

# Classification and Compensation Study for Englewood Water District, FL

## FINAL REPORT



Evergreen Solutions, LLC

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## Chapter 1 - Introduction

Evergreen Solutions, LLC (Evergreen) conducted a Classification and Compensation Study for the Englewood Water District (District) beginning in February 2021. The purpose of the study was to analyze its classification and total compensation (pay and benefits) system, and make recommendations to improve the District's competitive position in the labor market. The study activities involved analyzing the internal and external equity of the District's system and making recommendations in response to those findings.

Study tasks involved:

- holding a study kick-off meeting;
- analyzing the District's current salary structure (pay plan) to determine its strengths and weaknesses;
- conducting employee outreach by conducting interviews with senior leaders and inviting employees to respond to the same questions via SurveyMonkey;
- facilitating discussions with the District's project team to develop an understanding of its compensation philosophy;
- collecting classification information through the Job Assessment Tool (JAT) process to analyze the internal equity of the District's classification system;
- developing recommendations for improvements to classification titles as appropriate;
- conducting a market survey to assess the external equity (market competitiveness) of the District's current pay system and benefit offerings;
- revising or developing a new competitive pay structure (pay plans) and slotting classifications into each while ensuring internal and external equity;
- developing the most appropriate method for transitioning employees' salaries into the revised (or new) pay structure (plans);
- providing the District with information and strategies regarding compensation and classification administration;
- preparing and submitting draft and final reports that summarize the study findings and recommendations; and



- updating job descriptions to reflect recommended classification changes and employee responses to the JAT, and Fair Labor Standards Act (FLSA) status recommendations.

## 1.1 STUDY METHODOLOGY

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

### **Kick-off Meeting**

The kick-off meeting allowed members of the study team from the District and Evergreen to discuss different aspects of the study. During the meeting, information about the District’s compensation (pay plans), classification structure and current 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.

### **Assessment of Current Conditions**

This analysis provided an overall assessment of the District’s current pay structure (plans) and related employee data at the time of the study. The current pay plans 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.

### **Employee Outreach**

Employee outreach was conducted virtually. The orientation sessions were facilitated through voiceover PowerPoint slides to help employees learn about the purpose of the study and receive specific information related to their participation in the study process. Evergreen consultants also conducted phone interviews with the District’s senior leaders to identify practices that were working well and to suggest areas of opportunities for improvement regarding the compensation system, benefits, classification system, and the employee performance evaluation system. Employees responded to focus group questions via a SurveyMonkey survey tool. The feedback received during both these methods is summarized in **Chapter 3** of this report.

### **Compensation Philosophy**

Evergreen conducted meetings with the District’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.



## Classification Review - Internal Equity Analysis

To assess the internal equity of the District’s classification system, all employees were asked during employee outreach to complete a JAT to describe the work they performed in their own words. Supervisors were then asked to review their employees’ JATs and provide additional information as needed about the position. The information provided in the completed JAT’s was utilized in the classification analysis in two ways. First, the work described was reviewed to ensure that classification titles were appropriate. Second, the JAT’s were evaluated to quantify, by a scoring method, each classification’s relative value within the organization. Each classification’s score was based on employee and supervisor responses to the JAT, and the scores allowed for a comparison of classifications across the District.

## Salary and Benefits Survey – External Equity Analysis

For the market survey, peers were identified that compete with the District for human resources and provide similar services. All classifications were identified to be surveyed utilizing a survey tool which was developed for the collection of salary range data for each. Included also was a survey to collect data about the core and fringe benefits offered by the identified peer organizations. The salary and benefits data collected during this survey process were analyzed, and a summary provided which can be found in **Chapter 4** of this report.

## Recommendations

During the review of the compensation philosophy, the District identified its desire to be at a minimum, competitive with the labor market, and possibly establish a lead market position. Understanding this, and utilizing the findings of the analysis of both internal and external equity, a revised classification and compensation system were developed. Recommendations were also provided on how to implement the new system and maintain it going forward. A summary of all study findings and recommendations can be found in **Chapter 5** of this report.

## 1.2 REPORT ORGANIZATION

This report includes the following additional chapters:

- Chapter 2 – Assessment of Current Conditions
- Chapter 3 – Summary of Employee Outreach
- Chapter 4 – Market Summary
- Chapter 5 – Recommendations



## Chapter 2 – Assessment of Current Conditions

This chapter provides an overall assessment of the compensation system in place for employees at the District. Data included here reflect the demographics in place at the time of the study and should be considered a snapshot in time. The data provided the baseline for analysis throughout the course of this study, but were not sufficient cause for recommendations in isolation. By conducting this review, Evergreen gained a better understanding of the structure and associated salary practices in place and identified issues for both further review and potential revision.

### 2.1 ANALYSIS OF PAY PLANS

The District administered two pay plans for its 78 employees at the time of the study. The plan for 67 non-exempt employees is displayed in **Exhibit 2A** and the plan for 11 exempt employees is displayed in **Exhibit 2B**. Each exhibit provides details related to the value of each pay range at the minimum, the midpoint, and the maximum; the range spread for each (the distance between the pay range minimum and maximum); the midpoint progression for each (the distance between the midpoints of adjacent pay ranges); the number of occupied position titles in each grade; and the number of employees in each pay grade.

As displayed in **Exhibit 2A**, the non-exempt pay plan featured 14 pay grades, two of which did not have employees assigned to them at the time of the study. Pay ranges ranged from 36.7 to 82.7 percent, with an average of 49.1 percent. Midpoint progression ranged from 0.3 to 37.1 percent, with an average of 6.5 percent. Note: the Laboratory Supervisor classification was assigned to Pay Grade NE070, though had a unique pay range (\$47,132.80 – \$72,030.40) that did not match the established pay range for that pay grade.

**Exhibit 2B** shows the exempt pay plan, which featured six pay grades. Range spreads ranged from 42.0 to 67.3 percent, with an average of 53.3 percent. Midpoint progression ranged between 5.9 and 26.9 percent, with an average of 12.6 percent.

EXHIBIT 2A  
NON-EXEMPT PAY PLAN

Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Progression	# of Filled Position Titles	Employees
NE005	\$21,944.00	\$30,264.00	\$40,081.60	82.7%	-	0	0
NE015	\$35,422.40	\$41,496.00	\$48,630.40	37.3%	37.1%	1	7
NE020	\$36,441.60	\$42,827.20	\$50,710.40	39.2%	3.2%	5	16
NE025	\$37,190.40	\$44,262.40	\$52,915.20	42.3%	3.4%	2	8
NE030	\$38,334.40	\$44,636.80	\$55,515.20	44.8%	0.8%	2	7
NE035	\$41,059.20	\$48,297.60	\$57,262.40	39.5%	8.2%	6	10
NE040	\$41,953.60	\$48,526.40	\$57,387.20	36.8%	0.5%	3	8
NE050	\$42,640.00	\$50,086.40	\$58,281.60	36.7%	3.2%	1	1
NE055	\$43,222.40	\$52,124.80	\$61,880.00	43.2%	4.1%	2	2
NE060	\$43,534.40	\$56,014.40	\$66,310.40	52.3%	7.5%	1	1
NE065	\$45,760.00	\$56,160.00	\$68,640.00	50.0%	0.3%	1	1
NE070	\$46,820.80	\$57,969.60	\$72,404.80	54.6%	3.2%	5	5*
NE075	\$47,798.40	\$63,835.20	\$79,809.60	67.0%	10.1%	0	0
NE080	\$53,414.40	\$66,040.00	\$86,049.60	61.1%	3.5%	1	1
<b>Overall</b>				<b>49.1%</b>	<b>6.5%</b>	<b>30</b>	<b>67</b>

Source: Created by Evergreen from data provided by the District as of March 2021

\* The Laboratory Supervisor classification is assigned to Pay Grade NE070, though has a unique pay range

EXHIBIT 2B  
EXEMPT PAY PLAN

Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Progression	# of Filled Position Titles	Employees
E50	\$50,223.00	\$63,487.00	\$79,848.00	59.0%	-	1	1
E55	\$57,234.00	\$68,594.00	\$81,285.00	42.0%	8.0%	3	3
E60	\$59,300.80	\$73,113.00	\$88,006.00	48.4%	6.6%	1	1
E65	\$63,469.00	\$77,400.00	\$106,200.00	67.3%	5.9%	3	3
E70	\$84,269.00	\$98,200.00	\$127,000.00	50.7%	26.9%	2	2
E75	\$90,142.28	\$113,445.46	\$137,124.89	52.1%	15.5%	1	1
<b>Overall</b>				<b>53.3%</b>	<b>12.6%</b>	<b>11</b>	<b>11</b>

Source: Created by Evergreen from data provided by the District as of March 2021



Exhibit 2C shows that the District utilized 47 unique classification titles, five of which were not occupied at the time of the study.

