

**RESOLUTION NO. 22-132**

**A RESOLUTION OF THE CITY OF PANAMA CITY BEACH, FLORIDA, APPROVING AN AMENDED EMPLOYEE PAY PLAN; AUTHORIZING A TWO PERCENT COST OF LIVING ADJUSTMENT FOR FULL-TIME AND PERMANENT PART-TIME CITY EMPLOYEES; AUTHORIZING A BUDGET AMENDMENT TO FUND THE PAY INCREASE; AND PROVIDING AN IMMEDIATELY EFFECTIVE DATE.**

**BE IT RESOLVED that:**

1. The amended employee pay plan is adopted for the City of Panama City Beach, Florida as shown in and in accordance with the **attached** and incorporated Exhibit A.
2. All full-time and permanent part-time employees of the City of Panama City Beach shall be entitled to a cost-of-living pay adjustment equal to two percent (2%) of each employee's regular pay rate.
3. The following budget amendment #31 is adopted for the City of Panama City Beach, Florida, for the fiscal year beginning October 1, 2021 and ending September 30, 2022, as shown in and in accordance with the **attached** and incorporated Exhibit B, to fund these additional wages.

**THIS RESOLUTION** shall be effective immediately upon passage.

**PASSED** in regular session this 14<sup>th</sup> day of April, 2022.

**CITY OF PANAMA CITY BEACH**

By:   
Mark Sheldon, Mayor

**ATTEST:**

  
Lynne Fasone, City Clerk

# MEMO

Exhibit A

To: City Council

Re: Amended Pay Plan

From: Drew Whitman, City Manager  
Holly White, Assistant City Manager



Like much of the country, the City has been struggling with employee retention and recruitment for a number of months. As such we have been tasked with looking at current issues with our pay structure and workable solutions regarding the same. Currently 365 full time positions are budgeted and 25 (approximately 7%) are currently unfilled and open. To remain competitive with neighboring municipalities and retain our current employees, one suggestion is to early implement a portion of the cost-of-living adjustment planned for October 1, 2022. As such, we have costed out a 2% across the board cost of living raise for all full-time and permanent part-time City employees assuming an effective date of April 14, 2022, at \$196,233.

Additionally, we continue to deal with compression issues that were only partially addressed by Resolution 21-18 passed by the City Council in November 2020. Resolution 21-18 was passed in response to an employee classification and pay study conducted for the City by Condrey & Associates. As part of that study, Condrey & Associates originally recommended salary increases of 2% for employees with 1 to 3 years of service, a 4% increase for employees with 4-6 years of service and a 6% increase for employees with 7 or more years of service. This recommendation was modified by the City Manager and the modified version which retained the same service years but smaller increases of 1%, 2% and 3% was presented to the Council and approved by Resolution 21-18. One solution to address the issue of compression would be to implement an additional adjustment equal to the difference between the original recommendation made by Condrey & Associates and the amount approved in Resolution 21-18. All employees who received an internal equity adjustment of 1% in November of 2020 would receive an additional 1% at the current time. Likewise, those receiving 2% and 3% adjustments in November 2020 would receive an additional 2% or 3% now. 223 of the current 340 employees will receive some form of internal equity adjustment if we take this approach. Employees hired after November 2019 are not eligible for this equity adjustment because the pay study adopted in September 2020 addressed all employees with less than one year of service at that time as well as new hires going forward from that point. Assuming this equity adjustment is implemented with an effective date of April 14, 2022, the cost to the City, including related benefits, is \$151,803 for the remainder of FY 2022.

We have attached a worksheet showing the combined impact of both the equity adjustment and 2% across the board increase for the remainder of FY 2022 as well as for each of the next four years (the current 5-year plan).

Business tax receipts for the first six months of the year are 18.47% above what was received in the first six months of the prior year and 26.56% above what was budgeted for the first six months of FY 2022. The amount received in excess of that budgeted is more than sufficient to fund this pay adjustment. Other City revenue sources are also tracking significantly ahead of the current year budget to date. As such, staff is comfortable that projected General Fund reserves will not be negatively impacted by the suggested changes to the City's pay structure.

