1. Agenda

    Documents:

        SPECIAL CITY COUNCIL MEETING AGENDA 07 22 20.PDF

2. Minutes

    Documents:

        CITY COUNCIL MINUTES 07 22 20.PDF

3. Meeting Materials

    Documents:

        SPECIAL CITY COUNCIL MEETING PACKET 07 22 20.PDF

SPECIAL COUNCIL MEETING AGENDA
CITY OF CARTHAGE, MISSOURI
WEDNESDAY, JULY 22, 2020
3:00 P.M. – BY VIDEO CONFERENCE

In response to the Coronavirus pandemic and pursuant to the Declaration of Emergency within the City of Carthage, this meeting will be held by on-line video conference. If you would like to listen to the meeting, access information is provided below. For questions, contact City Clerk Traci Cox (417) 237-7000 or fill out this form.

If you would like to listen to the meeting please call by telephone #346-248-7799. You will have to enter the ID# 832 0595 1010 with a password 010691. This will allow you to listen to the meeting.

1. Call to Order
2. Invocation
3. Pledge of Allegiance to Flag
4. Calling of the Roll
5. Reading and Consideration of Minutes of Previous Meeting
7. New Business
    1. **Presentation/Consider and Discuss Comprehensive Compensation and Classification Study Executive Report by McGrath Human Resources Group.**
8. Adjournment

PERSONS WITH DISABILITIES WHO NEED SPECIAL ASSISTANCE CALL 417-237-7000 (VOICE) OR 1-800-735-2466 (TDD VIA RELAY MISSOURI) AT LEAST 24 HOURS PRIOR TO MEETING

MINUTES OF THE SPECIAL MEETING OF THE CITY COUNCIL
CITY OF CARTHAGE, MISSOURI
JULY 22, 2020

The Carthage City Council met in Special session on the above date at 3:00 P.M. via video conference with Mayor Dan Rife presiding. Fire Chief Roger Williams gave the invocation and Police Chief Greg Dagnan led the flag salute.

The following Council Members answered roll call via Zoom video conference: Mike Daugherty, Alan Snow, Craig Diggs, Ed Barlow, Seth Thompson, James Harrison, Juan Topete, David Armstrong, and Ceri Otero. Council Member Ray West was absent. City Administrator Tom Short and City Attorney Nate Dally were also present.

The following Department Heads were present via Zoom video conference: Police Chief Greg Dagnan, Fire Chief Roger Williams, Public Works Director Zeb Carney, Parks and Recreation Director Mark Peterson and City Clerk Traci Cox.

Mr. Daugherty made a motion, seconded by Mr. Harrison, to approve the minutes of the July 14, 2020 Council Meeting. Motion carried unanimously.

Under New Business, Presentation/Consider and Discuss Comprehensive Compensation and Classification Study Executive Report by McGrath Human Resources Group, Victoria McGrath presented the Executive Report. Three options for implementation were presented and budgetary impacts were also discussed. Mr. Diggs requested Ms. McGrath estimate future costs associated with two plans for further discussion at the July 28 Council Meeting.

Mr. Snow made a motion, seconded by Mr. Daugherty, to adjourn the regular session of the Council Meeting. Motion carried and meeting adjourned at 4:34 p.m.

_____
Dan Rife, Mayor

_____
Traci Cox, City Clerk

SPECIAL COUNCIL MEETING AGENDA
CITY OF CARTHAGE, MISSOURI
WEDNESDAY, JULY 22, 2020
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MINUTES OF THE MEETING OF THE CITY COUNCIL
CITY OF CARTHAGE, MISSOURI
July 14, 2020

The Carthage City Council met in regular session on the above date at 6:30 P.M. via Zoom video conference with Mayor Dan Rife presiding.

The following Council Members answered roll call via Zoom video conference: Ceri Otero, Mike Daugherty, Alan Snow, Craig Diggs, Ed Barlow, Seth Thompson, James Harrison, Juan Topete, David Armstrong, and Ray West. City Administrator Tom Short and City Attorney Nate Dally were also present.

The following Department Heads were present via Zoom video conference: Police Chief Greg Dagnan, Fire Chief Roger Williams, Public Works Director Zeb Carney, Parks & Recreation Director Mark Peterson, and City Clerk Traci Cox.

Mr. Daugherty made a motion, seconded by Mr. Armstrong, to approve the minutes of the July 1, 2020 Special Council Meeting. Motion carried unanimously.

No emails were received from citizens wishing to address the Council.

Mr. Snow reported the Budget Ways & Means Committee met on July 13. The committee discussed the Annual Operating and Capital Budget of the Carthage Water & Electric Plant (CW&EP) and the Carthage Library for the Fiscal Year 2020-2021. These items were forwarded to Council for approval on C.B. 20-37. Also discussed were the revenue estimates for the fiscal 2021 budget. Mr. Snow made a motion, seconded by Mr. West, to reduce current year revenues by 15% for budget in the 2021 FY. Mr. Armstrong made a motion, seconded by Mr. Snow, to amend the motion from 15% to 5%. Motion carried. Motion to reduce current year revenues by 5% for use in the 2021 FY Budget passed unanimously. The salary study was discussed, and a meeting with McGrath Human Resources Group will be scheduled to review the Executive Report.

Ms. Otero reported the Committee on Insurance/Audit and Claims met on this date via video conference and approved the claims. Ms. Cox reported on a utilization report received from Anthem for employee health insurance.

Mr. Harrison reported the Public Safety Committee is between meetings with the next meeting scheduled for July 20.

Mr. Topete reported the Public Services Committee is between meetings with the next meeting scheduled for July 21.

Mr. Daugherty reported that the Public Works Committee meeting for July 7 was cancelled. The next meeting is scheduled for August 4.

Special Committee and Board Liaison reports were given by Mr. Snow for Carthage Water & Electric, Mr. Thompson for the Convention and Visitors Bureau, Mr. West for the Jasper County Commissioners, Mr. Barlow for the Planning & Zoning, and Mr. Diggs for the Kellogg Lake Board.

Mayor Rife reported on budget meetings and working to develop the task force.

During Reports of Council Members, Mr. Snow sent good luck wishes to the exhibitors at the Jasper County Youth Fair, Mr. Thompson informed the council of an interview he participated in with KBIA radio station out of Columbia, MO which led to discussions with the Mexican Consulate out of Kansas City, Mr. Topete discussed difficulties faced by the Hispanic community related to the pandemic, Mr. Armstrong discussed the necessity to not cancel scheduled Standing Committee meetings.

City Attorney Nate Dally discussed the effectiveness of communications with the Hispanic community.

Police Chief Greg Dagnan presented an award to Adam Chacon with Alentado Training Consultants for his assistance in Spanish translation services during the pandemic.

Fire Chief Roger Williams gave an update on cases associated with the pandemic.

Public Works Director Zeb Carney reported Blevins Asphalt will be finishing up capital projects soon.

Parks and Recreation Director Mark Peterson reported on activities associated with the Jasper County Youth Fair and thanked Mr. Chacon for his assistance with translating information in the Parks and Recreation Department.

City Administrator Tom Short reported on the following: meetings regarding the salary study, a contract for the Gro 3.0 Grant, upcoming changes to the COVID leave policy, revenue estimates, possible state termination of funding for the Hazel Street project, an upcoming Region M meeting, and light replacement at City Hall.

Mr. Daugherty left the meeting at 7:23 p.m.

The Committee on Claims filed a report in the amount of $1,551,695.09 against the following funds: General Revenue $233,096.79, Public Health $7,338.34, Parks/Stormwater $53,461.10, Inmate Security Fund $203.00, Fire Protection $8,153.97, Golf $12,877.89, Library $25,000.00, Payroll $211,564.00, and Carthage Water & Electric $1,000,000.00. Ms. Otero made a motion, seconded by Mr. Armstrong, to accept the report and allow the claims. Motion carried.

Public Hearing for approval of the Carthage Water & Electric and Carthage Public Library Budgets. No citizens sent emails regarding the public hearing. Mr. Short reported the information for the approval of the Carthage Water & Electric budget and

the Carthage Public Library budget was presented to the Budget Committee and is being supported by both the Budget Committee and the City of Carthage.

Under Old Business, C.B. 20-31 – An Ordinance to amend Section 6-35 of the Carthage Code, for Inspection and Correction of Unsafe Conditions, by adding a reinspection fee was placed on second reading followed by a roll call vote of 9 yeas and 0 nays. Ayes: Armstrong, Barlow, Diggs, Harrison, Otero, Snow, Thompson, Topete, and West. The council bill was approved and numbered 20-28.

C.B. 20-32 – An Ordinance to amend Section 6-17, Building Permit Fees of the Code of the City of Carthage to adjust building valuations for the permitting process and adding a reinspection fee was placed on second reading followed by a roll call vote of 9 yeas and 0 nays. Ayes: Armstrong, Barlow, Diggs, Harrison, Otero, Snow, Thompson, Topete, and West. The council bill was approved and numbered 20-29.

Under New Business, C.B. 20-35 – An Ordinance authorizing a special use permit for operation of a Daycare School as requested by Sabrina Lynch for 820 Howard Street, in the City of Carthage, Jasper County, Missouri was placed on first reading with no action taken.

C.B. 20-36 – An Ordinance authorizing a special use permit for operation of a Daycare Center as requested by Heather (McLemore) Stark 1701 S. Main St., in the City of Carthage, Jasper County, Missouri was placed on first reading with no action taken.

C.B. 20-37 – An Ordinance adopting the Annual Operating and Capital Budget of the Carthage Water & Electric Plant (CW&EP) and the Carthage Library for the Fiscal Year 2020-2021 was placed on first reading with no action taken.

Mr. Daugherty rejoined the meeting at 7:36 p.m.

Mr. Daugherty made a motion, seconded by Mr. Snow, to approve Resolution 1909 – A Resolution approving the recommendation of the McCune-Brooks Regional Hospital Trust for the distribution of funds ($25,000) from the restricted trust fund to the Area Agency on Aging Region X passed by a roll call vote of 10 yeas and 0 nays. Ayes: Armstrong, Barlow, Daugherty, Diggs, Harrison, Otero, Snow, Thompson, Topete, and West.

During closing remarks, council members thanked Alentado Training Consultants for their services, Mr. Diggs reported on complaints regarding fireworks still being discharged in his neighborhood, Mr. Snow thanked the park employees for all they are doing and noted priorities need to be considered during the budgeting process because cuts may need to be made, Mr. Barlow stated the Task Force needs to consider the needs of the Hispanic community, Mr. Harrison discussed the effects of the pandemic on his neighborhood, Mr. Armstrong discussed the need to compensate employees fairly.

Mr. Daugherty made a motion, seconded by Mr. Snow, to close the meeting according to Section 610.021 (1) the Agenda includes the possibility of a vote to close part of the meeting to discuss legal actions, causes of action or litigation involving a public governmental body or its representatives and its attorneys followed by a roll call vote on the board of 10 yeas and no nays. Ayes: Armstrong, Barlow, Daugherty, Diggs, Harrison, Otero, Snow, Thompson, Topete, and West. Motion carried at 7:56 p.m.

