

City of Gainesville

Total Rewards Study
Executive Summary

181039Q

May 23, 2019



City of Gainesville – Executive Summary

Total Rewards that drive strategy


Effective total reward programs drive strategy by aligning business and people needs.


But developing them has become increasingly complex:



Korn Ferry has conducted a review of the City's core total rewards program to ensure they are aligned with its mission and competitive against the appropriate peer group. It is important for the organization to have the most current market competitive data to effectively manage and support its future success. Therefore, the City has engaged with KF to make sure jobs are reviewed and rewarded appropriately to support the talent required to deliver on the mission.

In today's meeting we would like to discuss:

 The current total reward challenges.

 How we partnered with you to address your organization's needs.

 The approach for implementation and moving forward

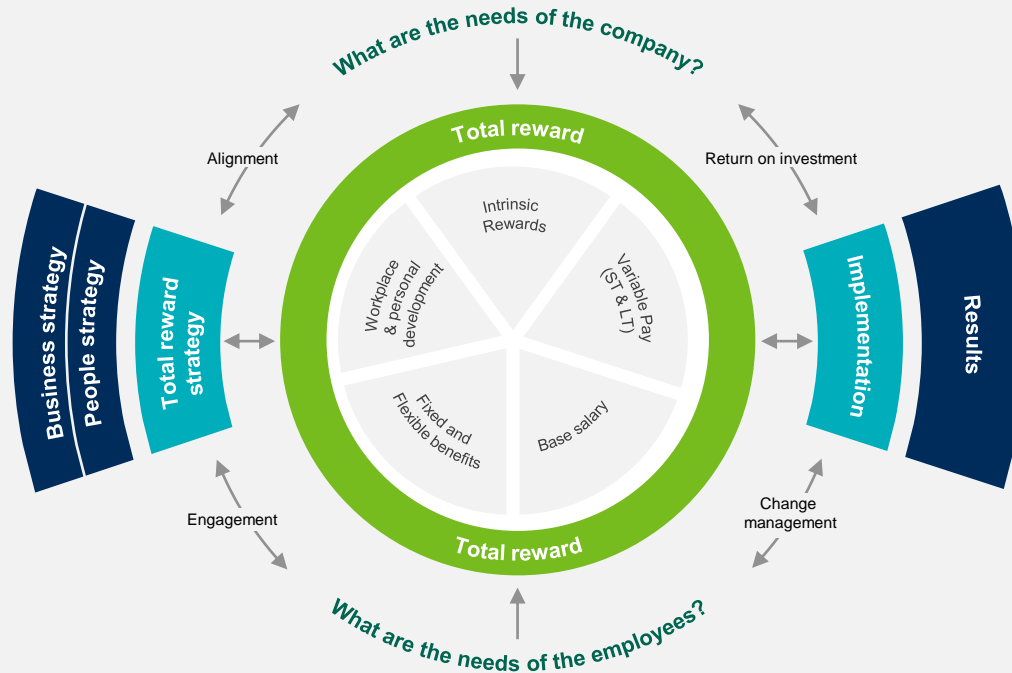


City of Gainesville – Executive Summary

An effective total rewards framework

Taking a holistic approach to aligning total rewards with business and talent interests.

- 1**
Understand what matters most to the City.
- 2**
Understand talent needs now and in the future.
- 3**
Develop programs to align with organization needs.
- 4**
Ensure programs are effectively documented.
- 5**
Define and manage against mission and vision.



City of Gainesville – Executive Summary

Total Rewards Study - Objectives

City of Gainesville's Current Total Rewards Philosophy

- Historically, the City has targeted base salary at the 50th percentile of the market
- Other components of total remuneration are not part of a formal philosophy, but have been designed to be competitive to help attract and retain employees (benefits design, reward and recognition programs, premium pay and other perquisites)



City of Gainesville's Future Total Rewards Philosophy

- Ensure current job classifications are appropriate
- Establish a job hierarchy based on job evaluation methodology
- Review the City's base salary and benefits competitiveness for all jobs
- Present findings and recommendation for consideration based on the overall competitiveness of the City's total reward programs



City of Gainesville – Executive Summary

Total Rewards Study - Objectives

Total Rewards is the sum of all reward that is capable of being measured in monetary terms. We examined all aspect of tangible and intangible rewards as appropriate for the City.

