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To: Mayor and City Council

From: Nicole Stojka, Human Resources Director

Date: September 11, 2018

Subject: Approval of Amendment of City Position Allocation and Compensation Chart

ITEM DESCRIPTION

Approval to update the City's salary ranges

BACKGROUND

On a regular basis, Staff conducts and participates in salary surveys to verify that the City's salary structure remains market competitive. To review the adequacy of our current salary ranges for all City positions, Staff recently worked with Evergreen Solutions to analyze salary information from several comparable and/or competitive municipalities.

EVALUATION

Current survey data indicates that in order to remain competitive with surrounding cities, we should update our salary ranges. The following Position Allocation and Compensation Charts show the current and proposed salary ranges. For the most part, these proposed range increases will not cause increases to actual salaries. For the few actual salaries that will be increased with the approval of these new salary ranges, budget exists to cover those salary adjustments.

The proposed Position Allocation and Compensation Chart now incorporates grades. The salary ranges are established with a 60%-65% range spread, which is an increase from the prior 50% range spreads. This broader range spread is a current best practice that was noted in the most recent survey data.

After consultation with the City Manager, the decision was made to place the Assistant City Manager, the Police Chief, and the Finance Director in the same grade (grade 118).

RECOMMENDED ACTION

It is respectfully requested that Council approve Staff's recommendation to modify the current Position Allocation and Compensation Chart as shown in the Proposed Position Allocation and Compensation Chart to update the City's salary ranges effective September 11, 2018.

Denis Shortal Mayor
 Eric Linton, ICMA-CM City Manager
 Sharon Lowery, CMC City Clerk

Pam Tallmadge City Council Post 1
 Jim Riticher City Council Post 2
 Tom Lambert City Council Post 3

Terry Nall City Council Post 4
 Lynn Deutsch City Council Post 5
 John Heneghan City Council Post 6

Packet page:...



POSITION ALLOCATION AND COMPENSATION CHART

Department/Title	Full Time	Elected Officials	Salary Range	
			Minimum	Maximum
General Government Mayor City Council		1 6	Set by Charter Set by Charter	Set by Charter Set by Charter
Office of the City Manager City Manager Assistant City Manager	1 1		Set by Council \$ 96,500	Set by Council \$ 144,800
Administrative Services City Clerk	1		\$ 74,600	\$ 112,100
Community Development Community Development Director	1		\$ 87,900	\$ 132,200
Economic Development Economic Development Director Business Retention Manager	1 0.7		\$ 85,100 \$ 36,600	\$ 128,000 \$ 55,000
Financial Services Finance Director	1		\$ 99,300	\$ 149,400
Human Resources Human Resources Director Human Resources Generalist	1 1		\$ 85,400 \$ 44,000	\$ 128,400 \$ 66,000
Municipal Court Court Clerk Deputy Municipal Court Clerk	1 3		\$ 55,700 \$ 37,100	\$ 83,700 \$ 55,800
Parks and Recreation Parks and Recreation Director	1		\$ 87,900	\$ 132,200
Public Safety Chief of Police Deputy Chief of Police Major Lieutenant Sergeant Police Officer Crime Analyst (non-sworn) Records Supervisor (non-sworn) Executive Assistant (non-sworn) Crime Scene Technician (non-sworn) Police Service Representative (non-sworn) Property & Evidence Technician (non-sworn) Prisoner Transport Officer (non-sworn)	1 1 2 4 9 45 1 1 1 1 6 2 2		\$ 99,300 \$ 80,400 \$ 67,100 \$ 58,100 \$ 52,800 \$ 43,200 \$ 42,100 \$ 42,000 \$ 41,300 \$ 37,500 \$ 33,500 \$ 33,000 \$ 27,400	\$ 149,400 \$ 121,000 \$ 100,600 \$ 87,400 \$ 79,400 \$ 64,800 \$ 63,300 \$ 63,000 \$ 62,100 \$ 56,400 \$ 50,300 \$ 49,600 \$ 41,200
Public Works Public Works Director	1		\$ 93,100	\$ 140,100