CLOSED SESSION

Mr. Daugherty made a motion, seconded by Mr. Harrison, to return to the regular session of the Council Meeting at 8:21 p.m. followed by a roll call vote of 10 yeas and no nays. Ayes: Armstrong, Barlow, Daugherty, Diggs, Harrison, Otero, Snow, Thompson, Topete, and West. Motion carried.

Mr. Daugherty made a motion, seconded by Mr. Snow, to adjourn the regular session of the Council Meeting. Motion carried and meeting adjourned at 8:22 p.m..

_____
Dan Rife, Mayor

_____
Traci Cox, City Clerk

McGrath
HUMAN RESOURCES GROUP

20 YEARS 2000-2020

Compensation and Classification Study
Executive Report

for

The City Carthage
Missouri

July 2020

CITY OF CARTHAGE
MAPLE LEAF CITY Missouri

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Introduction

McGrath Human Resources Group, Inc., an organization that specializes in public sector consulting, was commissioned by the City of Carthage to conduct a comprehensive Classification and Compensation Study. The City requested an evaluation of the City's positions in order to update the current System.

The purpose of this Study is to:

- ✓ Guide the City in confirming the organization's compensation philosophy including your desired position in the market, recognition of tenure, recruitment and retention priorities, usage of performance-based pay, and other aspects of a sound compensation philosophy.
- ✓ Develop a cooperative plan of action utilizing the basic methodology outlined in this proposal and tailored to your specific project.
- ✓ Obtain and establish compensation within the external market through a salary and benefits survey of comparable entities.
- ✓ Conduct a total compensation analysis with the City's top competitors for talent.
- ✓ Obtain information on each job title for a job audit through position description questionnaires, group interviews and a review of current position descriptions to establish internal equity among positions within the City.
- ✓ Complete a compression analysis and, if found to be a problem, develop strategies to address compression during the design and implementation of the new system.
- ✓ Update classification descriptions/specifications including developing career ladders as appropriate.
- ✓ Analyze positions against the Fair Labor Standards Act to confirm or update appropriate exemption status as necessary.
- ✓ Integrate the data from the external market, internal market, and job audit to a tailored classification and compensation system.
- ✓ Support implementation of the approved system.
- ✓ Provide a plan for on-going maintenance of the system, in accordance with all applicable compensation practices by the City (i.e. movement through the range; COLA; merit, etc.) including a projection of the ongoing budget commitments necessary to provide a sustainable and consistent compensation system.
- ✓ Review and recommend compensation policy and procedure changes that will assure consistent implementation and application of the compensation system.
- ✓ Develop final reports and documents with summary data, and present final recommendations to the governing body.
- ✓ Provide training for systems maintenance recommendations.

The Consultants would like to extend appreciation to the City Administrator, City Clerk, Department Directors, and the Compensation Committee for their time, cooperation, and sharing of information and perceptions with McGrath Human Resources Group.

This report will summarize the steps taken and recommendations that are a result of the analysis of the external market, current practices, and the competitive labor market. The reader must keep in mind that the vast preponderance of the data was gathered and analyzed prior to the start of the pandemic. As a result of COVID-19, the study was slowed so that the affects of the economic impacts could be determined. Unfortunately, what will happen to the economy, as of the writing of this report, is still an unknown. If one were to make the assumption that a tight labor force will continue once businesses begin to re-open; as well as that the external salaries utilized for the basis of this report will not decrease, the recommendations within this report have not been changed. With that said, an implementation plan has been developed so that when the City can begin to implement the compensation plan, there will be limited impact to the financials.

The following is a brief summary of the recommendations contained within this report.

Overall, the City has not kept pace with the surrounding public sector entities. Approximately 48% of the salary schedule's minimum salaries are below an acceptable range. Further, if the midpoint of the current salary schedule represents the average market rate, 78% of the midpoints are below an acceptable percentage from the market.

This is something the City is going to have to rectify in that it is starting to affect the tenure of employees. Some turnover in an organization is healthy; however, over the past three years, the City has gone from 6.7% turnover rate in 2017 to 39% in 2019. This is also reflected in the demographics of the current workforce. The average age of the workforce is 39 with only 6.72 years of service.

The lower salaries coupled with a young workforce indicates that the City must ensure that these individuals are retained. The current workforce, along with those entering employment are a group that does not feel staying at an organization is beneficial. This group of employees

has learned that moving to another organization is a great way to increase wages. Therefore, the City needs to adjust its compensation schedule to remain competitive.

In addition to compensation, the report contains recommendations in benefits.

- **Health:** The employer contribution to health insurance is tied for the highest; therefore, the City can consider a shift from employer to employee contributions. However, that should be considered after salary adjustments are implemented. Otherwise, there will be a negative effect on employees which may cause more to leave the City.
- The City only provides one health insurance plan. The City should discuss with their benefit's broker adding a High Deductible Health Plan (HDHP). This coupled with an employer sponsored Health Savings Account (HSA) can reduce premiums for both employer and employee. The HSA coupled with the lower premium can often be a savings for the employer and still provide good coverage to employees.
- **Dental:** Of the participating agencies all had employer contributions to dental insurance. From 53 – 100% of the premium being paid by the employer.
- **Vacation:** The current vacation schedule for the City is out of alignment with the external market. A revised vacation schedule has been recommended.
- **Holiday/Sick Leave:** No changes have been recommended for the current holiday schedule or sick leave program. Both programs are in alignment with the external market.
- **Vacation/Sick Leave Payout:** The City currently provides a cash payout for unused vacation/sick leave. The cash distribution is subject to taxes for both the employer and employee. A recommendation to a Health Savings Retirement Account (HSRA) or additions to a 457 have been provided. The distribution is placed into the account pre-tax, thus a savings for both the City and the employee.
- **Bilingual Pay:** This is becoming a desired attribute for employees. The City should be commended on its policy. The monthly amount needs to be increased to provide not only an incentive but compensate for the amount of work.
- **Human Resource Manager:** The role of personnel is becoming increasingly complicated. This can be evidenced by the myriad of rules that came from the COVID-

19 pandemic. The consultant recommends at least a part-time Manager, one with previous experience in public sector human resources, to join the administrative team. This individual can ensure upkeep with the compensation plan, labor laws, and recruitment/retention strategies. This needs to be more than a technician, rather one with an HR education and background.

- **Employee Handbook:** The report has a recommendation to have an update of the employee handbook. With the number of laws and HR practices, the handbook is in need of an update.
- **Performance Evaluations:** The compensation recommendations do not include a performance-based increase. However, receiving the annual increase should be based upon acceptable performance. A recommendation to update the forms, as well as provide supervisory training on performance management has been developed.
- **HR Audit:** The City would benefit from an HR audit to ensure all of its practices and procedures are in legal compliance. One individual, wearing multiple hats (clerk, finance, and HR) cannot keep up with all of the facets of human resources.

The reader is encouraged to read the report to get a full understanding of the Consultant's methodology and rationale for the recommendations.

Study Methodology

Data Collection

The project involved several steps: collection of data, interviews, and data analysis. The first step of this Study involved the gathering of data that pertains to current compensation practices within the City of Carthage. The Consultants received information relating to current salaries, specific policies, collected market data, and current job descriptions.

Interviews were conducted with the Mayor and compensation committee, City Administrator, City Clerk, and Department Directors/Managers. The purpose of these meetings was to first, gain an understanding of the City's current compensation practices and philosophy; second, to solicit ideas and input from these stakeholders for future compensation methodologies and

practices; and finally, to determine if there were any positions within the City that were difficult to recruit, retain, or were otherwise unique in the position's responsibilities. Employees were then asked to complete a Position Questionnaire (PQ) which provided extensive information about the positions. The Consultants utilized the Position Questionnaires completed by the employees, which had been reviewed by supervisory employees, to gain a better understanding of the job responsibilities, skills, and various competencies of the position.

Labor Market

In order to gain information from the external market, through interviews with the Department Directors and City Administration, a list of comparable organizations was established. Each of the comparable organizations were contacted initially via email and telephone, and then were provided an online questionnaire. Salary data for specific positions was solicited from the comparable organizations. The following comparable organizations were contacted:

Table 1: Comparable Organizations

Comparable	Participation
Carthage Water & Electric	
City of Bentonville AR	DNP
City of Columbia, MO Golf Course	
City of Fulton, MO	
City of Harrisonville, MO	
City of Joplin, MO	
City of Lebanon, MO	DNP
City of Moberly, MO	
City of Rolla, MO	
City of Neosho, MO	
City of Nixa, MO	
City of Ozark, MO	
City of West Plains, MO	
Webb City	
Jasper County	
Lawrence County	DNP

DNP=Did not participate

The collection of this compensation data was utilized to analyze the average Market Minimum, Midpoint and Maximum Rates per defined benchmark positions. A comparison of the average

salary of the positions to the salary of incumbents within the City was also performed. When necessary, evaluation of the comparable organization's job description, when available online, was utilized to resolve conflicts.

The Consultants surveyed 64 positions. In addition to the current positions within the City of Carthage, the Consultants sought comparable data on positions with job responsibilities that are combined in Carthage but might be separate in other organizations. Also, some positions within the City may have the same title, however, are different positions. Thus, where possible, these positions were identified and added to the survey. Finally, in some cases, titles were altered to better align with the industry. Not all positions are reflected in the following data analysis. In some situations, data was not available in the external market, data was insufficient, or there were no internal matches at the time of the Study.

Market Data Solicited

As mentioned, the market surveys gathered the following information: 2020 Minimum, Midpoint, and Maximum salary for the position as well as the average salary of the incumbents. Upon examination, salaries were eliminated if statistically too high or too low as to not skew the average (typically within one-two standard deviations). Then, a new percentile amount was calculated with the remaining salaries. There was a great deal of time spent in the data analysis to ensure that each position was examined based on the data available and how the responsibilities of each position align within the City.

In addition to the analysis of the average or mean, the City Administrator asked for an analysis of the medium. Thus, the minimum, midpoint, maximum and incumbents were also conducted. Finally, in addition to compensation data, the Consultants solicited data for a few employer-provided benefits.