**Impact of Implementing Full Equity Adjustment**

Fund	FY 2022 (5.5 months)	FY 2023	FY 2024	FY 2025	FY 2026	5-Year Total
General	107,542	246,369	258,687	271,622	285,203	1,169,422
Storm	5,839	13,377	14,046	14,748	15,486	63,496
CRA	1,449	3,320	3,486	3,660	3,843	15,759
Util	32,864	75,288	79,052	83,005	87,155	357,363
Pier	2,590	5,934	6,230	6,542	6,869	28,165
Pool	1,519	3,481	3,655	3,837	4,029	16,522
City Total	151,803	347,768	365,156	383,414	402,585	1,650,727

**Impact of Implementing 2% COLA 5/1/22 rather than 10/1/22**

Fund	FY 2022 (5.5 months)	FY 2023	FY 2024	FY 2025	FY 2026	5-Year Total
General	139,332	-	-	-	-	139,332
Storm	6,323	-	-	-	-	6,323
CRA	1,883	-	-	-	-	1,883
Util	42,554	-	-	-	-	42,554
Pier	3,075	-	-	-	-	3,075
Pool	3,065	-	-	-	-	3,065
City Total	196,233	-	-	-	-	196,233

**Combined Impact**

Fund	FY 2022 (5.5 months)	FY 2023	FY 2024	FY 2025	FY 2026	5-Year Total
General	246,874	246,369	258,687	271,622	285,203	1,308,754
Storm	12,163	13,377	14,046	14,748	15,486	69,820
CRA	3,333	3,320	3,486	3,660	3,843	17,642
Util	75,418	75,288	79,052	83,005	87,155	399,917
Pier	5,665	5,934	6,230	6,542	6,869	31,240
Pool	4,584	3,481	3,655	3,837	4,029	19,586
City Total	348,036	347,768	365,156	383,414	402,585	1,846,960

Table III  
 Cost of Implementation  
 City of Panama City Beach Personnel Project

	Classification Changes <sup>1</sup>	Equity Adjustment <sup>2</sup>	Total Implementation Cost
Plan A	\$703,483 (4.65%)	\$603,489 (3.81%)	\$1,306,972
Plan B	\$494,880 (3.27%)	\$591,580 (3.79%)	\$1,086,460
Plan A Modified	\$703,483 (4.65%)	\$455,432 (2.88%)	\$1,158,915
Plan B Modified	\$494,880 (3.27%)	\$449,679 (2.88%)	\$944,559

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<sup>1</sup> Increases are projected based on current payroll total of \$15,122,177. Excluded from this figure are salaries for elected officials and contract employees. The figures presented are exclusive of benefit costs.

<sup>2</sup> Figures presented are the estimated cost for equity adjustment increases. The calculations for Plans A and B are based on a maximum 2% increase for employees with 1-3 year(s) of service, a 4% increase for employees with 4-6 years of service and a 6% increase for employees with 7 or more years of service as of September 30, 2020. The calculations for Plans A and B Modified are based on a maximum 2% increase for employees with 1-3 year(s) of service and a 4% increase for employees with 4 or more years of service as of September 30, 2020.