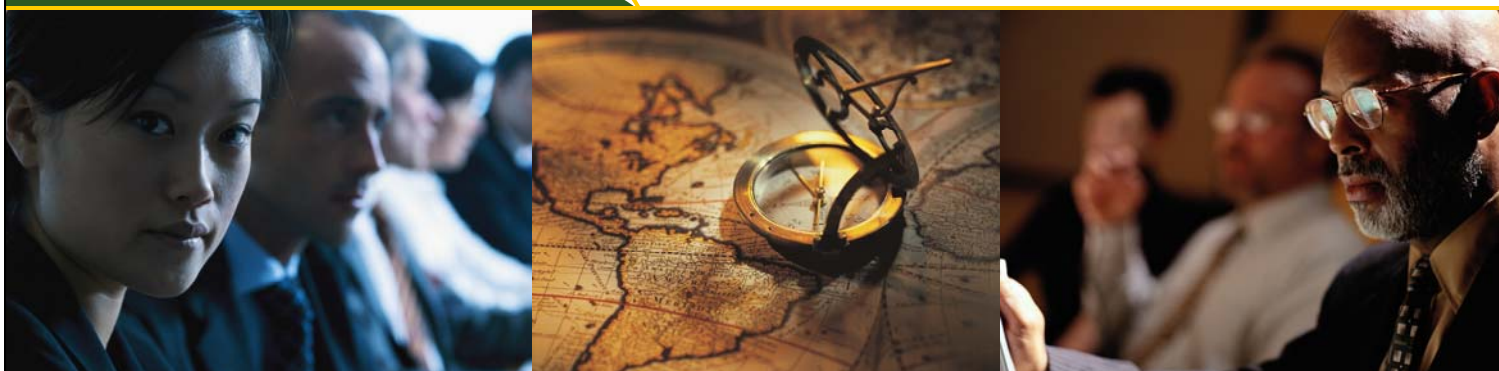


PROPOSED POSITION ALLOCATION AND COMPENSATION CHART

Grade	Department	Title	Full Time	Elected Officials	Salary Range	
					Minimum	Maximum
101	Police	Prisoner Transport Officer	2		\$28,085	\$44,936
104	Police	Police Service Representative	6		\$35,379	\$56,606
105	Police	Property and Evidence Technician	2		\$38,209	\$61,135
105	Municipal Court	Deputy Municipal Court Clerk	3		\$38,209	\$61,135
106	Police	Crime Analyst	1		\$41,266	\$66,026
106	Police	Executive Assistant	1		\$41,266	\$66,026
106	Police	Crime Scene Technician	1		\$41,266	\$66,026
107	Police	Detective	9		\$44,567	\$71,308
107	Human Resources	Human Resources Generalist	1		\$44,567	\$71,308
107	Police	Police Officer	36		\$44,567	\$71,308
107	Police	Records Supervisor	1		\$44,567	\$71,308
110	Economic Development	Business Retention Manager	0.7		\$56,142	\$89,827
110	Police	Sergeant	9		\$56,142	\$89,827
111	Police	Lieutenant	4		\$60,633	\$100,045
112	Municipal Court	Municipal Court Clerk	1		\$65,484	\$108,049
114	City Clerk	City Clerk	1		\$76,381	\$126,028
114	Police	Major	2		\$76,381	\$126,028
116	Community Development	Community Development Director	1		\$89,090	\$146,999
116	Police	Deputy Chief	1		\$89,090	\$146,999
116	Economic Development	Economic Development Director	1		\$89,090	\$146,999
116	Human Resources	Human Resources Director	1		\$89,090	\$146,999
116	Parks and Recreation	Parks and Recreation Director	1		\$89,090	\$146,999
117	Public Works	Public Works Director	1		\$96,218	\$158,759
118	City Manager	Assistant City Manager	1		\$103,915	\$171,460
118	Finance and Administration	Finance Director	1		\$103,915	\$171,460
118	Police	Police Chief	1		\$103,915	\$171,460
	City Manager	City Manager	1		Set by Council	Set by Council
	General Government	City Council		6	Set by Charter	Set by Charter
	General Government	Mayor		1	Set by Charter	Set by Charter

Compensation Study for the City of Dunwoody, GA

FINAL REPORT



Evergreen Solutions, LLC

July 18, 2018

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EVERGREEN SOLUTIONS, LLC

Chapter 1 - Introduction

Evergreen Solutions, LLC (Evergreen) began conducting a study for the City of Dunwoody, GA (City) beginning in March 2018. The purpose of the study was to analyze its compensation system and make recommendations to improve the City's competitive position in the market. The study activities involved analyzing the external equity of the City's system and making recommendations in response to those findings.

Study tasks involved:

- holding a study kick-off meeting;
- analyzing the City's current salary structure to determine its strengths and weaknesses;
- facilitating discussions with the City's project team to develop an understanding of the City's compensation philosophy;
- conducting market salary surveys to assess external equity or market competitiveness of the City's current pay plan and compare and contrast salaries offered by peer organizations;
- developing a competitive compensation structure and slotting classifications into that structure while ensuring external equity;
- developing an appropriate method for transitioning employees' salaries into the new structure and calculating a cost estimate for implementation;
- providing the City with information and strategies regarding compensation administration; and
- preparing and submitting draft and final reports that summarize the study findings and recommendations.

1.1 STUDY METHODOLOGY

Evergreen used a combination of quantitative and qualitative methods to develop recommendations to improve the City's competitive position for its compensation systems. Study activities included:



Kick-off Meeting

The kick-off meeting allowed members of the study team from the City and Evergreen to discuss different aspects of the study. During the meeting, information about the City's compensation structure and pay philosophy was shared and the work plan for the study was finalized. The meeting also provided an opportunity for Evergreen to explain the types of data needed to begin the study.

Analysis of Current Conditions

This analysis provided an overall assessment of the City's current pay structure (plan) and related employee data at the time of the study. The current pay plan and the progression of employees' salaries through the pay ranges were examined during this process. The findings of this analysis are summarized in **Chapter 2** of this report.

Compensation Philosophy

Evergreen conducted meetings with the City's project team to develop an understanding of its position with regard to employee compensation. Several key factors were examined and provided the framework for the recommended compensation system and related pay practices.