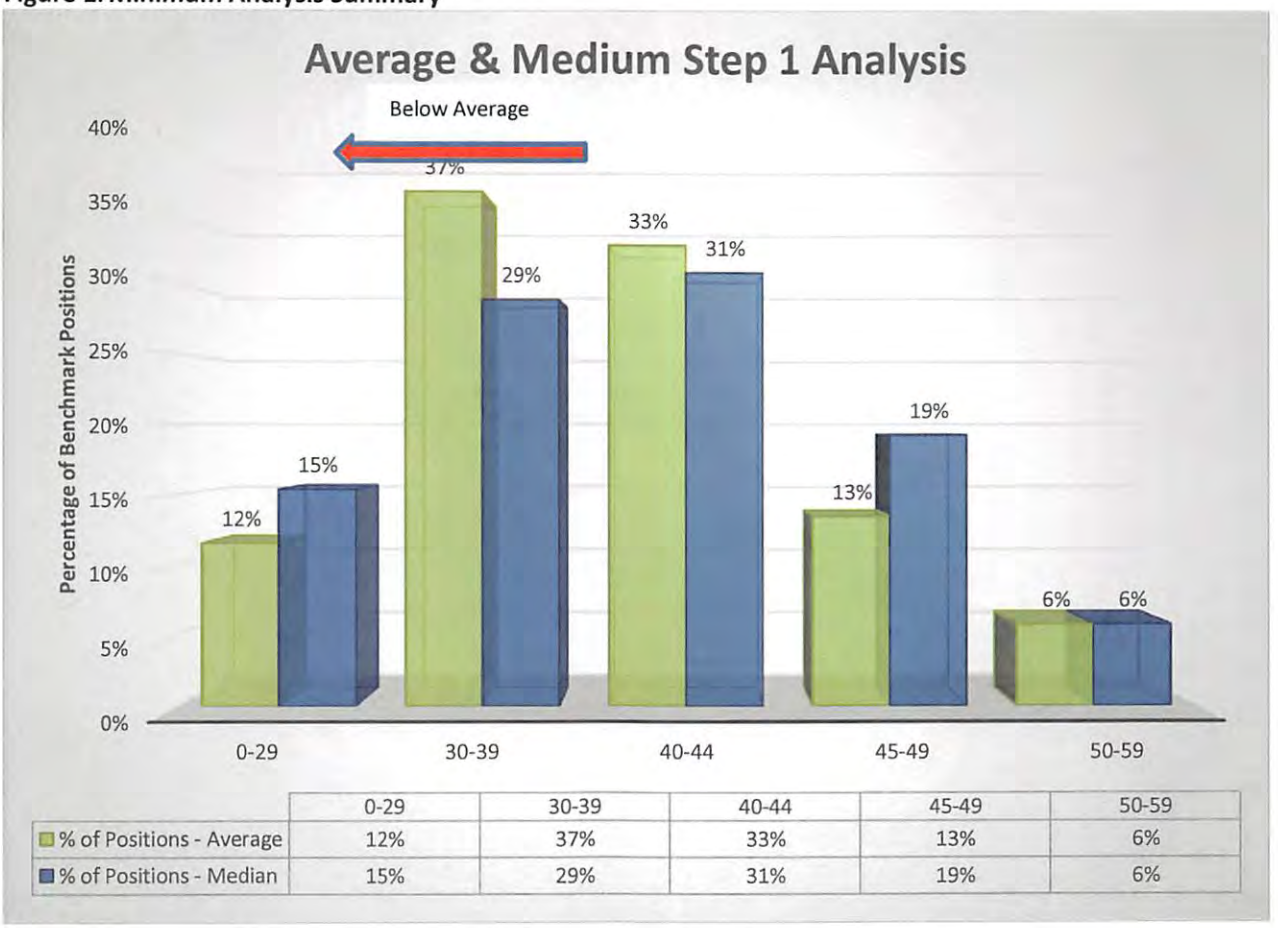
Market Analysis

It is standard compensation practice to establish a range around the Minimum or Market Rate to determine if employee compensation is in line with the comparable market. Employees can mistakenly assume that if the average Market Rate is $25,000, then their salary should align to the Market Rate, not realizing many factors attribute to being above or below a Market Rate. Compensation practices look at a range around the average Market Rate where an employee should be by the time the employee is fully functioning within his/her position. Traditionally, organizations establish a 5%-10% range around the Market Rate. Thus, if an employee is making between 40%-60% of the Market Rate, the employee is considered fairly compensated. In order to analyze the salaries, a Comp Ratio is used. This is a ratio of the City's salary in relation to the external market data. A 50% Comp Ratio would mean that it is in line with the external Market. Again, the 10% range is utilized. Thus, if a ratio is within 40%-60% the salary is within an acceptable range.

Minimum Salary Comparison

The analysis of the City's Minimum Salary Range gives the initial indication if starting salaries are within an acceptable Market Range. Approximately 48% of the benchmarked job titles are below the average Market Minimums. There are an additional 33% of the positions that are in the lower 40% Comp Ratio that is within the acceptable range; however, are at risk of falling below the market in the near future. Overall, 19% of the positions are within the acceptable average Market Minimum. Thus, the Salary Schedule Minimums have not been consistently maintained with the external Market. Overall, it would appear the majority of the City's minimum hiring salaries will need some adjustment. The Figure below provides a summary of findings.

Figure 1: Minimum Analysis Summary



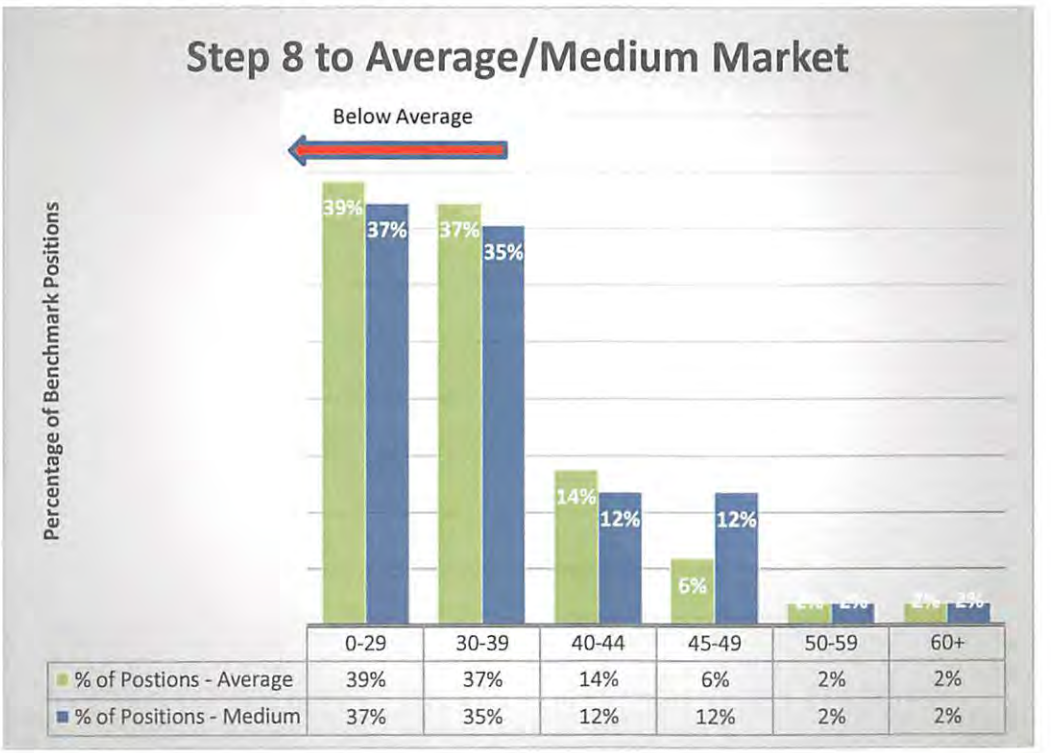
	0-29	30-39	40-44	45-49	50-59
% of Positions - Average	12%	37%	33%	13%	6%
% of Positions - Median	15%	29%	31%	19%	6%

Midpoint Rate Salary Comparison

Based on the average Minimum Rate findings, and the expansive Ranges in the current Salary Schedule, the Consultants wanted to know if any portion of the Salary Ranges themselves were aligned with the Market. Therefore, an analysis between the City's Midpoint (Step 8) and the Market average was conducted. Approximately 76% of the benchmarked job titles are below the average Market Rate. There are an additional 14% of the positions that are in the lower 40% Comp Ratio that is within the acceptable range; however, are at risk of falling below the market in the near future. Overall, 10% of the positions are within the acceptable average Market Midpoint.

When constructing a salary range, the goal is to have employees reach the intended market rate within three (3) to five (5) years of service. Years past, the midpoint of the salary schedule was considered to be the market rate. However, current compensation schedules may or may not have the market rate as the midpoint of the schedule. The following is a summary of findings:

Figure 2: Midpoint Analysis Summary



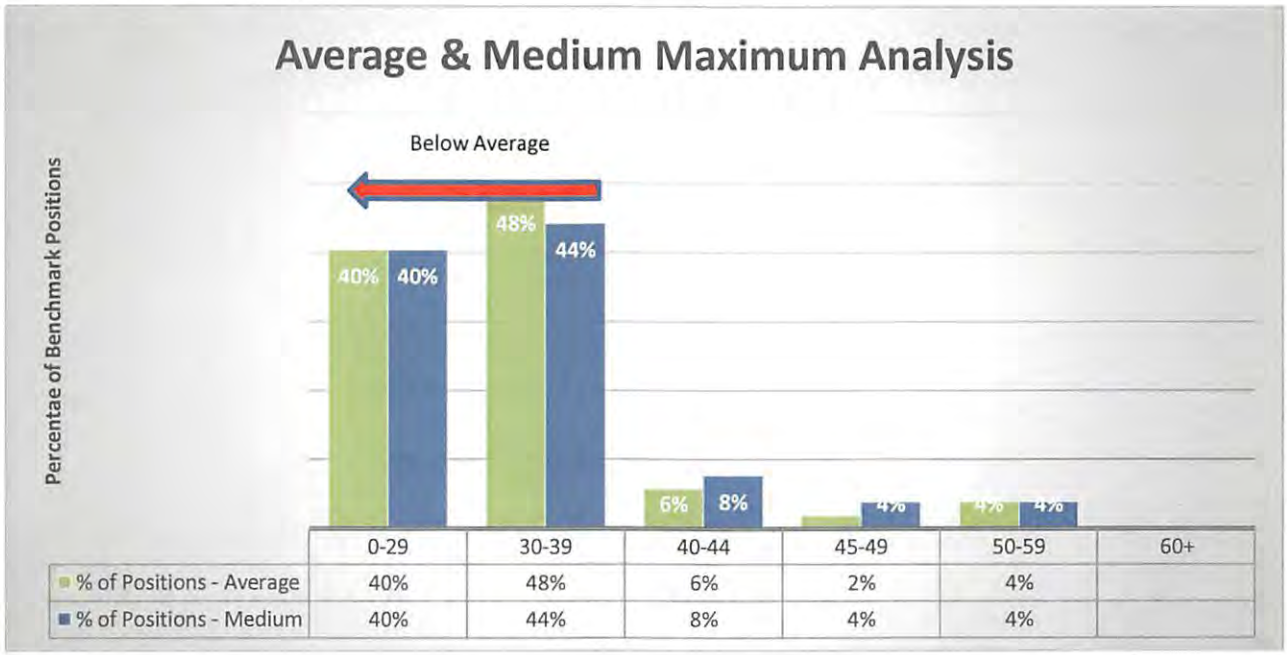
Maximum Salary Analysis

The Consultants then compared the City's Salary Range Maximum to the average Market Maximum. However, due to various types of salary range construction, one must always consider this may not be an exact comparison.

The Consultants compared the City's Salary Range Maximum to the Average Market Maximum. The City's salary range maximum is at or above the Market Maximum for 10% of positions, and an additional 14% of positions are still within an acceptable distance from the average. This

leaves 76% of positions with Maximum Rates that are under the Market Average. The Figure below provides a summary of findings.