		COMMON EXAMPLES	REWARD ELEMENTS	DEFINITION
Internal value or motivation	Intangible	<ul style="list-style-type: none"> • Career development • Work-life balance • Safety and security • Mission Driven 	★ Non-financial rewards	Total reward Total remuneration plus Total remuneration Total direct compensation Total cash
	Rewards to which an objective dollar value can be assigned	Tangible	<ul style="list-style-type: none"> • Social security 	
		<ul style="list-style-type: none"> • Retirement provision • Death / disability / medical • Cars • Benefit allowances / loans 	★ Non-statutory benefits	
		<ul style="list-style-type: none"> • Executive share options • Restricted / performance share • Long term cash schemes 	LTI	
		<ul style="list-style-type: none"> • Sales commission • Annual bonus • Annual incentive 	Annual variable	
		<ul style="list-style-type: none"> • Basic salary • Fixed payments • Near cash allowances 	★ Guaranteed cash	



City of Gainesville – Executive Summary

Total Rewards Study - Findings

City of Gainesville Total Rewards (Compensation and Benefits) Analysis & Recommendations

As part of the overall study, the following are top line findings and recommendations, with more detailed findings and recommendations provided in Korn Ferry's full report.

Finding #1 Interview Findings	The study involved collaboration and discussion across the City with key stakeholders, managers and supervisors. Included in these interviews were perceptions around job markets or competitors for talent. Additionally, HR recruitment provided information regarding “hard to fill jobs” based on declined offers and hard to fill jobs. Compression was also cited as an issue and found in Korn Ferry’s analysis and should be reviewed on a job by job basis.
Recommendation	Special attention to the “hard to fill” jobs should be a priority when reviewing the recommendations. Compression analysis by jobs and address any manager and employee concerns.
Implementation	Review compression issues and “hard to fill jobs” with managers in each function to ensure current and future talent is aligned correctly.

Some examples:

Engineers – especially Power Supply engineers, have been challenging to fill

Transit Operators – turnover has been very high over the past few years and pay was cited as an issue

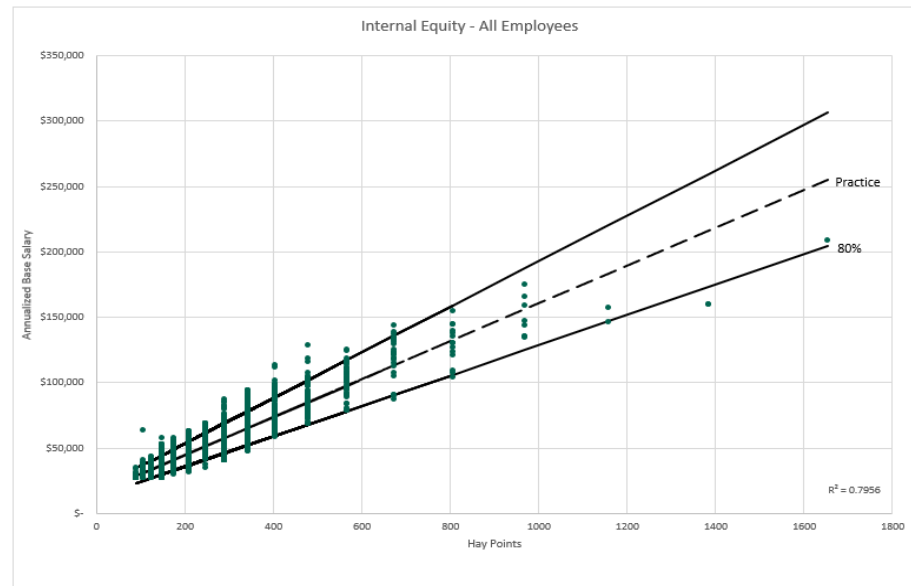
IT and Technology – changing skills and expertise requires new talent; premium in the market



City of Gainesville – Executive Summary

Total Rewards Study - Findings

Finding #2	For most jobs across the City, internal pay is reasonable, relationships exist between job size and pay, with the exception of a few outliers, where pay is either higher or lower when comparing job size between peer levels. Essentially, base salaries are relatively consistent among employees.
Internal Equity (Current Pay Practice)	
Recommendation	This pay practice analysis was done to ensure job content was assessed correctly and any outliers were discussed with the project team. Most issues are either due to tenure, performance and market pressure (paying higher due to supply and demand).
Implementation	Reviewed closely with project team and correlate to market pay; review compression issues.



