

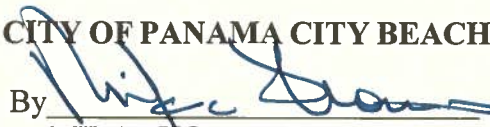
RESOLUTION 18-92

A RESOLUTION OF THE CITY OF PANAMA CITY BEACH, FLORIDA, APPROVING AN UPDATED COMPENSATION SCHEDULE FOR NUMEROUS CITY POSITIONS AND PAY GRADES; AUTHORIZING A BUDGET AMENDMENT TO IMPLEMENT THE UPDATED PAY PLAN; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED by the City of Panama City Beach, Florida, that:

1. The City hereby approves those certain recommendations prepared by Evergreen Solutions, LLC related to a proposed pay plan structure, position classifications and pay grade assignments for the City employees set forth therein, in substantially the form attached as Exhibit A and presented to the Council today.
2. The following budget amendment (BA# 29) is adopted for the City of Panama City Beach, Florida, for the fiscal year beginning October 1, 2017, and ending September 30, 2018, to implement the pay plan recommendation as shown in and in accordance with the attached and incorporated Exhibit B.
3. This Resolution shall take effect for the pay period beginning May 31, 2018.

PASSED, APPROVED AND ADOPTED at the regular meeting of the City Council of the City of Panama City Beach, Florida, this 24TH day of May, 2018.

CITY OF PANAMA CITY BEACH
By 
MIKE THOMAS, MAYOR

ATTEST:

JO SMITH, CITY CLERK

A Compensation Plan Update
for the City of Panama City Beach, FL

FINAL REPORT



Evergreen Solutions, LLC

May 16, 2018

Exhibit A

AGENDA ITEM # 1

Table of Contents

	PAGE
1.0 INTRODUCTION.....	1-1
1.1 Study Methodology.....	1-1
1.2 Report Organization.....	1-2
2.0 MARKET SUMMARY.....	2-1
2.1 Salary Survey Results.....	2-1
2.2 Market Summary.....	2-5
3.0 RECOMMENDATIONS.....	3-1
3.1 Compensation.....	3-1
3.2 System Administration.....	3-7
3.3 Summary.....	3-8

Chapter 1 - Introduction

Evergreen Solutions, LLC (Evergreen) was hired in December 2017 by the City of Panama City Beach, FL (City) to conduct a compensation plan update. The City's existing plan was implemented in 2015 following a compensation and classification study which was also conducted by Evergreen. At that time, a recommendation was made that the City conduct a review of its compensation system periodically to maintain its competitiveness. Following that guidance, the City's leadership requested this study (update) to ensure its pay plan remained externally competitive with its peers and internally equitable for employees.

1.1 STUDY METHODOLOGY

Evergreen used a combination of quantitative and qualitative methods to analyze and develop recommendations to maintain the City's competitive position in the labor market. Specific study tasks included:

- conducting a salary survey to assess the market competitiveness of the City's existing pay plan;
- developing recommendations for updates to the plan and changes to pay grade assignments;
- developing options for implementing the proposed updates; and
- preparing and providing draft and final reports.

Market Analysis

For the market survey, peer organizations that were identified and utilized in the previous study were determined again to be appropriate for this analysis. Benchmark classifications were selected for the salary survey and represented a cross-section of the departments and levels of work performed by employees as well as those that might have been experiencing challenges in recruitment or retention. Following the identification of the peers and benchmarks, a salary survey tool was developed for the collection of salary range data. Salary data were then collected and analyzed; a summary of which can be found in **Chapter 2** of this report.

Recommendations

Evergreen reviewed the City's compensation philosophy to understand its desired market position and methods of salary progression. Using this information and the results of the analysis of the market data and internal equity, recommendations for updates to the pay plan



were developed. Next, implementation options were prepared to transition employees' salaries into the updated pay plan, and the associated cost of adjusting employees' salaries were estimated. A summary of the analyses findings and recommendations are provided in Chapter 3 of this report.

