurance		Peer Percentage Offered	Average Number of Plans Offered	Average maximum monthly amount that the employee pays for employee only coverage	Average maximum monthly amount the employer pays for employee only coverage	Average maximum monthly amount the employer pays for employee plus
Short-Term Disability	Employer Paid	37.5%	1.0	-	\$19.50	\$0.00
	Denton, TX	No	-	-	-	-
	Employee Paid	62.5%	0.8	\$34.00	-	-
	Denton, TX	Yes	1.0	Varies by age	-	-
Long-Term Disability	Employer Paid	100.0%	100.0%	-	\$15.46	\$0.00
	Denton, TX	Yes	1.0	-	\$0.105 / \$100 / month	-
	Employee Paid	17%	33%	#DIV/0!	-	-
	Denton, TX	No	-	-	-	-



Exhibit 5F summarizes the life insurance offerings of responding peers and The City. Overall, all responding peers offer life insurance, and 100 percent said they offer optional dependent coverage. Detailed comparison can be seen in **Exhibit 5F**, illustrating the City is potentially more generous in the potential payout.

**EXHIBIT 5F
LIFE INSURANCE**

Life Insurance	Peer Percentage Yes	Peer Average	Denton, TX
Is employer-paid life insurance	100.0%	-	Yes
Cost (monthly) to employer for	-	-	\$1,000.00
Dollar amount of death benefit	-	\$61,666.67	1x Annual Salary
Is Optional dependent coverage	100.0%	-	Yes
Can the employee purchase (additional) life insurance if desired?	100.0%	-	Yes
Is accidental death insurance provided?	100.0%	-	Yes

5.3 EAP, TUITION REIMBURSEMENT, 529 PLANS, AND FINANCIAL PLANNING

Exhibit 5G displays questions regarding Employee Assistance Programs. As shown, all peers offer an EAP and are slightly more generous in the average number of sessions provided.

**EXHIBIT 5G
EMPLOYEE ASSISTANCE PROGRAMS**

EAP	Peer Percentage Yes	Peer Average	Denton, TX
Is an EAP offered?	100.0%	-	Yes
Are benefits available to family members as well as the employee?	100.0%	-	Yes
Provided	-	6.3	6

Exhibit 5H displays questions regarding Tuition Reimbursement. As shown, 6 responding peers indicated that they have provisions to provide some type of tuition reimbursement for employees. On average, peers' tuition reimbursement limit was \$2,500, which is less than half of the City's \$5,250 in tuition reimbursement.



**EXHIBIT 5H
TUITION REIMBURSEMENT**

Tuition Reimbursement	Number of Peers Responded Yes	Peer Average	Denton, TX
Is Tuition Reimbursement offered?	6	-	Yes
Tuition Reimbursement Limit	-	\$2,500.00	\$5,250.00

5.4 RETIREMENT

Exhibit 5I displays that the average number of plans offered by peers is 1.7 while The City has three plans.

**EXHIBIT 5I
NUMBER OF RETIREMENT PLANS**

Number of Plans	Peer Average	Denton, TX
Number of retirement plans offered	1.7	3.0

Exhibit 5J provides questions regarding retirement details. On average, participating peers offer five years to fully vest. Similar to the market peers, the City offers a state retirement plan to employees.

**EXHIBIT 5J
RETIREMENT DETAILS**

Retirement Details	Peer Average	Denton, TX
Years to Fully Vest	5.0	5.0
COLA Offered to Retiree Pensions		Yes
Does the organization's retirement plan offer a disability provision?		Yes
What percent of salary does the organization contribute to this employee contribute to this retirement option?	7.0%	7.00%

Exhibit 5K shows that all respondents also offer an additional form employee paid retirement.



EXHIBIT 5K RETIREMENT OPTIONS

Retirement Participation	Peer Percentage Yes	Denton, TX
Does the organization participate in a State Retirement System?	100.0%	Yes
Is a retirement option other than a	100.0%	Yes
Is D.R.O.P. offered?		No
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?		Yes
of these non-state retirement options?		Yes

5.5 EMPLOYEE LEAVE, HOLIDAYS, AND COMPENSATORY TIME

Exhibit 5L provides the average minimum and maximum accrual rates—the average years of service required to achieve the maximum accrual rate for Personal Leave, Sick Leave, Annual/Vacation Leave, and Paid Time off (PTO) leave for respondents. The City offers sick leave and annual/vacation leave and does not offer personal leave or paid time off.

