
Classification and Compensation Study

City of New Port Richey



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Ms. Debbie Manns, City Manager
City of New Port Richey
5919 Main St.
New Port Richey, FL 34652

Dear Ms. Manns,

We have completed our assignment and are submitting our report for the **Classification and Compensation Study** for specified positions in the service of the City of New Port Richey.

This report has been prepared as an accounting of our assignment and to record our approach. The recommendations and comments in the report reflect our objective appraisal based on analysis and discussion to the extent possible within the scope of the assignment.

Our objective was to develop a Comprehensive Pay Plan that is equitable to both the employees and to the City.

We appreciate this opportunity to be of service to you and express our thanks for the cooperation and courtesy which was extended to us by your staff during the Study.

Respectfully submitted,



Linda Bunting
President

CLASSIFICATION AND COMPENSATION STUDY

City of New Port Richey

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INTRODUCTION

This report, on the Study of the Salaries for the City of New Port Richey, contains details of all elements of the Study. In preparing this report, *Cody & Associates, Inc.* has used its best efforts and has taken reasonable care. To an extent, the report relies on information and data received from third parties in whom *Cody & Associates, Inc.* has assumed the accuracy and completeness thereof.

Cody & Associates, Inc. cannot guarantee that any particular result will follow from any action taken on the basis of this report. The information and opinions expressed in this report have significance only within the context of the entire report. No parts of this report should be used or relied upon outside of that context.

This Study is not an end in and of itself, but rather a vital component in the City of New Port Richey's overall management program. The most effectual management system will require regular fine-tuning and refinement post implementation.

These ongoing adjustments should reflect any recent changes in the labor market place in order to maintain a current and equitable classification system and pay plan.

STUDY ASSIGNMENT AND OBJECTIVES

The City of New Port Richey, Florida, retained the services of *Cody & Associates, Inc.* to conduct a Classification and Compensation Study for specified positions under their jurisdiction. The City will be evaluating bargaining unit positions in the current fiscal year.

In establishing said Position Classification and Pay Plan, we concentrated on the following key objectives:

- Formulating a Pay Plan that will assist in reducing turnover costs and promote careers within the City.
- Designing a Pay Plan that will attract qualified personnel to render the services that the City provides.
- Establishing equitable classifications.
- Establishing competitive salary ranges with the goal being salaries based on the average of the target data set.
- Establishing equitable relationships of one job to another within the workforce (equal pay for equal work) and relieve compression between pay grades and classifications.
- To ensure fair and equal compensation opportunities for equal contributions to the effective operations in the City.
- Designing current Salary Ranges which are competitive with reasonably similar positions reflecting the labor market where the City sources employee recruits and which are consistent with the economic conditions in Pasco County.
 - Our target goal in setting salaries was based on the median and average of the data collected. This was used as a guide in setting the pay plan.

To achieve these objectives, we divided the assignment into four (4) major segments:

- Obtain salary information from the survey market
- Analyze wage survey data collected for the City
- Methods of Implementing Survey Results and Recommendations
- Report Preparation

POSITION EVALUATION PHASE

The Position Evaluation Phase of the Study included the following:

➤ *REVIEW OF POSITIONS*

The objective of this phase was to review job descriptions and Position Description Questionnaires and to leverage this information to better ensure the positions are properly classified. In the classification phase of the study we looked at the following information:

- Essential Functions
- Education
- Experience
- Knowledge and Skill-sets Required

The above are all functions of the position, not the individual in the position. The internal relationship is key when setting salaries while utilizing the market data as a guide in structuring a pay plan.

SALARY PHASE

The Salary Phase of the Study included the following:

➤ **OBTAINMENT OF SALARY INFORMATION**

The Consultant's objective during this salary phase was to analyze compensation of positions with the City in comparison to the market. The labor market was decided based on population, budget, and/or geographical area. The market consisted of 15 agencies, which is considered a large market, typically we look at 10 – 12 agencies. The agencies included are as follows: Clermont, Dade City, Dunedin, Haines City, Lady Lake, Leesburg, Marco Island, Oldsmar, Opa-Locka, Pasco County, Safety Harbor, Stuart, Tarpon Springs, Vero Beach, and Zephyrhills. We had a 93% return from the market, which is an excellent response rate. The median value for the data was utilized for salary comparisons. We calculated in a cost of living adjustment for agencies not in Pasco County.

➤ **DEVELOPMENT OF THE SALARY SCHEDULES**

The objective of this segment of the Study was to compile the results of the salary survey and to design an appropriate salary schedule and pay plan for all the positions involved. The salary survey was used as a guide in setting salaries. The internal relationships were a key component in setting said salaries. A structured salary schedule was constructed with five percent between each grade. Not all ranges were utilized but this gives the City room to grow in your compensation plan as needed.

➤ **GENERAL SALARY FINDINGS AND COMMENTS**

We found some positions under market and in need of reclassification in order to reflect the current market. The salary findings were used as a guide in setting salaries. *Cody & Associates, Inc.* created a pay plan based on the combination of internal and external results, and a recent COLA increase.

The true comparisons indicated higher ranges in a few of the positions but internal relationship prevented some ranges being set to reflect these market conditions.

Current market data was leveraged at the time of the survey. All agencies were surveyed for this study and only the most current data was relied upon.

COMPENSATION PLAN RECOMMENDATIONS

➤ **PURPOSE**

The Compensation Plan is intended to provide employees with equitable and competitive pay relative to the pay received by other employees performing a similar role in the City and relative to rate provided to other employees within the survey market.

