



There are a total of 24 job classifications of the BOCC identified for range upgrade. Of the 24 job classifications, 13 classifications are non-supervisory (54%) and 11 classifications are supervisory (46%).

There are a total of 64 job positions within the 24 job classifications of the BOCC identified for range upgrade. Fifty-one (53) positions are non-supervisory (83%) and 11 positions are supervisory (17%).

To fully fund the recommended upgrades, the cost will be approximately \$182,535 for salaries and \$49,664 in fringe benefits for a total of \$232,199. Sixty-seven percent (67%) of the salary upgrade dollar amount is for non-supervisory employees (\$122,046) and 33% (\$60,489) is for supervisory employees. The Board currently has \$300,000 reserved in the fiscal year 2010-11 budget for market adjustments.

The salary survey market averages and differentials could not be established for elected officials that are currently not using pay ranges or grades (page 3-6 footnote).

Staff recommends upgrading the BOCC positions as recommended above at 100% funding. Additional funding options are as follows:

- 1) Funding at 100% for one range adjustment and 90% for adjustments recommended for two or more ranges (\$169,717.68 total salary and benefits; \$113,634 salaries; \$56,083.68 benefits)
  - 2) Funding at 100% for one range adjustment and 80% for adjustments recommended for two or more ranges (\$156,871.84 total salary and benefits; \$105,172.96 salaries; \$51,698.88 benefits)
  - 3) Funding at 100% for one range adjustment and 75% for adjustments recommended for two or more ranges (\$150,514.48 total salary and benefits; \$101,028.88 salaries; \$49,485.60 benefits)
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# Compensation Market Salary Study for Sumter County, FL

**Draft Report**



Evergreen Solutions, LLC

September 14, 2010

# Chapter 1 Introduction

## INTRODUCTION

In June 2010, Evergreen Solutions was retained by the Sumter County Board of County Commissioners (County) to conduct a Compensation Market Salary Study of all positions in the organization. A study of this type by design focuses its attention on external equity when considering how the organization compares to the market. Internal equity, however, is equally important and relates to the fairness of an organization's compensation practices among its current employees. In the context of a more comprehensive study which would assess the relative accuracy and fairness of the classification plan such internal equity would be evaluated by reviewing the skills, capabilities, and duties of each position, and then determining whether similar positions are being compensated in a similar manner within the organization. Even in a more limited market-based review, the changes proposed in accordance with the findings can have a ripple effect on internal equity. As part of the study, Evergreen Solutions, LLC was tasked with:

- Collecting and reviewing current environmental data present at the County.
- Conducting a market salary survey and providing feedback to the County regarding current market competitiveness.
- Developing strategic positioning recommendations using market data and best practices.
- Developing and submitting draft and final reports summarizing findings and recommendations.

### 1.1 STUDY METHODOLOGY

Evergreen Solutions combines qualitative as well as quantitative data analysis to produce an equitable solution in order to maximize the fairness and competitiveness of an organization's compensation structure and practices. Project activities included:

- conducting a project kick-off meeting;
- conducting orientation sessions with employees;
- facilitating employee focus group sessions;
- conducting a salary and benefits survey;



- developing recommendations for compensation adjustments;
- creating draft and final reports.

### **Kickoff Meeting**

The kickoff meeting provides an opportunity to discuss the history of the organization, finalize the work plan, and begin the data collection process. Data collection of relevant background material (including existing pay plans, organization charts, policies, procedures, training materials, job descriptions, and other pertinent material) is part of this process.

### **Orientation Sessions**

The orientation sessions are designed to brief employees and supervisors on the purpose and major processes of the study. This process is intended to address any questions and resolve any misconceptions about the study and relevant tasks. In addition, employees are asked about their experience with the organization and to identify any concerns they have about compensation. This information provides some basic perceptual background as well as a starting point for the research process.