Market Analysis

For the salary survey, peers were identified that compete with the City for human resources and provide similar services. All classifications represented in all departments and in all levels of work were selected as benchmarks. After the selection of peers and benchmarks, a survey tool was developed for the collection of salary range data for each benchmark. A survey tool was also developed to collect detailed data offered by the peer organizations. The salary data collected during the survey were analyzed; a summary of which can be found in **Chapter 3** of this report.

Recommendations

During the review of the compensation philosophy, the City identified its desire to be competitive with the labor market at the 75th percentile. Understanding this and utilizing the findings of the analysis of external equity, a new compensation structure was created. Next, implementation options were developed to transition employees' salaries into the new structure (pay plan), and the associated costs of adjusting employees' salaries were estimated. The most appropriate method was selected, and information was provided on how to execute the recommended salary adjustments, as well as how to maintain the compensation system going forward. A summary of all study findings and recommendations can be found in **Chapter 4** of this report.



1.2 REPORT ORGANIZATION

This report includes the following additional chapters:

- Chapter 2 – Assessment of Current Conditions
- Chapter 3 - Market Summary
- Chapter 4 – Recommendations



Chapter 2 – Assessment of Current Conditions

The purpose of this evaluation was to provide an overall assessment of the City's compensation structure, employee salary progression, and employee counts in each department. Data included here reflect the conditions when the study began and should be considered, as such, a snapshot in time. The insights gained from this evaluation provided the basis for further analysis through the course of this study and were not considered sufficient cause for recommendations independently. Instead, the results of this evaluation were considered during the analysis of external equity and peer market data. Subsequently, appropriate compensation related recommendations were developed for the City and are described later in this report.

2.1 PAY PLAN ANALYSIS

The City administered one pay plan for all employees. **Exhibit 2A** illustrates the plan which had an open-range design with established minimum, midpoint, and maximum salaries. The pay plan for the 83 employees in classifications consisted of 22 pay ranges. Pay ranges were not identified with grades, which is typical for this type of plan. Range spreads—the percentage difference between the minimum and maximum of the pay ranges—remained constant at 50 percent throughout the pay plan. The position of City Manager was not assigned to a pay range in the plan and therefore is not reflected in the following analysis.



**EXHIBIT 2A
EMPLOYEE PAY PLAN**

Minimum	Midpoint	Maximum	Range Spread	Employees
\$ 27,400	\$ 34,300	\$ 41,200	50%	2
\$ 33,000	\$ 41,300	\$ 49,600	50%	2
\$ 33,500	\$ 41,900	\$ 50,300	50%	6
\$ 36,600	\$ 45,800	\$ 55,000	50%	1
\$ 37,100	\$ 46,450	\$ 55,800	50%	3
\$ 37,500	\$ 46,950	\$ 56,400	50%	1
\$ 41,300	\$ 51,700	\$ 62,100	50%	1
\$ 42,000	\$ 52,500	\$ 63,000	50%	1
\$ 42,100	\$ 52,700	\$ 63,300	50%	1
\$ 43,200	\$ 54,000	\$ 64,800	50%	39
\$ 52,800	\$ 66,100	\$ 79,400	50%	9
\$ 55,700	\$ 69,700	\$ 83,700	50%	1
\$ 58,100	\$ 72,750	\$ 87,400	50%	4
\$ 67,100	\$ 83,850	\$100,600	50%	2
\$ 74,600	\$ 93,350	\$112,100	50%	1
\$ 80,400	\$ 100,700	\$121,000	50%	1
\$ 85,100	\$ 106,550	\$128,000	50%	1
\$ 85,400	\$ 106,900	\$128,400	50%	1
\$ 87,900	\$ 110,050	\$132,200	50%	2
\$ 93,100	\$ 116,600	\$140,100	50%	1
\$ 96,500	\$ 120,650	\$144,800	50%	1
\$ 99,300	\$ 124,350	\$149,400	50%	2

Source: Created by Evergreen Solutions from data provided by the City as of April 2018.

2.2 EMPLOYEE SALARY PLACEMENT BY GRADE

When assessing the effectiveness of the City’s pay plan and practices, it is important to analyze where employees’ salaries fell within each pay range. Identifying those areas where there may have been clusters of employees’ salaries could illuminate potential pay progression concerns within the current pay plan. It should be noted that employees’ salaries, and the progression of the same, is associated with an organization’s compensation philosophy—specifically, the method of salary progression and the availability of resources. Therefore, the placement of employees’ salaries should be viewed with this context in mind.

Exhibit 2B illustrates the placement of employees’ salaries relative to pay range minimums and maximums. The exhibit contains the following:



- the pay ranges,
- the number of employees in classifications assigned to the pay range,
- the number and percentage of employees with salaries below the minimum,
- the number and percentage of employees with salaries at the minimum,
- the number and percentage of employees with salaries at the maximum, and
- the number and percentage of employees with salaries above the maximum.