	LEDGER ACCOUNT	ACCOUNT DESCRIPTION	APPROVED BUDGET	BUDGET ADJUSTMENT	AMENDED BUDGET
TO	001-1300-513.12-10	Salaries Regular	1,442,700.00	20,700.00	1,463,400.00
TO	001-1300-513.21-10	Matching FICA	118,100.00	1,600.00	119,700.00
TO	001-1300-513.22-10	Retirement	179,250.00	2,700.00	181,950.00
TO	001-1500-515.12-10	Salaries Regular	245,900.00	5,500.00	251,400.00
TO	001-1500-515.21-10	Matching FICA	19,700.00	400.00	20,100.00
TO	001-1500-515.22-10	Retirement	34,160.00	700.00	34,860.00
TO	001-2101-521.12-10	Salaries Regular	5,405,400.00	84,700.00	5,490,100.00
TO	001-2101-521.21-10	Matching FICA	474,461.00	6,500.00	480,961.00
TO	001-2101-521.22-20	Retirement Sworn	354,528.00	7,100.00	361,628.00
TO	001-2201-522.12-10	Salaries Regular	3,354,000.00	51,600.00	3,405,600.00
TO	001-2201-522.21-10	Matching FICA	302,000.00	3,900.00	305,900.00
TO	001-2201-522.22-25	Retirement FF	723,840.00	9,800.00	733,640.00
TO	001-2202-522.12-10	Salaries Regular	294,000.00	3,700.00	297,700.00
TO	001-2202-522.21-10	Matching FICA	48,000.00	300.00	48,300.00
TO	001-2202-522.22-10	Retirement GE	51,090.00	500.00	51,590.00
TO	001-2400-524.12-10	Salaries Regular	728,000.00	11,300.00	739,300.00
TO	001-2400-524.21-10	Matching FICA	63,000.00	900.00	63,900.00
TO	001-2400-524.22-10	Retirement	101,640.00	1,500.00	103,140.00
TO	001-4100-541.12-10	Salaries Regular	803,300.00	9,200.00	812,500.00
TO	001-4100-541.21-10	Matching FICA	64,400.00	700.00	65,100.00
TO	001-4100-541.22-10	Retirement	107,140.00	1,200.00	108,340.00
TO	001-7201-572.12-10	Salaries Regular	1,155,000.00	18,600.00	1,173,600.00
TO	001-7201-572.21-10	Matching FICA	105,800.00	1,400.00	107,200.00
TO	001-7201-572.22-10	Retirement	165,840.00	2,400.00	168,240.00
TO	001-0000-316.10-00	Business Tax Receipts	(14,908,000.00)	(246,900.00)	(15,154,900.00)
TO	160-5901-559.12-10	Salaries Regular	237,600.00	2,760.00	240,360.00
TO	160-5901-559.21-10	Matching FICA	29,300.00	210.00	29,510.00
TO	160-5901-559.22-10	Retirement	43,860.00	360.00	44,220.00
FROM	160-5901-559.95-00	Restricted Reserves	41,912,236.00	(3,330.00)	41,908,906.00
TO	180-3800-538.12-10	Salaries Regular	597,990.00	10,080.00	608,070.00
TO	180-3800-538.21-10	Matching FICA	47,500.00	770.00	48,270.00
TO	180-3800-538.22-10	Retirement	77,470.00	1,310.00	78,780.00
FROM	180-8100-999.95-00	Restricted Reserves	68,194.00	(12,160.00)	56,034.00
TO	402-7500-575.12-10	Salaries Regular	337,500.00	4,700.00	342,200.00
TO	402-7500-575.21-10	Matching FICA	34,400.00	360.00	34,760.00
TO	402-7500-575.22-10	Retirement	49,460.00	610.00	50,070.00
FROM	402-7500-575.96-00	Reserves Available for Expenditures	685,730.00	(5,670.00)	680,060.00
TO	403-0000-572.12-10	Salaries Regular	281,700.00	3,800.00	285,500.00
TO	403-0000-572.21-10	Matching FICA	36,000.00	300.00	36,300.00
TO	403-0000-572.22-10	Retirement	38,820.00	500.00	39,320.00
FROM	403-0000-999.96-00	Reserves Available for Expenditures	233,871.00	(4,600.00)	229,271.00
		<b>Check Adjustment Totals:</b>	46,144,880.00	0.00	46,144,880.00

**BRIEF JUSTIFICATION FOR BUDGET ADJUSTMENT:**

To appropriate available reserves and excess revenues for wage adjustments as described in the resolution

No budget adjustment is needed for the Utility Department as sufficient funds are available in the Utility Fund's current budget for the wage adjustments

FINANCE REVIEW: \_\_\_\_\_

RESOLUTION #: \_\_\_\_\_

DATE: \_\_\_\_\_