### EXHIBIT 2C CLASSIFICATIONS

Classification Title	Classification Title
Accountant	Utility Billing Clerk
Accounting Clerk	Utility Systems Locator
Administrative Assistant	Wastewater Collections Foreman 2
Administrator	Wastewater Collections Manager
Backflow Prevention Technician	Wastewater Operations Manager
Chemist	Wastewater Plant Operator A
Construction Coordinator	Wastewater Plant Operator B
Customer Service Manager	Wastewater Plant Operator C
Customer Service Representative	Wastewater Plant Operator Trainee*
Electrician	Wastewater Workman 3
Electrician Journeyman*	Wastewater Workman 4
Engineer in Training	Water Distribution 3
Finance Director	Water Distribution 4
GIS Specialist	Water Distribution Foreman 2
Human Resource Director*	Water Distribution Manager
Human Resources Coordinator	Water Distribution Workman 4
Information Systems Technician	Water Operations Manager
Inventory Specialist	Water Plant Operator A
Junior Accountant*	Water Plant Operator B
Laboratory Supervisor	Water Plant Operator C
Lead Customer Service Representative*	Water Plant Operator Trainee
Purchasing Specialist	Water Plant Workman 4
Senior Billing Clerk	Water Workman 3
Technical Support Manager	-

Source: Created by Evergreen from data provided by the District as of March 2021

\* Unfilled classification

## 2.2 GRADE PLACEMENT ANALYSIS

When assessing the effectiveness of a pay plan and associated policies, it is helpful to analyze where employees' salaries stand in comparison to their classification's pay range. Identifying areas where there are clusters of employees' salaries can illuminate potential pay progression concerns within a pay plan. It should be noted that employees' salaries, and the progression of the same, are associated with an organization's compensation philosophy—specifically, the method of salary progression and the availability of resources. Therefore, the placement of employee salaries should be viewed with this context in mind.





**Below and At Minimum and At or Above Maximum**

In general, the placement of an employee's salary at a classification's grade minimum would generally indicate a newer employee or an employee that was recently promoted into a classification who has not had the opportunity or experience needed to progress through the range. In contrast, an employee with a salary at or near the maximum of their grade is generally an employee with longer tenure who has had the opportunity, experience, and/or performance to progress their salary toward the top of the pay range.

**Exhibits 2D and 2E** display the percentage of employees whose salaries were at or below their respective pay range minimum and at or above the pay range maximum of their respective pay range for non-exempt and exempt employees, respectively. Employees not included in these charts are compensated somewhere between the upper and lower thresholds. The percentages presented are based on the total number of employees in that grade.

As can be seen in **Exhibit 2D**, there were no non-exempt employees that had salaries below their respective pay range minimum, while eight (11.9 percent) had salaries at the minimum, five (7.5 percent) had salaries at the maximum, and two (3.0 percent) had salaries above the maximum.

**EXHIBIT 2D  
BELOW AND AT MINIMUM AND AT OR ABOVE MAXIMUM BY PAY GRADE  
NON-EXEMPT**

Grade	Employees	Below Min		At Min		At Max		Above Max	
		#	%	#	%	#	%	#	%
NE015	7	0	0.0%	3	42.9%	0	0.0%	0	0.0%
NE020	16	0	0.0%	2	12.5%	0	0.0%	0	0.0%
NE025	8	0	0.0%	1	12.5%	0	0.0%	0	0.0%
NE030	7	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NE035	10	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NE040	8	0	0.0%	0	0.0%	3	37.5%	1	12.5%
NE050	1	0	0.0%	0	0.0%	1	100.0%	1	100.0%
NE055	2	0	0.0%	0	0.0%	1	50.0%	0	0.0%
NE060	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NE065	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
NE070	5	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NE080	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
<b>Overall</b>	<b>67</b>	<b>0</b>	<b>0.0%</b>	<b>8</b>	<b>11.9%</b>	<b>5</b>	<b>7.5%</b>	<b>2</b>	<b>3.0%</b>

Source: Created by Evergreen from data provided by the District as of March 2021



**Exhibit 2E** shows that there were no exempt employees that had salaries below or at their respective pay range minimum, while one (9.1 percent) had a salary at the maximum and one (9.1 percent) had a salary above the maximum.

**EXHIBIT 2E**  
**BELOW AND AT MINIMUM AND AT OR ABOVE MAXIMUM BY PAY GRADE**  
**EXEMPT**

Grade	Employees	Below Min		At Min		At Max		Above Max	
		#	%	#	%	#	%	#	%
E50	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
E55	3	0	0.0%	0	0.0%	1	33.3%	1	33.3%
E60	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
E65	3	0	0.0%	0	0.0%	0	0.0%	0	0.0%
E70	2	0	0.0%	0	0.0%	0	0.0%	0	0.0%
E75	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Overall</b>	<b>11</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>1</b>	<b>9.1%</b>	<b>1</b>	<b>9.1%</b>

Source: Created by Evergreen from data provided by the District as of March 2021.

### Below and Above Midpoint

In addition to assessing the number of employees' salaries at minimum and maximum, an analysis was conducted to determine the number of employees with salaries below and above pay range midpoint. Employees with salaries close to the midpoint of a pay range typically would be fully proficient in their classification and require minimal supervision to complete their job duties while performing satisfactorily. Within this framework, grade 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.

**Exhibits 2F** and **2G** display the percentage of employee whose salaries were below or above their respective pay range midpoint for non-exempt and exempt employees, respectively. The percentages presented are based on the total number of employees in that grade.

As can be seen in **Exhibit 2F**, 34 (50.7 percent) non-exempt employees were compensated below their pay range midpoint and 33 (39.3 percent) were compensated above.



**EXHIBIT 2F  
BELOW AND ABOVE MIDPOINT BY PAY GRADE  
NON-EXEMPT**

Grade	Employees	< Mid		> Mid	
		#	%	#	%
NE015	7	6	85.7%	1	14.3%
NE020	16	11	68.8%	5	31.3%
NE025	8	7	87.5%	1	12.5%
NE030	7	3	42.9%	4	57.1%
NE035	10	1	10.0%	9	90.0%
NE040	8	1	12.5%	7	87.5%
NE050	1	0	0.0%	1	100.0%
NE055	2	1	50.0%	1	50.0%
NE060	1	0	0.0%	1	100.0%
NE065	1	1	100.0%	0	0.0%
NE070	5	2	40.0%	3	60.0%
NE080	1	1	100.0%	0	0.0%
<b>Overall</b>	<b>67</b>	<b>34</b>	<b>50.7%</b>	<b>33</b>	<b>49.3%</b>

Source: Created by Evergreen from data provided by the District as of March 2021

Exhibit 2G shows that seven (63.6 percent) exempt employees were compensated below their pay range midpoint and four (36.4 percent) were compensated above.