### **Salary and Benefits Survey**

The external market is defined as identified peers that have similar characteristics, demographics, and service offerings as the target organization and benchmark positions are identified from each area and level of the organization and typically include a large cross-section of positions at the County. Once the target and benchmark information is finalized, a survey tool is created to solicit salary and benefits information from each of the peer organizations. When the results are received, the data are analyzed, cleaned, and entered to provide aggregate findings.

### **Solution Creation - Pay Schedule and Transition Costing**

Solution creation follows agreement on the structure of the compensation system. During this phase, if reconstruction of the compensation plan is necessary, desired range spreads (distance from minimum to maximum) and midpoint progressions (distance from the midpoint of one pay grade to the next) are established. Once the structure is created, jobs can be slotted into the proposed pay grade structure using market data and Client Project Manager (CPM) feedback.

As part of the study, the organization identifies its desired market position. Subsequently, the pay plan and job slotting within the system can be adjusted to account for this desired position in the market.

The final step, in the creation of the solution, is to identify those classifications which necessitate adjustments based on observed market conditions and make recommendations for revising their pay grade.



## 1.2 REPORT ORGANIZATION

This report includes the following chapters:

- Chapter 2 - Employee Outreach
- Chapter 3 - Market Survey Summary
- Chapter 4 - Recommendations



## Chapter 2 – Methodology

A vital part of all compensation studies is the participation of employees and supervisors in the outreach process via orientation and focus groups. This process cannot be overlooked for its ability to engage the employees and the individuals actually performing the work and achieve buy-in from the people most qualified to offer anecdotal information and insight into how work is organized within Sumter County (County).

While on-site with the employees, supervisors, and department heads of the County, Evergreen Solutions consultants conducted orientation sessions and facilitated many focus groups. A large cross-section of employees attended these sessions and were asked to share their perceptions, opinions, and attitudes about the current compensation system. The Evergreen Solutions consultants were able to meet with the majority of County employees.

It should be noted that the information provided below represents only those perceptions and opinions offered during the outreach period of the study and does not necessarily reflect statistical or quantifiable facts. Evergreen Solutions utilizes the employee outreach component as a helpful tool in focusing subsequent analysis, but does not rely solely on employee perceptions when making specific recommendations regarding classification and pay structures.

### **EMPLOYEE OUTREACH**

The Evergreen Solutions team conducted a series of employee focus groups and interviews during July 2010. Questions were designed to solicit input on a number of topics related to the compensation study. Findings from employee outreach are separated by category below.

#### ***General Feedback***

Employees commonly regard the County as a good or great place to work and feel that it provides a pleasant and rewarding work environment. Other generally positive observations offered by employees include:

- Many of the employees said they appreciate the fiscal prudence with which the County leaders prioritize and spend budget dollars.
- The County Administrator is known for having an open-door policy which has made him very approachable to employees at all levels.
- Internal service departments such as Human Resources, and administration are seen as very solid and effective while maintaining high levels of customer service.
- Employees generally appreciated the overall good quality of their Blue Cross & Blue Shield health insurance plan. Some comments were made regarding the cost of the program but overall the feedback was positive.



- All of the employees who were familiar with this process were generally encouraged that the County was seeking objective third-party analysis of its compensation and system.
- The Florida Retirement System is seen as a particularly favorable benefit.
- Most employees of the County live nearby and cited the relatively short commute as a significant benefit.
- The County was recognized for not laying off additional staff and most employees feel happy to have jobs.

### ***Benefits Observations***

A strong majority of employees were pleased with the benefits package offered by the County to its employees. In fact, many employees stated that it was one of the main reasons for coming to work and staying employed with the County.

- When asked how the staff felt about their benefits compared to outside organizations, most employees stated that the County's offerings were more generous than most of the County's competitors that they were aware of.
- Employees with longer tenure remember a time when the health insurance plan was less expensive and appeared to be a more robust policy and they wish to have more options to select a different policy.
- Employees expressed an interest in a cafeteria style plan that allows employees to select and omit various options allowing them to have a more tailored benefits package.
- Employees like and appreciate the Flexible Spending Account (FSA) and use it often for co-pays, prescriptions, etc.