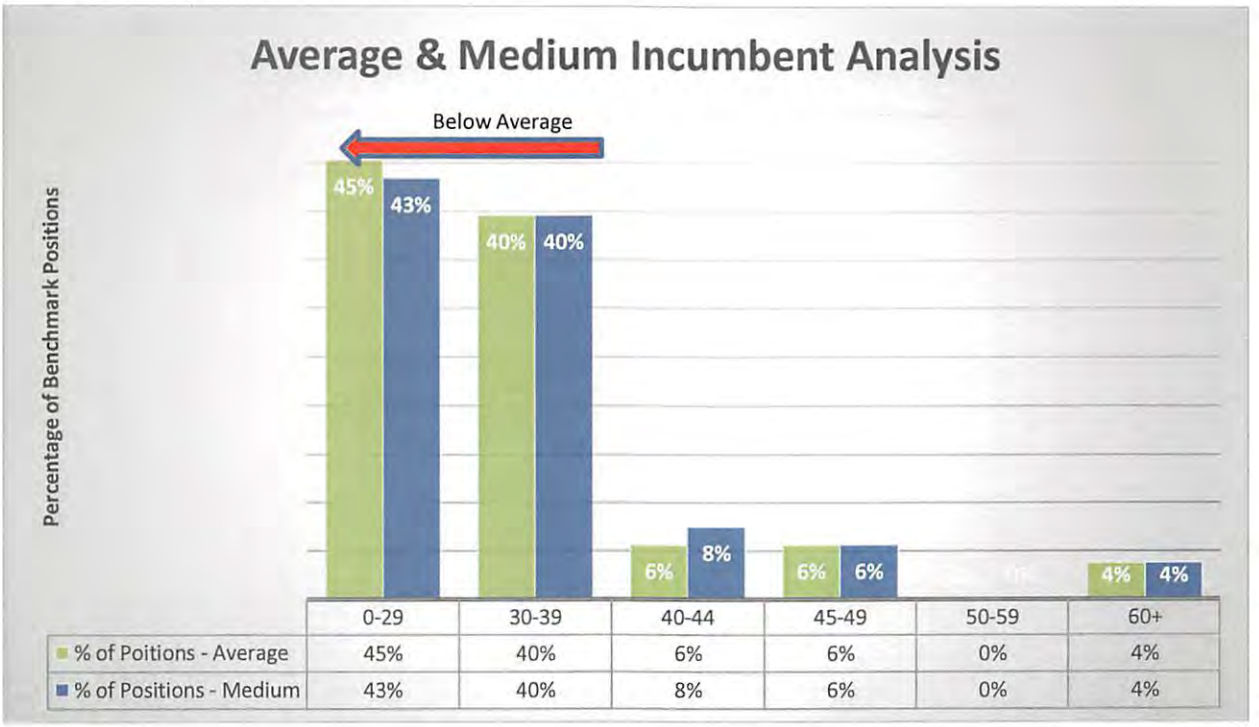
Figure 3: Maximum Analysis Summary



Average Market Salary Analysis

The next step is to compare the current incumbent's salaries to the average Market Rate as well as the average Midpoint to assess how competitive incumbent wages are. For this purpose, positions where there is more than one (1) incumbent, an *average* of the current employees is utilized. Overall, 85% of the positions are below the average Market Rate. There are another 6% of positions that are in the lower 40% Comp Ratio that is within the acceptable range; however, are at risk of falling below the market in the near future. In total, 9% of the positions within the City that are at or above the average Market Rate. In summary, the City has not fared well when employee salaries are compared to the average Market Rate of employee salaries, although one needs to take into account tenure of employees. The Figure below provides a summary of findings.

Figure 4: Market Analysis Summary



	0-29	30-39	40-44	45-49	50-59	60+
% of Poitions - Average	45%	40%	6%	6%	0%	4%
% of Positions - Medium	43%	40%	8%	6%	0%	4%

Market Data Summary

Overall, the City has not kept pace with the external market. The current Schedule has fallen behind the Average Market Rate with many positions needing some adjustment. Overall, there needs to be adjustment with the Minimums, Market, and Maximums, as well as a realignment of positions once placed on the Pay Grades.

Current Compensation System

The City currently has a Compensation System for all City personnel – full and part time. CBIZ developed the schedule in approximately 2015. The schedule was developed to include a possible increase to the schedule on July 1st, and a step increase on the employee's anniversary date. However, it has been approximately five (5) years since any adjustments to the salary schedule; and little administration of the schedule.

The schedule has some positions that have progression levels – I, II; and for the most part, there is some clarity in the job descriptions as to the difference between the levels.

Finally, there is no methodology to place positions within the salary structure. Nor, is the average market rate identifiable.

Compression

Compression is when salaries of job classifications of a higher rank or authority are paid less than positions of a lower rank or authority. This usually occurs in public safety departments and public works/utilities departments where salary plus overtime of lower ranks exceeds the higher command ranks. When this occurs, it stifles an individual's willingness to promote as it often results in a reduction in pay. Due to this issue, the Consultants asked for salary information (base, overtime, and special pays) for a 12-month period for all job classifications. The following is an analysis of compression issues within the City.

Fire Department

In the Fire Department, employees work a 24-hour schedule. The FLSA allows firefighters to be paid an overtime rate that is not based on a 40-hour week; this provision is commonly referred to as the 7(k) exemption. The law allows the employer (municipality) to choose a pay cycle from seven (7) to twenty-eight (28) days. In a 28-day schedule, an employee will work 224 hours and the 7k exemption allows overtime to be paid after 212 hours in that cycle. There are 12 additional hours an employee works in the cycle that is compensated at overtime. Therefore, just by working the regular schedule an employee will earn 12 hours of overtime.

There is some compression within the fire department. Salary plus overtime is part of the problem that is causing compression. The other is the alignment of the salary ranges between ranks. There are insufficient distances between ranks to minimize compression.

One method to reduce overtime is the use of "Kelly days," a term utilized in the fire service for days off taken to minimize overtime, are used in some fire departments to help offset the work schedule and the cost of overtime. Employees are provided a specific day off within the work

cycle in order to either reduce or eliminate overtime. Many fire departments, including the Carthage Fire Department (CFD) do not utilize Kelly days as they were originally designed. Rather, the CFD provides four (4) Kelly days per year, which amounts to four (4) extra days of vacation.

To help reduce overtime, the Kelly days should be assigned within the 28-day cycle to reduce the number of hours worked and as such, reducing the amount of overtime. There are implications for this practice in that there needs to be sufficient staffing to cover the day off. Providing an employee, a day off to reduce overtime to then bring an employee in at overtime negates the use of Kelly Days. Creative departments hire part time employees to help fill Kelly days in the regular staffing therefore, saving money while still providing the service.

Police Department

There is a compression problem within the police department. When developing a compensation schedule, it is not unusual to see overtime in public safety departments. The design of the compensation schedule can account for approximately $6,000 – 8,000 in overtime. In excess of that – compression will occur. Therefore, the police department should review its overtime policies and procedures to see what is causing the excessive overtime. Caution, however, as federal / state funded programs can give the appearance of higher levels of overtime – when these are reimbursed programs.

Public Works

There is a small amount of compression in the public works department between an equipment operator and the supervisor position. Further the superintendent position is paid very close to the director. With the recommended salary schedule, these should be alleviated.

Other Factors

Turnover

Employee turnover refers to the number or percentage of employees who leave an organization and are replaced by new employees. Turnover often has a negative connotation, yet turnover is not always a negative event. For example, desirable turnover occurs when an

employee whose performance falls below the organizations expectations is replaced by someone whose performance meets or exceeds expectations. It is desirable because poor job performance can be costly both financially and culturally. Desirable turnover occurs when replacing employees infuses new talent and skills, which can be positive to an organization. Conversely, undesirable turnover means the organization is losing employees whose performance, skills and qualifications are valuable resources.

High turnover rates can negatively affect an organization and its employees in many ways. With the constant need to hire and train new employees, it is easy to veer from the true mission and vision of the organization. By retaining employees, an organization can provide a higher caliber workforce.

Employee turnover also has a direct impact on budgets. One such cost to the City is Turnover Cost, the actual financial cost to the City when an employee vacates, and a new hire is brought in for replacement. Turnover can be calculated as Total Payout Cost + Recruitment Cost + Replacement Compensation/Benefit Cost + Training Cost. Turnover Costs will typically calculate around 1.5 times the cost of the original position, but given the significant amount of training and equipment associated with public safety positions, turnover costs can be as high as double the cost of the original positions; which is in addition to the impact to operations that can be felt to its constituents over time.

Because turnover is expected in every organization, and welcomed in some cases, no organization should expect a zero-turnover rate. The generally accepted industry standard for an organization is approximately 10% turnover each year. However, even a 10% turnover rate may not be a healthy percentage if the employees who are leaving are strong performers. Healthy turnover is described as employment separation from low performers, which then cultivates an engaged and high-performing workforce.

In addition, the Bureau of Labor Statistics (BLS) reports state and local government turnover rates (excluding education) at 20% nationwide for the year 2018, which has been constant over the last several years. In reviewing the City's turnover for the time period 2016-2018, the

following Table summarizes the City's turnover per year. This includes all reasons for separation.

Table 2: Turnover Rates 2016-2019

YEAR	NUMBER OF TERMINATING FTE*	NUMBER OF FTE**	TURNOVER RATE
2016	7	104	6.7%
2017	15	104	14%
2018	26	104	25%
2019	41	104	39%

*All reasons for separation combined **Provided by City

Overall, the City's turnover has begun to exceed the national average and shows an increasing trend. For the last three (3) years, the number of employees that 'quit (insufficient notice)' or 'resigned' equate to more than half of the terminating employees each year. The City is recommended to continue to monitor this metric in future years, thus focusing on ways to retain its current workforce.

Employee Demographics

In reviewing the City's employee demographics, the tenure of the organization ranges from new hire – 41 years for full-time employees (seasonal and part-time have been excluded). The overall tenure average of employees is 6.72 years. The current national average in the public sector is currently 6.8 years (*Local Government-Bureau of Labor Statistics, September 2018*), showing the City is slightly less than in overall tenure, which is very positive. However, in order to have a full picture of Carthage, one needs to explore those demographics further. These findings are found in the following Tables.

