

City of Gainesville

*City Hall
200 East University Avenue
Gainesville, Florida 32601*



Meeting Agenda

October 16, 2006

6:00 PM

City Commission Workshop

City Hall, Room 016

City Commission

***Mayor Pegeen Hanrahan (At Large)
Mayor-Commissioner Pro Tem Craig Lowe (District 4)
Commissioner Rick Bryant (At Large)
Commissioner Jeanna Mastrodicasa (At Large)
Commissioner Scherwin Henry (District 1)
Commissioner Ed Braddy (District 2)
Commissioner Jack Donovan (District 3)***

Persons with disabilities who require assistance to participate in this meeting are requested to notify the Office of Equal Opportunity at 334-5051 or call the TDD phone

ADOPTION OF THE AGENDA

AGENDA STATEMENT

"Citizens are encouraged to participate in City of Gainesville meetings. In general, speakers will be limited to 3 (three) minutes per agenda item. Additional time may be granted by the Mayor or by the City Commission as directed. The City of Gainesville encourages civility in public discourse and requests that speakers limit their comments to specific motions and direct their comments to the Chair. Citizens are encouraged to provide comments in writing to the Clerk of the Commission before meetings and/or during meetings for inclusion into the public record. Citizens may also provide input to individual commissioners via office visits, phone calls, letters and e-Mail, that will become public record. (In some instances, i.e., Quasi-Judicial Hearings, these particular contacts may be prohibited. Persons with disabilities who require assistance to participate in this meeting are requested to notify the Office of Equal Opportunity at 334-5051 or call the TDD phone line at 334-2069 at least two business days in advance.)"

ROLL CALL

CITY MANAGER

060475.

Compensation Study (B)

In response to the City Commission's referral of this item to a Workshop, staff and Wachovia Employer Solutions Group will present additional information related to the 2006 Compensation Study for MAPS and CWA jobs.

Explanation: In September 2003, the Communications Workers of America (CWA) Local 3170 and the Gainesville City Commission ratified a three-year labor contract. Addendum A of the contract requires the City to update pay lines with current market data and adjust the structure accordingly to be effective with the next contract (January 2007).

Wachovia Employer Solutions Group was selected from an RFP process to perform a compensation review of the CWA and MAP employee groups. Their methodology included gathering market data for 200 job classifications. These were then reviewed with Management and the CWA representatives.

Wachovia presented the results of the study to the City Commission on September 25, 2006.

The City Commission referred this item to a workshop for further discussion.

Fiscal Note: The incremental cost of implementing the recommended pay structure is approximately 4.3% of payroll. The FY2007 budget includes increases of approximately 4.1% of payroll and contingency funds to bridge the gap. The FY2007 proposed budget is sufficient to cover the recommended implementation plan.

RECOMMENDATION

The City Commission: 1) receive additional information and hear a presentation from staff and the consultant; and, 2) refer this item back to the City Commission's regular meeting of October 23, 2006.

NOTE: Document is available for viewing in the Clerk's Office.

Legislative History

9/25/06 City Commission Continued (7 - 0)

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CITY AUDITOR**060610.****Review of 2006 Pay Study (B)**

Explanation: In April 2004, the City Commission directed the Charter Officers to submit draft written policies for future pay studies to address the timing of review, general methodologies to be followed and how future pay studies would compare City salaries to the external market, taking into account geographic indexing, industry type and organization size. The Commission also requested that the policies address whether future pay studies would be completed in-house or by an outside consultant and provide clarification regarding the roles of the Charter Officers in the process.

As a result, the Charter Officers developed and submitted a draft Compensation Philosophy to the Personnel and Organizational Structure Committee, which was subsequently adopted by the City Commission in March 2006 (see Attachment A). The Charter Officers also agreed on the following: 1) at the beginning of each three year period, each Charter will be given the option to participate in the pay plan update; 2) each Charter will be given the option to review the Request for Proposals and to appoint a member to the outside consultant selection team; 3) the Charter Officers will serve as an executive committee with the purpose of reviewing staff recommendations with respect to compensation and any related personnel policies and provide the City Commission with the appropriate reports; and 4) the City Auditor's Office will maintain its independence in order to retain the option to audit the implementation at the City Commission's request with the intent to make recommendations for future pay studies.

The City subsequently contracted with Wachovia Employer Solutions Group (Wachovia) to review the City's current pay plans for MAP and CWA positions and compare them to the market.

Wachovia's objectives were to:

- Maintain competitiveness in the market for which the City competes,*
- Create a market based compensation system for ease of administration on*

- an on-going basis,*
- *Address external and internal market conditions for both the MAP and CWA jobs,*
 - *Survey the market including market price benchmark jobs using published pay data,*
 - *Create a market driven salary structure and slot jobs into the structure,*
 - *Review the cost to capture all jobs into the system and address range penetration,*
 - *Develop salary administration guidelines,*
 - *Provide communication to leadership and employees, and*
 - *Educate and train supervisors and employees.*

During their review, Wachovia representatives and the Charter Officers agreed that the City Auditor's Office should conduct an audit of the Wachovia analysis and recommendations. We have completed our review of the 2006 pay study. The attached report provides discussion of key issues, as well as recommendations for improvement, and includes a written response from the City Manager and Interim General Manager for Utilities. We request that the City Commission accept our report and management's response. Also, in accordance with City Commission Resolution R970187, Section 10, Responsibilities for Follow-up on Audits, we request that the City Commission instruct the City Auditor to conduct a follow-up review on recommendations made and report the results to the Audit, Finance and Legislative Committee.

Objectives, Scope and Methodology

The primary objective of this audit was to provide reasonable assurance to the City Commission that the methodologies and processes used by the consultant and management to generate pay structure recommendations were reasonable, adequately documented and supported, and consistently and accurately applied to data collected. Our review was conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States and accordingly included such tests of records and other auditing procedures as we considered necessary under the circumstances.

Our procedures included conducting interviews with management and Wachovia representatives involved with the pay study and reviewing documentation of the process followed during the pay study. We reviewed documentation of internal hierarchies and salary surveys conducted for benchmark positions and evaluated documentation for accuracy, completeness, consistency and reasonableness. We selected representative samples of salary surveys and compared resulting market data to the pay grade structures developed. We also reviewed Wachovia's cost estimates for accuracy, completeness, consistency and reasonableness. The primary focus of our review was on the MAP portion of the pay study since the placement of positions into the CWA pay plan could not be effectively reviewed due to the nature of the collective bargaining process. The scope of our review was for the work developed to support the 2006 pay study.

Based on the results of our review, we prepared specific issues and

recommendations for improvement that were discussed with management and the consultant. These recommendations, as well as management's written response, can be found in the following sections of this report. We have also included a summary of City turnover rates over the past several years (see Attachment B).

RECOMMENDATION

The City Commission:

Accept the City Auditor's report and the response from the City Manager and Interim General Manager for Utilities; and

Instruct the City Auditor to conduct a follow-up review on recommendations made and report the results to the Audit, Finance and Legislative Committee.

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