**EXHIBIT 2B
SALARY PLACEMENT
BELOW MINIMUM AND ABOVE MAXIMUM BY RANGE**

Range	Employees	# < Min	% < Min	# at Min	% at Min	# at Max	% at Max	# > Max	% > Max
\$27,400 - \$41,200	2	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$33,000 - \$49,600	2	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$33,500 - \$50,300	6	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$36,600 - \$55,000	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$37,100 - \$55,800	3	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$37,500 - \$56,400	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$41,300 - \$62,100	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$42,000 - \$63,000	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$42,100 - \$63,300	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$43,200 - \$64,800	39	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$52,800 - \$79,400	9	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$55,700 - \$83,700	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$58,100 - \$87,400	4	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$67,100 - \$100,600	2	0	0.0%	0	0.0%	1	50.0%	0	0.0%
\$74,600 - \$112,100	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$80,400 - \$121,000	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$85,100 - \$128,000	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$85,400 - \$128,400	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$87,900 - \$132,200	2	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$93,100 - \$140,100	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$96,500 - \$144,800	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$99,300 - \$149,400	2	0	0.0%	0	0.0%	2	100.0%	0	0.0%
Total	83	0	0.0%	0	0.0%	3	3.6%	0	0.0%

Source: Created by Evergreen Solutions from data provided by the City as of April 2018.

Employees with salaries at the range minimum are typically new hires or are new to their classification following a recent promotion; on the other hand, employees with salaries at the range maximum are typically highly experienced and proficient in their classification.

Exhibit 2C illustrates the placement of employees' salaries relative to pay range midpoints. The exhibit contains the following:

- the pay ranges,
- the number of employees in classifications assigned to the pay range,
- the number and percentage of employees with salaries below the midpoint,
- the number and percentage of employees with salaries at midpoint, and



- the number and percentage of employees with salaries above the midpoint of each pay range.

**EXHIBIT 2C
SALARY PLACEMENT ABOVE AND BELOW MIDPOINT
BY RANGE**

Range	Employees	# < Mid	% < Mid	# at Mid	% at Mid	# > Mid	% > Mid
\$27,400 - \$41,200	2	1	50.0%	0	0.0%	1	50.0%
\$33,000 - \$49,600	2	1	50.0%	0	0.0%	1	50.0%
\$33,500 - \$50,300	6	6	100.0%	0	0.0%	0	0.0%
\$36,600 - \$55,000	1	0	0.0%	0	0.0%	1	100.0%
\$37,100 - \$55,800	3	3	100.0%	0	0.0%	0	0.0%
\$37,500 - \$56,400	1	0	0.0%	0	0.0%	1	100.0%
\$41,300 - \$62,100	1	0	0.0%	0	0.0%	1	100.0%
\$42,000 - \$63,000	1	1	100.0%	0	0.0%	0	0.0%
\$42,100 - \$63,300	1	1	100.0%	0	0.0%	0	0.0%
\$43,200 - \$64,800	39	26	66.7%	0	0.0%	13	33.3%
\$52,800 - \$79,400	9	7	77.8%	0	0.0%	2	22.2%
\$55,700 - \$83,700	1	1	100.0%	0	0.0%	0	0.0%
\$58,100 - \$87,400	4	2	50.0%	0	0.0%	2	50.0%
\$67,100 - \$100,600	2	0	0.0%	0	0.0%	2	100.0%
\$74,600 - \$112,100	1	0	0.0%	0	0.0%	1	100.0%
\$80,400 - \$121,000	1	0	0.0%	0	0.0%	1	100.0%
\$85,100 - \$128,000	1	0	0.0%	0	0.0%	1	100.0%
\$85,400 - \$128,400	1	1	100.0%	0	0.0%	0	0.0%
\$87,900 - \$132,200	2	1	50.0%	0	0.0%	1	50.0%
\$93,100 - \$140,100	1	0	0.0%	0	0.0%	1	100.0%
\$96,500 - \$144,800	1	1	100.0%	0	0.0%	0	0.0%
\$99,300 - \$149,400	2	0	0.0%	0	0.0%	2	100.0%
Total	83	52	62.7%	0	0.0%	31	37.3%

Source: Created by Evergreen Solutions from data provided by the City as of April 2018.

Employees with salaries close to the midpoint of a pay range should be fully proficient in their classification and require minimal supervision to complete their job duties while performing satisfactorily. Within this framework, range midpoint is commonly considered to be the salary an individual could reasonably expect for similar work in the market. Therefore, it is important to examine the percentage and number of employees with salaries above and below the calculated midpoint.

Of the 83 employees with classifications in the City’s pay plan, 52 employees (62.7 percent) had salaries below the midpoint of their respective range, no employees had salaries at the midpoint, and 31 employees (37.3 percent) had salaries above the midpoint.



2.3 SALARY QUARTILE ANALYSIS

This section provides an additional analysis of the distribution of employees' salaries across the pay ranges at the time of this study. Examining employee salary placement by range quartile provided insight into whether clustering of employees' salaries existed within each pay range. For this analysis, employees' salaries were slotted within one of four equal distributions. The first quartile (0-25) represents the lowest 25 percent of the pay range. The second quartile (26-50) represents the segment of the pay range above the first quartile up to the pay range's midpoint. The third quartile (51-75) represents the part of the pay range above the midpoint up to the 75th percentile of the pay range. The fourth quartile (76-100) is the highest 25 percent of the pay range. This analytical method provided an opportunity to assess how employees' salaries are disbursed throughout each range.