Figure 5: Carthage Demographics by Years of Service

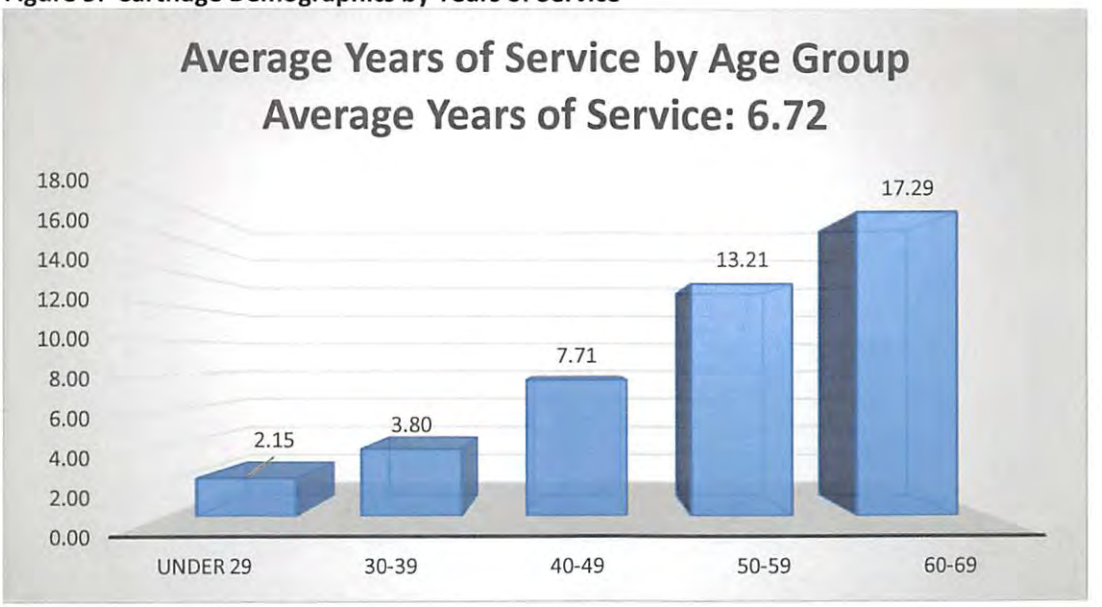
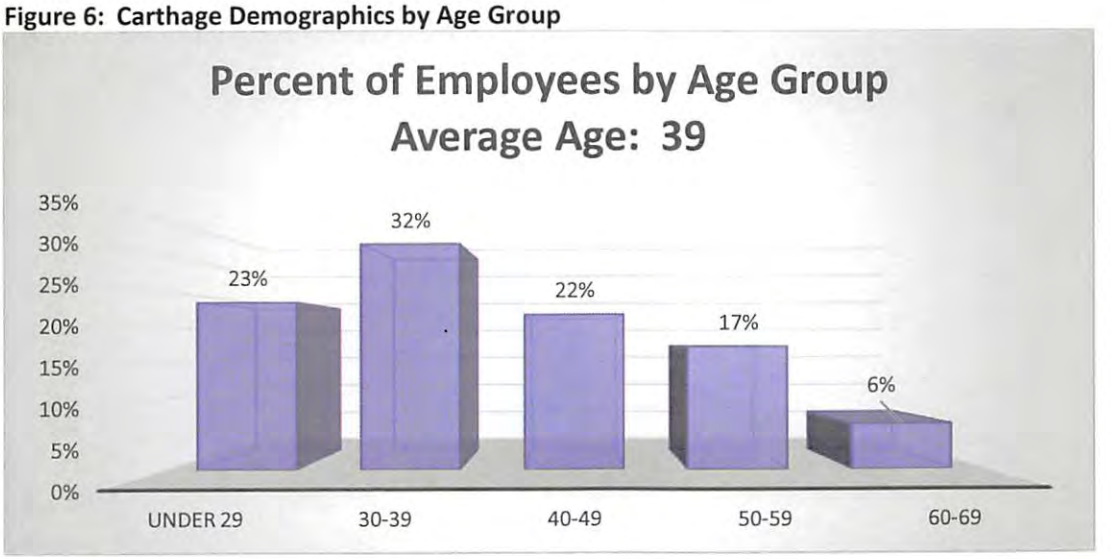


Figure 6: Carthage Demographics by Age Group



The above Tables show those in age groups 40 – 69 have the longest tenure of the organization and represent 45% of all full-time employees. The Figures also show the organization has fewer personnel as employees age. When these employees leave the City, the average tenure of the organization is likely going to decrease, as their tenure is boosting the current average tenure.

The City should expect steady turnover due to retirements over the next decade, without concern of "spikes" of turnover. A turnover spike may be an indication of a decline in job satisfaction, or a wage/benefit issue, so this data should be monitored at least annually. A challenge that may be facing the City, however, is that 55% of the workforce is under the age of 40, and this is likely the cross-section of employees who are seen as more mobile in today's workforce. This group also focuses heavily on work/life balance and place a higher value on non-compensatory benefits. This age group changes jobs quickly because it results in earning higher wages as opposed to remaining with one organization for a longer period of time The tenure of this group within the City is 1.87 years. This could be an indication that there is an issue to address with this age group and a need for retention strategies.

The City is recommended to monitor its demographics periodically to properly respond to shifts within the organization as needed. Although the Consultants acknowledge compensation is not the only reason for unwanted turnover, it is a consideration of the larger picture. In order to ensure competitive recruitment/retention, the City is recommended to follow the compensation philosophy of average market compensation to ensure Carthage can stay competitive to support retaining its personnel.

Compensation Philosophy

A compensation philosophy is an organization's commitment of compensation for its employees. The goal of a compensation philosophy is to attract, retain, and motivate qualified people. A consistent philosophy sets the direction for determining the compensation package to offer employees.

The City is in business to provide services to the citizens, businesses and visitors of the community. It does that through hiring qualified employees who lend their skills and talents to various positions within the organization. Without those individuals, the City would cease to provide adequate roads, parks, safety, recreation, and process the necessary functions to keep those systems in place. In order to be competitive for retention of existing personnel and have successful recruitment efforts, the City needs to be competitive with targeted comparable

organizations. Employees expect a compensation system that pays a fair wage for the skills, education, and responsibilities of the position. In order to be competitive for retention of existing personnel and have successful recruitment efforts to replace future turnover, the City needs to be competitive with targeted comparables.

Therefore, with data that has been analyzed the Consultants feel that setting the Compensation Schedule Market based on the average Market (50th percentile) is appropriate. Thus, a compensation philosophy demonstrating the City's commitment to compensate employees based on the average Market may be as follows:

While maintaining fiscal responsibility, the City of Carthage strives to attract and retain an engaged, skilled, flexible workforce to serve the residents of our community by providing equitable market-competitive compensation and benefits, and opportunities to self-motivate the enhancement and advancement of their career with the City.

Further, the City is committed to ensuring consistent administration and application of compensation policies; and that compensation decisions are not based upon nor influenced by an employee's sex, race, color, age, religion, or any other legally protected personal characteristic.

Salary Schedule Options

The salary structure is one of the basic building blocks of a base compensation program. The type of structure sends a clear message about an organization's approach to job design, work processes, and organization structure. The type of salary structure an organization chooses must fit its culture, business needs, and operating cycle.

Range Model

When considering a compensation system, some organizations gravitate toward a range model, with a performance-based mechanism to progress through the system. Although this is an admirable goal, to maintain merit or pay for performance compensation system, three (3) elements are essential:

- Clearly articulated performance objectives;
- Defined performance measurement system that can be objectively administered; and
- The ability and support of governing officials to adequately fund the program.

Although management supports the concept of performance-based increases, there is a need for staff development in the area of performance management throughout the City, development of evaluation processes, and consideration of fiscal resources. As a result, this compensation will not be considered at this time.

Step Model

A compensation system that is common in public sector, is the step system. Within this system, individuals receive a set increase based upon years in position. Individual performance is still a factor of compensation, as movement to the next step is based upon acceptable documented performance. This type of performance management program is typically more basic, which can be used by an organization during periods of staff development and retraining. Step models are also generally predictable so employees can see their advancement through the range, is easy to budget for, and can be administered with administrative ease.

City's Model

The Consultant, with consultation with Administration, discussed the benefits and challenges between a Range Model and a Step System for the City. It was determined that based on these considerations, the City would be best served with a modified Step System, which includes steps and a narrow salary range. This modified or blended system will better accommodate the City's broad Salary Ranges currently in place (as step models are traditionally narrower from Minimum to Maximum than range models). Maintaining this narrow salary range will also allow the City to more easily amend the Salary Schedule in the future if the City feels comfortable moving back to a range model after performance management training and execution of that training over the next 2-3 years.

The original and long-term recommendation is the above-mentioned modified step system; however, the implementation of such a system is a considerable cost. In light of recent world events, budgets are unknown at this time. Therefore, to at least provide a salary structure, a salary range is recommended. The schedule has been built off the average market rate; however, the minimum of the range has been reduced to 6% below the average market minimum. Two temporary minimums, each 3%, have been provided to reduce the implementation costs. Further, if the economy does not react as positively as anticipated, the temporary minimum B can be maintained for a year or so, until such time as the City can eliminate it. Finally, the Consultant has provided City administration a four-year cost spreadsheet in which the City can utilize to determine current and future implementation costs.

Recommended Salary Schedules

General Salary Schedule

The recommended Compensation system is a step-range system. Step 6 is the average market rate. Once an employee reaches Step 6 there is a range. Within that range, employees would continue to receive the annual range adjustment amount, and a performance amount that has been budgeted. Appendix A is the schedule.

There is a cost to the implementation of this system; thus, the Consultant, City Administration and members of the compensation committee, discussed an alternative. A range system maintains externally competitive wages, but without the cost of placing individuals on a step. Thus, Appendix B is the salary range recommendation.

In both schedules, there are 21 Pay Grades (including part-time/seasonal) the position point is designated as the average market rate.

Part-time, seasonal employees have been placed on the schedule in pay grades PA – PC. This schedule also has six (6) steps and for the first four years moves these positions to be in line with the increasing minimum wage. Once minimum wage is reached, it is recommended that

each year of service be awarded with a $0.25 increase. This would result in a higher increase than a percentage.

Annual Increases

Individuals will move through the salary schedule based upon two increases: At the beginning of the fiscal year – when the salary ranges are adjusted by some economic indicator. The second on their anniversary date or mid-fiscal year based upon a satisfactory performance evaluation. The Consultant is not recommending a merit-based system, but if the employee has satisfactory performance a pre-determined percent increase will be provided.

Temporary Minimum

The minimum of the salary range has been decreased by 6% for fiscal purposes. As economics improve, the City should work towards increasing the minimum salary of each range. Both schedules illustrate the two temporary steps.

Salary Schedule Adjustments

Annually, the Salary Schedules should be adjusted for economic reasons. Without maintaining the Salary Schedules, they will fall below the Market and the City will end up spending dollars on updates. Annual Salary Schedule adjustments will keep competitive, fair, and fiscally sound Salary Schedules. It is important for the City to budget dollars for increases to the overall Schedules each year. There may be years when the economy cannot support such increases; however, that should be the exception – not the norm. Therefore, there are two (2) adjustments recommended– one to the overall Salary Schedules, and the other for a step increase/range increase based on performance.

Position Placement

Positions have been placed into the recommended compensation based on four (4) factors:

- Point factor system
- Minimum and Market analysis

- Internal equity
- Compression analysis and consideration of movement between levels in the same Classification

The City must understand it is the combination of the minimum salary, market salary, points, and maintaining a sufficient spread between positions that makes up the recommended compensation plan – it is not just one factor. After considering all these elements, placement of some positions on the Salary Schedules have changed, with some positions now being placed in lower or higher pay grades than on the previous Wage Grid. This is not an indication that any given position has more or less value, or that a specific position is even to be compared with the other positions in that respective pay grade. Employees are advised not to compare themselves with other positions given the complexity of the factors that are considered during placement of positions.

Similarly, this is not a "reclassification" process, where a position is being evaluated on changes in responsibility, authority, or decision making that may place the position in a higher or lower pay grade etc. This process is a complete reset of the Compensation System. This is sometimes difficult for employees, because they look only at where their position is placed on the Schedule and compare themselves to positions that have been placed higher. When this occurs, employees begin to compare their perception of the value of positions within the organization, and, are unaware of the myriad of factors and data the Consultants considered when placing all the positions onto the Schedules.

