

#060475
Submitted c
9/25/06



CITY OF GAINESVILLE
*Proposed Compensation
Plan*

Presented by:
Mary Mosqueda
Ron Reynolds



COPYRIGHT Wachovia CONFIDENTIAL

Methodology Overview

Project Objectives

- Our objectives were to:
- Maintain competitiveness in the market in which the City competes.
 - Create a market-based compensation program for ease of administration.
 - Address external and internal market conditions for both the MAP and CWA jobs.
 - Comply with the City of Gainesville's current Compensation Philosophy
 - Alleviate external compression issues.

- The process:
- Survey the market for selected benchmark jobs using published pay data.
 - Create a market driven salary structure.
 - Slot all jobs into a market based salary structure.
 - Identify the cost to capture all jobs under the proposed program
 - Create Salary Administration Guidelines for on-going administration.



Methodology Overview

Market Analysis

MAP

- We started with 99 benchmark positions and found market rates for 80 positions.
 - This equates to 33% coverage rate.
- On average, MAP benchmark positions were 100.8% of the 50th percentile

CWA

- We started with 104 benchmark positions and found market rates for 94 positions.
 - This equates to 39% coverage rate.
- On average, CWA benchmark positions were 99.6% of the 50th percentile

Methodology Overview

Scope Parameters

- Operating Budget: \$219 Million, General Government
- Operating Income: \$37 Million, GRU
- Revenue: \$250 Million, GRU
- Population: over 100,000, General Government
- FTEs 800, GRU
- Industry: Non-profit, Government, Public Administration, Utilities – Gas, Electric, Water (for-profit & non-profit), and General Industry, as appropriate
- Labor market: Gainesville (95%)
- 40 private and published survey resources

Methodology Overview

Salary Structure and Slotting

- Using benchmark data, Wachovia Employer Solutions Group created a traditional salary structure targeting the 50th percentile.
- Benchmark jobs were slotted based on market to midpoint.
- Non-benchmarks were slotted using the 50th percentile market rates of the benchmark positions as anchor points.
- WESG facilitated management sessions to review and approve all slottings.

See appendix A to view salary structures.

WACHOVIA
EMPLOYER SOLUTIONS GROUP

Page 5

Methodology Overview

Implementation

Once all jobs were slotted, WESG conducted analyses to determine the cost to bring all employees into the salary structure ranges based on time in position (to address pay compression).

Based on industry trends, incumbents performing at a fully satisfactory level should reach their market within three to eight years.

Using this concept, we used the combination of time in position and *assumed* individual proficiency to determine the placement into the range for each employee.

WACHOVIA
EMPLOYER SOLUTIONS GROUP

Page 6

Methodology Overview

Implementation Costs

The following criteria were used to calculate costs:

- Cap all increases at market/midpoint
- Give employees a 3.5% increase or
- Up to 60% of the adjustment into the range (which ever is greater)

Implementation Costs

The following summarizes the first-year costs to adopt the Proposed Pay Plan:

- Total Payroll under Study
\$62,561,000
- Amount Under Minimum
\$252,000 (0.4% of payroll)
- Total Cost to Implement (including amount to minimum)
\$2,838,000 (4.5% of payroll)

Implementation Costs

Distribution of average increases by salary grades

MAP

Grade	Number of Inc	% of Total	Avg Actual Inc	Avg Adj as % of Salary
1	52	12%	\$1,613	5.10%
2	5	1%	\$1,424	3.90%
3	12	3%	\$2,180	6.14%
4	43	10%	\$2,282	5.73%
5	69	16%	\$2,765	6.65%
6	31	7%	\$2,369	4.51%
7	36	8%	\$2,957	5.36%
8	64	15%	\$3,433	5.63%
9	38	9%	\$3,918	5.78%
10	11	3%	\$3,735	4.76%
11	33	8%	\$4,195	4.90%
12	21	5%	\$4,902	5.39%
13	8	2%	\$4,958	4.81%
14	9	2%	\$5,625	4.77%
15	3	1%	\$5,722	4.37%