Exhibit 2D provides a breakdown of placement of employees' salaries relative to salary quartile and provides the following:

- the pay ranges,
- the number of employees per pay range, and
- the location (by quartile) of the employees' salaries within each range.

The City's employees' salaries were skewed towards the lower end of their pay range. In order of quartile concentration, 30 employees (36.14 percent) earned in the first quartile of their respective pay ranges, 22 (26.51 percent) in the second quartile, 13 (15.66 percent) in the third quartile, and 18 (21.69 percent) in the fourth quartile.



**EXHIBIT 2D
SALARY QUARTILE ANALYSIS**

Range	Total Employees	1st Quartile # Employees	2nd Quartile # Employees	3rd Quartile # Employees	4th Quartile # Employees
\$27,400 - \$41,200	2	0	1	1	0
\$33,000 - \$49,600	2	0	1	0	1
\$33,500 - \$50,300	6	6	0	0	0
\$36,600 - \$55,000	1	0	0	0	1
\$37,100 - \$55,800	3	2	1	0	0
\$37,500 - \$56,400	1	0	0	0	1
\$41,300 - \$62,100	1	0	0	0	1
\$42,000 - \$63,000	1	1	0	0	0
\$42,100 - \$63,300	1	0	1	0	0
\$43,200 - \$64,800	39	19	7	7	6
\$52,800 - \$79,400	9	1	6	1	1
\$55,700 - \$83,700	1	1	0	0	0
\$58,100 - \$87,400	4	0	2	2	0
\$67,100 - \$100,600	2	0	0	0	2
\$74,600 - \$112,100	1	0	0	0	1
\$80,400 - \$121,000	1	0	0	0	1
\$85,100 - \$128,000	1	0	0	1	0
\$85,400 - \$128,400	1	0	1	0	0
\$87,900 - \$132,200	2	0	1	1	0
\$93,100 - \$140,100	1	0	0	0	1
\$96,500 - \$144,800	1	0	1	0	0
\$99,300 - \$149,400	2	0	0	0	2
Overall Total	83	30	22	13	18
Percentage		36.14%	26.51%	15.66%	21.69%

Source: Created by Evergreen Solutions from data provided by the City as of April 2018.

2.4 EMPLOYEES BY DEPARTMENT

At the time the study commenced, the City employed 84 individuals across 10 departments (the City Manager classification was not assigned a pay range in the plan). **Exhibit 2E** depicts the number of employees and the number of classifications in each department and is intended only to provide basic information regarding how employees are distributed among departments. Also provided is the percentage breakdown of employees by department.



**EXHIBIT 2E
EMPLOYEES BY DEPARTMENT**

Department	Employees	Classes	% of Total
City Clerk	1	1	1.2%
City Manager	2	2	2.4%
Community Development	1	1	1.2%
Economic Development	2	2	2.4%
Finance	1	1	1.2%
Human Resources	1	1	1.2%
Municipal Court	4	2	4.8%
Parks and Recreation	1	1	1.2%
Police	70	14	83.3%
Public Works	1	1	1.2%
Total	84	26	100.0%

Source: Created by Evergreen Solutions from data provided by the City as of April 2018.

As the exhibit illustrates, the largest department in the City is the Police Department, with 70 employees representing 83.3 percent of the City’s workforce.

2.5 SUMMARY

Overall, the City’s compensation structure offered a firm foundation on which to build. The key points of the current structure were:

- The City administered an open-range pay plan for 83 employees with 22 pay ranges.
- The majority of City employees’ salaries were skewed towards the lower end of their salary ranges, with almost two-thirds of employees’ salaries falling below their pay range midpoint.

The information gained from this review of current conditions was used in conjunction with the market analysis data and external equity review to develop recommendations for a competitive compensation plan that would best align the City’s compensation philosophy moving forward. These recommendations can be found in **Chapter 4** of this report.



Chapter 3 – Market Summary

This chapter provides a market analysis in which the City's salary ranges were compared to the salary ranges at peer organizations. The data from targeted 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 at the individual level and are instead used to provide an overall analysis. The utilized methodology is not intended to evaluate salaries paid to individuals as this compensation is determined through a combination of factors, which may 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 can change quickly; therefore, while market surveys are useful for making updates to salary structures or benefits provided to employees, they must be done at regular intervals if the City wishes to remain current with its market peers and salary trends.

3.1 SALARY SURVEY RESULTS

Evergreen collected pay range information from target organizations utilizing a salary survey tool. The development of this tool included selecting benchmark classifications to be surveyed. The desired outcome of benchmarking was to select all of the City's classifications, so that those surveyed provided results for all work areas and levels of classifications 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 benchmark classification.

The target peers were selected by Evergreen with concurrence from the City's project team. Several factors were utilized when developing this peer list, including geographic proximity to the City, organization size, and the relative population being served by the organization. As well, at the City's request, the peers were limited to similar cities. All data collected 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 3A provides the list of 17 target peers from which data were collected from 13 market peers for 27 benchmark classifications.