1.2 REPORT ORGANIZATION

This report includes the following additional chapters:

- Chapter 2 – Market Summary
- Chapter 3 – Recommendations



Chapter 2 - Market Summary

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

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

2.1 SALARY SURVEY RESULTS

Evergreen collected pay range information from target organizations utilizing a salary survey tool. This required selecting benchmark classifications to be surveyed. The desired outcome of benchmarking was to select a cross-section of the City's classifications so that the surveyed positions made up a subset of all work areas and job levels in the City. The job title, a description of assigned duties, and the education and experience requirements were provided in the survey tool for each benchmarked classification.

Like in the previous study, organizations that were considered to be either labor competitors or comparable to the City and were identified as survey peers. Data collected from the peers were adjusted for cost of living using a national cost of living index factor which allowed salary dollars from organizations outside of the immediate recruiting area to be adjusted for the cost of living relative to the City. **Exhibit 2A** provides the list of 15 market peers from which Evergreen surveyed. Data was collected from 13 market peers for 40 benchmark classifications.

**EXHIBIT 2A
MARKET PEERS**

Market Peers
City of Cocoa Beach, FL
City of Daytona Beach, FL
City of Destin, FL
City of Fort Walton Beach, FL
City of Gulf Breeze, FL
City of Jacksonville Beach, FL
City of Key West, FL
City of Lynn Haven, FL
City of Panama City, FL
City of Pensacola, FL
City of St. Petersburg, FL
City of Tallahassee, FL
Gulf Shores, AL
Bay County, FL
Walton County, FL

*Bold indicates peers from which data were collected

For this study, the City expressed a desire to continue to administer a salary structure (pay plan) competitive with the market average. To determine the position of the existing structure, Evergreen compared the City's salary ranges for the benchmark classifications to the average of the peers'. Exhibit 2B provides a summary of this comparison and contains the following:

- The market salary range information for each classification. This indicates the market minimum, midpoint, and maximum of the peer survey data for each benchmarked classification.
- The percent differentials (to the City's existing salary ranges). A positive differential indicates the City was above the market average for that classification at the minimum, midpoint, or maximum. A negative differential indicates the City was below the desired market position for that classification. The final row provides the average percent differentials for the minimum, midpoint, and maximum for all surveyed classifications.
- The survey average range width. This provides the average range width for each classification surveyed determined by the average minimum and average maximum salaries of the respondents, relative to the minimum. The average range width for all the classifications is provided in the final row. The number of responses collected for each classification is provided in the final column and the average number of responses for all the classifications is provided in the final row.