**EXHIBIT 2G  
BELOW AND ABOVE MIDPOINT BY PAY GRADE  
EXEMPT**

Grade	Employees	< Mid		> Mid	
		#	%	#	%
E50	1	0	0.0%	1	100.0%
E55	3	2	66.7%	1	33.3%
E60	1	1	100.0%	0	0.0%
E65	3	1	33.3%	2	66.7%
E70	2	2	100.0%	0	0.0%
E75	1	1	100.0%	0	0.0%
<b>Overall</b>	<b>11</b>	<b>7</b>	<b>63.6%</b>	<b>4</b>	<b>36.4%</b>

## 2.3 QUARTILE ANALYSIS

In a quartile analysis, each pay range is divided into four equal segments (quartiles) and employees are assigned a quartile based on where their current salary falls. While there is no best practice for where salaries should be within each quartile, this analysis can be useful in revealing clustering of employees' salaries or compression within a compensation system. Exhibits 2H and 2I show the number of employees' salaries that are in each quartile of each pay range for non-exempt and exempt employees, respectively.

As displayed in Exhibit 2H, 28.4 percent of non-exempt employees had salaries in the first quartile of their respective range, 22.4 percent had salaries in the second quartile, 26.9 percent had salaries in the third quartile, and 22.4 percent had salaries in the fourth quartile.

### EXHIBIT 2H QUARTILE ANALYSIS NON-EXEMPT

Grade	Employees	1st Quartile		2nd Quartile		3rd Quartile		4th Quartile	
		#	%	#	%	#	%	#	%
NE015	7	3	42.9%	3	42.9%	1	14.3%	0	0.0%
NE020	16	7	43.8%	4	25.0%	5	31.3%	0	0.0%
NE025	8	3	37.5%	4	50.0%	0	0.0%	1	12.5%
NE030	7	2	28.6%	1	14.3%	2	28.6%	2	28.6%
NE035	10	0	0.0%	1	10.0%	6	60.0%	3	30.0%
NE040	8	0	0.0%	1	12.5%	1	12.5%	6	75.0%
NE050	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
NE055	2	1	50.0%	0	0.0%	0	0.0%	1	50.0%
NE060	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
NE065	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
NE070	5	1	20.0%	1	20.0%	2	40.0%	1	20.0%
NE080	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
<b>Overall</b>	<b>67</b>	<b>19</b>	<b>28.4%</b>	<b>15</b>	<b>22.4%</b>	<b>18</b>	<b>26.9%</b>	<b>15</b>	<b>22.4%</b>

Source: Created by Evergreen from data provided by the District as of March 2021

Exhibit 2I shows that 54.5 percent of exempt employees had salaries in the first quartile of their respective range, 9.1 percent had salaries in the second quartile, 18.2 percent had salaries in the third quartile, and 18.2 percent had salaries in the fourth quartile.



**EXHIBIT 2H  
QUARTILE ANALYSIS  
EXEMPT**

Grade	Employees	1st Quartile		2nd Quartile		3rd Quartile		4th Quartile	
		#	%	#	%	#	%	#	%
E50	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
E55	3	2	66.7%	0	0.0%	0	0.0%	1	33.3%
E60	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
E65	3	1	33.3%	0	0.0%	1	33.3%	1	33.3%
E70	2	1	50.0%	1	50.0%	0	0.0%	0	0.0%
E75	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
<b>Overall</b>	<b>11</b>	<b>6</b>	<b>54.5%</b>	<b>1</b>	<b>9.1%</b>	<b>2</b>	<b>18.2%</b>	<b>2</b>	<b>18.2%</b>

Source: Created by Evergreen from data provided by the District as of March 2021.

## 2.4 DEPARTMENT DISTRIBUTION

As of March 2021, the District employed 78 employees across six different departments. The following analysis was intended to provide basic information regarding how employees were distributed among departments.

**Exhibit 2J** depicts the number of classifications that were present in each department, along with the number and overall percentage of total employees by department. As illustrated, the largest department (in terms of employees) was Administration, with 25 employees representing 32.1 percent of the District's workforce.

**EXHIBIT 2J  
EMPLOYEES AND CLASSIFICATIONS BY DEPARTMENT**

Department	Employees	Classifications	% of Total
Administration	25	20	32.1%
Collections	13	5	16.7%
Distribution	12	6	15.4%
Laboratory	2	2	2.6%
Production	13	5	16.7%
WRF	13	5	16.7%
<b>Overall</b>	<b>78</b>	<b>43*</b>	<b>100.0%</b>

Created by Evergreen from data provided by the District as of March 2021

\* The District utilized 111 unique classification titles. The total displayed here differs due to duplicate classifications across departments.



## 2.5 SUMMARY

The information contained in this chapter identified features of the overall structure of the compensation system, as well as the administration of it at the individual employee level. Notably, the following was found:

- **Pay Plans** – The pay plans utilized for both non-exempt and exempt employees were somewhat disorganized, with significant variations in range spreads (the distance between the pay range minimum and maximum) and midpoint progressions (the distance between the midpoints of adjacent pay ranges).
- **Salary Distribution** – Among non-exempt employees, salaries were very evenly distributed throughout their respective pay ranges; there was no clustering of salaries found in any of the quartiles. There was clustering of salaries found among exempt employees, however—over half of salaries were found in the first quartile alone. This distribution of salaries may be acceptable given the District’s compensation philosophy.

This analysis served as a starting point for the development of recommendations in this report. These observations were reviewed and considered in more detail throughout the course of the study. Paired with market data, Evergreen was able to make recommendations that will ensure that the compensation system at the District is structurally sound, organized, competitive with the market, and equitable.



## Chapter 3 – Summary of Employee Outreach

Evergreen consultants facilitated a process in February 2021 to obtain input from the District's senior leaders and employees regarding several topic areas related to the study. Solicited feedback included areas for improvement with regard to compensation (e.g., compression and competitiveness of salaries) and classification (e.g., title revision).

Senior leaders participated in one-on-one phone interviews with an Evergreen consultant who asked a set of questions to obtain their input on compensation and classification issues for their particular area of supervision. Employees had the opportunity to respond to the same questions via SurveyMonkey; which resulted in a total of 45 responses. Feedback from both sources provided the Evergreen team with valuable information regarding perceptions of the current compensation and classification system. Summarized below are their comments and perceptions.

### 3.1 GENERAL FEEDBACK

Although the purpose of outreach was to solicit feedback regarding the compensation and classification systems, the first two questions pertained to reasons employees came to work for and remain employed with the District. While this section provides feedback that is not directly related to compensation and classification, it is nonetheless important in framing the context of the study.

Important factors frequently shared by employees as reasons for coming to work for and/or remaining with the District included:

- **Employee Benefits Package** – Praise was given regarding the employee benefits package and was consistently cited as one of the most significant reasons why employees want to work for the District. Particular appreciation was expressed for the health care coverage and retirement package.
- **Reputation** – A large number of participants had interest in working for the District due to its reputation. Some had been searching for career growth opportunities and had friends recommend coming to work for the District.
- **Career Growth** – Many employees chose to come work for the District with a desire to advance their careers. With a reputation for being a great place to have a long-term career, the District presented an attractive option.
- **Work Environment** – Several respondents expressed satisfaction with how they have been treated during their time working for the District. Others cited the relationships



they have built with co-workers as a leading reason for continuing to work for the District.

- **Proximity** – Many questionnaire respondents cited proximity to their homes as a leading reason for their decision to work with the District. Many stated they appreciate the short commute.
- **Stability** – Many employees appreciate the job security that comes with working in the public sector. Many respondents pointed to the potentially volatile nature of private sector employment and took comfort in knowing that they can enjoy a considerable amount of stability with their current employment.