Employee Placement

For purposes of implementation, employees were placed to the Minimum of the Pay Range if under the minimum. If above the minimum, the current salary was within the salary range – no increase was provided as the employee is within the salary range (or placement on a step closest to the current salary without a decrease).

In most organizations, this type of placement proves problematic, as employees feel that with tenure in a position, they should be higher within the Salary Range. Although there is merit to this argument, placement on the Schedule by years in the position proves to be costly – something most municipalities cannot afford right away. The City may, after implementation, analyze the placement of tenured personnel for additional adjustments, if under the position point to assist with in-range compression that sometimes can occur as a result of establishing a new Compensation System.

Position Considerations

During the course of the Study, there was an opportunity to better align job titles and responsibilities. Numerous job titles were revised to either have consistency throughout the organization, or to become more current with the external market. These changes are reflected on the recommended Salary Schedule. It is recommended that the City revisit its job descriptions to ensure there are distinct differences between levels so that both the manager and employee understand what is needed to move to the next level. Many of these are already outlined in the current job descriptions, but a review and update of job descriptions to the compensation plan will make sure there is alignment between them.

The police department, as with many throughout the nation, is having difficulties attracting and retaining police officers. One way in which to encourage retention is the ability to promote and/or compensate for the variety of extra duties required of a modern police agency. Promotion is difficult as there are only a few ranks to promote to and one does not want to initiate special pay for every type of special duty. Thus, many organizations are implementing a Master Police Officer (MPO) rank to incent employees. Information has been provided to the Police Chief for development of this program.

The fire department was considering opening a second station. As a result, its rank structure, with a new station, was under consideration. The Consultant asked for recommendations from

its public safety division. Information has been provided to the Fire Chief for department organization and suggested ranks.

Operational Guidelines

It is important for the City to have a standardized procedure to adjust the general Salary Schedules for consistency and for budgetary forecasting. It is the Consultant's recommendation that on a set date each year (such as January 1st), the Salary Schedules be increased by the national Consumer Price Index – Urban (CPI-U) percentage or by another predetermined economic indicator. For example, since budgeting is done at approximately the same time each year, the City should establish a specific month in which to capture the average of the previous twelve (12) months of the selected economic indicator for a recommended adjustment. The City will still maintain control if conditions and finances fluctuate in a specific year. It is recommended the adjustment to the Salary Schedules be done on a date other than salary increases, so employees understand there are two (2) separate adjustments per year – January 1st the increase to the salary schedule and either July 1st or anniversary date for performance increases.

It is prudent to increase the Schedules by the CPI-U or some other predetermined economic indicator. It is not wise to consistently increase the Schedules by less than the CPI-U (or a market related indicator), because over time, the Salary Schedules will fall behind the external Market, and the Schedules become obsolete, requiring more financial resources to put it back in line with the external Market.

Compensation Guidelines

With the new Salary Schedules, the City now has a competitive Compensation System for recruitment and retention purposes. Recommended compensation guidelines have been provided to City Administration. In order to minimize employment claims, it is the recommendation of the Consultants to consistently utilize structured guidelines when determining compensation.

Implementation Strategy

The recommended salary range schedule has a significant cost to the City in its implementation year. Thus, the following implementation schedule is proposed. The across-the-board increase is estimated at 2%; however, as the financial situation of the City becomes clear, that percentage can increase/decrease as appropriate. The following scenario has been costed to understand the immediate and long-term sustainability of the plan.

January 1, 2021

- 2% across the board increase to all employees. Minimum wage increases per state statute implemented.

July 1, 2021

- Move employees to Temporary Minimum A.
- No adjustment to the salary schedule.

January 1, 2022

- 2% across the board increase to all employees. Minimum wage increases per state statute implemented.

July 1, 2022

- Move employees to Temporary Minimum B (Option to move those on A to Minimum and keep Temporary Minimum B as the starting wage.)
- No adjustment to the salary schedule; however, consideration may be needed to increase the schedule based on economy. (Cost sheets do not include a range adjustment).

January 1, 2023

- 2% across the board increase to all employees. Minimum wage increases per state statute implemented.

July 1, 2023

- Increase schedule by 1.5% or current economic indicator

- Move employees to Minimum of the salary schedule (if at minimum from 2022 action, remove Temporary Minimum B from the salary schedule)

If this schedule is followed, by January 2024 the City would be on the recommended step/range schedule. Obviously, if more money can be provided to the across-the-board, or movement higher in the range, then implementation would be sooner.

Note: This is one option for implementation of the salary schedule. The consultant and the City have run scenarios of different implementation strategies for both the range and the step systems. Implementation will depend on the financial health of the organization.

Life Cycle of the Salary Schedule

One of the main concerns in any Salary Schedule is the ability to keep it current. Often, an organization spends a lot of time and resources to review and re-evaluate their Salary Schedule, resulting in providing employees or Pay Grades significant increases because either the position or the schedule is not in line with the external market. When developing a Salary Schedule, public sector organizations must build in some mechanism for maintaining the system with the average cost-of-living increases.

A Salary Schedule has a typical life span of three (3) to five (5) years, at which time market conditions typically necessitate a review. The City can strive to prolong the life of their Schedule if it continues to commit to maintaining its competitiveness with the external market.

Benefit Analysis

In addition to compensation, the City asked that a comparison of various benefits be done, which included health and dental insurance, retirement, and paid time off benefits. The following is a summary of these comparisons. Eleven municipalities responded to parts of the benefits survey. It should be noted the recommendations contained in the Benefit Analysis will take time to evaluate with a benefits broker, and most cannot be quickly changed.

Health Insurance

Plan Design Overview

The City currently offers one (1) heath plan option. This is a PPO program, with a $1,000/$3,000 deductible. The employees do not have a premium contribution for a single plan but are responsible for 25% of the premium contribution when adding dependent (family) coverage. There is no current wellness plan.

One opportunity for the City would be to offer multiple plan options, to allow the employees the opportunity to select from the coverage that best matches their personal situation. Five (5) of the eleven (11) comparables offered multiple plan options to their employees. With that said, introducing multiple plan options should be done strategically. For example, because the City has a low deductible plan, the City could introduce a second health plan model, with a Health Savings Account (HSA) to start offering a High Deductible Health Plan (HDHP). It is common for municipalities to have lower employer contribution amounts for HDHP's than other plan designs. Employees are often financially better off enrolling in a HDHP to save on monthly premium costs, which then shifts their financial responsibilities from that of monthly premium deductions, to an actual expense should they need to use the health plan while being a good consumer of health care. With that said, moving to a HDHP can often times be unnerving for employees because they have to be better consumers of their health care, and manage the expenses as they occur, but the City could offer the option of a portable Health Savings Account (HSA) to provide for a financial cushion to the employee. This account is

portable, meaning it goes with the employee upon separation from employment, which is a mechanism for employees to build an account for medical expenses for retirement. Employees do not always know what an HSA is, and how it benefits them, so education is a key component to driving effective health care consumerism. The City would need to develop an education program on the overall health insurance programs offered by the City, so employees understand the direct link between utilization of the Plan and the correlation to annual premiums.

In terms of comparisons, the HDHP is starting to gain momentum with the comparable organizations, as there were three (3) that reported a HDHP, but also offered multiple plan options to their employees. There needs to be enough of a distinguishing difference between the plans in terms of premium savings for more employees to assume the risk of a high deductible design plan, so introduction of a HDHP option would allow the City to continue to offer 100% paid insurance to employees on that plan, while introducing a modest premium to the PPO. Comparables that offered multiple plan designs that included a HDHP covered the HDHP at 100%, while the PPO option required 2%-9% employee premium contribution for single coverage.

Overall, the City is recommended to discuss the option of a HDHP with HSA with their insurance broker as a second option.

Premiums

It can sometimes be difficult to compare health insurance, as the number of plans and the plan designs are significantly different among organizations. What can be compared is the amount the City contributes toward the cost of that insurance. As the City is aware, the cost of health insurance is a large budget item for any organization. Health insurance is also often the single largest benefit looked at by potential new hires with the City, so a review of employee contributions to this benefit is imperative for offering a comprehensive benefit package.

The Consultants compared the contribution of the City against comparable municipalities and found that 10 out of 11 comparable employers offered at least one (1) plan with 100% premium coverage for single plans. Only one (1) comparable required an employee contribution to their primary health plan. Multiple plan organizations offered their second health plan option with premium contributions between 91%-98%. This puts the City in line with the market by offering single coverage at 100%.

Table 3: Health Insurance -Single Coverage

NUMBER OF REPORTING COMPARABLES	SINGLE COVERAGE EMPLOYER PERCENTAGE CONTRIBUTIONS
Carthage	100%
11	100%
1	67%

The City provides a Family Plan with a 75% premium contribution. The comparable organizations reported premium contributions ranging between 0% - 75%, which puts the City at the high end of the market by offering family coverage at 75%.

Table 4: Health Insurance - Family Coverage

NUMBER OF REPORTING COMPARABLES	FAMILY COVERAGE EMPLOYER PERCENTAGE CONTRIBUTIONS
Carthage	75%
1	75%
1	74%
3	67%
1	50%
1	48%
1	42%
3	Did Not Report

Wellness Program

The City, at the start of this study did not currently offer a third-party Wellness Program for employees, whereas six (6) of the 11 comparables do. However, the City has begun the implementation of a Wellness Program. The following can be helpful as the City continues its development and implementation.

A **Wellness Program** is an effective method to promote health and wellness amongst employees and spouse/dependents. Programs can be developed to encourage awareness of health-related issues, improve productivity and morale, decrease absenteeism and injury, and often times reduce cost of healthcare.

Offering some type of wellness program in the workplace is becoming a standard benefit, and younger generations entering the workforce simply expect some type of employer sponsored program, whether it's a discount fitness center membership, or a true wellness program administered by the employers insurance company. Should the City consider a wellness program, it will first need to determine what type of program it wants to offer, such as fitness membership discounts, or a more comprehensive program administered by a third-party, that offers financial based incentives for health and biometric screening services.

Offering fitness organization-based discounts and/or membership payments through payroll deduction are typically easy to coordinate and implement. Programs that are tied to biometric screening and disease management, may be more effective to the overall health of the organization, but employees typically only want to participate for a reward or outcome that has an impact to them. The City is recommended to consider this type of wellness program, and offer a financial incentive for participation, whether it be a premium discount on health insurance coverage, an added day off with pay, or even payment into an HSA if the City introduces a HDHP in the future. The City would best benefit from utilizing a Third-Party Administrator to help develop a specific wellness program to best meet the goals of the City and to ensure legal and privacy compliance with the structure of the program. One important aspect of an employee wellness program is that the program needs to be voluntary, confidential, and is intended to be viewed by employees as an enhancement benefit. Sometimes these programs can be a program extension from the health insurance carrier as an example, which then correlates to insurance premium savings.

Dental

The City currently offers dental insurance, but there is no employer contribution. Of the comparables that offer insurance, all reported having between 53%-100% employer contributions to the plan. This places the City at the lowest point in the market for single dental contributions.