➤ **APPOINTMENT AND STARTING RATE GUIDELINES**

The minimum rate for a position is the appointment (in-hiring) rate for a new employee. This rate reflects the "market place" value of the position based upon the minimum qualifications needed to perform the work. We are recommending the City adopt the minimums proposed as a result of our Study and that these minimums be established as the appointment rates. That said, increased latitude and flexibility should be exercised when determining actual in-hiring rates for applicants in hard-to-fill, mission-critical and managerial positions as work experience and availability are key factors. We have found many agencies are finding it necessary to hire above the minimum for more positions as a result of the current market.

Generally, appointments above the minimum salary would be authorized under circumstances including:

- The applicants training, work experience or other qualifications exceed those required. Such position appointments may be approved by the City Manager or formal designee on an individual basis at a rate of up to the mid-point of the range established for the position.

➤ **SALARY RANGES AND PROGRESSION**

- The Pay Plan consists of a Salary Schedule containing salary ranges, the compensation attached to the ranges, and a listing of the assignments of each class in the Classification Plan to a range in the Salary Schedule.

- An employee may receive a salary increase by one or more of the following: cost of living adjustments; promotion; reclassification; pay range adjustment.

➤ **PAY GRADE ADJUSTMENTS**

It is important to consider pay compression, which occurs frequently when adjustments to pay ranges are made with every pay increase. That said, we are recommending that pay grades not be adjusted with every pay increase as you may unduly compress pay between new and longer service employees.

➤ **TRAINEE CATEGORY**

If an applicant for a position does not meet the minimum qualifications but is otherwise qualified for the position, the department head may request the appointment as a "TRAINEE". In such cases, the employee could be hired at a rate of five to ten percent (5%-10%) below the minimum salary until the minimum qualifications have been satisfied.

The individual's probationary period should not begin until he/she has completed the trainee period.

This category is used to train people on-the-job who have the potential to do the work but lack some of the skills or experience needed. The average time a person remains in a trainee category would be a minimum of six (6) months and a maximum of twenty-four (24) months. This time period would depend upon the skills or experience required, based on individual cases, and when certification requirements are completed.

➤ **PROMOTIONS**

A promotion occurs when an employee is moved from a position in one class to another position in an elevated class and has a higher maximum salary.

The promoted employee should receive a salary increase to at least the minimum rate of the new pay range or 5% percent whichever is higher. An amount higher than minimum can be considered if the individual's experience, skills, or qualifications merit a higher than minimum rate adjustment.

In some situations, an employee who is promoted from a position which receives paid overtime to an exempt position which receives no paid overtime could experience an actual pay loss in his/her

annual salary earnings. In cases such as this, a higher promotional pay adjustment to compensate for the situation should be considered based on the average of the prior three years of overtime compensation. This should be added to the salary used to calculate the promotional increase.

The first six (6) months of the promotion can be used by the supervisor to evaluate the performance of the employee and to ensure that the employee can satisfactorily perform the duties of the new position. At the end of this period, the employee's supervisor will certify that the employee is satisfactorily performing his/her duties and the promotional increase discussed above remains instituted.

➤ **DEMOTIONS**

If an employee is demoted for cause, the demotion will be a lesser job classification that may include a reduction in pay.

An employee receiving a demotion at their own request or due to inability to perform the work may be adjusted to a lower job classification. When a demotion of this nature occurs, there should be a reduction made in the employee's pay. Some circumstances may dictate, however, that the employee remains at the same pay level attained prior to the demotion. This will be at the discretion of the City, but in no case should this exceed the maximum rate of the lower pay range.

➤ **TRANSFERS**

An employee transferred to a position in the same classification or to a different position with the same pay grade should be treated as a lateral transfer, and not be eligible for an increase.

An employee transferred to another position in a lower classification or grade shall be handled in accordance with the rule established for Demotions.

➤ **SPECIAL ASSIGNMENT CATEGORY (SAC)**

This category can be used when an individual in a position is given an assignment(s) which encompasses duties and responsibilities of a different, advanced, and/or supervisory nature. These assignments are usually for a specified and limited period of time. This type of assignment is of a temporary nature, can be rescinded unilaterally by the City and does not constitute a promotion. All assignments which extend beyond 30 work days must be approved by the City

Manager. A pay supplement may be given for the approved period of time.

➤ ***POST-MAXIMUM INCENTIVE***

The maximums of the recommended pay ranges are the point where an employee's pay progression usually stops. This marks the place where the "worth" of the position according to the market place and comparable jobs, has reached its limits. However, we feel that some type of pay incentive past this maximum point is necessary to continue the productivity of the individual at an acceptable level.

When the individual has reached the maximum of the pay range, he/she will be eligible for a performance type adjustment. This adjustment would not be added to the individual's base pay. The amount of the adjustment will be determined by the City Manager or his/her designee as approved by the annual budget governed by the City Council. This type of arrangement has the effect of not compounding salary or fringe benefit costs and limits the overall short and long-term impact on the City. Additionally, this will also help in the retention of productive long-term employees.

IMPLEMENTATION

To implement the proposed Compensation Plan we recommending the following:

- Adopt the Pay Grades and Salary Schedule as recommended in this report.
- Adjust the salaries of employees who fall below the minimum recommended to the minimum rate.
- Freeze the pay rates of any employee presently being paid above the maximum for their pay range.

Implementation Costs *		
Cost to bring to Minimum	\$48,973.60	38 employees out of 167

* Does not include benefits

1040 hours utilized for all part time/temporary employees to calculate annual cost