**EXHIBIT 2B
SALARY SURVEY SUMMARY**

Classification	Survey Minimum		Survey Midpoint		Survey Maximum		Survey Avg Range	# Resp.
	Average	% Diff	Average	% Diff	Average	% Diff		
Administrative Aide	\$25,362.99	18.7%	\$34,021.58	17.6%	\$42,680.18	17.0%	68.3%	10
Administrative Support Specialist	\$27,374.86	-6.7%	\$36,142.37	-8.3%	\$44,909.87	-9.4%	63.9%	7
Aquatics Director	\$41,985.18	4.3%	\$58,964.15	-1.5%	\$75,943.13	-4.9%	82.2%	2
Battalion Chief	\$59,012.86	7.9%	\$76,562.34	9.8%	\$94,897.01	10.3%	56.9%	5
Building Inspector	\$38,219.19	8.5%	\$51,044.56	7.8%	\$63,869.92	7.3%	67.2%	11
Building Official	\$56,052.94	4.6%	\$76,270.86	3.9%	\$96,488.78	3.4%	72.4%	10
Carpenter I	\$27,536.15	-7.3%	\$37,163.12	-11.4%	\$46,790.08	-14.0%	70.0%	5
City Clerk	\$64,706.43		\$84,338.40		\$103,970.38		60.9%	6
City Engineer	\$62,181.73	12.9%	\$86,873.89	9.9%	\$111,566.04	8.1%	79.3%	9
City Manager	\$105,645.99	-	\$149,421.71	-	\$193,197.42	-	83.7%	4
Code Enforcement Officer	\$32,374.45	1.1%	\$43,543.64	-0.4%	\$54,712.83	-1.3%	69.1%	11
Communications Officer	\$30,980.24	-4.3%	\$40,763.55	-3.6%	\$50,546.86	-3.1%	63.2%	8
Crime Scene Technician	\$27,462.33	-7.0%	\$38,158.55	-14.4%	\$48,854.77	-19.0%	77.9%	5
Custodian	\$23,430.29	-5.7%	\$31,382.00	-8.9%	\$39,333.70	-10.9%	67.9%	8
Customer Service Representative I	\$23,624.18	8.0%	\$30,490.09	8.6%	\$37,356.00	9.0%	58.2%	8
Deputy Fire Chief	\$63,431.37	-2.8%	\$87,173.09	-4.6%	\$110,914.81	-5.7%	75.3%	6
Deputy Police Chief	\$65,926.61	-6.8%	\$90,951.85	-9.2%	\$115,977.10	-10.5%	76.5%	5
Fire Captain	\$56,519.61	2.8%	\$68,143.72	11.5%	\$80,281.00	16.3%	39.9%	8
Fire Chief	\$72,068.85	-0.9%	\$99,177.44	-2.9%	\$126,286.03	-4.0%	75.5%	8
Firefighter/Emergency Medical Technician	\$35,520.09	-4.4%	\$43,181.70	2.3%	\$51,843.78	4.7%	43.4%	8
Firefighter/Paramedic	\$41,414.22	-16.0%	\$51,794.88	-9.5%	\$62,397.36	-5.9%	47.7%	6
Human Resources/Risk Manager	\$59,754.57	-12.1%	\$79,264.85	-10.1%	\$98,775.12	-9.0%	65.4%	9
Information Technology Specialist	\$39,970.29	4.3%	\$52,223.71	5.6%	\$64,477.13	6.5%	61.4%	9
Leisure Services Director	\$62,047.79	4.2%	\$86,400.53	1.2%	\$110,753.27	-0.5%	78.4%	9
Police Lieutenant	\$58,682.59	-21.3%	\$70,704.92	-10.3%	\$82,727.25	-3.7%	40.9%	5
Maintenance Worker I	\$23,431.44	-0.8%	\$31,215.99	-3.2%	\$39,000.53	-4.8%	66.4%	11
Payroll Specialist	\$31,881.15	11.7%	\$42,819.12	10.5%	\$53,757.08	9.7%	68.9%	8
Police Captain	\$59,101.21	-10.9%	\$77,734.91	-8.0%	\$96,368.61	-6.3%	63.3%	5
Police Chief	\$75,121.54	-5.2%	\$103,560.65	-7.4%	\$131,999.75	-8.7%	76.0%	7
Police Officer	\$39,665.02	-9.9%	\$49,561.54	-3.6%	\$60,555.99	-1.7%	50.4%	8
Public Works Director	\$73,104.58	7.1%	\$97,615.95	8.2%	\$122,127.32	8.8%	67.3%	8
Recreation Assistant	\$29,203.25	-3.2%	\$38,102.95	-4.6%	\$47,002.65	-5.2%	61.2%	6
Senior Planner	\$44,846.42	11.7%	\$59,874.27	11.0%	\$74,902.12	10.6%	67.3%	8
Senior Staff Accountant	\$46,700.67	8.0%	\$60,912.33	9.4%	\$75,123.99	10.3%	61.1%	8
Street Maintenance Worker	\$25,506.33	0.6%	\$32,881.37	1.4%	\$40,256.41	2.0%	57.9%	7
Street Superintendent	\$44,218.69	-11.1%	\$58,981.03	-11.9%	\$73,743.37	-12.3%	66.9%	9
Treatment Plant Operator A	\$31,981.48	11.4%	\$43,037.74	10.0%	\$54,093.99	9.2%	69.1%	6
Water Treatment Plant Superintendent	\$52,215.14	-8.0%	\$72,678.41	-13.4%	\$93,141.67	-16.7%	78.3%	6
Underground Utilities Worker I	\$26,735.09	-9.4%	\$37,098.72	-16.8%	\$47,462.35	-21.4%	77.6%	5
Utilities Director	\$68,673.82	12.8%	\$98,604.42	7.2%	\$128,535.02	4.0%	87.3%	5
Overall Average		-0.3%		-0.7%		-1.1%	66.6%	7