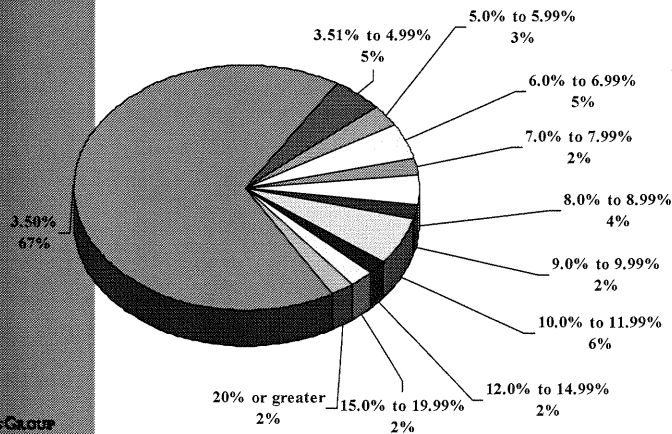
CWA

Grade	Number of Inc	% of Total	Avg Actual Inc	Avg Adj as % of Salary
2	56	6%	\$662	3.50%
3	12	1%	\$852	5.40%
4	70	7%	\$1,086	4.70%
5	64	7%	\$1,060	3.96%
6	121	13%	\$1,311	4.56%
7	31	3%	\$1,312	3.87%
8	93	10%	\$1,860	5.47%
9	159	17%	\$1,614	3.93%
10	70	7%	\$1,639	3.67%
11	87	9%	\$2,003	4.14%
12	109	12%	\$2,179	4.18%
13	42	4%	\$2,155	3.68%
14	2	0%	\$2,225	3.50%
15	8	1%	\$2,364	3.53%
16	12	1%	\$2,727	3.85%

Implementation Costs

Distribution of increases by percent

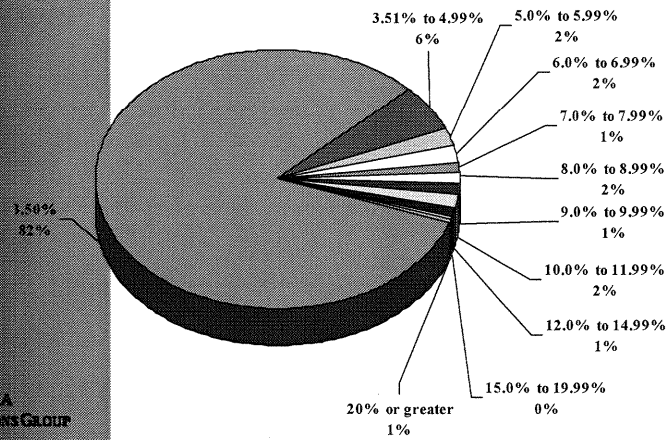
MAP



WACHOVIA
Employee Solutions Group

Implementation Costs

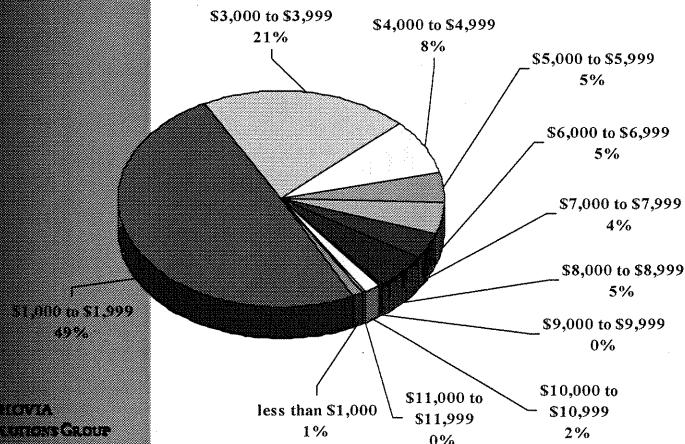
Distribution of increases by percent



WACHOVIA
SOLUTIONS GROUP

Implementation Costs

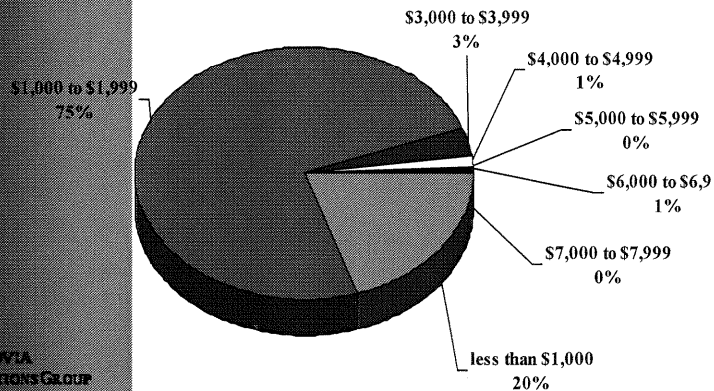
Distribution of actual increases by dollar



WACHOVIA
SOLUTIONS GROUP

Implementation Costs

Distribution of actual increases by dollar



WACHOVIA
SOLUTIONS GROUP

Page 13

Recommendations

- Adopt the proposed structure for MAP and CWA.
- Adopt the first-year implementation plan of 3.5% increase or 60% into the range (which ever is greater).
- Implement the proposed plan over two year period with the goal of moving all employees with satisfactory performance to market.
- Continue to move salary structures each year with market.
- Bring merit adjustments closer to market (3.5 to 4.0%).
- Consider non-cash benefits survey of peer groups to round out Total Rewards.