EXHIBIT 5L LEAVE TIME ACCRUAL

Leave Accrual	Organization	Offered?	Minimum Accrual Rate (Monthly)	How many years of service does it require to begin to accrue the minimum rate?	Maximum Accrual Rate (Monthly)	Years to Achieve Maximum Accrual Rate	Absolute Maximum Accrual for a Year
Sick Leave	Peer Percentage Yes/Average	100.0%	9.4	0.0	49.0	5.0	108
	Denton, TX	Yes	10.0	0	10.0	1.0	120
Annual/Vacation Leave	Peer Percentage Yes/Average	100.0%	8.8	0.2	14.0	12.2	320
	Denton, TX	Yes	10.0	0.0	10.0	5.0	Unlimited
Personal Leave	Peer Percentage Yes/Average	16.7%	-	0.0	-	5.0	-
	Denton, TX	No	-	-	-	-	-
Paid-Time Off	Peer Percentage Yes/Average	0.0%	-	0.0	-	-	-
	Denton, TX	No	-	-	-	-	0

The percentage of peers that offer various holidays are shown in **Exhibit 5M**. On average, peers offer 9.7 holidays to employees, compared to generous 13 offered by the City.



EXHIBIT 5M HOLIDAYS

Paid Holiday observed by peer organizations	Peer Percentage Yes	Denton, TX
New Year's Day	100.0%	Yes
New Year's Eve	0.0%	No
Martin Luther King, Jr. Day	60.0%	Yes
Lincoln's Birthday	0.0%	No
Presidents Day	0.0%	No
Good Friday	40.0%	No
Easter	0.0%	No
Memorial Day	100.0%	Yes
Juneteenth	20.0%	Yes
Independence Day	100.0%	Yes
Labor Day	100.0%	Yes
Veteran's Day	0.0%	Yes
Thanksgiving Day	100.0%	Yes
Day after Thanksgiving	100.0%	Yes
Christmas Eve	100.0%	Yes
Christmas Day	100.0%	Yes
Personal Holiday	75.0%	Yes
Additional Personal Holiday	0.0%	Yes

Exhibit 5N shows that respondents offer both longevity pay, and merit raises, but not merit bonuses, as the City does. Other programs offered by peers include incentive pay and compensatory time.

EXHIBIT 5N INCENTIVE PAY PROGRAMS

Types of longevity pay, bonuses, allowances, or incentive pay programs.	Number of Peers Responded Yes	Denton, TX
Does your organization offer: Longevity Pay?	5	Yes
Does your organization offer: Merit Raises?	1	No
Does your organization offer: Merit Bonuses?	-	Yes



5.6 SUMMARY

Overall, the City was found to be comparable to the market with respect to the benefits portion of total compensation. The results were not surprising in that when single benefits were analyzed alone, some of The City’s offerings seemed more generous than those offered by peers. However, when taken as a whole, the total package appeared to be in alignment with the market.

DRAFT



Chapter 6 - Recommendations

After reviewing the information provided in the preceding sections of this report, Evergreen developed recommendations to improve the City's current classification and compensation system. The recommendations and findings that led to each are discussed in detail in this section. The recommendations are organized into three sections: classification, compensation, and administration of the system.

6.1 CLASSIFICATION RECOMMENDATIONS

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 to ensure equity within the organization and to enable comparisons with positions at peer organizations. A classification analysis identifies issues like incorrect titles, outdated job descriptions, and inconsistent titles across departments. Recommendations are then made to remedy the identified concerns based on human resources best practices.

In the analysis of the City's classification system, Evergreen Solutions collected classification data through the Job Assessment Tool (JAT) process. The JATs, which were completed by employees and reviewed by their supervisors, provided information about the type and level of work being performed for each of the City's classifications. Evergreen reviewed the data provided in the JATs and used the information as the basis for classification recommendations.

FINDING

The classification system being utilized by the City was generally accurate, and titles described the work being performed by employees. Overall, the City's classification provided a clear career path and accurately reflected the duties of employees. Evergreen recommended a few changes to current titles to either better reflect duties or modernize titles. Current job descriptions and corresponding Fair Labor Standards Act (FLSA) exemption status require review, updates, and possible revisions regularly.