EXHIBIT 3A
MARKET PEERS

Market Peers
City of Acworth, GA
City of Alpharetta, GA
City of Brookhaven, GA
City of Chamblee, GA
City of Cumming, GA
City of Decatur, GA
City of Douglasville, GA
City of Duluth, GA
City of Johns Creek, GA
City of Kennesaw, GA
City of Marietta, GA
City of Milton, GA
City of Norcross, GA
City of Roswell, GA
City of Sandy Springs, GA
City of Smyrna, GA
City of Suwanee, GA
*Bold indicates data collected from peers

The City expressed a desire to have a salary structure that would be competitive with its peer market at the 75th percentile. Based on this, Evergreen utilized a comparison of its current structure, or salary ranges for the benchmark classifications to the targets' (peers') data at the 75th percentile. **Exhibit 3B** provides a summary of these results and contains the following information:

- The market salary range information for each classification. This indicates the 75th percentile value of the minimum, midpoint, and maximum of the peer survey data for each benchmark.
- The percent differentials to the City's existing salary ranges. A positive differential indicates the City was above the targets' 75th percentile value for that classification at the minimum, midpoint, or maximum. A negative differential indicates the City was below the 75th percentile value for the benchmark. The final row provides the average percent differentials for the minimum, midpoint, and maximum for all classifications. This represents an average of all differentials. Some classifications



did not have current salary ranges and no differentials could be calculated or provided in the exhibit.

- The survey average range width. This provides the average range width for each classification surveyed determined by the 75th percentile minimum and maximum salaries of the respondents, relative to the minimum. The average range width for all of the classifications is provided in the final row. The number of responses collected for each benchmark is provided in the final column and the average number of responses for all the classifications is provided in the final row.

**EXHIBIT 3B
SALARY SURVEY SUMMARY**

Classification	Survey Minimum		Survey Midpoint		Survey Maximum		Survey Avg Range	# Resp.
	Average	% Diff	Average	% Diff	Average	% Diff		
Assistant City Manager	\$99,101.61	-2.7%	\$129,365.00	-7.2%	\$159,628.38	-10.2%	69.0%	5
Business Retention Manager	\$53,431.46	-2.2%	\$71,360.04	-9.1%	\$89,288.62	-13.6%	60.8%	4
City Clerk	\$78,749.97	-5.6%	\$102,961.28	-10.3%	\$129,937.45	-15.9%	58.4%	9
Community Development Director	\$83,241.57	5.3%	\$108,187.89	1.7%	\$137,028.11	-3.7%	69.0%	6
Crime Analyst	\$40,098.76	4.8%	\$51,370.04	2.5%	\$62,660.64	1.0%	62.4%	6
Deputy Municipal Court Clerk	\$39,512.56	-6.5%	\$50,378.52	-8.5%	\$61,921.43	-11.0%	59.3%	9
Deputy Police Chief	\$89,515.54	-11.3%	\$110,940.06	-10.2%	\$131,053.86	-8.3%	51.3%	7
Detective	\$43,438.04	-0.6%	\$56,237.94	-4.1%	\$69,283.93	-6.9%	57.5%	8
Economic Development Director	\$90,160.84	-5.9%	\$119,463.11	-12.1%	\$148,765.39	-16.2%	70.0%	5
Executive Assistant - Chief of Police	\$41,636.47	-0.8%	\$53,934.65	-4.3%	\$66,381.11	-6.9%	56.3%	5
Finance Director	\$99,687.70	-0.4%	\$127,825.53	-2.8%	\$159,178.97	-6.5%	57.3%	9
Human Resources Director	\$87,248.97	-2.2%	\$111,049.74	-3.9%	\$135,462.28	-5.5%	58.9%	8
Human Resources Generalist	\$46,139.45	-4.9%	\$60,891.01	-10.7%	\$75,912.84	-15.0%	64.2%	4
Municipal Court Clerk	\$63,316.59	-13.7%	\$78,838.38	-13.1%	\$94,606.05	-13.0%	60.3%	9
Parks and Recreation Director	\$80,019.35	9.0%	\$104,438.89	5.1%	\$133,493.88	-1.0%	69.3%	6
Police Chief	\$103,702.84	-4.4%	\$131,388.84	-5.7%	\$161,946.40	-8.4%	51.4%	8
Police Crime Scene Technician	\$40,165.46	-7.1%	\$51,456.50	-9.6%	\$63,656.45	-12.9%	61.1%	4
Police Lieutenant	\$61,778.33	-6.3%	\$78,883.40	-8.4%	\$95,280.94	-9.0%	54.9%	10
Police Major	\$74,204.58	-10.6%	\$91,568.09	-9.2%	\$112,123.31	-11.5%	50.6%	6
Police Officer	\$42,632.19	1.3%	\$55,447.01	-2.7%	\$67,807.52	-4.6%	54.7%	11
Police Sergeant	\$56,183.42	-6.4%	\$69,592.08	-5.3%	\$82,589.95	-4.0%	50.4%	10
Police Service Representative (PSR)	\$33,664.93	-0.5%	\$43,216.62	-3.1%	\$51,209.18	-1.8%	52.9%	8
Property and Evidence Technician	\$39,724.55	-20.4%	\$50,630.45	-22.6%	\$62,748.23	-26.5%	55.9%	5
Public Works Director	\$89,609.85	3.7%	\$115,305.77	1.1%	\$141,001.70	-0.6%	66.4%	7
Records Supervisor	\$43,643.10	-3.9%	\$55,677.58	-6.1%	\$68,753.16	-9.1%	61.4%	4
Overall Average		-3.7%		-6.3%		-8.9%	59.3%	6.9

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 3B** illustrates, for the benchmarked classifications, the City was, on average, approximately 3.7 percent below the desired market position 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 20.4 percent below market minimum in the case of the Property and Evidence Technician classification to 9.0 percent above market for the Parks and Recreation Director classification.
- Of the 25 classifications in **Exhibit 3B** surveyed with differentials, 20 classifications (80.0 percent) had differentials below the desired market position at the minimum.

