

***CITY OF GAINESVILLE***

*Office of the City Manager  
Box 6*

**Inter-Office Memorandum**

*Telephone 334-5010  
Fax 334-3119*

DATE: July 24, 2006

TO: Honorable Mayor and Members of the City Commission

FROM: Russell Blackburn, City Manager

SUBJECT: General Manager for Utilities Pay and Benefits Survey 2006

---

A survey of pay and benefits for positions comparable to the General Manager for Utilities was conducted as a result of your request on March 27, 2006. The entities selected for the survey were developed in concert with GRU and based on discussions at your March 27, 2006 meeting. (Public utilities within the state of Florida and those with a reputation for being progressive throughout the country.) Twenty-one entities were contacted to participate in the survey with fourteen responding. Below is a summary of the data from that survey.

In order to find the market rate for the General Manager for Utilities position, staff considered the following:

- similar industries (municipal and public utilities),
- with similar revenues,
- with a similar number of employees,
- offering similar services.

**RESULTS:**

From the responses we received and the quality of data, the results were inconclusive. Conducting a private survey as we did is always difficult, often leading to inconclusive results. Some of the difficulties are:

- a low number of responses in spite of the numerous calls and emails to follow up with those who promised to participate and did not send in their data;
- the incomplete data provided; and
- the need to make numerous calls to verify incomplete or questionable data, often times without success.

Most employers are more willing to spend quality time completing a survey from a professional survey firm than to respond to the numerous daily requests from other entities.

However, from the entities that did respond, we have provided a summary of the data collected.

**Entities Responding to our Survey:**

- City of Homestead
- City of Ocala
- City of Plant City
- City of Tallahassee
- City of Vero Beach
- City Utilities of Springfield, Mo
- Energy Services of Pensacola
- Fort Pierce Utilities Authority
- Jacksonville Electric Authority (JEA)
- Kissimmee Utility Authority (KUA)
- Orlando Utilities Commission (OUC)
- Seattle Public Utilities
- Sacramento Municipal Utility (SMUD)
- Lakeland Electric

**Entities Not Responding to Survey:**

- Austin, Texas
- City of Hollywood
- Reedy Creek Improvement District
- City of New Smyrna Beach
- Palm Bay Water and Sewer
- CPS Energy (San Antonio, Texas)
- PGE (Portland, OR General Electric)

**Summary of Findings:**

Of the fifteen respondents:

- Only City Utilities of Springfield and Tallahassee appear to be a match based on the number of services provided, the number of customers served, the reporting structure (top Manager for the utility reports to a board) and the total number of employees.
- GRU offers six services for 87,000 customers. The thirteen remaining respondents generally fell within two distinct groups; both offering between 1 and 5 services; one group serves between 192,194 and 578,041 customers and the other group serves between 10,000 and 59,225 customers. Lakeland serves 114,000 customers, but only offers three services and the person in charge of the utility reports to the City Manager.

Detailed information regarding the respondents can be found in Attachments I and II.

**Benefits:**

During our collection of data we also asked for benefits information. Below is a general summary of six benefit categories, five of which can be considered “core benefits” not generally tied to years of service or salary, just to get an idea of what is in the market. Of the respondents we found the following:

**Pension:**

- 36% offered both a defined benefit and defined contribution plan with an employer contribution to both. The employer contribution to the defined benefit plan ranges from 15.5% to 23.43% and the employer contribution to the defined contribution plan ranges from 2.1% to 13%.
- 43% offered only a defined benefit plan with an employer contribution. The employer contribution ranged from 4% to 11.94 %.
- 7% offered only a defined contribution plan with an 8% employer contribution.
- 14% did not respond.

**Severance Package:**

- 50% offered a severance package. The amount of time paid as severance ranges from 3 months to 1 year.

**Health Insurance:**

- A more detailed review would be necessary to make a good analysis of Health Insurances programs due to the varying rate structures and variety of benefits offered.

**Dental Insurance:**

- A more detailed analysis would be necessary to create a meaningful summary of Dental Insurance programs due to the variety of tiers offered and differences in amounts paid by the employee and employer (if any).

**Life Insurance:**

- 50% offer better coverage ranging from \$195,000 to \$620,000.
- 14% offer similar coverage ranging from \$118,000 to \$177,359
- 21% offer less coverage ranging from \$10,000 to \$20,000
- 14% did not respond to this question

**Car or car allowance:**

- 80% offered a car or a car allowance with the allowance ranging from \$2,340 per year to \$9,000 per year.

**Additional Information:**

The City recently contracted with Wachovia Employer Solutions Group to conduct a pay study of our CWA-represented positions and our Managers, Administrative and Professional positions. Since the private survey we conducted did not have enough matches to establish a market rate, we asked Wachovia to provide national salary data for positions similar to the General Manager for Utilities. Wachovia benchmarked against Top Division Executives who plan, direct and control activities of the division to accomplish budgeted financial objectives. And, who also direct functions such as production, research, engineering, marketing/sales, human resources, purchasing and accounting.