RECOMMENDATION 1: Update existing class descriptions to reflect changes, update duties and qualifications, and review all updated descriptions for FLSA status.

Evergreen will provide the City with updated classification descriptions to ensure that they accurately reflect the work being carried out by employees. These are being provided under separate cover. Upon completion and approval of the proposed class descriptions, Evergreen



will further recommend an updated FLSA status for the roles based on the new, updated content contained within the description.

RECOMMENDATION 2: Create a policy to review class descriptions annually and update as needed.

6.2 COMPENSATION RECOMMENDATIONS

The compensation analysis consisted of two parts: an external market assessment and an internal equity assessment. During the external market assessment, the City's compensation for selected benchmark classifications was compared to average compensation offered in the market the City competes for employees in. The external assessment consisted of comparing the City against its peer institutions and organizations within its market and revealed that the City is currently lagging the market slightly.

During the internal equity assessment, consideration of the relationships between and the type of work being performed by the City's employees in their classifications was reviewed and analyzed. Specifically, a composite score was assigned to each of the City's classifications that quantified the classification's level of five separate compensatory factors. The level for each factor was determined based on responses to the JAT.

FINDING

The City currently maintains several specialized pay plans. Evergreen adjusted for marketability and internal equity to update the current system.

RECOMMENDATION 3: Adopt a new, market responsive compensation structure and assign all positions to it equitably.

Evergreen has updated eight (8) pay plans for the City's consideration. Six of the pay plans maintain a steady 60 percent range spread. The proposed plan's details are in **Exhibit 6-1**.



**EXHIBIT 6-1
PROPOSED PAY PLAN**

Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Progression
G100	\$37,960.00	\$49,348.00	\$60,736.00	60.00%	-
G101	\$39,858.00	\$51,815.40	\$63,772.80	60.00%	5.00%
G102	\$41,850.90	\$54,406.17	\$66,961.44	60.00%	5.00%
G103	\$43,943.45	\$57,126.48	\$70,309.51	60.00%	5.00%
G104	\$46,140.62	\$59,982.80	\$73,824.99	60.00%	5.00%
G105	\$50,754.68	\$65,981.08	\$81,207.49	60.00%	10.00%
G106	\$55,830.15	\$72,579.19	\$89,328.23	60.00%	10.00%
G107	\$61,413.16	\$79,837.11	\$98,261.06	60.00%	10.00%
G200	\$52,342.29	\$68,044.98	\$83,747.66	60.00%	-
G201	\$54,959.40	\$71,447.23	\$87,935.05	60.00%	5.00%
G202	\$57,707.37	\$75,019.59	\$92,331.80	60.00%	5.00%
G203	\$60,592.74	\$78,770.57	\$96,948.39	60.00%	5.00%
G204	\$63,622.38	\$82,709.09	\$101,795.81	60.00%	5.00%
G205	\$66,803.50	\$86,844.55	\$106,885.60	60.00%	5.00%
G206	\$70,143.67	\$91,186.78	\$112,229.88	60.00%	5.00%
G207	\$73,650.86	\$95,746.12	\$117,841.37	60.00%	5.00%
G208	\$77,333.40	\$100,533.42	\$123,733.44	60.00%	5.00%
G209	\$81,200.07	\$105,560.09	\$129,920.11	60.00%	5.00%
G210	\$85,260.07	\$110,838.10	\$136,416.12	60.00%	5.00%
G211	\$92,080.88	\$119,705.15	\$147,329.41	60.00%	8.00%
G212	\$99,447.35	\$129,281.56	\$159,115.76	60.00%	8.00%
G213	\$107,403.14	\$139,624.08	\$171,845.02	60.00%	8.00%
G214	\$115,995.39	\$150,794.01	\$185,592.63	60.00%	8.00%
G215	\$125,275.02	\$162,857.53	\$200,440.04	60.00%	8.00%
G216	\$135,297.02	\$175,886.13	\$216,475.24	60.00%	8.00%
UNG	-	-	-	-	-