### 3.2 COMPENSATION

As already shown, respondents pointed to several aspects of their employment which they appreciate. There were, however some critiques that were expressed about compensation practices (both pay and benefits), policies, and procedures, including the following:

- **Insurance Premiums** – A very common concern expressed was that insurance premiums are simply too high. As the offerings have not changed much in the recent past, some employees suggested that the District should search for more affordable options.
- **Salary Progression** – Several participants expressed a desire to progress through their pay range more quickly and that salary caps should be increased to allow for greater pay growth.
- **Competitive Compensation** – Some employees cited dissatisfaction with lower pay offered by the District compared with surrounding entities.
- **On Call and Shift Differential Pay** – A few respondents voiced their desire for the District to provide additional compensation for those positions which are required to be on call, or work night and weekend shifts.

### 3.3 CLASSIFICATION

General comments provided by employees related to classification included the following:

- **Titles Reflecting Duties** – Several employees stated their current job titles did not always accurately and fully represent the duties of the position. For example, the titles alone do not make it very clear which positions supervise others.
- **Job Descriptions** – Several employees expressed concerns that additional duties have been added to classifications over the years that are not represented in the job title or job descriptions. Furthermore, the job descriptions do not adequately explain the differences between positions.





- **Career Path** – Many respondents stated that they do not believe there are opportunities for career advancement. Promotions can often be difficult to obtain—as the senior level positions are occupied. Therefore, more tiers or levels within a job family would provide more opportunities to grow in responsibility and receive appropriate pay increases.

### 3.4 RECRUITMENT AND RETENTION

Employees stated that the District has noticeable recruitment and retention issues in the following areas/positions (in alphabetical order):

- Chemist;
- Laboratory Supervisor;
- HR positions;
- Water Distribution; and
- Water and Wastewater Plant Operators.

Employees believed some of the biggest competitors for quality candidates are (in alphabetical order):

- Charlotte County;
- City of North Port;
- City of Punta Gorda; and
- Sarasota County.

### 3.5 SUMMARY

Many of the concerns that are reported above are common issues that exist in many organizations today, with some being unique to the District. As with any organization, employees' perceptions of weaknesses in certain areas related to the current compensation and classification system could provide insight for areas of improvement, but are by no means the only source of assessing the District's system. Certainly, with the District's engagement of Evergreen to conduct this study, and this employee outreach, its commitment to understanding and seeking improvement in these areas is commendable.



## Chapter 4 – Market Summary

This chapter provides a market analysis comparing the District's pay plan (salary ranges) and benefits to those at peer organizations. The data from targeted market peers were used to evaluate the overall compensation and benefits at the District 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. An employee's total compensation (salary and benefits) is determined through a combination of factors, which could include: the market conditions for a job, geographic location of the organization, the candidate's prior education and experience, and/or an individual's negotiation skills during the hiring process.

It should be noted that market comparisons are best thought of as a snapshot of current market conditions. In other words, market conditions can change; therefore, these market survey findings will be helpful for the District to remain current with its peers under the present market conditions.

### 4.1 SALARY SURVEY RESULTS

Evergreen collected pay range information from target organizations utilizing a salary survey tool. The development of this tool included all classifications in the District. The job title, a description of assigned duties, and the education and experience requirements for each classification were provided in the survey tool so that peers could determine if the position existed within their organization.

Evergreen received concurrence from the District's project team regarding the targets to which the survey was provided. Several factors were utilized when developing this peer list, including geographic proximity to the District, similar service offerings, organization size, and relative population being served by the organization. Data were analyzed with adjustments for cost of living. **Exhibit 4A** provides the list of 19 peer organizations from which data were collected for 35 classifications from which salary range data were collected.



**EXHIBIT 4A  
MARKET PEERS**

Market Peers
Big Bend Water Authority
<b>Charlotte County Utilities</b>
Clay County Water Authority
<b>Florida Keys Aqueduct Authority</b>
<b>Fort Pierce Utilities Authority</b>
Lake County Water Authority
<b>Lakeland Water Utilities</b>
<b>North Port Utilities</b>
Northwest Florida Water Management District
<b>Peace River Manasota Regional Water Supply Authority</b>
<b>Sarasota County Utilities</b>
<b>Seacoast Utility Authority</b>
<b>South Florida Water Management District</b>
<b>Southwest Florida Water Management District</b>
<b>St. Johns River Water Management District</b>
<b>Suwannee River Water Management District</b>
<b>Tampa Bay Water</b>
<b>Toho Water Authority</b>
<b>City of Fort Myers</b>
<b>City of Naples</b>
<b>City of Punta Gorda</b>
<b>City of Sarasota Utilities</b>
<b>City of Venice Utilities</b>

\*Bold indicates salary range data collected for peer

The District expressed a desire to examine its pay plan overall as compared to a lead market position (65<sup>th</sup> percentile). To determine the position of the existing structure, Evergreen compared the District’s 2021 salary ranges for the surveyed classifications to 65<sup>th</sup> percentile market position. It is important to note that data in the subsequent exhibits reflect the 65<sup>th</sup> percentile of the salary ranges reported by each peer for a given surveyed classification. The market range data presented in this chapter were not the sole criteria for the proposed pay ranges in the next chapter. Some classifications’ proposed grade assignments vary from their associated market range due to the other factors, such as the results of an internal hierarchy assessment. More detail on this analysis is provided in **Chapter 5**.



Exhibit 4B contains the following information:

- The market salary range information for each classification. This indicates the percent differentials (to the District’s existing salary ranges).
  - A positive differential indicates the District pay range for these positions was above the targets’ 65<sup>th</sup> percentile for that classification at the minimum, midpoint, or maximum.
  - A negative differential indicates the District’s pay range was below the 65<sup>th</sup> percentile for that classification.
  - The final row provides the average percent differentials for the ranges’ minimum, midpoint, and maximum for all benchmarked classifications. This represents an average of all classifications’ differentials.
- The survey average range width. This provides the average range width for each classification surveyed determined by the average minimum and average maximum salaries of the respondents, relative to the minimum. The average range width for all the classifications is provided in the final row. The number of responses collected for each classification is provided in the final column, and the average number of responses for all the classifications is provided in the final row.