Market Midpoints

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 3B** illustrates, for the benchmarked classifications, the City was, on average, 6.3 percent below its desired market position 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 22.6 percent below the desired market midpoint in the case of the Property and Evidence Technician classification to 5.1 percent above market for the Parks and Recreation Director classification.
- Of the 25 classifications in Exhibit 3B surveyed with differentials, 21 classifications (84.0 percent) had differentials below the desired market position at the midpoint.

Market Maximums

In this section, salary range maximums are compared to the peers' 75th percentile of 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 3B** illustrates, the City's benchmarked classifications were, on average, 8.9 percent below the desired market position 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 26.5 percent below the desired market position maximum in the case of the Property and Evidence Technician classification to 1.0 percent above market for the Crime Analyst classification.



- Of the 25 classifications in Exhibit 3B surveyed with differentials, 24 classifications (96.0 percent) were below the desired market position at the maximum.

3.2 SALARY SURVEY SUMMARY

It should again be noted that the standing of a classification's pay range compared to the market is not a definitive assessment of an individual employee's salary being equally above or below market. A salary range does, however, speak to the City's general ability to recruit and retain talent over time. If a range minimum is significantly lower than the market would offer, the City could find itself losing out to its market peers when it seeks to fill a position. It is equally true that range maximums lower than the market maximums may serve as a disincentive for experienced employees to remain at the City.

From the analysis of the data gathered in the external assessment discussed above, the benchmark classifications' ranges were found to be below the City's desired position of being competitive with its peers at the 75th percentile at the minimums, midpoints, and maximums. The City could thus benefit from the development and implementation of a pay plan placing it at its desired market position. A summary of these and all study findings and related recommendations can be found in the next chapter of this report.



Chapter 4 - Recommendations

The analysis of the City's compensation system revealed some areas of opportunities for improvement. Evergreen worked to build on the strength of the existing pay structure with a focus on developing a more competitive compensation system. Study recommendations, as well as the findings that led to each, are discussed in this chapter.

4.1 COMPENSATION SYSTEM

The compensation system analysis consisted of an external market assessment. During this assessment, the City's pay ranges for selected benchmark classifications were compared to the 75th percentile of the identified market. Details regarding the external market assessment were provided in **Chapter 3** of this report.

FINDING:

The City's pay range minimums, midpoints, and maximums lagged the market by an overall 3.7 percent, 6.3 percent, and 8.9 percent, respectively. Additionally, the City's salary ranges were behind its desired market position at the 75th percentile for many of the benchmarked classifications, indicating a need for a new pay structure.

RECOMMENDATION 1: Create a new, competitive open-range pay plan aligned with City's compensation philosophy that reflects its desired market position and best practices; slot all classifications into the plan based on external equity; and implement the new plan by transitioning employees' salaries into the plan.

Exhibit 4A shows the new, proposed open-range pay plan which has 20 pay grades, numbered 101 through 120. The range spreads begin at 60.0 percent and change to 65.0 percent starting at Grade 111.



**EXHIBIT 4A
PROPOSED PAY PLAN**

Grade	Minimum	Midpoint	Maximum	Range Spread
101	\$ 28,085	\$ 36,511	\$ 44,936	60%
102	\$ 30,332	\$ 39,431	\$ 48,531	60%
103	\$ 32,758	\$ 42,586	\$ 52,413	60%
104	\$ 35,379	\$ 45,993	\$ 56,606	60%
105	\$ 38,209	\$ 49,672	\$ 61,135	60%
106	\$ 41,266	\$ 53,646	\$ 66,026	60%
107	\$ 44,567	\$ 57,938	\$ 71,308	60%
108	\$ 48,133	\$ 62,573	\$ 77,012	60%
109	\$ 51,983	\$ 67,578	\$ 83,173	60%
110	\$ 56,142	\$ 72,985	\$ 89,827	60%
111	\$ 60,633	\$ 80,339	\$ 100,045	65%
112	\$ 65,484	\$ 86,766	\$ 108,049	65%
113	\$ 70,723	\$ 93,708	\$ 116,693	65%
114	\$ 76,381	\$ 101,204	\$ 126,028	65%
115	\$ 82,491	\$ 109,301	\$ 136,110	65%
116	\$ 89,090	\$ 118,045	\$ 146,999	65%
117	\$ 96,218	\$ 127,488	\$ 158,759	65%
118	\$ 103,915	\$ 137,687	\$ 171,460	65%
119	\$ 112,228	\$ 148,702	\$ 185,177	65%
120	\$ 121,206	\$ 160,599	\$ 199,991	65%

Utilizing the proposed plan, Evergreen slotted each proposed classification into the appropriate pay grade (range) within the plan. The external equity was analyzed when slotting the classifications. Assigning pay grades to classifications requires a balance of desired market position, recruitment and retention concerns. While market range data shown in **Chapter 3** were the primary criteria utilized for the proposed pay ranges, consideration was given as well, to the internal equity of classifications. 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 City’s classifications are shown in **Exhibit 4B**.