City of Gainesville – Executive Summary

Total Rewards Study - Findings

Finding #3 City of Gainesville Peer Group	The selected peer group represents the City’s business sector and is comprised of organizations in the Public Sector as well as the Private and Not-for-Profit sector. These organizations are of similar style, complexity and size as well as organizations with whom the City competes for talent.
Recommendation	The peer group does not demonstrate any obvious bias and is an appropriate position for the City in the future.
Implementation	Incorporate data sources utilized in the study to ensure consistency and updates to market data annually.

What defines your talent competitors?

- Mission
- Geography
- Headcount
- Operating Budget
- Profit Status (NFP, Public, Municipalities, Transit, Utilities, Public Safety)

What components of total rewards can you offer?

- Cash
- Benefits
- Perquisites
- Work/Life Balance

What are the available data sources?

- Competitive Surveys
- Custom Surveys



City of Gainesville – Executive Summary

Total Rewards Study - Findings

Finding #4 City of Gainesville Pay Philosophy	The City’s target market, particularly cash compensation, is currently at the P50 of the appropriate market. Based on the Korn Ferry’s experience, this is reasonable and in line with Korn Ferry’s performance metrics compared to the metrics of the peer group.
Recommendation	The City’s overall compensation mix (which includes base salary and benefits) is also reasonable, and in line with peer group practices as well as modern compensation practice.
Implementation	Pay Philosophy should be reviewed to ensure stated philosophy, peer groups and City practice align.

Pay Philosophy and Market Positioning:

Aggressive	Competitive	Median/Average	Conservative/Cost Conscious
<ul style="list-style-type: none"> 75th Percentile - high end of the market 	<ul style="list-style-type: none"> 65th Percentile of the market 	<ul style="list-style-type: none"> 50th Percentile of the market 	<ul style="list-style-type: none"> 25th Percentile - low end of the market
Talent in short supply, vulnerable to competition, aggressive growth strategy and high level skill set needed for high level results and impact	Some talent vulnerable, attracting and retaining talent is vital to growth strategy	Normal market conditions, growth and impact remain consistent year/year	Talent easily replaced/turnover not critical to operational effectiveness

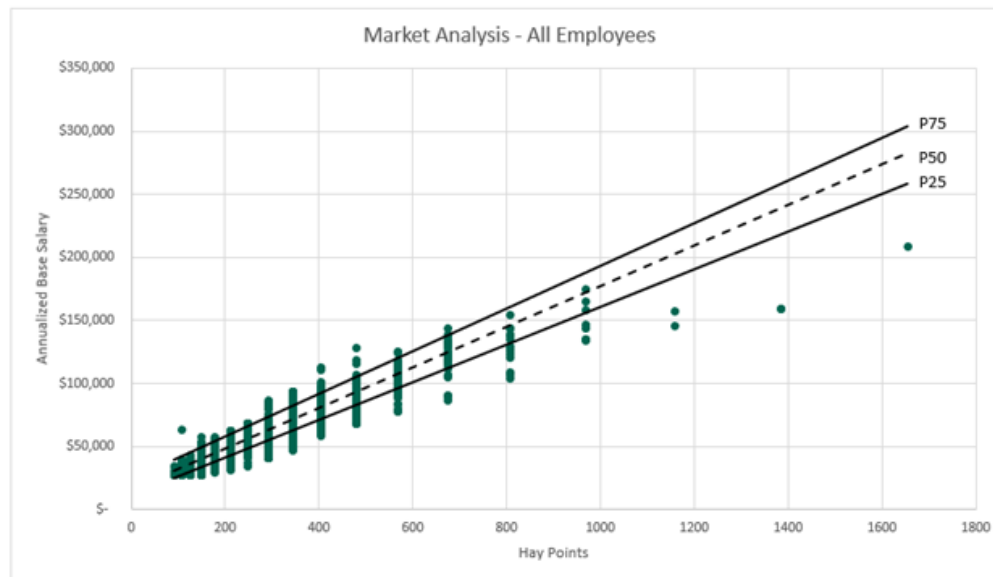
- Positioning can vary by Job Level, By Job Type, By Location, By Market
- (All managed in the formal pay plans)



City of Gainesville – Executive Summary

Total Rewards Study - Findings

<p>Finding #5</p> <p>Market Competitiveness Compensation</p>	<p>The competitive market analysis indicates that the City's pay practice to the market data at the 50th percentile results in the City, on aggregate across all positions, is 8% below market. The variance of the market varies depending on the function, with some functions above the higher end of the market.</p>
<p>Recommendation</p>	<p>Adjustments to align the City closer to the market should be done, ensuring internal equity and market competitiveness.</p>
<p>Implementation</p>	<p>Implementation immediately or over time, as outlined in the Cost Impact Recommendation.</p>