**EXHIBIT 4B  
SALARY SURVEY SUMMARY—65<sup>TH</sup> PERCENTILE**

Classification	Survey Minimum		Survey Midpoint		Survey Maximum		Survey Avg Range	# Resp.
	65th Percentile	% Diff	65th Percentile	% Diff	65th Percentile	% Diff		
Accounting Clerk	\$36,687.16	-0.7%	\$47,410.88	-10.2%	\$58,134.59	-13.6%	55.7%	6
Accounting Manager	\$73,659.95	-37.8%	\$94,323.00	-39.1%	\$117,166.65	-37.9%	56.2%	7
Administrative Assistant	\$37,651.13	12.4%	\$47,711.84	4.9%	\$57,943.23	0.6%	59.3%	13
Administrator	\$122,627.19	-30.5%	\$174,186.84	-42.2%	\$219,193.73	-46.1%	66.3%	7
Backflow Prevention Specialist	\$44,000.77	-18.8%	\$57,093.67	-28.6%	\$70,186.56	-32.2%	55.7%	3
Chemist	\$52,404.20	-13.5%	\$67,177.78	-17.9%	\$81,951.35	-17.7%	53.4%	5
Construction Coordinator	\$54,805.43	-15.7%	\$72,960.66	-22.9%	\$91,115.88	-22.9%	61.3%	3
Customer Service Manager	\$71,957.21	-22.8%	\$93,614.55	-30.8%	\$116,646.82	-35.7%	59.3%	7
Customer Service Representative	\$33,664.82	13.0%	\$43,337.03	3.0%	\$53,967.52	2.8%	55.7%	10
Electrician	\$49,215.79	-2.9%	\$62,068.62	2.8%	\$76,522.71	4.2%	59.0%	12
Engineer in Training	\$53,542.78	-0.2%	\$70,793.97	-6.9%	\$88,045.15	-2.3%	59.1%	3
Finance Director	\$99,525.53	-16.6%	\$127,024.92	-25.6%	\$161,291.08	-23.8%	61.0%	11
GIS Specialist	\$41,093.60	5.0%	\$52,095.57	0.1%	\$63,771.91	-3.0%	59.9%	5
Human Resource Director	\$103,883.31	-20.8%	\$137,106.22	-33.1%	\$168,030.49	-27.8%	65.3%	13
Human Resources Coordinator	\$50,560.75	-	\$80,702.23	-	\$107,056.33	-	74.0%	4
Information Systems Technician	\$47,090.39	-8.6%	\$58,840.54	-12.1%	\$70,590.68	-13.2%	52.5%	3
Inventory Specialist	\$38,051.51	7.6%	\$47,654.89	1.3%	\$58,357.01	-1.9%	51.0%	4
Laboratory Supervisor	\$63,216.60	-29.8%	\$80,764.22	-32.9%	\$98,382.33	-30.4%	59.3%	4
Purchasing Manager	\$79,663.86	-60.5%	\$101,603.28	-67.9%	\$123,542.71	-71.8%	67.1%	8
Purchasing Specialist	\$47,479.30	-14.5%	\$59,726.13	-21.2%	\$71,763.36	-22.5%	57.5%	12
Senior Utility Billing Clerk	\$42,146.84	-2.6%	\$53,203.45	-9.7%	\$64,260.05	-11.5%	52.3%	3
Technical/Operations Support Manager	\$75,363.00	-2.9%	\$94,497.29	3.7%	\$117,238.82	8.0%	58.4%	4
Utility Billing Clerk	\$38,069.10	0.7%	\$47,786.29	-6.8%	\$57,503.49	-3.5%	51.5%	4
Utility Systems Locator	\$39,632.91	5.7%	\$50,725.36	-4.4%	\$61,325.01	-6.6%	56.3%	3
Wastewater Operations Lead Operator	\$55,942.83	5.8%	\$72,614.74	0.7%	\$89,286.65	-1.4%	56.2%	3
Wastewater Operations Manager	\$78,000.84	-20.5%	\$104,672.33	-30.0%	\$130,400.84	-20.5%	59.2%	4
Water Distribution Foreman	\$51,324.93	-9.2%	\$63,453.86	-9.0%	\$75,582.79	-4.3%	53.5%	3
Water Operations Lead Operator	\$54,601.30	8.3%	\$70,971.88	3.0%	\$87,342.45	0.8%	56.5%	3
Water Operations Manager	\$75,034.46	-16.7%	\$96,840.80	-22.3%	\$118,716.76	-11.1%	55.9%	4
Water Plant Operator "B"	\$44,475.37	-5.8%	\$57,575.91	-17.1%	\$69,779.49	-19.5%	53.7%	13
Water Plant Operator "C"	\$40,572.79	-8.7%	\$52,895.36	-17.8%	\$64,676.88	-20.0%	56.0%	11
Water Plant Operator Trainee	\$36,231.72	-2.3%	\$46,874.14	-12.2%	\$56,040.63	-14.2%	56.3%	9
WRF Plant Operator "B"	\$48,932.86	-15.4%	\$59,871.16	-20.9%	\$72,263.57	-22.9%	52.1%	6
WRF Plant Operator "C"	\$44,460.51	-17.8%	\$54,539.34	-20.8%	\$66,821.38	-23.2%	50.6%	6
WRF Plant Operator Trainee	\$40,232.52	-12.7%	\$49,985.74	-18.6%	\$59,738.96	-20.5%	54.3%	5
<b>Overall Average</b>		<b>-10.3%</b>		<b>-16.5%</b>		<b>-16.6%</b>	<b>57.5%</b>	<b>6.3</b>

**Market Minimums**

A starting point of the analysis was to compare the peer’s market minimum for each classification to the District’s range minimums. Market minimums are generally considered an entry level salary for employees who meet the minimum qualifications of a classification. Employees with salaries at or near the range minimums typically have not mastered the job and probably have not acquired the skills and experience necessary to be fully proficient in their classification.

As Exhibit 4B illustrates for surveyed classifications, the District was, on average, approximately 10.3 percent below the 65<sup>th</sup> percentile at the minimum of the respective salary ranges.



## **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 4B** illustrates for the benchmarked classifications, the District was, on average, approximately 16.5 percent below the 65<sup>th</sup> percentile of the midpoint of the respective salary ranges.

## **Market Maximums**

In this section, salary range maximums are compared to the peers' average 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 4B** illustrates for the surveyed classifications, the District was, on average, approximately 16.6 percent below the 65<sup>th</sup> percentile of the maximum of the respective salary ranges.

## **4.2 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 District's general ability to recruit and retain talent over time. If a range minimum is significantly lower than the market would offer, the District 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 District. From the analysis of the data gathered and discussed above, the surveyed classifications' ranges were generally found to be below the District's desired market position.

## **4.3 BENEFITS SURVEY RESULTS**

In addition to the salary survey, Evergreen conducted a benefit survey to compare the District's current employee benefits to those of its peers. The information provided in this section is a result of the analysis of the current benefits at the District and at each peer organization, which are subject to change. Benefit plans have intricacies that are not represented in this chapter; therefore, the data provided should not be used independently as a line-by-line comparison of benefits. It should also be noted that benefits are usually negotiated and acquired through third parties, so one-to-one comparisons can be difficult. The analysis below highlights the results of the benefits survey. Data were requested from



the same peers contacted for the salary survey and subsequently collected from the eleven peer organizations identified in **Exhibit 4C**.

**EXHIBIT 4C  
MARKET PEERS**

Market Peers
Charlotte County Utilities
Florida Keys Aqueduct Authority
Fort Pierce Utilities Authority
Lakeland Water Utilities
North Port Utiliites
South Florida Water Management District
Southwest Florida Water Management District
St. Johns River Water Management District
Suwannee River Water Management District
City of Naples
City of Venice Utilities

**Employee Health Plans**

**Exhibit 4D** shows the number of health plans provided to current employees by the responding peers and the District. The average number of health plans provided (any combination of PPO, HMO, POS, or HDHP) was 2.3 based on the market data. The District offered two PPO (Preferred Provider Organization) plans and two HMO (Health Maintenance Organization) plans. Subsequent comparisons will be based on peers’ PPO and HMO plans.

**EXHIBIT 4D  
NUMBER OF HEALTH PLANS**

Number of Plans	Peer Average	Englewood Water District
Number of health plans offered	2.3	4

**Premiums and Deductibles**

It is important to note that while the District does not pay for a specific benefit, the District does provide employees a pay additive of \$530.84 per pay period (\$1,061.68 monthly) to use toward any pretax benefits of their choice. If the employee uses more than their pay additive, then any additional amount comes out of their paycheck pretax. Any remaining pay additive that is not used toward a specific benefit is applied toward an employee’s deferred retirement plan (see the Retirement section).



**Exhibit 4E** displays information regarding the PPO health plans of peers compared to the District’s plan. Compared to their peers, the District’s in network and out of network deductibles for the District’s medical plan were much lower compared to peers. **Exhibit 4F** displays information regarding the HMO health plans of peers compared to the District’s plan. Compared to their peers, one of the District’s in network and out of network deductibles for the District’s medical plan were higher compared to peers; however, the District’s other HMO plan has no deductibles. Additionally, for all medical plans, the pay additive, should the employee choose to apply to toward their medical premium, helps substantially with the cost of medical premiums.