Table 5: Dental Insurance -Single Coverage

NUMBER OF REPORTING COMPARABLES	SINGLE COVERAGE EMPLOYER PERCENTAGE CONTRIBUTIONS
7	100%
1	53%
Carthage	0%
1	Included with Health Plan
1	Flat rate reported

Family coverage for dental was reported with varying contribution levels.

Table 6: Dental Insurance -Family Coverage

NUMBER OF REPORTING COMPARABLES	FAMILY COVERAGE EMPLOYER PERCENTAGE CONTRIBUTIONS
1	74%
1	50%
3	26%-33%
Carthage	0%
1	0%
1	Included with Health Plan
2	Flat rate Reported
1	Did Not Report

Although the City is among the lowest in the market for dental coverage and the City should strategize to introduce employer contributions for dental coverage, this should not occur in lieu of ensuring salary ranges are at a competitive market level. The recommendation for an employer contribution to the dental plan can be addressed following the implementation of the compensation recommendations.

Retirement

Because the City participates in the State's retirement system (LAGERS), the City's retirement is as competitive as any other municipal employer with offering 100% employer contributions to the plan, with no employee required contributions. Three (3) comparables identified a

mandatory employee contribution between 4%-10% to their respective pension program. There were, however, three (3) comparables, that in addition to providing to the mandatory pension, also provide a matching employer contribution to voluntary employee contributions into their Deferred Compensation 457 accounts. These matches ranged from 1%-3%. Overall, given the City does not require any employee contributions for pension, there are no pension contribution recommendations at this time, to allow the City to focus on competitive compensation.

Time Off Benefits

Vacation

The City's vacation schedule (excluding police and fire) consists of three (3) levels of accrual that increase based upon years of service. Accruals range from the minimum of 80 hours after the first year, up to a maximum accrual that results in 160 hours of vacation per year at greater than 20 years.

Ten organizations provided information on their respective programs. Based on reporting municipalities, the City is not aligned with other organizations in terms of vacation, as it is taking employees longer to accumulate vacation than elsewhere in the market. In addition, not having paid time during the first year of employment can be a rigid obstacle for most new employees, especially since newer generations in the workforce are looking for work/life balance and flexibility. Eligibility of vacation time should start in the first year. This is a small but impactful change identifying the City as a more flexible employer. The City is recommended to adjust its vacation as follows:

Table 7: Vacation Schedule Recommendation

YEARS OF SERVICE	ANNUAL VACATION HOURS
During year 1	Prorated based on date of hire through end of the year equivalent of 3.08 hours multiplied by number of pay periods expected to complete
During years 2-4	80 hours
During years 5-14	120 hours
During years 15+	160 hours

It is not uncommon for Department Directors to receive additional vacation at a higher amount than all other positions. This would be an enhancement above what the comparable organizations currently offer in this area. This is often the single difference in benefits offered to these high-level positions. As a result, each Department Director should be provided an additional three (3) days of vacation annually.

Sick Time

The City accumulates sick time at the equivalent rate of 8 hours per month, or 96 hours per year based on an hourly calculation. This is a standard accrual in the public sector and included among comparable organizations. No changes are recommended to sick time.

Holiday

The City currently has ten (10) observed Holidays and one (1) personal day, totaling 11 days. Participating comparable organizations reported a range of Holidays/personal days between 10 days – 11.5 days with two outliers reporting 9 days and 12 days. As a result, because the City is comparable with the Market, no changes are recommended.

Time Off Payouts

Currently, the City's payout provisions for sick leave at the time of retirement, and the distribution is in the form of cash. This payment is then considered taxable to the employee, and the City pays related employment taxes on these amounts. Further, these payments need to be recorded as liabilities on the City's financial statements. The City could consider enhancing the payout provisions in a way that will assist employees with their future health care needs since the main reason employees choose not to retire is because they financially are not able to or cannot afford to continue health care coverage. These payouts could be developed to create a post-employment medical trust for the employee in which deposits are tax free for both the employee and employer, is not considered income to the employee, and is to be used for medical expenses by the employee/qualified beneficiaries. The City could also

offer a deferred compensation 457(b) program, in which the payouts can be placed into a qualified tax deferred retirement plan for the employee. Although this is an alternative option to cash payouts, the Consultants caution this last option may be restrictive since the IRS provides for annual contribution limits on individual deferred compensation accounts, and larger payouts may exceed annual IRS limits.

Bilingual Pay

The City provides individuals who pass a proficiency test an extra $50 per month to provide translation services on behalf of the City. Of the participating comparables that provided benefit information only the City of Moberly provides a bilingual stipend for the police department only. Employees that live within the City receive $300 per month; whereas those that live outside the City receive $250 per month.

Dependent on how many employees actually provide this service to the City and the amount of time of the commitment, no recommendations to change the stipend are made at this time. If, however, there is a strong need for translation services and it is used on a consistent basis, the City may wish to consider increasing the monthly amount.

Miscellaneous Benefits

The areas of reimbursing law enforcement employees for certification courses, tuition reimbursement, and law enforcement academy reimbursement were also to be considered as to how other municipalities do or do not compensate.

No municipality that responded provides any reimbursement to public safety employees for certification courses. Nor did anyone provide a monetary longevity benefit. The City of Rolla does pay for police officers to attend the police academy. It then requires a two (2) year contract from the individual and if they leave, they need to make a pro-rated reimbursement to the City.

Other Recommendations

Current Human Resources Staffing

Currently, the City Administrator provides the strategic HR functions to the City, inclusive of wage and benefit policy recommendations, HR policy recommendations, assisting departments with employee relations concerns etc. The Clerk will onboard a new employee to cover payroll processing, benefit enrollments/changes, and to provide a copy of the employee Handbook and assist with other human resource functions. Finally, departments are responsible for the recruitment and hiring process for their City positions, performance management, employee relations, personnel files, and record retention.

Overall, Human Resources functions are being accomplished, although this is being accomplished by employees that do not have expertise in HR or are at full capacity with their primary responsibilities; and perform these HR functions as a secondary role. This is no reflection on the individuals who accomplish these tasks; however, when one is tasked with running the operations of the City or handling the City's records and finances – adding all of the facets of personnel sometime is placed on the back burner.

Recommended Human Resources Staffing

It is recommended that the City bring an HR Professional in-house to lead the HR functions that will be outlined below. This position will need to focus on the recruitment strategy and marketing of the City; and will need to be a hands on/on-site position actively engaged with the departments. With that said, the City will not need a full-time HR staff but will need a part-time HR professional to ensure the City has a recruitment strategy, work on reducing turnover, and ensure the City is in compliance with federal and state law.

The HR Generalist position is recommended to be a City employee position, reporting directly to the City Administrator. The position will provide HR services to all Departments within the City. This position is recommended to have a bachelor's level education with some HR experience. The typical duties of this position would be as follows:

- Recruitment and marketing

- On-boarding/orientation, benefits enrollment/changes
- Process improvements
- Policy development – Legal Compliance
- Administer the Family & Medical Leave Act
- Employee recognition
- Job descriptions
- Personnel records and document retention
- Employee relations in conjunction with the City Administrator

An experienced HR professional should also be able to take on the following topics:

- Compensation and benefit program administration (City Clerk maintains the financials of these programs)
- Investigations/Discipline
- HR Topic Training
- Performance Management

Savings to the City

Human Resources would be considered an internal service provider to all City Departments. It is not a revenue generating position, nor does it provide a direct service to citizens. Therefore, the effects of adding personnel for this purpose is not easily measured. However, a meaningful investment to the organization is an investment to the Community. While it is difficult to put a tangible savings amount to the City for adding personnel, with the addition of staff, the City should gain the following:

- Ability to effectively address compliance items with State and Federal regulations, reducing the risk of penalties and financial damages for non-compliance.
- More efficient internal processes, which eliminates duplication of effort, reduces the amount of time Directors and Managers spend on HR functions so they may focus more on their respective operations, and places the responsibility of HR functions with the staff who are trained in Human Resources.
- A more efficient and focused recruitment process to save time and recruitment costs. These processes will also be updated to minimize the risk of discrimination and unfair hiring practice claims if properly followed.
- A positive and effective recruitment experience for applicants, which can be a deciding factor in job acceptance/retention.

- Ensure all employees are onboarded and out-processed consistently, ensuring legal compliance; ensuring all employees are educated/trained on critical topics that will further minimize employment claims, such as harassment; and improve employee satisfaction.
- More objective employment processes, which minimizes risk of claims for discrimination if properly followed. These objective processes also cover documentation and retention for compliance as well as support defense of claims under the ADA, ADEA, Civil Rights, etc.
- Improved training for management to be a stronger management team and reduce risk of employment related claims from applicants as well as subordinate staff.
- Time to review, assess, measure, and problem solve organizational issues as it relates to compensation, turnover trends, and recruitment analysis. Being able to identify root cause issues requires the City to maintain data and metrics for analysis prior to offering recommendations. Analysis can lead to reduced turnover, higher quality applicants, faster recruitments, and improved employee relations.

Other Recommendations

During the course of the Study, the Consultants noted organizational opportunities for the City's consideration. These recommendations are not tied to the compensation recommendations in the Report; but are viewed as prospects to facilitate the professional growth and development of the organization and can assist the City's leadership with establishing a solid foundation of policies and administrative processes. These recommendations are simply provided for the City's consideration based on an objective third-party.

Employee Handbook

Over the course of the Study, the Consultants referred to portions of the Employee Handbook/City related HR Policies. It was found that the Handbooks was originally dated in 2017. Having an up to date Employee Handbook/Policy Manual is then a resource for employees to reference expectations, key employment policies, benefits, and legal compliance. Therefore, it is recommended the Employee Handbook be updated as soon as possible to ensure consistency between City practices to its written policies and ensures legal compliance with related employment laws. When reviewing sections, the Consultant noted a number of

items that may no longer be legal or current practices. For example, department heads should not be making the decision to send an employee to the doctor or obtaining documentation from a physician. The City Council should not be in a position to approve advanced sick leave; rather, this should be in a policy administered by human resources. The Care Leave program should either be eliminated or modified as having committee involvement could be a privacy concern. Finally, noted policies missing is breastfeeding, pay/work periods, what constitutes overtime, just to name a few.

Once completed, the new Handbook should be distributed to all employees, with an acknowledgement signature sheet. Staff meetings to discuss these updates would be beneficial for employee education/engagement as well.

Metrics

Metrics are standards of measurement used to assess what is occurring within an organization. Metrics tell an organization how well or poorly they are doing; and allows an organization to review, assess, problem solve, and adjust internal processes, as well as identify challenges or stressors to the organization that may be having a negative impact. Because the City has limited financial resources, specific metrics may help identify where dollars are being expended that can be costly. One such cost to the City is Turnover Cost, the actual financial cost to the City when an employee vacates, and a new hire is brought in for replacement. Turnover can be calculated as Total Payout Cost + Recruitment Cost + Replacement Compensation/Benefit Cost + Training Cost. Turnover Costs will typically calculate around 1.5 times the cost of the original position, so turnover will cost an organization more than it would to retain the employee; and may also have an impact to operations that can be felt by its constituents over time. Some other standard HR metrics that will be meaningful to monitor include applications received/processed, turnover rates, time to fill positions, and cost per hire. It is recommended the City compile these metrics for ongoing review and adjustment.