### ***Compensation Issues***

County staff offered several comments related to compensation, these included:

- Many employees noted that they observed low turnover and estimated it to be less than 10% per year.
- Many employees have the perception that salaries within the County are lower than the surrounding area.
- Employees feel that with recent reductions in force that workload has increased steadily over the last 5 years without compensation increasing to match.
- Employees observe a tendency within the County to outsource which has a stated negative impact on morale.
- All employees noted that no Cost of Living Adjustment (COLA) or other pay raise has occurred for 3 years. Further review reveals that FY09-10 was the only year with no increases in recent history.



- Some employees expressed concerns with the move to a merit based compensation plan which is designed to pay for performance and the inexperience of supervisors in conducting such reviews.
- In years past when the only increase was given was a COLA, this was not seen as a true pay increase, rather the bare minimum to offset the rising costs living.
- Morale was typically observed to be low. This is commonly the case in meetings such as these where employees are being asked to share their criticisms, but there were a few specific instances such as the new facility being built in The Villages and the money spent on that endeavor that the employees feel would be more wisely spent on retaining and recruiting employees.
- Employees from all departments of the County recognize that they are being asked to do more with less and while many appreciate the fact that the budget is suffering, they also feel worn down over time. Much of this feedback revolved around staffing levels.
- Nearly every group expressed concern that there were compression issues because of overlap among people within the same classification and overlap between supervisors/managers and the people they supervise.

### **Classification Issues**

Many of the directors, supervisors, and employees provided the Evergreen Solutions team with issues specific to individual classifications which were analyzed during the JAT process. More general issues included:

- Some employees felt that there were internal inequities regarding individuals in the same classification as them across the County. Their concern was that the tasks that each of the jobs performed were vastly different.
- A few individuals said that some jobs have out-grown their initial design and are performing duties far outside the original intent of the position.
- There is a strong concern with the degree to which new duties and responsibilities are being merged as people have been laid off or otherwise left in recent years.
- There is some concern with under staffing by employees which they hope will be helped in the future when budgets allow, but some employees feel that when the economy softens that people who've been "tolerating" the County will seek outside employment, thus leaving the County lacking experienced staff.

### **Market Peers**

Focus group and interview participants were asked to name those organizations that they considered to be market peers. These are organizations that the focus group and interview participants felt are the biggest competitors to the County in terms of compensation, benefits, and other intrinsic qualities such as working conditions. Their responses are listed below:

- City of Ocala



- SECO (Power)
- Fed/State Prison
- Sumter Co. Schools
- WalMart
- The Villages
- Lake County
- Citrus County
- City of Clermont
- City of Inverness
- City of Apopka
- City of Tampa
- SW Florida Water Management District
- City of Bushnell
- Florida Power/Progress Energy
- CSX Railroad
- City of Leesburg
- Marion County

#### ***Benchmark Positions***

We solicited input from employees as to which positions at the County present the greatest challenges with regard to recruitment and retention. Not all of these classifications are necessarily difficult to fill, but difficult to retain individuals for. For example, the County receives hundreds of applications each time an opening for Office Assistant comes up, however the comment from focus group participants was that this position seems to struggle with retention. These positions provide a basic framework for populating the market salary survey. The positions mentioned by focus group and interview participants were as follows:

- Transit Driver
- Animal Control Officer
- Transit Manager/Asst. Manager
- Budget Director



- Library Services (Outreach Spec., Library Manager)
- Public Works Director
- Mosquito Control Tech I
- Staff Engineer (With PE)
- Maintenance Worker
- Crew Leader
- Animal Control positions
- Fire Service positions

### **SUMMARY**

In addition to the expected negative comments that come from the outreach process, employees said the County can be a very positive place to work, and the vast majority of employees cited the friendly atmosphere, and quality of co-workers as reasons they remain with the County.