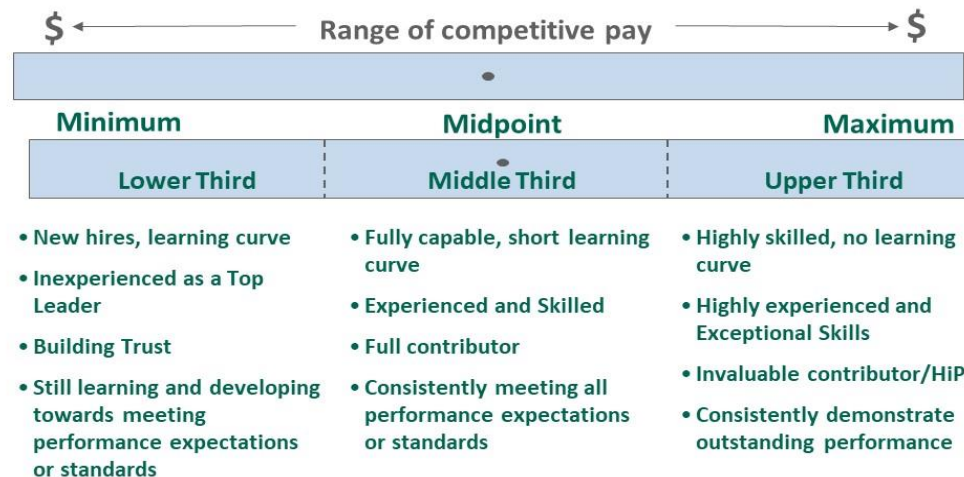


City of Gainesville – Executive Summary

Total Rewards Study - Findings

Finding #6 Proposed Pay Plans	Create new pay structures based on consistent job evaluation and classification methodology and relevant market pay data. Pay ranges have differential range spreads-based on job levels and career progression. Separate structures for All (GG and GRU); Fire; Police; EIO (Engineering/IT/GRU-Operations); Transit Operators and PTPP. There was enough difference across jobs and markets to drive separate pay plans.
Recommendation	Given the varying levels of pay across different markets drives the need for distinguishing jobs and creating 6 different pay structures. All City jobs were slotted and placed in the new pay plans in the appropriate grade based on job content.
Implementation	The recommended structures reflect job evaluation and market practice and differentiate as needed; create more opportunities for mobility and career development. However, multiple pay plans create more administration and maintenance across the organization and also must be communicated well.

Position-in-range becomes your primary pay administration tool once the structures are adopted



City of Gainesville – Executive Summary

Total Rewards Study - Findings

Proposed Pay Plans

What it is

Job grading is the term we use for categorizing jobs once they've been evaluated. We take an approach that provides equal pay for work of equal scope and complexity, ensuring that employees are treated fairly and equitably.

How we do it

Each job is graded based on the size and complexity of the role. Similar-sized roles are placed in the same grade (even if the actual work is very different), so that they have the same pay opportunity. The higher the know-how, problem-solving, and accountability required for the job, the more senior the role.

Grades	Description
Grades 7 - 9 Entry Level	These roles include our front-line clerical and operational positions that lead the delivery of our core business processes and services, or facilitate delivery through the provision of administrative support, manual and labor workers, transit trainees.
Grades 10 - 12 Professional/Team Leaders	These roles create impact by providing specialized advisory, analytical or operational services. This is also the typical entry level for professional roles providing advice to our business units and support functions; operation workers; trade and crafts workers; transit workers.
Grades 13 - 15 Specialist Professional/Front Line Supervisors	These roles are professionals who provide significant functional expertise, our most senior front-line roles delivering highly complex and specialized products and services, and roles providing managerial direction for a specific business process or function. Typical titles at this level include Specialist, Coordinators and some Front Line Supervisors; trades and crafts and public safety leads.
Grades 16 - 18 Expert professional/Mid-Level Supervisor and Leaders and Managers	These roles provide functional leadership in a specialized field or managerial direction of a business function/unit. Roles here contribute significant end results for our core business functions or perform in an expert advisory/consulting role. Typical titles at this level include Directors, Managers, Supervisors and Team Leaders.
Grades 19 - 21 Senior Leader and Directors	These roles are senior leaders contributing to the development and execution of our corporate strategy through functional/operational leadership. Typical titles at this level include senior level Directors and Managers.
Grades 22 - 24 Executives	These roles are members of our executive team responsible for determining and delivering enterprise-wide business strategy. These roles focus on the alignment and integration of strategies across our core business and support functions.