Market Minimums

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

As Exhibit 2B illustrates, for the benchmarked classifications, the City was, on average, approximately 0.3 percent below market at the minimum of the respective salary ranges. The following observations can be made based on the collected data:

- The surveyed position differentials ranged from 21.3 percent below market minimum in the case of the Police Lieutenant classification to 18.7 percent above market for the Administrative Aide classification.
- Of the 40 classifications surveyed with differentials, 20 classifications (50.0 percent) had differentials below market at the minimum.

Market Midpoint

Market midpoints are important to consider because they are commonly recognized as the salary point at which employees are fully proficient in satisfactorily performing their work. As such, midpoint is often considered as the salary point at which a fully proficient employee could expect his or her salary to be placed.

As Exhibit 2B illustrates, for the benchmarked classifications, the City was, on average, 0.7 percent below market at the midpoint of the respective salary ranges. Based on the collected data, the following observations can be made:

- The surveyed position differentials ranged from 16.8 percent below market midpoint in the case of the Underground Utilities Worker I classification to 17.6 percent above market for the Administrative Aide classification.
- Of the 40 classifications surveyed with differentials, 21 classifications (52.5 percent) had differentials below market at the midpoint.

Market Maximums

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



As Exhibit 2B illustrates, the City's benchmarked positions were, on average, 1.1 percent below market at the maximum of the respective salary ranges. Based on the collected data, the following observations can be made:

- The surveyed position differentials ranged from 21.4 percent below market maximum in the case of the Underground Utilities Worker I classification to 17.0 percent above market for the Administrative Aide classification.
- Of the 40 classifications surveyed with differentials, 22 classifications (55.0 percent) had differentials below market at the maximum.

2.2 MARKET SUMMARY

From the analysis of the data gathered and as discussed above, several of the benchmark classifications' salary ranges were found to be below the City's desired competitive market position. This indicated the City could benefit from making some adjustments to the existing pay plan as appropriate. Recommendations in this regard are provided in the next chapter.



Chapter 3 - Recommendations

The analysis of the external market data revealed some possible areas of opportunities for improvement to the City's compensation structure. Evergreen worked to build on the strength of the existing pay plan and the internal equity of classifications when developing recommendations to keep pace with the labor market. Focus was placed on improving the overall competitiveness of the plan and making some adjustments to individual (classification) pay grade assignments as appropriate. Study recommendations, as well as the findings that led to each, are discussed in this chapter.

3.1 COMPENSATION SYSTEM

The compensation system analysis included conducting an external market salary survey to assess the competitiveness of the plan. During this assessment, the City's pay ranges for selected benchmark classifications were compared to the average of the identified market. Details regarding the external market assessment were provided in **Chapter 2** of this report.

FINDING

Based on the external assessment conducted, the City's open-range pay plan was found to have salary ranges below the market for several of the benchmarked classifications, and overall lagged the market at the minimum of the salary ranges. Salary range spreads were comparable to the peers as the peers' ranges were, on average, 66.6 percent compared to the City's pay plan of 65.8 percent. While this difference did not indicate a need for change to the range spreads, the overall pay plan lagging the market did indicate an adjustment could be made.

RECOMMENDATION 1: Adjust the existing open-range pay plan to remain competitive with the market. An adjustment of three percent overall would place the plan at a competitive position within the studied market. This adjustment would also ensure the plan remains competitive for multiple years and allows for ample employee salary growth opportunity. Additionally, make changes to some classifications' pay grades based on internal and external equity. Then, implement the proposed plan (and pay grade changes) by transitioning employees' salaries into the adjusted plan.

Exhibit 3A shows the adjusted open-range pay plan which has 31 pay grades, numbered 20 through 50. The range spreads start at 60.0 percent for grades 20-25, the range spread progresses to 65% for grades 26-39, and then to 70% for the remaining grades.