EXHIBIT 6-1 (CONTINUED)
PROPOSED PAY PLAN

Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Progression
Technology Pay Plan					
T100	\$48,546.75	\$63,110.78	\$77,674.80	60.00%	-
T101	\$58,256.10	\$75,732.93	\$93,209.76	60.00%	20.00%
T102	\$64,081.71	\$83,306.22	\$102,530.74	60.00%	10.00%
T200	\$65,689.43	\$85,396.26	\$105,103.08	60.00%	-
T201	\$75,542.84	\$98,205.69	\$120,868.55	60.00%	15.00%
T202	\$83,097.13	\$108,026.26	\$132,955.40	60.00%	10.00%
T203	\$91,406.84	\$118,828.89	\$146,250.94	60.00%	10.00%
T204	\$100,547.52	\$130,711.78	\$160,876.04	60.00%	10.00%
T205	\$110,602.28	\$143,782.96	\$176,963.64	60.00%	10.00%
T206	\$121,662.50	\$158,161.25	\$194,660.00	60.00%	10.00%
T207	\$130,178.88	\$169,232.54	\$208,286.20	60.00%	7.00%
T208	\$139,291.40	\$181,078.82	\$222,866.24	60.00%	7.00%



EXHIBIT 6-1 (CONTINUED)
PROPOSED PAY PLAN

Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Progression
Electric Pay Plan					
E100	\$45,692.90	\$59,400.77	\$73,108.64	60.00%	-
E101	\$51,404.51	\$66,825.86	\$82,247.22	60.00%	12.50%
E102	\$57,830.07	\$75,179.10	\$92,528.12	60.00%	12.50%
E103	\$66,504.58	\$86,455.96	\$106,407.33	60.00%	15.00%
E200	\$54,391.85	\$70,709.41	\$87,026.96	60.00%	-
E201	\$58,471.24	\$76,012.61	\$93,553.98	60.00%	7.50%
E202	\$62,856.58	\$81,713.56	\$100,570.53	60.00%	7.50%
E203	\$67,570.83	\$87,842.07	\$108,113.32	60.00%	7.50%
E204	\$72,638.64	\$94,430.23	\$116,221.82	60.00%	7.50%
E205	\$78,086.53	\$101,512.50	\$124,938.46	60.00%	7.50%
E206	\$83,943.03	\$109,125.93	\$134,308.84	60.00%	7.50%
E207	\$90,238.75	\$117,310.38	\$144,382.00	60.00%	7.50%
E208	\$97,006.66	\$126,108.66	\$155,210.65	60.00%	7.50%
E209	\$104,282.16	\$135,566.81	\$166,851.45	60.00%	7.50%
E210	\$112,103.32	\$145,734.32	\$179,365.31	60.00%	7.50%
E211	\$120,511.07	\$156,664.39	\$192,817.71	60.00%	7.50%
E212	\$129,549.40	\$168,414.22	\$207,279.04	60.00%	7.50%
E213	\$155,459.28	\$202,097.06	\$248,734.85	60.00%	20.00%
E214	\$178,778.17	\$232,411.62	\$286,045.07	60.00%	15.00%
E300	\$74,618.24	\$97,003.72	\$119,389.19	60.00%	-
E301	\$89,541.89	\$116,404.46	\$143,267.03	60.00%	20.00%
E302	\$102,973.18	\$133,865.13	\$164,757.08	60.00%	15.00%
E303	\$118,419.15	\$153,944.90	\$189,470.65	60.00%	15.00%
E304	\$136,182.03	\$177,036.64	\$217,891.24	60.00%	15.00%
E305	\$146,395.68	\$190,314.38	\$234,233.09	60.00%	7.50%



