

COMPENSATION ADMINISTRATION

Management Philosophy:

The basis of any compensation program is the management philosophy between the employer and the employees. It is the Town's position that the following issues must be addressed with respect to pay:

- What the Town expects in return for salaries paid.
- What the Town considers key determinants of pay.
- The quality of personnel to attract, retain and motivate in order to achieve organizational objectives.
- What the impact of demands for internal equity and consistency will have in determining pay opportunities.
- The role of compensation in the retention of personnel.
- Whether financial incentive programs are appropriate for reinforcing organizational goals.

Internal Equity:

An internally equitable salary program compensates employees according to various levels of skill, effort, responsibility, impact of work, public contact, supervisory responsibility, and work environment within the organization. Occasionally, position reassessment and reassignment so enhance the job duties and responsibilities that the current pay to the employee in the position does not adequately reflect this equity necessitating a review of the situation. Other occasions of inequity occur when employees are promoted from non-exempt to exempt positions where the promotional salary increase does not compensate for the lost overtime wages, or the increase does not advance the promoted employee's salary above that of subordinate personnel. In these circumstances, the Town Administrator with approval of the Town Council may grant an equity adjustment to fairly compensate employees in relationship to the internal and external value of their positions.

Pay and Classification Study

In April 2006 the Town Council approved a new Permanent Salary Range Schedule or Classification Plan along with a performance evaluation process for all non-police employees of the Town. Police salaries are determined by Union negotiation. Evaluation forms for both regular employees and department heads were revised and approved by Council.

Performance Evaluation:

The most important purpose of evaluation is to indicate clearly and candidly how the employee is performing and what the employee can do to continue being a valuable member of the organization. The performance evaluation serves as a useful tool for career development by:

- recognizing the employee's performance
- providing performance feedback to the employee
- providing records for future career opportunities

Currently, the Town uses a performance-based evaluation system to grant merit increases based on quantity and quality of work performed to be administered on an employee's anniversary date. Employees are rated by their Department Heads on many different areas of job performance. The ratings are tallied up to reach a numerical evaluation score that determines the percent of increase recommended. The department head meets with the Town Administrator and the Director of Finance and Personnel to review and confirm the recommended increase. The department head then meets with the employee to apprise him/her of the merit increase to be awarded.

Exempt Employees:

In order to comply with the Fair Labor Standards Act (FLSA), an exempt or salaried employee such as the Town Administrator, Town Clerk, Finance Director, Building Official, and others as deemed appropriate, is excluded from overtime wages.

Employee Benefits:

The Town maintains a benefit program for all full-time (40 hours) employees. The Town grants eight (8) paid holidays and two (2) personal days each fiscal year. Annual leave is available after six (6) months of service with thirteen (13) days earned during the 1st through the 5th year of employment. From five (5) years to ten (10) years the employee is granted Sixteen (16) days of Annual Leave; from ten (10) years to fifteen (15) years – nineteen and one-half (19.5) days; from fifteen (15) years to twenty (20) years – twenty-two and three quarters (22.75) days and twenty (20) years and over the employee is granted twenty-six (26) days of Annual Leave.

A full-time employee earns, from the first day of employment, thirteen (13) days of Sick Leave for the first fifteen (15) years of service. An employee providing service to the Town for over fifteen (15) years earns eighteen (18) days of sick leave per fiscal year.

Our Insurance Program is available to all full time employees. The Town currently pays 100% for all **employee** Health Insurance coverage with the employee's being responsible for any optional dependant/family coverage.

The Town currently pays for employee Dental coverage and basic group term Life Insurance. Optional coverage for dependents or spouse is available to employees at their expense. The Town also provides 100% funding for Group Long Term Disability coverage after six (6) months of employment.

The Town currently provides three (3) Retirement Programs for employees.

1. A Chapter 185 qualified Pension Plan is provided to our Police Officers with the Town contributing sufficient amounts to fund the Plan as determined by an actuarial study. The employee contribution is a mandatory five (5%) percent and the State of Florida contributes under Florida Statutes, Chapter 185.

2. The Town provides a 401A Defined Contribution Retirement Plan which is self-directed by the full-time (40 hours) employee and is administered through the International City Management Association. The Town contribute thirteen (13%) percent of the employees salary in their name with the employees being required to contribute an additional seven (7%) percent. Employees are 100% vested after five (5) years of service.

3. The Town provides elected Council Members with contributions to the Florida Retirement System which is a Defined Benefit Retirement Plan or if selected by the council member, a Defined Contribution Investment Plan. The Town is currently contributing 15.23% of the councilor's salary.

The Town also provides an Employee Assistance Program (EAP) administered through BAYCARE LIFE MANAGEMENT which is a confidential assistance program to employees and their families.

In addition, the Town provides a 457 Deferred Compensation Program that is administered through the International City Management Association.

The Town maintains a Classification and Pay Plan for all regular Town employees with the current plan being approved April 4, 2006. Adjustments based on the cost of living have been implemented on October 1st each year. A 4.3 % Cost of Living adjustment proposed for October 1, 2008 is reflected in the following chart. No increase for Cost of Living Adjustment has been recommended for Fiscal 2009/2010.

COST OF LIVING ADJUSTMENT POLICY

The Town Council's policy concerning cost of living adjustments awards a percentage increase to all employees approximating the percentage increase in the cost of living.

The Town Administrator and the Director of Finance and Personnel recommends, for Commission approval, a cost of living adjustment in October, which would approximate the CPI-W for the Tampa/St. Petersburg/Clearwater area for the prior year. As part of this same action, the Town Administrator would recommend that the pay ranges for each position be adjusted by the same percentage so that they continue to reflect the market value of the position. To ensure salaries remain competitive, it is recommended that the Town review the Compensation Plan approximately every 5 years, to identify changes in the relative market value of positions.