**EXHIBIT 3A
PROPOSED (ADJUSTED) PAY PLAN**

Grade	Proposed Minimum	Proposed Midpoint	Proposed Maximum	Range Spread
20	\$20,683.00	\$ 26,888.00	\$ 33,093.00	60%
21	\$21,717.00	\$ 28,232.00	\$ 34,747.00	60%
22	\$22,803.00	\$ 29,644.00	\$ 36,485.00	60%
23	\$23,943.00	\$ 31,126.00	\$ 38,309.00	60%
24	\$25,140.00	\$ 32,682.00	\$ 40,224.00	60%
25	\$26,397.00	\$ 34,316.00	\$ 42,235.00	60%
26	\$27,717.00	\$ 36,725.00	\$ 45,733.00	65%
27	\$29,103.00	\$ 38,562.00	\$ 48,020.00	65%
28	\$30,558.00	\$ 40,490.00	\$ 50,421.00	65%
29	\$32,086.00	\$ 42,514.00	\$ 52,942.00	65%
30	\$33,690.00	\$ 44,640.00	\$ 55,589.00	65%
31	\$35,375.00	\$ 46,872.00	\$ 58,369.00	65%
32	\$37,144.00	\$ 49,216.00	\$ 61,288.00	65%
33	\$39,001.00	\$ 51,677.00	\$ 64,352.00	65%
34	\$40,951.00	\$ 54,260.00	\$ 67,569.00	65%
35	\$42,999.00	\$ 56,974.00	\$ 70,948.00	65%
36	\$45,149.00	\$ 59,823.00	\$ 74,496.00	65%
37	\$47,406.00	\$ 62,813.00	\$ 78,220.00	65%
38	\$49,776.00	\$ 65,953.00	\$ 82,130.00	65%
39	\$52,265.00	\$ 69,251.00	\$ 86,237.00	65%
40	\$54,878.00	\$ 74,086.00	\$ 93,293.00	70%
41	\$57,622.00	\$ 77,790.00	\$ 97,957.00	70%
42	\$60,503.00	\$ 81,679.00	\$ 102,855.00	70%
43	\$63,528.00	\$ 85,763.00	\$ 107,998.00	70%
44	\$66,704.00	\$ 90,051.00	\$ 113,397.00	70%
45	\$70,039.00	\$ 94,553.00	\$ 119,066.00	70%
46	\$73,541.00	\$ 99,281.00	\$ 125,020.00	70%
47	\$77,218.00	\$ 104,245.00	\$ 131,271.00	70%
48	\$81,079.00	\$ 109,457.00	\$ 137,834.00	70%
49	\$85,133.00	\$ 114,930.00	\$ 144,726.00	70%
50	\$89,390.00	\$ 120,677.00	\$ 151,963.00	70%

After adjusting the pay plan by three percent, Evergreen slotted classifications into the appropriate pay range in the recommended plan. Both internal and external equity were analyzed when slotting the classifications. Assigning pay grades to classifications requires a balance of internal equity, desired market position, and recruitment and retention concerns.

Thus, market range data shown in **Chapter 2** were not the sole criteria for the proposed pay ranges. Some classifications' grade assignments varied from their associated market range due to the other factors mentioned above. The resulting recommended pay grades for each of the City's classifications are shown in **Exhibit 3B**. It should be noted that some classification (job titles) may have changed as result of this study and are thus utilized in the exhibit.