EXHIBIT 6-1 (CONTINUED)
PROPOSED PAY PLAN

Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Progression
Trades Pay Plan					
B01	\$37,960.00	\$49,348.00	\$60,736.00	60.00%	-
B02	\$39,858.00	\$51,815.40	\$63,772.80	60.00%	5.00%
B03	\$41,850.90	\$54,406.17	\$66,961.44	60.00%	5.00%
B04	\$43,943.45	\$57,126.48	\$70,309.51	60.00%	5.00%
B05	\$46,140.62	\$59,982.80	\$73,824.99	60.00%	5.00%
B06	\$48,447.65	\$62,981.94	\$77,516.24	60.00%	5.00%
B07	\$50,870.03	\$66,131.04	\$81,392.05	60.00%	5.00%
Special Agreement Pay Plan					
SA1	\$31,200.00	\$35,100.00	\$39,000.00	25.00%	-
SA2	\$33,384.00	\$37,557.00	\$41,730.00	25.00%	7.00%
SA3	\$35,720.88	\$40,185.99	\$44,651.10	25.00%	7.00%
SA4	\$38,221.34	\$42,999.01	\$47,776.68	25.00%	7.00%
SA5	\$40,896.84	\$46,008.94	\$51,121.04	25.00%	7.00%
Electric Engineering Pay Plan					
E400	\$52,774.03	\$68,606.24	\$84,438.45	60.00%	10.00%
E401	\$58,051.43	\$75,466.86	\$92,882.29	60.00%	10.00%
E402	\$63,856.58	\$83,013.55	\$102,170.52	60.00%	10.00%
E500	\$81,665.43	\$106,165.06	\$130,664.69	60.00%	-
E501	\$89,831.97	\$116,781.57	\$143,731.16	60.00%	10.00%
E502	\$103,306.77	\$134,298.80	\$165,290.83	60.00%	15.00%
E503	\$113,637.45	\$147,728.68	\$181,819.92	60.00%	10.00%
E504	\$119,319.32	\$155,115.12	\$190,910.91	60.00%	5.00%
E505	\$125,285.29	\$162,870.87	\$200,456.46	60.00%	5.00%

Implementation of the new compensation structure requires two steps. First, all positions were assigned to an appropriate pay grade within the plan. To determine what pay grade each position was assigned, Evergreen used the following factors: the results of the JAT analysis, the results of the market study, as well as consideration for both existing and newly created internal relationships between classifications. Assigning pay grades to classifications requires a balance of internal equity and desired market position, and recruitment and retention concerns also played a role in the process. Thus, the market results discussed in **section 4** were not the sole criteria for the proposed pay ranges.

RECOMMENDATION 4: Evergreen recommends the City adopt a methodology to transition employee salaries into the proposed pay plan that aligns with its established compensation philosophy and meets the available financial resources of the institution.



The second step in implementing the proposed structure is then to transition employee salaries into their newly recommended pay ranges. This step can be done via a variety of methods, each with their own strengths and drawbacks, however, after discussion with City leadership, Evergreen recommends that the institution pursue implementing the following transition methodology:

Compa-Ratio with Living Wage

This option adjusts with consideration for living wages, while also realigning employees in their recommended salary range by maintaining the relationship to midpoint they currently have. This method maintains the relationship between employee salaries and maintains performance gains. The estimated cost for this adjustment is **\$7,286,421.64**, affecting **1,125** full-time employees. Salary adjustments for seasonal employees will be addressed at the beginning of each main season for each group of seasonal employees.

Exhibits 6-2 and 6-3 show the average adjustment by grade and department and the number of employees in each grade affected by the new solution.



**EXHIBIT 6-2
BREAKDOWN BY DEPARTMENT**

Grade	Employees	Total Adjustment Compa	Average Adjustment	Average % Adjustment
AIRPORT	9	\$ 71,249.57	\$ 7,916.62	14%
ANIMAL SERVICES	20	\$ 150,088.91	\$ 7,504.45	16%
CITY MANAGER'S OFFICE/COUNCIL	8	\$ 35,553.04	\$ 4,444.13	5%
COMMUNITY DEVELOPMENT	16	\$ 68,464.20	\$ 4,279.01	6%
CUSTOMER SERVICES	57	\$ 308,039.66	\$ 5,404.20	13%
ECONOMIC DEVELOPMENT	4	\$ 31,034.86	\$ 7,758.71	8%
ELECTRIC	88	\$ 603,138.27	\$ 6,853.84	7%
ENGINEERING SERVICES	42	\$ 243,637.00	\$ 5,800.88	7%
FACILITIES	14	\$ 78,833.63	\$ 5,630.97	9%
FINANCE	30	\$ 132,332.86	\$ 4,411.10	6%
FIRE	8	\$ 42,632.21	\$ 5,329.03	6%
FLEET SERVICES	27	\$ 145,165.73	\$ 5,376.51	8%
GAS WELL REVIEW	1	\$ 4,848.67	\$ 4,848.67	9%
HUMAN RESOURCES	18	\$ 89,709.40	\$ 4,983.86	6%
INTERNAL AUDIT	2	\$ 30,340.76	\$15,170.38	22%
LEGAL	14	\$ 149,092.54	\$10,649.47	9%
LIBRARY	58	\$ 304,213.15	\$ 5,245.05	12%
MATERIALS MANAGEMENT	19	\$ 77,456.43	\$ 4,076.65	7%
MUNICIPAL COURT/JUDGE	13	\$ 95,189.69	\$ 7,322.28	16%
PARKS & RECREATION	100	\$ 586,518.84	\$ 5,865.19	12%
PLANNING	63	\$ 366,465.84	\$ 5,816.92	9%
POLICE	94	\$ 609,670.11	\$ 6,485.85	11%
PUBLIC AFFAIRS	12	\$ 65,376.33	\$ 5,448.03	7%
RISK RETENTION/HEALTH INS	9	\$ 40,194.80	\$ 4,466.09	5%
SOLID WASTE	128	\$ 1,121,905.36	\$ 8,764.89	17%
STREET CONST/MAINT	35	\$ 279,709.73	\$ 7,991.71	16%
TECHNOLOGY SERVICES	52	\$ 335,381.65	\$ 6,449.65	7%
TRAFFIC	12	\$ 81,798.45	\$ 6,816.54	15%
WASTEWATER	89	\$ 615,921.03	\$ 6,920.46	13%
WATER	84	\$ 522,458.90	\$ 6,219.75	11%