**EXHIBIT 4E  
PPO HEALTH PLAN  
PREMIUMS AND DEDUCTIBLES**

Premium Paid by Employee for:	Peer PPO Average	Englewood Water District
Percentage of peers offering each plan	63.6%	Yes; 2
Employee coverage	\$65.97	\$797.69*
Employee + Child	\$466.26	\$1,467.85*
Employee + Spouse	\$478.69	\$1,898.49*
Employee + Family	\$552.74	\$2,488.76*

Premium Paid by Employer for:	Peer PPO Average
Employee coverage	\$854.28
Employee + Child	\$1,401.32
Employee + Spouse	\$1,415.84
Employee + Family	\$1,587.05





**EXHIBIT 4E (CONTINUED)  
PPO HEALTH PLAN  
PREMIUMS AND DEDUCTIBLES**

Deductibles	Peer PPO Average	Englewood Water District
Individual Maximum In Network	\$777.78	\$250.00
Individual Maximum Out of Network	\$1,608.33	\$625.00
Employee + Child Maximum In Network	\$1,394.44	\$750.00
Employee + Child Maximum Out of Network	\$2,508.33	\$1,875.00
Employee + Spouse Maximum In Network	\$1,394.44	\$7,750.00
Employee + Spouse Maximum Out of Network	\$2,508.33	\$1,875.00
Employee + Family Maximum In Network	\$2,260.00	\$750.00
Employee + Family Maximum Out of Network Network	\$2,550.00	\$1,875.00

\*Employees can use the District's pay additive to pay for premiums.



**EXHIBIT 4F  
HMO HEALTH PLAN  
PREMIUMS AND DEDUCTIBLES**

Premium Paid by Employee for:	Peer HMO Average	Englewood Water District
Percentage of peers offering each plan	27.3%	Yes; 2
Employee coverage	\$46.51	\$540.67*
Employee + Child	\$250.73	\$994.85*
Employee + Spouse	\$301.88	\$1,286.81*
Employee + Family	\$461.33	\$1,686.87*

Premium Paid by Employer for:	Peer HMO Average
Employee coverage	\$741.38
Employee + Child	\$1,262.30
Employee + Spouse	\$1,297.18
Employee + Family	\$1,516.41

Deductibles	Peer HMO Average	Englewood Water District
Individual Maximum In Network	\$500.00	\$2,000**
Individual Maximum Out of Network	n/a	n/a
Employee + Child Maximum In Network	\$1,000.00	\$6,000*
Employee + Child Maximum Out of Network	n/a	n/a
Employee + Spouse Maximum In Network	\$1,000.00	\$6,000*
Employee + Spouse Maximum Out of Network	n/a	n/a
Employee + Family Maximum In Network	\$1,000.00	\$6,000*
Employee + Family Maximum Out of Network Network	n/a	n/a

\*Employees can use the District’s pay additive to pay for premiums.

\*\*Deductibles for one HMO plan are displayed. The other HMO plan has no deductibles.



**Other Insurance Plans**

Exhibit 4G displays information from the responding peers regarding the cost to the employee for dental plans. While the dental premiums for District employees are higher compared to peer organizations, District employees can use their pay additive toward this benefit.

**EXHIBIT 4G  
DENTAL PLANS**

Dental Premiums	Peer Average	Englewood Water District
Offered?	90.9%	Yes
Average number of plans offered	1.6	2
Employer cost employee only	\$39.62	\$0.00
Employee cost employee only	\$6.83	\$45.45
Employer cost employee plus child	\$57.68	\$0.00
Employee cost employee plus child	\$24.66	\$125.15
Employer cost employee plus spouse	\$57.07	\$0.00
Employee cost employee plus spouse	\$22.58	\$90.89
Employer cost employee plus family	\$67.10	\$0.00
Employee cost employee plus family	\$39.97	\$172.60

\*Rates from the District are averaged

Exhibit 4H displays information from the responding peers regarding the cost to the employee for vision plans. While the vision premiums for District employees are higher compared to peer organizations, District employees can use their pay additive toward this benefit.



**EXHIBIT 4H  
VISION PLANS**

Vision Premiums	Peer Average	Englewood Water District
Offered?	90.9%	Yes
Average number of plans offered	1.3	1
Employer cost employee only	\$4.11	\$0.00
Employee cost employee only	\$2.90	\$7.37
Employer cost employee plus child	\$6.77	\$0.00
Employee cost employee plus child	\$6.36	\$14.02
Employer cost employee plus spouse	\$5.96	\$0.00
Employee cost employee plus spouse	\$7.00	\$14.76
Employer cost employee plus family	\$8.43	\$0.00
Employee cost employee plus family	\$9.91	\$22.01

**Exhibit 4I** displays the percentage of responding peers who provided short- and long-term disability insurance. Like the District, 27.3 percent of peers offered employer paid short-term disability to its employees, with comparable benefit rates of 60.0 percent. Also like the District, 54.5 percent of peers offered employer paid short-term disability. The amount of disability benefit offered by peers was slightly higher (64.6 percent) compared to the District (60.0 percent).

**EXHIBIT 4I  
DISABILITY INSURANCE**

Disability Insurance		Peer Percentage Offered	Percent of salary employee receives
Short-Term Disability	Peer Employer Paid	27.3%	64.6%
	Englewood Water District	Yes	60.0%
	Peer Employee Paid	45.5%	61.6%
	Englewood Water District	No	n/a
Long-Term Disability	Peer Employer Paid	54.5%	60.0%
	Englewood Water District	Yes	60.0%
	Peer Employee Paid	45.5%	60.0%
	Englewood Water District	No	n/a



**Life Insurance**

Employer-paid life insurance was provided by all peers, as well as the District. All of the peers, as well as the District, offered accidental death insurance, and most peers also offered dependent coverage and the option to purchase additional life insurance. The death benefit offered by peers varied based on salary and age. The District offered a death benefit equivalent to one times the employee’s salary.

**EXHIBIT 4J  
LIFE INSURANCE**

Life Insurance	Peer Average	Englewood Water District
Employer-paid life insurance offered?	100.0%	Yes
Dollar amount of death benefit	varies	varies
Optional dependent coverage offered?	90.9%	Yes
Can the employee purchase (additional) life insurance if desired?	90.9%	Yes
Accidental death insurance provided?	100.0%	Yes

**Tuition Reimbursement**

Tuition reimbursement for employees is provided by 54.5 percent of peers, with the amount of reimbursement varying depending on grade achieved and level of courses pursued. At the time of this study, the District did not offer a formal tuition reimbursement program, but does allow job-related education by either the District paying for it directly or reimbursing the employee. This benefit is subject to the Administrator’s approval.

**Employee Leave and Holidays**

**Exhibit 4K** provides the average accrual rates for sick, annual/vacation, and paid time off (PTO/single leave pool for sick and annual/vacation leave) for employees for peers and the District. The District, and 9.1 percent of its peers, offered paid time off to its employees. The accrual rates between the District and the peer were similar across the board, although it takes a District employee 30 years of service to reach the maximum accrual rate compared to 20 years of service at the peer organization. The District also offered two personal days to its employees. All other peers offered separate sick and annual/vacation leave, with those rates displayed in **Exhibit 4K**.



**EXHIBIT 4K  
LEAVE TIME ACCRUAL**

Leave Accrual	Organization	Offered?	Minimum Accrual Rate in Hours (Monthly)	Years of service to accrue the minimum rate	Maximum Accrual Rate in Hours (Monthly)	Years of service to accrue the maximum rate	Absolute Maximum Accrual in Hours for a Year
Sick Leave	Peer Average Offered	90.9%	7.9	0.0	7.9	0.0	1040.0
	Englewood Water District	No	–	–	–	–	–
Annual/Vacation Leave	Peer Average Offered	90.9%	7.8	0.0	15.0	13.1	317.3
	Englewood Water District	No	–	–	–	–	–
Paid Time Off	Peer Average Offered	9.1%	13.3	0.0	22.7	20.0	520.0
	Englewood Water District	Yes	13.4	0.0	26.7	30.0	260.0

**Retirement Plan Benefits**

Exhibit 4L displays the number of retirement plans provided and offered to employees, including the Florida Retirement System (FRS) plan, Defined Contribution plans, and Deferred Compensation plans. Among the peers, 81.8 percent provided their employees the FRS pension plan with an employer contribution averaging 10.0 percent, a vesting period averaging 8 years, and a required employee contribution averaging 3.0 percent. The District also offered FRS to its employees and has similar contribution rates. The average vesting time varies for employees.