They found that for this type of position, the market pays the 50<sup>th</sup> percentile at \$219,302 in base wages and \$276,722 in Total Compensation. A copy of the Wachovia data can be found in Attachment III.

If you would like a copy of the more extensive 18-page summary of all the data collected by City staff, please contact Tom Motes at X5701.

**Attachment I**

<i>Entity</i>	<i>Number of Services</i>	<i>Number of Employees</i>	<i>Number of Customers</i>	<i>Total Revenue</i>	<i>Report To:</i>	<i>Direct Reports</i>	<i>Salary</i>	<i>Years in Position</i>
GRU	6	800	87,000	\$256M	Commission	8	\$166,460	15
Plant City	7	180	10,000	\$21 M	City Manager	8	\$85,072	75
Tallahassee	6	895	107,282	\$380M	City Manager	NA	\$138,881	18
Springfield	6	962	101,305	\$344M	Board	8	\$310,000	4
Fort Pierce	5	275	25,965	\$85M	Board	6	\$152,643	12
Orlando	5	1058	192,194	\$754M	President	13	\$263,750	2
Jacksonville	4	2,011	391,831	\$1.2B	Board	6	\$275,000	2
Seattle	4	2,956	372,818	\$1.2B	Mayor	10	\$170,558	4.5
Kissimmee	3	300	58,000	\$155M	Board	9	\$177,359	23
Sacramento	3	2,165	578,041	\$1.2B	Board	9	\$337,538	12
Lakeland	3	625	114,000	\$341M	City Manager	10	\$135,000	2
Homestead	2	61	22,015	\$40M	City Manager	7	\$118,000	5
Ocala (Electric)	2	148	50,000	\$130M	City Manager	7	\$98,838	1
Ocala (Water & Sewer)	2	71	50,000	\$32M	City Manager	6	\$94,310	25
Vero Beach	2	119	32,496	\$91M	City Manager	3	\$107,870	66
Pensacola	1	96	59,225	\$48M	Asst. City Mgr.	3	\$103,172	7

**Title of Top Executive and Services:**

<b>Entity</b>	<b>Position Title</b>	<b>Number of Services</b>	<b>Water</b>	<b>Wastewater</b>	<b>Electric Generation</b>	<b>Electric T&amp;D</b>	<b>Gas</b>	<b>Telecommunications</b>	<b>Other</b>
GRU	General Manager	6	Yes	Yes	Yes	Yes	Yes	Yes	
Plant City	Public Works Director	7	Yes	Yes	No	No	No	No	Streets, Stormwater, Traffic Engineering, General Facilities, Sanitation
Tallahassee	Asst. City Manager	6	Yes	Yes	Yes	Yes	Yes	Yes	
Springfield	General Manager	6	Yes	No	Yes	Yes	Yes	Yes	Transit System
Fort Pierce	Director of Utilities	5	Yes	Yes	No	Yes	Yes	Yes	
Orlando	General Manager	5	Yes	No	Yes	Yes	No	Yes	Chilled Water
Jacksonville	Managing Director	4	Yes	Yes	Yes	Yes	No	No	
Seattle	Executive 4	4	Yes	Yes	No	No	No	No	Solid Waste, Drainage
Kissimmee	President & General Manager	3	No	No	Yes	Yes	Yes	No	
Sacramento	General Manager	3	No	No	Yes	Yes	No	No	Renewables/ Co-Gen
Lakeland	General Manager	3	No	No	Yes	Yes	Yes	No	
Homestead	Director of Electric Utilities	2	No	No	Yes	Yes	No	No	
Ocala (Electric)	Electric Utility Director	2	No	No	Yes	No	No	Yes	
Ocala (Water & Sewer)	Water & Sewer Director	2	Yes	Yes	No	No	No	No	
Vero Beach	Electric Utility Director	2	No	No	Yes	Yes	No	No	
Pensacola	Energy Services Director	1	No	No	No	No	Yes	No	

# Memo

**To:** City of Gainesville

**From:** Melissa To, Wachovia ESG

**CC:** Mary Mosqueda, Wachovia ESG

**Date:** April 25, 2006

**Re:** Market Rate – General Manager Utilities



The following market rate for the General Manager Utilities was established in the National labor market for Non-profit Service Organizations with 800 employees and For-profit Industries with approximately \$250 million in revenue. The Non-profit Service Organizations include the following: public administration/government, engineering services, general contractors, recycling and waste management services, data processing and information services, etc. The For-profit Industry includes all organizations with approximately \$250 million in revenue. Based on the fact that the City will recruit this position from the combination of public and private sector industries, Wachovia Employer Solutions Group recommends the City of Gainesville use the market data found below. The following profile was used to establish the market rate for this position.

## Top Division Executive

Plans, directs and controls activities of the division to accomplish budgeted financial objectives. Directs such functions as production, research, engineering, marketing/sales, human resources, purchasing and accounting

Non-profit and For-profit Combined			
	25th %ile	50th %ile	75th %ile
Base Cash	\$181,522	\$219,302	\$271,780
Total Compensation	\$206,053	\$276,722	\$376,463

Please contact us if you have any questions.