**EXHIBIT 6-3
BREAKDOWN BY GRADE**

Grade	Employees	Total Adjustment Compa	Average Adjustment	Average % Adjustment
G100	62	\$ 345,919.03	\$ 5,579.34	17.1%
G101	24	\$ 182,511.67	\$ 7,604.65	18.4%
G102	77	\$ 459,355.84	\$ 5,965.66	15.3%
G103	71	\$ 344,619.07	\$ 4,853.79	9.9%
G104	39	\$ 136,452.62	\$ 3,498.79	6.5%
G105	61	\$ 308,889.38	\$ 5,063.76	8.8%
G106	17	\$ 47,674.72	\$ 2,804.40	4.1%
G107	5	\$ 56,075.49	\$ 11,215.10	14.5%
G200	57	\$ 201,070.49	\$ 3,527.55	6.0%
G201	15	\$ 73,843.43	\$ 4,922.90	7.9%
G202	29	\$ 104,325.67	\$ 3,597.44	5.3%
G203	17	\$ 83,393.42	\$ 4,905.50	6.6%
G204	45	\$ 304,755.19	\$ 6,772.34	9.0%
G205	22	\$ 120,621.29	\$ 5,482.79	6.8%
G206	17	\$ 95,851.86	\$ 5,638.34	6.9%
G207	28	\$ 214,021.25	\$ 7,643.62	9.2%
G208	37	\$ 229,273.46	\$ 6,196.58	6.6%
G209	11	\$ 60,496.98	\$ 5,499.73	5.6%
G210	16	\$ 63,544.91	\$ 3,971.56	3.6%
G211	9	\$ 41,805.15	\$ 4,645.02	3.8%
G212	8	\$ 57,972.88	\$ 7,246.61	6.3%
G213	6	\$ 65,236.39	\$ 10,872.73	8.3%
G214	13	\$ 200,107.54	\$ 15,392.89	11.3%
G215	15	\$ 196,224.23	\$ 13,081.62	8.5%
G216	8	\$ 76,578.74	\$ 9,572.34	5.4%
UNG	0	\$ -	-	-
T100	4	\$ 7,317.34	\$ 1,829.33	3.0%
T101	8	\$ 34,101.98	\$ 4,262.75	6.4%
T102	1	\$ 2,455.44	\$ 2,455.44	3.0%
T200	2	\$ 4,648.04	\$ 2,324.02	3.0%
T201	6	\$ 40,449.96	\$ 6,741.66	8.1%
T202	10	\$ 53,806.90	\$ 5,380.69	6.1%
T203	9	\$ 63,844.09	\$ 7,093.79	6.6%
T204	2	\$ 14,714.88	\$ 7,357.44	7.2%
T205	2	\$ 21,737.39	\$ 10,868.70	8.8%
T206	3	\$ 53,119.04	\$ 17,706.35	13.1%
T207	1	\$ 23,270.56	\$ 23,270.56	15.2%
T208	1	\$ 5,977.30	\$ 5,977.30	3.0%