Unlike the District, 18.2 percent of peers offered Defined Contribution retirement plans to their employees. On the other hand, the District and 9.1 percent of peers offered a Deferred Contribution retirement plan to their employees.

**EXHIBIT 4L  
RETIREMENT**

Number of Plans	Peer Average	Englewood Water District
Number of retirement plans offered	2.1	2

Plan Type	Organization	Percentage Offered	Years to Fully Vest	Average Employer Contribution	Average Employee Contribution
FRS	Peer Average	81.8%	8.0	10.0%	3.0%
	Englewood Water District	Yes	varies	10.0%	3.0%
Defined Contribution (non-FRS)	Peer Average	18.2%	3.0	7.0%	–
	Englewood Water District	No	–	–	–
Deferred Contribution	Peer Average	9.1%	n/a	n/a	varies
	Englewood Water District	Yes	n/a	n/a	varies



#### **4.4 BENEFITS SURVEY SUMMARY**

The peer benefit data summarized in this chapter indicate that the District's benefit offerings for current employees were, overall, competitive with its peers. For instance, the medical deductibles, paid time off accrual rates, and employer contribution to retirement were competitive with peers. Additionally, the pay additive and additional benefits offerings overall contribute to a competitive benefits package for the District.

#### **4.5 MARKET SUMMARY**

It should again be noted that the standing of a benchmark's pay range compared to either of the District's desired market positions is not a definitive assessment of an individual employee's salary being equally above or below market. The pay range does, however, speak to the District's general ability to recruit and retain talent over time. If a range minimum is significantly lower than the market would offer, the District 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 District.

From the analysis of the data gathered in the external assessment discussed above, the District's pay plans were found to be below its desired market position. When comparing employee benefits; however, the District was found to be, overall, competitive with its benefits offerings. All study findings and subsequent recommendations can be found in **Chapter 5** of this report.



## Chapter 5 - Recommendations

The analysis of the District's classification and compensation system revealed some areas of opportunity for improvement. Evergreen focused primarily on developing more competitive pay plans, as well as reviewing and making recommendations to the classification structure. Study recommendations, as well as the findings that led to each, are discussed in this chapter.

### 5.1 CLASSIFICATION SYSTEM

An organization's classification system establishes how its human resources are employed to perform its core services. The classification system consists of the titles and descriptions of the different classifications, or positions, which define how work is organized and assigned. It is essential that the titles and descriptions of an organization's classifications accurately depict the work being performed by employees in the classifications to ensure equity within the organization and to enable comparisons with positions at peer organizations. The purpose of a classification analysis is to identify such issues as incorrect titles and inconsistent titles across departments.

In the analysis of the District's classification system, Evergreen collected classification data through the Job Assessment Tool (JAT) and Management Issues Tool (MIT) processes. The JATs, which were completed by employees and reviewed by their supervisors, provided information about the type and level of work being performed for each of the District's classifications. In addition, the MIT process provided supervisors an opportunity to provide specific recommendations regarding the pay or classification of positions in their areas. Evergreen reviewed and utilized the data provided in the JATs and MITs as a basis for the classification recommendations below.

#### FINDING

Overall, the classification system utilized by the District was sound. However, there were a few instances of titles for positions that could be modified to better reflect the tasks assigned to the position.

#### **RECOMMENDATION 1: Revise the titles of some classifications to better reflect job duties.**

**Exhibit 5A** provides a list of the recommended changes to the classification system. Not listed are minor changes (e.g., spelling out abbreviated words) or classifications that are not recommended to be changed. The foundation for these recommendations was the work performed by employees as described in their JATs, best practice in the Human Resources field, or unique needs which required a specific titling method.



**EXHIBIT 5A  
PROPOSED CLASSIFICATION CHANGES**

Current Classification Title	Recommended Classification Title
*New title	Customer Service Representative II
Accountant	Accounting Manager
Customer Service Representative	Customer Service Representative I
Human Resource Coordinator	Human Resources Manager
Purchasing Specialist	Purchasing Manager
Wastewater Collections Foreman 2	Wastewater Collections Foreman
Wastewater Workman 3	Wastewater Maintenance Technician
Wastewater Workman 4	Wastewater Maintenance Technician
Water Distribution 3 (Lead Meter Reader)	Meter Reader
Water Distribution Foreman 2	Water Distribution Foreman
Water Distribution Workman 4	Meter Reader
Water Distribution Workman 4	Water Distribution Maintenance Technician
Water Plant Workman 4	Water Plant Maintenance Technician

## FINDING

When comparing the District’s current job descriptions to the work described by employees in the JATs, Evergreen noted some tasks that were missing from the current job descriptions. This can happen over a period of time if the descriptions are not reviewed and updated on a regular basis. Some tasks in one classification are often reassigned to another classification. As such, these changes make it necessary that the District continues to update its job descriptions annually to ensure each job description accurately reflects the work performed.

**RECOMMENDATION 2: Revise all job descriptions to include updated classification information provided in the JAT, and review job descriptions annually for accuracy.**

The process of reviewing and updating the District’s job descriptions, as well as comments received from employees and supervisors during outreach, revealed that the descriptions did not, in some cases, accurately reflect current work performed. To minimize this becoming a concern again in the future, Evergreen recommends a regular review of these descriptions, including FLSA status determinations.

A review of the employee’s assigned job classification (description) should occur at least annually. Review of the FLSA determination for exempt or non-exempt status as well as other aspects of the job, (such as physical requirements required to perform essential functions) will also ensure consistent, continuous compliance with the Americans with Disabilities Act (ADA) protection. At the time of this report, Evergreen was in the process of revising the job descriptions for all classifications. The descriptions will be provided to the District under separate cover.

## 5.2 COMPENSATION SYSTEM

The compensation system analysis consisted of two parts: an external market assessment and an internal equity assessment. During the external market assessment, the District's pay ranges for selected benchmark classifications were compared to the average of the identified market. Details regarding the external market assessment were provided in **Chapter 4** of this report.

During the internal equity assessment, consideration of the relationships between positions and the type of work being performed by the District employees were reviewed and analyzed. Specifically, a composite score was assigned to each of the classifications that quantified the classification's level of five separate compensatory factors (leadership, working conditions, complexity, decision-making, and relationships). The level for each factor was determined based on responses to the JAT. The results of both analyses were utilized when developing the recommendations below.

### FINDING

The District's salary ranges were overall found to be behind the market at the minimum, midpoint, and maximum of the District's desired competitive market position. Implementing a revised competitive pay structure (pay plans) would provide the District with an improved ability to attract, hire and retain employees.

**RECOMMENDATION 3: Revise the District's pay plans; slot all classifications into the plans based on external and internal equity; and implement by transitioning employees' salaries into the plans.**

**Exhibit 5B** shows the revised open-range pay plan for non-exempt employees. This plan has 14 pay grades, with uniform range spreads of 60 percent. **Exhibit 5C** shows the revised open-range pay plan for exempt employees. This plan has seven pay grades, with uniform range spreads of 65 percent.