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Total Rewards Study - Findings

Finding #7	In light of the above pay philosophy, the analysis of the competitive market in which the City competes for talent reveals a significant need for improvement of the base salary component, especially at the middle and senior professional ranks. The analysis demonstrates that if the City continues to follow the current classification and pay system, it will not be able to attract, motivate and retain the talent necessary to achieve its mission. The City is closer to the 25th percentile of the peer group for all jobs, except for those jobs that have higher tenure or have been adjusted closer to market over the past few years.
Cost Impact - Compensation	
Recommendation	Korn Ferry recommends salary ranges with midpoints pegged to the market median (P50). In other words, the midpoints of the salary structure are based on the median pay (the “going rate”) for jobs at that grade level. Korn Ferry recommends that the City adjust salaries (cost impact below) so that the pay practice is aligned with the stated pay philosophy.
Implementation	Costs will vary depending on short- or long-term implementation. Short term is immediate (year one); long term is over a three-year period. Upon acceptance of the recommended market pay which reflect the pay philosophy cited above, the City has the discretion to pay above or below the market based on individual credentials and performance.

Short Term Implementation

Organization	Total
GG	\$ 4,810,044
Fringe Benefits	\$ 1,635,415
GRU	\$ 3,434,540
Fringe Benefits	\$ 1,167,744
Total	\$ 11,047,743

Long Term Implementation

Organization	Year 1	Year 2	Year 3
GG	\$ 1,603,348	\$ 1,643,432	\$ 1,684,517
Fringe Benefits	\$ 545,138	\$ 558,767	\$ 572,736
GRU	\$ 1,144,847	\$ 1,173,468	\$ 1,202,805
Fringe Benefits	\$ 389,248	\$ 398,979	\$ 408,954
Total	\$ 3,682,581	\$ 3,774,645	\$ 3,869,012

Organization	3 Year Implementation Total
GG	\$ 4,931,297
Fringe Benefits	\$ 1,676,641
GRU	\$ 3,521,120
Fringe Benefits	\$ 1,197,181
Total	\$ 11,326,238

Long term cost impact is calculated as follows, with increase in year 2 and 3 based on market movement:

Year 1 = Immediate correction/3

Year 2 = Year 1 total +2.5%

Year 3 = Year 2 total + 2.5%



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Total Rewards Study - Findings

<p>Finding #8</p> <p>Market Competitiveness Benefits</p>	<p>The City employees participate in the benefits program offered to all employees of the City. The current package includes health insurance, life insurance, retirement, disability, paid leave and other benefits. The strongest components and most valued by employees are the health insurance, retirement and paid leave benefits. Benefit programs are an integral part of an employee’s total compensation. The following chart outlines how the City compares to the market.</p> <p>Overall, the majority of the City’s benefits are between the 25th and 50th percentile of the peer group, depending on salary. Public Safety has a higher position against given their current retirement benefits are richer (but comparable when compared to just other public safety peer group). The City has a comprehensive program offering a variety of employee choices. In addition, the City offers compensatory time for all employee levels.</p> <table border="1" data-bbox="683 482 1445 722"> <thead> <tr> <th>Benefit Offering</th> <th>Below Market</th> <th>At Market</th> <th>Above Market</th> </tr> </thead> <tbody> <tr> <td>Health Care</td> <td>X</td> <td></td> <td></td> </tr> <tr> <td>Retirement Plan GG & GRU</td> <td></td> <td>X</td> <td></td> </tr> <tr> <td>Retirement Plan Fire & Police</td> <td></td> <td></td> <td>X</td> </tr> <tr> <td>Life Insurance</td> <td></td> <td>X</td> <td></td> </tr> <tr> <td>Disability</td> <td>X</td> <td></td> <td></td> </tr> <tr> <td>Paid Leave</td> <td></td> <td>X</td> <td></td> </tr> <tr> <td>Other Benefits</td> <td></td> <td>X</td> <td></td> </tr> </tbody> </table>	Benefit Offering	Below Market	At Market	Above Market	Health Care	X			Retirement Plan GG & GRU		X		Retirement Plan Fire & Police			X	Life Insurance		X		Disability	X			Paid Leave		X		Other Benefits		X	
Benefit Offering	Below Market	At Market	Above Market																														
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Retirement Plan Fire & Police			X																														
Life Insurance		X																															
Disability	X																																
Paid Leave		X																															
Other Benefits		X																															
<p>Recommendation</p>	<p>As noted, that the City’s health care plan is below the market at all salary levels; but, most significantly at the lower salary levels. Over 90% of employees said that the cost of health care is too high (through a KF sponsored pulse survey). In addition to the internal data, the current plan falls below the 25th percentile of the market due to high cost for dependent coverage. The City should consider the following:</p> <ol style="list-style-type: none"> 1.Reviewing the current medical plan design to either adjust the current plan or provide more choices (and lower cost) to its employees. 2.Broaden communication to ensure employees understand the City’s total investment by introducing a total reward statement which shows the overall value of financial rewards and enhance communication of each program to increase employee understanding. 																																
<p>Implementation</p>	<p>Health care costs will be the biggest driver and costs will vary for the City depending on any future plan design. Preliminary analysis conducted by COG to “test” an alternative medical plan (using the current plan with the City incurring more of the cost) is shown below (projected premiums over the next two years, figures provided by COG based on current plan participation). Further analysis and scenarios should be considered prior to moving forward.</p> <table border="1" data-bbox="919 1045 1383 1130"> <thead> <tr> <th>Year</th> <th>Cost Impact</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>\$ 2,960,000</td> </tr> <tr> <td>2021</td> <td>\$ 647,000</td> </tr> </tbody> </table> <p>Total Reward statements can be produced on an annual basis as part of a total reward communication to employees. Additional benefit costs (e.g., student loan repayment plans or relocation costs) will vary annually but should be considered. The most significant cost impact on benefits is the higher health care cost incurred by the City.</p>	Year	Cost Impact	2020	\$ 2,960,000	2021	\$ 647,000																										
Year	Cost Impact																																
2020	\$ 2,960,000																																
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City of Gainesville – Executive Summary