EXHIBIT 6-3 (CONTINUED)
BREAKDOWN BY GRADE

Grade	Employees	Total Adjustment Compa	Average Adjustment	Average % Adjustment
E100	6	\$ 41,417.35	\$ 6,902.89	14.8%
E101	2	\$ 3,834.98	\$ 1,917.49	3.0%
E102	8	\$ 36,284.01	\$ 4,535.50	7.7%
E103	7	\$ 15,719.31	\$ 2,245.62	3.0%
E200	1	\$ 4,449.63	\$ 4,449.63	6.5%
E201	2	\$ 7,426.78	\$ 3,713.39	6.3%
E202	1	\$ 8,533.41	\$ 8,533.41	11.5%
E203	1	\$ 5,679.48	\$ 5,679.48	8.5%
E204	0	\$ -	-	-
E205	6	\$ 43,847.76	\$ 7,307.96	8.0%
E206	2	\$ 7,434.29	\$ 3,717.15	3.0%
E207	0	\$ -	-	-
E208	2	\$ 22,042.68	\$11,021.34	9.9%
E209	4	\$ 35,174.86	\$ 8,793.72	6.4%
E210	5	\$ 51,004.04	\$10,200.81	7.4%
E211	1	\$ 5,199.50	\$ 5,199.50	3.0%
E212	2	\$ 17,360.29	\$ 8,680.15	4.8%
E213	3	\$ 37,033.62	\$12,344.54	6.2%
E214	1	\$ 18,114.64	\$18,114.64	7.9%
E300	0	\$ -	-	-
E301	2	\$ 19,227.08	\$ 9,613.54	9.7%
E302	0	\$ -	-	-
E303	3	\$ 48,721.82	\$16,240.61	12.5%
E304	0	\$ -	-	-
E305	0	\$ -	-	-
B100	17	\$ 158,784.57	\$ 9,340.27	25.8%
B101	12	\$ 84,826.15	\$ 7,068.85	17.8%
B102	0	\$ -	-	-
B103	64	\$ 534,669.31	\$ 8,354.21	19.1%
B104	55	\$ 431,613.03	\$ 7,847.51	16.4%
B105	86	\$ 766,531.12	\$ 8,913.15	17.2%
B106	53	\$ 328,434.37	\$ 6,196.87	10.8%
E400	1	\$ 1,619.90	\$ 1,619.90	3.0%
E401	1	\$ 7,597.78	\$ 7,597.78	12.9%
E402	3	\$ 12,325.61	\$ 4,108.54	6.3%
E500	1	\$ 6,503.45	\$ 6,503.45	7.6%
E501	1	\$ 6,656.26	\$ 6,656.26	7.1%
E502	1	\$ 7,842.95	\$ 7,842.95	6.1%
E503	1	\$ 6,372.97	\$ 6,372.97	5.7%
E504	1	\$ 8,631.27	\$ 8,631.27	5.6%
E505	5	\$ 53,828.15	\$10,765.63	7.2%
HE11	3	\$ 21,098.00	\$ 7,032.67	5.0%
HF10	1	\$ 7,925.00	\$ 7,925.00	5.0%
IG90	2	\$ 16,592.56	\$ 8,296.28	5.0%



6.3 COMPENSATION AND CLASSIFICATION SYSTEM ADMINISTRATION

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

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

While it is unlikely that the pay plan 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) which may become critical classifications.

The City's human resources staff should assess all classifications each year to determine those that should be categorized as "critical" based on market data collected for that year and City turnover. In the first year, we recommend that the critical class supplement be ten percent for those found to classifications with more than 30 percent turnover and/or a market rate percent difference of 20 percent or more (after accounting for the new salary range assignments). Furthermore, if adopted by the City, a critical class supplement could be increased to a larger percent of base pay. For example, if the City in the future experiences considerable competitive pressure in hiring candidates for a specific classification, some of the pressure may relate to the pay ranges, but other factors such as the available supply of labor, compared to demand of experienced candidates may also be present. As a result, the base pay of the associated classification would be increased so long as the external market pressures remain prevalent.

RECOMMENDATION 6: Conduct a comprehensive classification and compensation study every three to five years.

While small-scale salary surveys can improve the market position of specific classifications, 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 a poor position for recruiting and retaining quality employees.