**EXHIBIT 4B
PROPOSED PAY GRADES**

CLASS TITLE	Proposed Grade	Proposed Min	Proposed Mid	Proposed Max
Prisoner Transport Officer	101	\$ 28,085	\$ 36,511	\$ 44,936
Police Service Representative (PSR)	104	\$ 35,379	\$ 45,993	\$ 56,606
Property and Evidence Technician	105	\$ 38,209	\$ 49,672	\$ 61,135
Deputy Municipal Court Clerk		\$ 38,209	\$ 49,672	\$ 61,135
Crime Analyst	106	\$ 41,266	\$ 53,646	\$ 66,026
Executive Assistant - Chief of Police		\$ 41,266	\$ 53,646	\$ 66,026
Police Crime Scene Technician		\$ 41,266	\$ 53,646	\$ 66,026
Detective	107	\$ 44,567	\$ 57,938	\$ 71,308
Human Resources Generalist		\$ 44,567	\$ 57,938	\$ 71,308
Police Officer		\$ 44,567	\$ 57,938	\$ 71,308
Records Supervisor		\$ 44,567	\$ 57,938	\$ 71,308
Business Retention Manager	110	\$ 56,142	\$ 72,985	\$ 89,827
Sergeant		\$ 56,142	\$ 72,985	\$ 89,827
Lieutenant	111	\$ 60,633	\$ 80,339	\$ 100,045
Municipal Court Clerk	112	\$ 65,484	\$ 86,766	\$ 108,049
City Clerk	114	\$ 76,381	\$ 101,204	\$ 126,028
Major		\$ 76,381	\$ 101,204	\$ 126,028
Community Development Director	116	\$ 89,090	\$ 118,045	\$ 146,999
Deputy Chief		\$ 89,090	\$ 118,045	\$ 146,999
Economic Development Director		\$ 89,090	\$ 118,045	\$ 146,999
Human Resources Director		\$ 89,090	\$ 118,045	\$ 146,999
Parks and Recreation Director		\$ 89,090	\$ 118,045	\$ 146,999
Public Works Director	117	\$ 96,218	\$ 127,488	\$ 158,759
Finance Director		\$ 96,218	\$ 127,488	\$ 158,759
Assistant City Manager	118	\$ 103,915	\$ 137,687	\$ 171,460
Police Chief		\$ 103,915	\$ 137,687	\$ 171,460

After assigning pay grades to classifications, the next step was to develop appropriate methods (options) for transitioning employees’ salaries into the new pay plans. This was done by establishing methods of calculating salaries in the new pay grades and determining whether adjustments were necessary. Evergreen developed, recommended, and provided several options for implementing the proposed new plans. Ultimately, the City selected the most appropriate implementation approach.

Bring Employees’ Salaries to New Minimums

In this method, employees’ salaries were compared to the minimum of their classification’s proposed pay grades. If an employee’s salary was below his or her grade minimum, an adjustment was proposed to raise the individual’s salary to the minimum.



Utilizing this approach, adjustments were recommended for 5 employees with an approximate annualized cost of \$7,364.71. This was the approximate cost for salary adjustments (only) and did not include the associated costs for employee benefits.

4.2 SYSTEM ADMINISTRATION AND PAY PRACTICES

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 continue in collecting 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 a less than desirable position for recruiting and retaining quality employees.

RECOMMENDATION 4: Review and revise, as appropriate, guidelines for progressing employee salaries through the pay plan, including those for determining salaries of newly hired employees and employees who have been promoted or transferred to a different classification or department.

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



Salary Progression

There are several common methods for salary progression including cost of living adjustments (COLA)/across the board, time based, and employee performance based. The City intends to continue its primary method of employee salary progression of linking employee performance to eligibility for salary increases. As is good practice, it also intends to continuously evaluate this method to progress employees' salaries and make improvements as appropriate.

New Hires

Typically, an employee holding the minimum education and experience requirements for a classification is hired at or near the classification's pay grade minimum. However, for recruiting purposes the City needs the ability to offer salaries to new employees that consider prior related experience. It is recommended that the City continue to allow flexibility when establishing new employee salaries. It is also important, however, when determining new hire salaries to, when possible, preserve the internal equity of employees' salaries within the classification.

Promotions

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, moving the salary into the new pay grade, and ensuring internal equity in the new classification. For example, a range of three to seven percent increase is common today, with consideration given to preserving the internal equity of employees' salaries within the classification. The City has established promotion guidelines which will continue to require review going forward to remain current with best practice.

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.

4.3 SUMMARY

The recommendations in this chapter provide an update to the compensation system for City employees. By implementing the new pay plan, the City will have a responsive compensation system for several years to come while having enhanced competitiveness in the labor market.