**EXHIBIT 3B
PROPOSED PAY GRADES**

Recommended Class Title	Proposed Grade	Proposed Minimum	Proposed Midpoint	Proposed Maximum
Custodian	22	\$ 22,803.00	\$ 29,644.00	\$ 36,485.00
Maintenance Worker I	23	\$ 23,943.00	\$ 31,126.00	\$ 38,309.00
Pier Attendant				
Beach and Aquatics Maintenance Worker I	24	\$ 25,140.00	\$ 32,682.00	\$ 40,224.00
Lift Station Maintenance Trainee				
Pier Attendant Crew Chief				
Receptionist				
Stormwater Maintenance Worker Trainee				
Street Maintenance Worker Trainee				
Treatment Plant Maintenance Operator Trainee				
Utilities Meter Reader I				
Underground Utilities Worker Trainee				
Wastewater Facility Maintenance Mechanic Trainee				
Wastewater Facility Operator Trainee				
Water Storage & Pump Station Operator Trainee				
Carpenter I				
CPO Maintenance Operator				
Customer Service Representative I	25	\$ 26,397.00	\$ 34,316.00	\$ 42,235.00
Maintenance Worker II				
Roadside Maintenance Worker I				
Stormwater Maintenance Worker I				
Street Maintenance Worker				
Underground Utilities Worker I	26	\$ 27,717.00	\$ 36,725.00	\$ 45,733.00
Administrative Support Specialist				
Administrative Support Specialist - Recreation				
Administrative Assistant - Accounts Receivable - Parks and				
Crew Chief - Parks				
Crime Scene Investigator				
Meter Reset Worker				
Meter Service Technician I				
Treatment Plant Maintenance Operator I				
Utilities Meter Reader II				
Underground Utilities Worker II				

EXHIBIT B
PROPOSED PAY GRADES (CONTINUED)

Recommended Class Title	Proposed Grade	Proposed Minimum	Proposed Midpoint	Proposed Maximum
Accounts Payable Clerk	27	\$ 29,103.00	\$ 38,562.00	\$ 48,020.00
Aquatics Crew Chief				
Crew Chief - Aquatics				
Crew Chief - Irrigation				
Recreation Coordinator				
Senior Administrative Support - Civil Service				
Stormwater Maintenance Worker B				
Underground Utilities Worker III				
Aquatics, Concessions, Administrative Supervisor	28	\$ 30,558.00	\$ 40,490.00	\$ 50,421.00
Beach and Surf Specialist				
Communications Officer				
Customer Service Representative II				
Electrician I				
Firefighter Trainee				
Meter Service Technician II				
Street Senior Maintenance Worker				
Underground Utilities Worker IV				
Utilities Senior Locator				
Administrative Aide	29	\$ 32,086.00	\$ 42,514.00	\$ 52,942.00
Administrative Aide - Licensing				
Administrative Aide to Dept Head				
Beach and Surf Specialist Supervisor				
Building Secretary				
CAD Operator I				
Carpenter II				
Division Secretary				
Firefighter				
Grounds Maintenance Supervisor				
Lift Station Mechanic A				
Sales and Licensing Clerk				
Secretary/Receptionist				
Senior Administrative Support Specialist				
Stormwater Maintenance Worker A				
Treatment Plant Maintenance Operator III				
Treatment Plant Operator C				
Underground Utilities Worker V				
Wastewater Facility Operator C				
Wastewater Lift Station Mechanic A				
Water Storage and Pump Station Operator C				

**EXHIBIT B
PROPOSED PAY GRADES (CONTINUED)**

Recommended Class Title	Proposed Grade	Proposed Minimum	Proposed Midpoint	Proposed Maximum
Code Enforcement Officer	30	\$ 33,690.00	\$ 44,640.00	\$ 55,589.00
Conservation Park Resource Officer				
Customer Service Supervisor				
Electrician II				
Mechanic II				
Roadside Maintenance Foreman				
Treatment Plant Belt Press Operator				
Underground Utilities Worker VI				
Athletic Supervisor				
CAD Operator II				
Cross Connection Technician II	31	\$ 35,375.00	\$ 46,872.00	\$ 58,369.00
Facility and Event Coordinator				
Field Inspector/Cross Connection Coordinator				
Firefighter/Emergency Medical Technician				
Irrigation Maintenance Supervisor				
Treatment Plant Operator B				
Utility Field Inspector II				
Administrative Supervisor	32	\$ 37,144.00	\$ 49,216.00	\$ 61,288.00
Treatment Plant Operator A				
Water Storage and Pump Station Operator A				
Field Inspector III				
Instrument Control Technician II	33	\$ 39,001.00	\$ 51,677.00	\$ 64,352.00
Police Officer				
Public Works Field Inspector III				
Stormwater Superintendent				
Treatment Plant Maintenance Supervisor				
Utilities Crew Chief II				
Utilities Foreman				
Waste Water Facility Maintenance Supervisor				
Assistant Planner	34	\$ 40,951.00	\$ 54,260.00	\$ 67,569.00
Firefighter/Paramedic				
Payroll Coordinator				
Street Superintendent				