WACHOVIA
SOLUTIONS GROUP

Page 14

Design Considerations

Issues

Number of Benchmark positions:

- MAP 99 Original – 80 Final
- CWA 104 Original – 94 Final

Geographic Labor Market:

- Median geographic salary adjustment from National to Gainesville for salary intervals between \$20k to \$140k is 95% (originally projected at 96.4%).

Private Survey Data:

- Florida Public Personnel Association (FPPA)
- Custom survey data from cities and counties across Florida.
- Reference library of 300 standardized survey sources.

Design Considerations

Issues

Re-slotting of MAP positions:

- Of 80 benchmark jobs, 31 were re-slotted.
 - 16 were moved one grade higher
 - 10 were moved two or more grades higher
 - 6 of the 10 were Engineering positions originally slotted into a separate structure.
 - Five were moved one grade lower
- Of the 26 that moved to a higher grade, 10 have lower market values under the proposed structure vs. the current structure

Design Considerations

Issues

University of Florida:

- At the recommendation of the Commissioners, we compared 30 jobs from high to low and across departments and determined the two organizations were generally compatible.

Total Rewards:

- This study encompassed a competitive review of the salary management program and did not include a review of non-cash benefits.
- Many organizations look at comprehensive total rewards, when deciding where to spend their next dollar.
- It is the intent of the City to conduct a non-cash benefits study in the near term to determine competitiveness of the employee benefit program.

WACHOVIA
PERSONNEL SOLUTIONS GROUP

Page 17

Appendix A

Proposed MAP
Salary Structure

FINAL MAP SALARY STRUCTURE					
Salary Grade	Grade Minimum	Grade Midpoint	Grade Maximum	Midpoint Progression	Range Spread
1	\$30,125	\$36,150	\$42,175	N/A	40.00%
2	\$32,836	\$39,404	\$45,971	9.00%	40.00%
3	\$35,792	\$42,950	\$50,108	9.00%	40.00%
4	\$39,013	\$46,815	\$54,618	9.00%	40.00%
5	\$42,038	\$51,497	\$60,955	10.00%	45.00%
6	\$46,242	\$56,647	\$67,051	10.00%	45.00%
7	\$50,866	\$62,311	\$73,756	10.00%	45.00%
8	\$55,953	\$68,542	\$81,132	10.00%	45.00%
9	\$60,866	\$76,082	\$91,298	11.00%	50.00%
10	\$67,561	\$84,451	\$101,341	11.00%	50.00%
11	\$74,992	\$93,741	\$112,489	11.00%	50.00%
12	\$83,242	\$104,052	\$124,862	11.00%	50.00%
13	\$91,403	\$116,536	\$141,674	12.00%	55.00%
14	\$102,371	\$130,523	\$158,675	12.00%	55.00%
15	\$114,655	\$146,186	\$177,716	12.00%	55.00%

WACHOVIA
PERSONNEL SOLUTIONS GROUP

Page 18

Appendix A

Proposed CWA Salary Structure

WACHOVIA
BUSINESS SOLUTIONS GROUP

FINAL CWA SALARY STRUCTURE						
Salary Grade	Grade Minimum	Grade Midpoint	Market	Grade Maximum	Midpoint Progression	Range Spread
1	\$18,359	\$21,368	\$21,572	\$24,376		32.78%
2	\$19,828	\$23,077	\$23,298	\$26,326	8.00%	32.78%
3	\$21,414	\$24,923	\$25,162	\$28,433	8.00%	32.78%
4	\$23,127	\$26,917	\$27,175	\$30,707	8.00%	32.78%
5	\$24,684	\$29,077	\$29,620	\$33,471	9.00%	35.60%
6	\$26,905	\$31,094	\$32,286	\$36,483	9.00%	35.00%
7	\$29,326	\$34,547	\$35,192	\$39,767	9.00%	35.60%
8	\$31,966	\$37,656	\$38,359	\$43,346	9.00%	35.60%
9	\$34,843	\$41,045	\$41,811	\$47,247	9.00%	35.60%
10	\$37,979	\$44,739	\$45,574	\$51,499	9.00%	35.60%
11	\$41,397	\$48,765	\$49,676	\$56,134	9.00%	35.60%
12	\$45,122	\$53,154	\$54,147	\$61,186	9.00%	35.60%
13	\$48,180	\$57,436	\$59,020	\$66,693	9.00%	38.43%
14	\$52,516	\$62,605	\$64,332	\$72,695	9.00%	38.43%
15	\$56,717	\$67,614	\$69,478	\$77,816	8.00%	37.20%
16	\$61,255	\$73,023	\$75,037	\$84,041	8.00%	37.20%