The information received from employees aided Evergreen Solutions in the development of recommendations and provided an excellent foundation for the remainder of this study.



## Chapter 3 - Market Summary

External market comparisons provide the best and most direct method of determining the relative position of an organization in the market place. Specifically, market comparisons focus on the average of the market and range characteristics. As a result, market data can be used to evaluate overall structure, such as ranges; summarize overall market competitiveness, and capture the current highs and lows of the pay plan at a fixed point in time. Market data as it is gathered under this methodology is not an ideal tool for comparing individual salaries. Rather its intent is to provide analysis of overall market competitiveness of an organization's salary structure. Given the sampling approach and market characteristics, a market comparison typically is not the sole determiner of recommended pay levels by classification nor does it allow for specific, quantifiable salary recommendations for individuals. Market analysis does not translate well at the individual level because individual pay is determined through a multitude of factors including geographical job market, performance, prior experience, education, and, in some cases, an individual's negotiation skills during the hiring process and the demand for the type of job. High demand fields often demand higher starting wages to compete with the private sector, thus temporarily driving up labor costs for these fields. This was observed with Information Technology in the 1990's and during the building boom in Florida in the early 2000's, with planning and engineering positions. With the downturn in the economy in recent years the demand for these jobs in particular has seen a reduction.

Prior to presenting the analysis, it should be noted that market analysis is best thought of as a snapshot of current market conditions. In other words, market conditions change, and in some cases change quickly. So while market surveys are useful for making updates to a salary structure, they must be done at regular intervals if the organization wishes to stay current with the marketplace. In the case of Sumter County, FL (County), it has been at least eight years since a comprehensive compensation study was completed without any interim adjustments to the plan or widespread re-slotting of positions as a whole. For that reason, it may be predicted that the market position of the County will be observed as somewhat lower than desirable. Market data are most useful in making adjustments to overall pay plans and making job classification placements within the overall pay structure.

Evergreen Solutions consultants conducted a comprehensive market salary and benefits comparison survey. A representative cross-sectional group of 50 job classifications was selected with input from the County's project team.

Survey results for the salary minimums, midpoints, and maximums are presented in Exhibit 3A. When seeking to compare the County to its peers, a number of factors were taken into account, such as geographic location and relative population size. A list of 30 survey targets was developed and approved by the County prior to commencing the survey. The targets included: (continued next page)

- City of Ocala
- City of Leesburg
- City of Bushnell
- City of Clermont
- City of Inverness
- Hernando County
- Pasco County
- Polk County
- Levy County
- Hillsborough County



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|-----------------------|--|
| • City of Apopka      | • FCILLOW Coleman – Fed. Prison, Coleman FL      |
| • City of Tampa       | • Lake Corr. Inst. - State Prison, Clermont FL   |
| • Dade City           | • Sumter Corr. Inst. - State Prison, Bushnell FL |
| • City of Brooksville | • Southwest Florida Water Management District    |
| • City of Zephyrhills | • Sumter County Schools                          |
| • City of Dunnellon   | • Village Community Development District         |
| • Floral City         | • SECO Energy/ Sumter Electric                   |
| • Lake County         | • Walmart  |
| • Citrus County       | • Progress Energy/Florida Power and Light        |
| • Marion County       | • CSX Railroad                                   |

Market data was submitted by 20 of the 30 desired target organizations. This is a significant level of response and strengthens the conclusions drawn by this survey. Data collected outside of the County was adjusted for Cost of Living using Enterprise Florida and University of Florida annual cost of living index factors which are divided state-wide by county. This calculation allows salary dollars from entities across the state to be compared in relevant Sumter County spending power.