While the previous two recommendations intend to maintain the competitiveness over time of the classification and compensation structure, it is also necessary to establish procedures for determining equitable pay practices for individual employees.

RECOMMENDATION 7: Revise policies and practices for moving employees' salaries through the pay plan, including procedures for determining salaries of newly hired employees and employees who have been promoted, demoted, or transferred to a different classification.



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

Salary Progression

As outlined above, Evergreen recommends City enact the second phase of implementing the new pay plan which would involve a one-time salary adjustment for employees to ensure they are placed in the proper percentile of their salary range. While this major adjustment should be performed when the City has the financial resources to do so, the City should continue to adjust salaries annually when financially feasible. Based on the feedback from employees and City leadership, Evergreen recommends that the basis of salary adjustment in the future be done at three distinct levels.

- **Structural:** Adjustment to the ranges should be made annually and with the aim of moving employees through their assigned pay range. The City may wish to make these baseline adjustments after considering factors such as annual CPI (Consumer Price Index), market conditions, and financial ability. This annual adjustment will ensure the City's pay ranges do not rapidly fall out of line with that of its peers; however, when conducting the small-scale surveys referenced above, the City should also collect pay plan movement and anticipated movement from its peers to gauge if market movement is keeping pace with CPI movement.
- **Classification:** As a result of the market surveys, the City may identify classifications or job families that are experiencing considerable market movement and as a result, reassignment of the pay grades should be considered when this occurs. Alternatively, if the City identifies classifications that have become hard to recruit and retain, pay grade reassignment should also be considered to ensure the City is competitive for both recruiting new talent and retaining existing employees.
- **Individual:** This baseline adjustment should be done for all employees who receive a satisfactory performance evaluation, and the percentage adjustment would need to be roughly 2.0 percent more than the movement of the compensation structure in any given years, to allow for employee progression into the range. Moreover, based on the feedback from employees and the City's desire to recruit and retain a high-quality workforce, Evergreen recommends the City grant additional adjustment to employees who receive above average performance evaluations. The City should exercise a differentiated percentage for high performers that met the financial constraints of the budget while still providing a meaningful incentive for high performance.

RECOMMENDATION 8: Evergreen recommends the City adopt a hiring grid that aligns with its selected implementation methodology and update its policy regarding promotions/demotions and transfers to align with its new compensation structure.

A new employee's starting salary 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. An upper limit to the percentage above the minimum that can be offered to a new employee with only the minimum requirements should be established, where approval is needed to offer a starting salary that is a higher percentage above minimum. Another threshold should be established as the maximum starting salary possible without approval for new employees with considerable experience and/or education above the requirements for the position. It is common for the midpoint to be used as the maximum starting salary for most classifications. Once the City has performed the initial implementation adjustment for current employee salaries, new employee starting salaries should take into consideration internal equity, meaning that new hires should be offered comparable salaries to existing employees in the classification with similar levels of education and experience.

Dependent upon which route the City elects to transition employees into the new salary ranges, a hiring grid should be adopted that provides guidance about where new employee salaries should be set. The adoption of a new hiring grid should be done after an implementation methodology is selected to ensure alignment of salary placement between current employees and new hires, and to prevent new compression issues from arising both within classifications and departments, as well as throughout the City as a whole. Evergreen will work with the City's leadership team to develop a structure that aligns with any selected method of implementation.

Promotions/Demotions

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, moves the salary into the new pay grade, and ensures internal equity in the new classification. It is common for organizations to establish a minimum percentage salary increase that depends on the increase in pay grade because of the promotion. The City may find a set 10 percent minimum increase for promotions will help reduce internal compression that can happen an employee promotes. Regardless of the minimum percent increase, the employee's new salary should be within the new pay grade's range, and internal equity of salaries within the classification should be preserved.

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. However, the City may wish to include a five (5) percent increase for lateral moves if the lateral move is beneficial to meeting the City's needs or falls within a critical classification.



6.4 SUMMARY

The City should be commended for its desire and commitment to provide competitive and fair compensation for its employees. The recommendations in this report establish a new competitive pay plan, externally and internally equitable classification titles and pay grade assignments, and system administration practices that will provide the City with a responsive compensation and classification system for years to come. While the upkeep of this recommended system will require concrete effort, the City will find that having a competitive compensation and classification system that encourages strong recruitment and employee retention is worth this commitment.