**EXHIBIT 5B  
PROPOSED NON-EXEMPT PAY PLAN**

Grade	Minimum	Midpoint	Maximum	Range Spread
101	\$35,500.00	\$46,150.00	\$56,800.00	60.0%
102	\$37,901.97	\$49,272.56	\$60,643.15	60.0%
103	\$39,797.07	\$51,736.19	\$63,675.31	60.0%
104	\$42,582.86	\$55,357.72	\$68,132.58	60.0%
105	\$45,563.66	\$59,232.76	\$72,901.86	60.0%
106	\$48,753.12	\$63,379.05	\$78,004.99	60.0%
107	\$52,165.84	\$67,815.59	\$83,465.34	60.0%
108	\$55,817.44	\$72,562.68	\$89,307.91	60.0%
109	\$59,724.67	\$77,642.07	\$95,559.46	60.0%
110	\$63,905.39	\$83,077.01	\$102,248.63	60.0%
111	\$68,378.77	\$88,892.40	\$109,406.03	60.0%
112	\$73,165.28	\$95,114.87	\$117,064.45	60.0%
113	\$78,286.85	\$101,772.91	\$125,258.97	60.0%
114	\$83,766.93	\$108,897.01	\$134,027.09	60.0%

**EXHIBIT 5C  
PROPOSED EXEMPT PAY PLAN**

Grade	Minimum	Midpoint	Maximum	Range Spread
201	\$53,738.61	\$71,203.66	\$88,668.71	65.0%
202	\$60,187.24	\$79,748.10	\$99,308.95	65.0%
203	\$67,409.71	\$89,317.87	\$111,226.03	65.0%
204	\$75,498.88	\$100,036.01	\$124,573.15	65.0%
205	\$84,558.74	\$112,040.33	\$139,521.93	65.0%
206	\$94,705.79	\$125,485.17	\$156,264.56	65.0%
207	\$106,070.49	\$140,543.40	\$175,016.30	65.0%



Evergreen slotted each proposed classification into the appropriate pay range in each pay plan. Both internal and external equity were analyzed when slotting the classifications. Assigning pay grades to classifications requires a balance of internal equity, desired market position, and recruitment and retention concerns. Thus, market range data shown in **Chapter 4** were not the sole criteria for the proposed pay ranges. Some classifications’ grade assignments varied from their associated market range due to the other factors mentioned above. **Exhibit 5D** shows the proposed pay grades for classifications in the non-exempt plan, and **Exhibit 5E** shows the proposed pay grades for classifications in the exempt pay plan.

**EXHIBIT 5D  
PROPOSED PAY GRADES  
NON-EXEMPT PAY PLAN**

Classification Title	Proposed Pay Grade	Proposed Minimum	Proposed Midpoint	Proposed Maximum
Water Plant Operator Trainee	102	\$ 37,901.97	\$ 49,272.56	\$ 60,643.15
Accounting Clerk				
Backflow Prevention Technician				
Customer Service Representative I				
Meter Reader				
Meter Reader	103	\$ 39,797.07	\$ 51,736.19	\$ 63,675.31
Utility Billing Clerk				
Wastewater Maintenance Technician				
Wastewater Maintenance Technician				
Water Distribution Maintenance Technician				
Water Plant Maintenance Technician				
Customer Service Representative II				
Inventory Specialist	104	\$ 42,582.86	\$ 55,357.72	\$ 68,132.58
Wastewater Plant Operator C				
Water Plant Operator C				
Executive Assistant				
Senior Utility Billing Clerk				
Utility Systems Locator	105	\$ 45,563.66	\$ 59,232.76	\$ 72,901.86
Wastewater Plant Operator B				
Water Plant Operator B				
Chemist				
GIS Specialist	106	\$ 48,753.12	\$ 63,379.05	\$ 78,004.99
Information Systems Technician				
Electrician	107	\$ 52,165.84	\$ 67,815.59	\$ 83,465.34
Laboratory Supervisor				
Construction Coordinator				
Engineer in Training	108	\$ 55,817.44	\$ 72,562.68	\$ 89,307.91
Wastewater Collections Foreman				
Water Distribution Foreman				

**EXHIBIT 5E  
PROPOSED PAY GRADES  
EXEMPT PAY PLAN**

Classification Title	Proposed Pay Grade	Proposed Minimum	Proposed Midpoint	Proposed Maximum
Accounting Manager	202	\$ 60,187.24	\$ 79,748.10	\$ 99,308.95
Customer Service Manager				
Purchasing Manager				
Human Resources Manager	203	\$ 67,409.71	\$ 89,317.87	\$ 111,226.03
Wastewater Collections Manager				
Wastewater Plant Operator A				
Water Distribution Manager				
Water Plant Lead Operator A	204	\$ 75,498.88	\$ 100,036.01	\$ 124,573.15
Wastewater Operations Manager				
Water Operations Manager	206	\$ 94,705.79	\$ 125,485.17	\$ 156,264.56
Finance Director				
Technical Support Manager				
Administrator	207	\$ 106,070.49	\$ 140,543.40	\$ 175,016.30

After assigning pay grades to classifications, the next step was to develop appropriate methods (options) for transitioning employees' salaries into the new pay plan. This was done by establishing methods of calculating salaries in the proposed pay ranges and determining whether adjustments were necessary. Evergreen developed, recommended, and provided several options for implementing the proposed pay plan. For each method, approximate annualized salary (only) costs were also provided. At the time of this report, the District was evaluating the proposed method described below.

### Current Range Penetration

In establishing the new pay plans, it is important that employee salaries are brought up to the new minimum. If any of the employees' salaries fell below the new minimum of their assigned pay grade, their salaries would be brought up to the new minimum. Next, calculations were performed to determine the percentage through the current range an employee's salary falls. The employee's recommended salary calculation will place their salary at the same percentage through the proposed range. All employees will receive at least a three percent increase.

Utilizing this approach, adjustments are recommended for 78 general employees with an approximate total annualized cost of **\$653,827**. These are the approximate costs for salary adjustments (only) and do not include the associated costs for employee benefits.



### 5.3 SYSTEM ADMINISTRATION

The District'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 system becomes dated and less competitive.

**RECOMMENDATION 4: 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 structure (plans) 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 the District is experiencing difficulty high turnover or challenges with recruiting one or more classifications, the District should collect salary range data from peer organizations to determine whether an adjustment is needed for the pay grade of the classification(s).

**RECOMMENDATION 5: Conduct a comprehensive classification and compensation study every three to five years, subject to budget constraints and as market conditions are warranted.**

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 District in less than desirable position for recruiting and retaining quality employees.

**RECOMMENDATION 6: Review and revise, as appropriate, existing pay practice guidelines including those for determining salaries of newly hired employees, progressing employee salaries through the pay plans and determining pay increases for employees who have been promoted to a different classification.**

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 District 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.

#### New Hire Salaries

Typically, an employee holding the minimum education and experience requirements for an existing classification is hired at or near the classification's pay grade minimum. Sometimes, for recruiting purposes an organization might need to consider the ability to offer salaries to new employees that consider prior related experience. It is recommended that the District continue its current practices of establishing new hire salaries while preserving the internal equity of employees' salaries within each classification to the extent possible. Current

employees' salaries should be improved, to some degree with implementation of the new plans and the proposed potential adjustments to employees' salaries.

### Salary Progression

There are several common methods for salary progression including cost of living adjustments (COLA)/across the board and performance-based. The District currently utilizes both methods to progress salaries. It is recommended that the District continuously evaluate its practices to progress employees' salaries and if necessary, make improvements to preserve equitable pay practices, particularly in the administration of the employee performance evaluation process.

## **5.4 SUMMARY**

The recommendations in this chapter provide an update to the compensation and classification system for the District employees. Upon implementation, the District's competitiveness in the labor market will be improved and have a responsive compensation system for several years to come. While the upkeep of this will require work, the District will find that having a more competitive compensation system that enhances strong recruitment and employee retention is well worth this commitment.