Predictably, those organizations that elected not to participate in the salary survey were primarily those in the private sector. In fact, not a single private sector peer identified provided data for this analysis. In lieu of direct data gathered from these companies, secondary data from the Economic Research Institute (ERI) was collected for the benchmark classifications to provide the private sector perspective. ERI is chosen because we want the lowest level of aggregation that is allowed. Most third parties will not provide the actual response data, but will allow some aggregation and disaggregation of the data. ERI offers a considerable amount flexibility on defining the market and customizing jobs, so they are one of our partners of choice.

Sixty five job classifications were selected as benchmark positions for the County. The selection process was based on the goal of having a representative sample of jobs that were proportionately distributed among the job families, pay grades, departments and elected officials' offices.

### Market Minimums

As Exhibit 3A illustrates, at the minimum of the respective salary ranges, the County is on average; approximately 0.33 percent above market, across all surveyed job titles after cost of living is taken into account. While the cumulative average differential is effectively at market, some position ranges did fall above and below market.

Based on the data gathered at the surveyed market minimum for these benchmark positions, the following can be determined:

- The surveyed position differences ranged from a low of 71.7 percent below market in the case of the Deputy Appraiser I classification to a high of 58.1 percent above market for the Tax Supervisor classification. It should be noted that these are pay range differentials and not salary differentials and are not indications that the incumbents in these positions are over or under paid.
- County compensation data was not available for 11 classifications. This means that the data collected from market peers for these classifications are presented in Exhibit A but are not compared to present County ranges. These positions are not currently assigned



formal pay grades with established ranges so while market data were collected for them, as displayed in the exhibit, those market ranges cannot be used to assess the competitiveness of the County's ranges, since they do not exist.

- Elections Specialist I
- Election Service Center Manager
- Chief Deputy
- Crime Scene Evidence Specialist
- Truancy Deputy
- Patrol Sergeant
- Detective
- Fleet Clerk
- Lead Dispatcher
- Emergency Management Director
- Of the 54 County positions for which market minimum data was collected, 20 reported to be below market which represents 37 percent of these benchmarks.
- A total of 9 positions indicated market differentials at the pay range minimum that were greater than ten percent below market. These are listed below with their market differentials:
  - Deputy Appraiser I - 71.72 percent below market
  - Firefighter - 51.06 percent below market
  - Drivers License Manager - 32.14 percent below market
  - Fire Chief - 25.64 percent below market
  - Staff Engineer - 22.11 percent below market
  - Transit Manager - 18.17 percent below market
  - Sign Shop Technician - 15.60 percent below market
  - Veteran's Service Counselor - 12.07 percent below market
  - Appraisal Services Manager - 11.97 percent below market
- Market differentials as dramatic as those observed in the case of the Deputy Appraiser I, Firefighter, and Drivers License Manager are indicative of less accurate market title matches by salary survey participants. For example, many of the County's peers require EMT certification for their Firefighter position. The County does not, and their pay grade reflects this. Drivers License Managers in other jurisdictions manage entire programs or divisions where that is not the case with the County where this is primarily a clerical and customer service oriented position. For this reason, dramatic upgrades for these positions will not likely be recommended.
- Of the 20 below market classifications, they are an average of 15.8 percent below market.



### Market Midpoints

Market Midpoint is important to consider because it is commonly referred to as the closest estimation of full competence and market average compensation for any given classification. The process by which employees move from entry level (minimum salary) to midpoint in a pay grade typically takes between 6 and 10 years. A midpoint compensated incumbent should be fully functional in their classification. At certain times in history when step-based pay plans were more popular and widely utilized, employees attained midpoint at a prescribed point in time based on annual steps. In an open-range or broad band pay plan this process is more fluid and commonly based on COLA increases or a merit-based pay system.

Exhibit 3A depicts salary comparison data at the range midpoints for both the County and its survey peers. The exhibit demonstrates that the County on average is 0.94 percent above market at the midpoint. At the market midpoint, the benchmark positions ranged from a low of 77.4 percent below market for the Deputy Appraiser I to a high of 46.5 percent above market for the Tax Supervisor classification.