Total Rewards Study - Findings

Finding #8

Total Reward Analysis

Based on the compensation and benefits package provided to all City employees, Korn Ferry has developed a comparative analysis as it relates to Total Remuneration (Base Cash plus Benefit values) for the 6 pay plans.

Structure	Total Reward Offering	P75	P60	P50	P25
All Structure	Base Pay				X
	Benefits			X	
	Health Care				X
Public Safety (Fire)	Base Pay				X
	Benefits (Retirement)	X			
	Health Care				X
Public Safety (Police)	Base Pay				X
	Benefits	X			
	Health Care				X
Engineering/IT/GRU-Operations (EIO Structure)	Base Pay				X
	Benefits			X	
	Health Care				X
Transit	Base Pay				X
	Benefits			X	
	Health Care				X
PTTP	Base Pay		X		
	Benefits			X	
	Health Care				X



City of Gainesville – Executive Summary

Total Rewards Study - Findings

Finding #9

Total Reward Analysis

Implementation

Cost Impact should be considered across all employee groups for both compensation and benefits. As stated above, costs will vary based on short- or long-term implementation.

Total Reward Impact Costs (both compensation and benefits):

Short-term Implementation:

Organization	Total
Compensation	\$ 8,244,584
Fringe Benefits	\$ 2,803,159
Benefits (Health Care Costs)	\$ 2,960,000
Total	\$ 14,007,743

Long-term Implementation:

Organization	Year 1	Year 2	Year 3
Compensation	\$ 2,748,195	\$ 2,816,900	\$ 2,887,322
Fringe Benefits	\$ 934,386	\$ 957,746	\$ 981,690
Benefits (Health Care Costs)	\$ 2,960,000	\$ 647,000	\$ 647,000
Total	\$ 6,642,581	\$ 4,421,645	\$ 4,516,012

Organization	3 Year Implementation Total
Compensation	\$ 8,452,416
Fringe Benefits	\$ 2,873,822
Benefits (Health Care Costs)	\$ 4,254,000
Total	\$ 15,580,238