EXHIBIT B
PROPOSED PAY GRADES (CONTINUED)

Recommended Class Title	Proposed Grade	Proposed Minimum	Proposed Midpoint	Proposed Maximum
Building Code Administrator				
Building Inspector				
City Clerk				
Code Enforcement Manager				
Police Corporal				
Information Technology Specialist	35	\$ 42,999.00	\$ 56,974.00	\$ 70,948.00
Instrument Control Technician III				
Licensing Technical Manager				
Police Network Engineer				
Public Information Officer				
Water Department Billing Manager				
Aquatics Director				
Communications Officer Supervisor	36	\$ 45,149.00	\$ 59,823.00	\$ 74,496.00
Fire Lieutenant				
Police Sergeant	37	\$ 47,406.00	\$ 62,813.00	\$ 78,220.00
Treatment Plant Laboratory Supervisor				
Administrative Officer				
Fire Lieutenant/Emergency Medical Technician	38	\$ 49,776.00	\$ 65,953.00	\$ 82,130.00
Water Treatment Plant Superintendent				
Police Lieutenant				
Senior Planner				
Accounting Supervisor	39	\$ 52,265.00	\$ 69,251.00	\$ 86,237.00
Utilities Superintendent				
Fire Captain/Fire Inspector				
Engineer I				
Fire Lieutenant/Fire Inspector	40	\$ 54,878.00	\$ 74,086.00	\$ 93,293.00
Public Works Engineer I				
Wastewater Treatment Plant Superintendent				
Fire Captain				
Human Resources Director	41	\$ 57,622.00	\$ 77,790.00	\$ 97,957.00
Battalion Chief				
Building Official	42	\$ 60,503.00	\$ 81,679.00	\$ 102,855.00
Police Captain				
Deputy Fire Chief	43	\$ 63,528.00	\$ 85,763.00	\$ 107,998.00

**EXHIBIT B
PROPOSED PAY GRADES (CONTINUED)**

Recommended Class Title	Proposed Grade	Proposed Minimum	Proposed Midpoint	Proposed Maximum
Deputy Police Chief				
Leisure Services Director	44	\$ 66,704.00	\$ 90,051.00	\$ 113,397.00
Utilities Engineer II				
Fire Chief				
City Engineer	46	\$ 73,541.00	\$ 99,281.00	\$ 125,020.00
Finance Director				
Planning and Building Deputy Director				
Police Chief	47	\$ 77,218.00	\$ 104,245.00	\$ 131,271.00
Public Works Director				
Utilities Director	48	\$ 81,079.00	\$ 109,457.00	\$ 137,834.00

After assigning pay grades to classifications, the next step was to develop appropriate methods (options) for transitioning employees' salaries into the revised pay plan. While Evergreen provided several options, at the time of this report, the City was reviewing additional methods for potential adjustments to employees' salaries consistent with its existing pay practices. For this reason, the methods and associated estimated cost for implementation of the adjustments to the pay plan are not provided herein.

3.2 SYSTEM ADMINISTRATION

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

RECOMMENDATION 2: Conduct small-scale salary surveys as needed to assess the market competitiveness of hard-to-fill classifications and/or classifications with retention issues, and make changes to pay grade assignments if necessary.

While it is unlikely that the pay plan in total will need to be adjusted for several years, a small number of classifications' pay grades may need to be reassigned more frequently. If one or more classifications are exhibiting high turnover or are having difficulty with recruitment, The City should collect salary range data from peer organizations to determine whether an adjustment is needed for the pay grade of the classification(s). If increasing a classification's pay grade based on market data does not help with the recruitment and/or retention issues, it may be necessary for the City to offer incentives to attract employees to the position and/or to encourage employees to remain in the position.