As these differentials are compared to those established at the range minimum, an uncommon consistency is observed and should be kept in mind as the County's market position is further analyzed. The observed difference between the County and the market stays within 0.5 percent from minimum to midpoint. If this trend continues at the range maximum, then clear determinations can be made about the structure of the pay plan.

Based on the data gathered at the market midpoint of the salary range, the following can be determined:

- Nineteen of the 54 classifications for which data was received were found to be below market at the midpoint which represents 35.2 percent of all benchmarks.
- Of the positions below market at this central point in the range, it was found that they were an average of 16.4 percent lower than their peers.
- Nine classifications (16.7 percent) were greater than ten percent below market.

The fact that distance from midpoint is so close to the market differential observed at minimum indicates that the pay plan represented by market average to this point and the pay plan present in the County are constructed extremely similarly. The continuation of this trend at the pay range maximum will further support this hypothesis.

### Market Maximums

County pay range maximum values as they compare to the survey respondents are also illustrated in Exhibit 3A. Range maximum is important for consideration because it represents the top earning potential for an incumbent in any classification. It also represents the highest dollar amount that an employer is willing to pay for high levels of knowledge, skills and ability in conjunction with certain intangible elements such as institutional knowledge or extensive professional experience.

A market competitive range maximum can often be an important recruiting tool when seeking high level recruits who have the potential of bringing an uncommon level of expertise to an organization. For example, if the County were recruiting a Director level position and were attempting to attract an incumbent with 20 years of experience who is relocating to Florida from another part of the country



with higher regional compensation such as the Northeast United States, the range maximum may be appropriately offered to that prospective employee to increase the chances of recruiting them.

This point of analysis shows the continuation of the trends noted in the minimum and midpoint comparisons. The overall pay plan changes competitive position by a statistically insignificant amount by reflecting an average maximum value that is 1.19 percent above market which is within two tenths of a percent of the differential observed at midpoint.

The comparison of market maximums yielded the following considerations:

- Of the 54 positions with valid comparisons, 19 reported maximum salaries lower than the market maximum.
- Of these below market positions, 8 (14.8 percent of the total) reported range maximums greater than ten percent below market.
- At the survey maximum, differentials range from a low of 88.9 percent below market for the Drivers License Manager to a high of 34.9 percent above market for Tax Supervisor.

While there are specific classifications that do appear to be placed in pay grades that fall short of market levels, the most dramatic outliers on either side, such as the Tax Supervisor, the Deputy Appraiser I, and the Drivers License Manager classifications is likely a result of poor market matches reported by salary survey peers. A small amount of this is expected in every salary survey, and in a study which includes 65 benchmarks, it may be expected that some bad matches will be reported. That being said, on average each of the 54 benchmarks had 11 points of comparative data; some had as few as two while others had as many as 19 peer reported data points that were factored into the analysis. The average of 11 is very strong, however, and supports a relatively high level of confidence in the data as reported. Dramatic observed market differentials may warrant classification analysis of these jobs to ensure that the duties represented in the descriptions for these jobs accurately reflect those being performed by incumbents.

It should be noted that the standing of a classifications pay range compared to the market is not a definitive assessment of the individual employee's salaries being equally above or below market. It does, however, speak to the County's ability to recruit and retain talent over time. If starting pay is significantly lower than the market would offer, the County will find itself losing out to their market peers when they seek to fill a position. It is equally true that market differentials at the maximum will serve as a disincentive for tenured employees to remain employees of the County. The County currently finds itself in an unusually level position with regard to the market. The fact that the market average ranges are so close to those same range points indicates that the County is utilizing a pay plan that mirrors the average structure present in the labor market. They are virtually identical, on average, when minimum, midpoint, and maximum are analyzed. Depending on the County's compensation philosophy and goals, changes to the structure may or may not be warranted. The County has a stated compensation goal of being fairly placed with the market and they appear to have achieved that.