City of Gainesville – Executive Summary

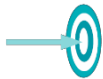
Total Rewards Study - Findings

Finding #10 Implementing and Maintaining the Pay Plan	In light of the above pay philosophy, the analysis of the competitive market in which the City competes for talent reveals a significant need for improvement of the base salary component, especially at the middle and senior professional ranks. The analysis demonstrates that if the City continues to follow the current classification and pay system, it will not be able to attract, motivate and retain the talent necessary to achieve its mission. The City is closer to the 25th percentile of the peer group for all jobs, except for those jobs that have higher tenure or have been adjusted closer to market over the past few years.
Recommendation	For pay to remain competitive, the City should ideally aim at paying incumbents within +/- 10% of the market reference point specified by their job grade. An overall compa-ratio between 90 and 110 percent is an indication of sound and reasonable base salary management. If a new job is created, or if an existing job has significant changes, then the job will be reviewed, evaluated and “slotted” in a grade that bears a common salary range for comparable jobs.
Implementation	To provide a framework for pay decisions in the future, salary ranges should be updated annually. For that purpose, Korn Ferry will provide market information every year. This information will help establish the percentage raise for all jobs. The utilization of the proposed pay plan will allow the City to manage the compensation of many different jobs within a compensation system designed to align job responsibilities with market competitive compensation. Benefits costs should continue to be reviewed annually. Keeping total rewards in line with market rates will allow the City to attract, motivate and retain its key personnel. Moreover, aging the salary structure to keep it in line with the market will ensure that pay ranges remain linked with current market practices.



Performance

We reward employees with a compensation package that is linked to their contributions and the overall performance of our organization.



Competitiveness

Our rewards program ensures we can compete in our industry to attract and keep the talent we need to be the best organization to our community.



Values

We reward employees based on actions and behaviors that align with values.



Clarity

Our reward programs are simple, straight-forward and clear so that employees understand how we determine pay and benefits.



Flexibility

The community of tomorrow will be different from the community we know today. Our reward programs will evolve as we build structures for the future.



City of Gainesville – Executive Summary

Total Rewards Study - Implementation

Total Rewards Communication

What it is

City of Gainesville's value proposition to employees goes well beyond base salary. Total Rewards includes total compensation, benefits, recognition and development.

Total Compensation: This includes base salary compensation.

Benefits: City of Gainesville offers a best-in-class benefits package including benefits for health, dental, vision care, sick leave, paid time off, disability insurance, retirement savings, wellness benefits and other perquisites.

Work-Life Benefits: We recognize work-life balance by providing paid and unpaid time off, health and wellness initiatives, community awareness and involvement programs and options for workplace flexibility including modified work schedules.

Recognition: City of Gainesville knows that a job well done deserves special recognition and we accomplish this through service awards, recognition awards, and other appreciation events.

Development: City of Gainesville provides opportunities for employees to grow and develop in their careers by offering internal training and learning opportunities, tuition reimbursement for external courses and leadership training. There are also many opportunities across the City for employees to expand their skills and propel their careers through internal promotions and lateral transfers

How it works

When determining base salary positioning, consideration is given to an employee's total compensation and total rewards package. We would look to ensure that the total rewards of our employees are aligned with the market. We will consider the Total Rewards of a specific role in the market when determining the appropriate compensation positioning for an employee.



City of Gainesville – Executive Summary

Total Rewards Study - Implementation

US Market

- The private and public sector market continues to experience significant disruption as organizations address future relevancy, market demographics, technology competitive forces from new entrants, and heightened expectations. There is a premium on demonstrated agility, innovation, and organizational leadership.
- Research indicates that over 5 million jobs could go unfilled between now and 2028, across varying sectors (manufacturing, trades, public and private). Some of the causes are skills gaps, where more qualified talent is needed to keep pace with innovation and new technology. Unemployment is also at an all time low in the US (over 50 years), expectations from a younger generation entering the workforce are high and retirements are moving at a fast pace.
- From the recruitment side, Korn Ferry has led numerous national searches within the public sector in 2018 and continues to have a robust pipeline in 2019. There are a significant number of organizations going through transitions, but a limited supply of qualified and appropriately motivated candidates. Compensation continues to be accelerating, with more robust base pay plans and long-term compensation, designed to retain placements. In all cases, compensation was higher than the current incumbents, many of whom had been in their roles for long timeframes.
- The City of Gainesville should take note of these trends as experts agree the problem of not being able to hire qualified workers is getting worse as the unemployment rate drops and the labor market tightens and baby boomers retire.
- We are seeing a trend where our clients in public sector are starting to raise wages, but they say are often competing among themselves for workers (economists say raising wages even further could convince young people to enter the industry).
- To be consistent with other similar organizations, the recommendations to be on par with the market on cash compensation needs to be established consistently across the organization and considering designing benefit plans to meet the needs of the current and future population should be considered. Legacy programs and personal hiring arrangements have created inequities across the organization and the time is right to make the change.