RECOMMENDATION 3: Conduct a comprehensive classification and compensation study every three to five years.

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

3.3 SUMMARY

The recommendations in this report provide an update to the City's compensation system for its employees. By implementing the adjusted pay plan, the City should have a responsive compensation system for several years to come. While the upkeep of this will require work, the City will find that having a more competitive compensation system that enhances strong recruitment and employee retention is well worth this commitment.

CITY OF PANAMA CITY BEACH
BUDGET TRANSFER FORM BF-10

No. BA # 29

FUND	GENERAL ACCOUNT NUMBER	ACCOUNT DESCRIPTION	APPROVED BUDGET	BUDGET ADJUSTMENT	NEW BUDGET BALANCE
TO	001-1300-513.12-10	Salaries-Regular	597,500.00	1,350.00	598,850.00
TO	001-1300-513.21-10	FICA	48,540.00	105.00	48,645.00
TO	001-1300-513.22-10	Retirement	53,790.00	135.00	53,915.00
TO	001-2400-524.12-10	Salaries-Regular	610,000.00	1,200.00	611,200.00
TO	001-2400-524.21-10	FICA	48,403.00	95.00	48,498.00
TO	001-2400-524.22-10	Retirement	44,707.00	120.00	44,827.00
TO	001-2200-522.12-10	Salaries-Regular	2,270,000.00	15,750.00	2,285,750.00
TO	001-2200-522.21-10	FICA	197,749.00	1,210.00	198,959.00
TO	001-2200-522.22-10	Retirement	170,812.00	1,260.00	172,072.00
TO	001-7201-572.12-10	Salaries-Regular	810,000.00	600.00	810,600.00
TO	001-7201-572.21-10	FICA	82,831.00	50.00	82,881.00
TO	001-7201-572.22-10	Retirement	82,898.00	50.00	82,948.00
TO	001-2101-521.12-10	Salaries-Regular	3,881,000.00	35,800.00	3,916,800.00
TO	001-2101-521.21-10	FICA	335,580.00	2,750.00	338,330.00
TO	001-2101-521.22-10	Retirement	70,000.00	6,025.00	76,025.00
TO	001-4100-541.12-10	Salaries-Regular	605,000.00	450.00	605,450.00
TO	001-4100-541.21-10	FICA	52,232.00	40.00	52,272.00
TO	001-4100-541.22-10	Retirement	47,032.00	40.00	47,072.00
FROM	001-8100-999.96-00	Reserves Available for Expenditures	6,429,603.00	(67,030.00)	6,362,573.00
		UTILITY			
TO	401-3300-533.12-10	Salaries-Regular	1,954,500.00	1,300.00	1,955,800.00
TO	401-3300-533.21-10	FICA	159,066.00	100.00	159,166.00
TO	401-3300-533.22-10	Retirement	159,949.00	120.00	160,069.00
TO	401-3500-535.12-10	Salaries-Regular	2,272,500.00	1,500.00	2,274,000.00
TO	401-3500-535.21-10	FICA	186,170.00	115.00	186,285.00
TO	401-3500-535.22-10	Retirement	207,280.00	130.00	207,410.00
TO	401-3800-538.12-10	Salaries-Regular	348,500.00	220.00	348,720.00
TO	401-3800-538.21-10	FICA	26,240.00	20.00	26,260.00
TO	401-3800-538.22-10	Retirement	35,230.00	20.00	35,250.00
FROM	401-8100-999.96-00	Reserves Available for Expenditures	37,497,343.00	(3,525.00)	37,493,818.00
		Check Adjustment Totals:	59,286,445.00	0.00	59,286,445.00

BRIEF JUSTIFICATION FOR BUDGET ADJUSTMENT

To amend budget to implement pay plan adjustments for employees below market - 8 pay periods

Annual cost = 229,304 (salary and benefits)

ROUTING FOR APPROVAL

DEPARTMENT HEAD _____ DATE _____

CITY MANAGER _____ DATE _____

FINANCE DIRECTOR _____ DATE _____

Exhibit B