City of Gainesville – Executive Summary

Total Rewards Study - Implementation

Key Change Management Issues

- As a progressive City government, the organization is evolving and growing. And as this evolution takes place, the way the City manages total rewards across the organization must evolve as well.
- The new job grades and base salary ranges take into account the size and complexity of the organization today, and prepares the organization to become the community of the future.
- The job grades and base salary ranges have been built in consideration of the current external job market, and in anticipation of the future.
- Of course, attracting and retaining the right people is central to becoming the best City and being competitive was a driving factor in these changes.
- We have heard time and again, through avenues like the engagement survey or interviews with employees, that equity and fairness are crucial. As you move forward on this journey, it is critical that the City review internal equity, performance and career development in order to ensure that employees are treated fairly and equitably. The new total rewards structure allows you to do this.

Above all, we strongly believe that this is the right thing to do for your people.



City of Gainesville – Executive Summary

Options for Implementation

In light of the findings outlined in the executive summary, we have presented the following scenarios to consider.

Cash compensation is a driver around employee engagement and enablement and will have the biggest impact for the City.

Enhancing the cash compensation program is also in line with the City’s desire to improve internal equity and raise the minimum wage to remain competitive.

Components	Scenario 1 Focus on Long-term Compensation with future Benefit Plan Design Review	Scenario 2 Focus on short-term Compensation with future Benefit Plan Design Review	Scenario 3 Focus on Long-term Compensation and Immediate Benefits Adjustments
Compensation: Year 1 (FY2020): Year 2 (FY2021): Year 3 (FY2022):	Compensation: Base Salary Adjustments <i>Three-year implementation with cost impact spread-out over three fiscal years.</i> \$1,603,348 (GG) \$1,144,847 (GRU) \$1,643,432 (GG) \$1,173,468 (GRU) \$1,684,517 (GG) \$1,202,805 (GRU)	Compensation: Base Salary Adjustments <i>One-year implementation with cost impact absorbed in first year.</i> \$4,810,044 (GG) \$3,434,540 (GRU)	Compensation: Base Salary Adjustments <i>Three-year implementation with cost impact spread-out over three fiscal years.</i> \$1,603,348 (GG) \$1,144,847 (GRU) \$1,643,432 (GG) \$1,173,468 (GRU) \$1,684,517 (GG) \$1,202,805 (GRU)
Fringe Benefits (Impact from Compensation Adjustments) Year 1 (FY2020): Year 2 (FY2021): Year 3 (FY2022):	Increasing compensation levels has an impact on benefits costs \$545,138 (GG) \$389,979 (GRU) \$558,767 (GG) \$398,979 (GRU) \$572,736 (GG) \$408,954 (GRU)	Increasing compensation levels has an impact on benefits costs \$1,635,415 (GG) \$1,167,744 (GRU)	Increasing compensation levels has an impact on benefits costs \$545,138 (GG) \$389,979 (GRU) \$558,767 (GG) \$398,979 (GRU) \$572,736 (GG) \$408,954 (GRU)
Health Care Plan Design Changes	Benefits – Health Care Plan Design Changes No plan design changes in first year (FY2020); additional research and discussions on the desired “value” of benefits from employees before plan design changes are made	Benefits – Health Care Plan Design Changes No plan design changes in first year (FY2020); additional research and discussions on the desired “value” of benefits from employees before plan design changes are made	Benefits – Health Care Plan Design Changes Implement healthcare benefit plan changes (transitioning to a High Deductible Health Plan with a Health Savings Plan) as estimated by COG (based on current plan and usage). FY2020: \$2,960,000 FY2021: \$ 647,000 FY2022: \$ 647,000



City of Gainesville – Executive Summary

Final Summary

- The City of Gainesville, overall, has a good level internal equity as **79%** of the difference in pay is a function of job content and size for all non-management employees (which emphasizes the City has done a good job of maintaining the plans internally).
- The City of Gainesville is, on aggregate, 8% below **market competitiveness (and varies by job and incumbent)** against the recommended salary structures. Department and individual impact should be reviewed for implementation.
- The City should continue the formal pay philosophy targeting the **50th percentile** of the “market” (now blended) and strive to achieve market competitiveness over the next few years, in line with performance management and development.
- The City should continue the formal career framework going forward (career progressions through the PTPP program and beyond) which would benefit employees and the organization, and is consistent with the talent recruitment strategy and internal growth (and support succession planning).
- Additionally, we have reviewed benefits and made recommendations regarding strengthening the health care cost sharing to employees. Additional benefits should be reviewed to assess what impact it would have on the City’s employees.