Performance Management

Progression on the Salary Schedule is based on a premise of annual performance adjustments. Each year, employees can receive an increase with acceptable performance unless an employee

is on a Performance Improvement Plan. The City of Carthage is recommended to review its current performance evaluation process and forms for updating and provide for supervisory training for performance evaluations, coaching and counseling, discipline, and documentation, for all supervisory and department director positions.

Successful implementation of a performance-based compensation model will require significant performance management training for management and employees, significant oversight of the system from a human resource (or other trained) professional, and an open and communicative working relationship between managers and their employees. The City should be placing emphasis on human resources, by bringing the position of Human Resources Manager as a strategic advisor to the City to assist.

HR Audit

The City's Human Resources function would benefit from performing a human resources audit, which will assist in minimizing risks. This type of audit measures legal compliance, policies and procedures, best practices, and operational efficiency. HR audits should involve all departments so there is a comprehensive review of the City's HR processes to identify stregths, weaknesses, opportunities, and recommendations.

Appendix A: Recommended Step-Range Schedule

The first line of the schedule is the hourly rate for City personnel, with the exception of the fire department. The second line represents the annual amount. Finally, the third line is the annual amount divided by the number of hours worked in the fire department.

New Pay Grade	Recommended Title	Dept/Div.	Temp Minimum	Temp Step B	Minimum	Step 2	Step 3	Step 4	Step 5	Position Point	Max
PA	School Crossing Guard		$9.45	$10.30	$11.15	$12.00	$12.25	$12.50	$12.75	$13.00	$13.23
PA	Museum Guide	Museum									
PB	Taxi Driver	Police	$10.30	$11.15	$12.00	$12.25	$12.50	$12.75	$13.00	$13.25	$15.60
PB	Golf Attendant	Golf Course									
PB	Maintenance Worker	Parks/various									
PC	Golf Maintenance	Golf Course	$11.15	$12.00	$12.25	$12.50	$12.75	$13.00	$13.25	$13.50	$15.93
PC	Golf Shop Attendant	Golf Course									
			$11.78	$12.14	$12.50	$12.75	$13.00	$13.26	$13.53	$13.80	$17.50
			$24,505.70	$25,240.87	$25,998.10	$26,518.06	$27,048.42	$27,589.39	$28,141.18	$28,704.00	$36,397.34
B	Custodian	Parks-Mem Hall									
B	Golf Maintenance Tech I	Golf Course									
B	Park Maintenance Tech I	Parks									
B	Solid Waste Attendant I	Public Works - PH									
B	Street Maintenance Tech I	Public Works									
			$12.72	$13.11	$13.50	$13.77	$14.04	$14.33	$14.61	$14.90	$18.90
			$26,466.16	$27,260.14	$28,077.94	$28,639.50	$29,212.29	$29,796.54	$30,392.47	$31,000.32	$39,309.12
C	Equipment Operator I	Public Works									

New Pay Grade	Recommended Title	Dept/Div.	Temp Minimum	Temp Step B	Minimum	Step 2	Step 3	Step 4	Step 5	Position Point		Max
C	Golf Maintenance Tech II	Golf Course										
C	Park Maintenance Tech II	Parks										
C	Street Maintenance Tech II	Public Works										
			$13.74	$14.15	$14.58	$14.87	$15.17	$15.47	$15.78	$16.10		$20.41
			$28,583.45	$29,440.95	$30,324.18	$30,930.66	$31,549.28	$32,180.26	$32,823.87	$33,480.35		$42,453.85
			$10.60	$10.92	$11.25	$11.47	$11.70	$11.93	$12.17	$12.42		$15.75
D	Accounting Tech	Administration										
D	Administrative Assistant	Various										
D	Animal Control Officer	Police										
D	Auxiliary Patrol Officer	Police										
D	Court Clerk	Admin - Court										
D	Evidence Tech I	Police										
D	Firefighter I	Fire										
D	Public Safety Dispatcher	Police										
			$14.84	$15.29	$15.75	$16.06	$16.38	$16.71	$17.04	$17.38		$22.04
			$30,870.12	$31,796.23	$32,750.11	$33,405.12	$34,073.22	$34,754.68	$35,449.78	$36,158.77		$45,850.16
E	Assistant Golf Course Operations Supv	Golf Course										
E	Code Inspector I	Public Works										
E	Equipment Operator II	Public Works										
E	Evidence Tech II	Police										
E	Facilities Maintenance Tech	Public Works										
E	Mechanic I	Public Works										
E	Public Safety Dispatcher - Lead	Police										
E	Solid Waste Attendant II	Public Works - PH										
			$15.73	$16.20	$16.69	$17.02	$17.36	$17.71	$18.07	$18.43		$23.37

New Pay Grade	Recommended Title	Dept/Div.	Temp Minimum	Temp Step B	Minimum	Step 2	Step 3	Step 4	Step 5	Position Point		Max
			$32,722.33	$33,704.00	$34,715.12	$35,409.42	$36,117.61	$36,839.97	$37,576.76	$38,328.30		$48,601.17
			$11.24	$11.57	$11.92	$12.16	$12.40	$12.65	$12.90	$13.16		$16.69
F	Code Inspector II	Public Works										
F	Court Administrator	Admin - Court										
F	Deputy City Clerk	Administration										
F	Firefighter II	Fire										
F	Mechanic II	Public Works										
F	Police Officer	Police										
			$16.68	$17.18	$17.69	$18.05	$18.41	$18.77	$19.15	$19.53		$24.77
			$34,685.67	$35,726.24	$36,798.03	$37,533.99	$38,284.67	$39,050.36	$39,831.37	$40,628.00		$51,517.24
			$11.91	$12.27	$12.64	$12.89	$13.15	$13.41	$13.68	$13.95		$17.69
G	Building Inspector - Residential	Public Works										
G	Detective	Police										
G	Event Center Supervisor	Parks										
G	Fire Lieutenant	Fire										
G	Firefighter III	Fire										
G	Master Police Officer	Police										
			$18.34	$18.89	$19.46	$19.85	$20.25	$20.65	$21.06	$21.49		$27.24
			$38,154.24	$39,298.87	$40,477.83	$41,287.39	$42,113.14	$42,955.40	$43,814.51	$44,690.80		$56,668.96
			$13.10	$13.50	$13.90	$14.18	$14.46	$14.75	$15.05	$15.35		$19.46
H	Assistant Public Works Director	Police										
H	Building Inspector - Commercial	Public Works										
H	Fire Lieutenant*	Fire										
			$19.44	$20.03	$20.63	$21.04	$21.46	$21.89	$22.33	$22.78		$28.88
			$40,443.49	$41,656.80	$42,906.50	$43,764.63	$44,639.92	$45,532.72	$46,443.38	$47,372.25		$60,069.10

New Pay Grade	Recommended Title	Dept/Div.	Temp Minimum	Temp Step B	Minimum	Step 2	Step 3	Step 4	Step 5	Position Point		Max
I	Assistant Public Works Director	Public Works										
I	Detective Sergeant	Police										
I	Police Sergeant	Police										
			$20.61	$21.23	$21.87	$22.30	$22.75	$23.20	$23.67	$24.14		$30.61
			$42,870.10	$44,156.21	$45,480.89	$46,390.51	$47,318.32	$48,264.69	$49,229.98	$50,214.58		$63,673.25
			$14.72	$15.16	$15.62	$15.93	$16.25	$16.57	$16.91	$17.24		$21.87
J	Fire Captain	Fire										
J	Golf Maintenance Supervisor	Golf Course										
J	Golf Operations Supervisor	Golf Course										
J	Public Works Supervisor	Public Works										
			$21.85	$22.50	$23.18	$23.64	$24.11	$24.60	$25.09	$25.59		$32.45
			$45,442.31	$46,805.58	$48,209.75	$49,173.94	$50,157.42	$51,160.57	$52,183.78	$53,227.45		$67,493.64
K	Fire Marshall	Fire										
K	Fire Training Officer	Fire										
			$24.03	$24.75	$25.50	$26.01	$26.53	$27.06	$27.60	$28.15		$35.69
			$49,986.54	$51,486.14	$53,030.72	$54,091.33	$55,173.16	$56,276.62	$57,402.16	$58,550.20		$74,243.01
L	Human Resource Generalist	Administration										
L	IT Administrator	Administration										
L	Park Superintendent	Parks										
L	Police Lieutenant	Police										
L	Public Works Superintendent	Public Works										
L	Public Works Administrative Coordinator	Public Works										
			$26.92	$27.72	$28.56	$29.13	$29.71	$30.30	$30.91	$31.53		$39.98
			$55,984.92	$57,664.47	$59,394.41	$60,582.29	$61,793.94	$63,029.82	$64,290.42	$65,576.22		$83,152.17

New Pay Grade	Recommended Title	Dept/Div.	Temp Minimum	Temp Step B	Minimum	Step 2	Step 3	Step 4	Step 5	Position Point	Max
M	Assistant Fire Chief	Fire									
M	Assistant Police Chief	Police									
			$29.61	$30.50	$31.41	$32.04	$32.68	$33.33	$34.00	$34.68	$43.97
			$61,583.42	$63,430.92	$65,333.85	$66,640.52	$67,973.33	$69,332.80	$70,719.46	$72,133.85	$91,467.39
N	City Attorney	Administration									
			$31.98	$32.94	$33.92	$34.60	$35.29	$36.00	$36.72	$37.45	$47.49
			$66,510.09	$68,505.39	$70,560.56	$71,971.77	$73,411.20	$74,879.43	$76,377.01	$77,904.55	$98,784.78
O	Administrative Services Director/City Clerk	Administration									
O	Parks & Recreation Director	Parks									
			$33.89	$34.91	$35.96	$36.68	$37.41	$38.16	$38.92	$39.70	$50.34
			$70,500.70	$72,615.72	$74,794.19	$76,290.07	$77,815.87	$79,372.19	$80,959.63	$82,578.83	$104,711.86
P	Fire Chief	Fire									
P	Police Chief	Police									
P	Public Works Director	Public Works									
Q	No Position		$36.61	$37.70	$38.84	$39.61	$40.40	$41.21	$42.04	$42.88	$54.37
			$76,140.75	$78,424.97	$80,777.72	$82,393.28	$84,041.14	$85,721.97	$87,436.41	$89,185.13	$113,088.81
			$45.76	$47.13	$48.54	$49.52	$50.51	$51.52	$52.55	$53.60	$67.96
			$95,175.94	$98,031.22	$100,972.15	$102,991.60	$105,051.43	$107,152.46	$109,295.51	$111,481.42	$141,361.02
AA	City Administrator	Administration									

*Organization changes have been provided to the fire department. This position may be a standalone or combined in the pay grade above.

Appendix B: Recommended Range Salary Schedule

The first line of the schedule is the hourly rate for City personnel, with the exception of the fire department. The second line represents the annual amount. Finally, the third line is the annual amount divided by the number of hours worked in the fire department.

New Pay Grade	Recommended Title	Dept/Div.	Temp Minimum	Temp Step B	Minimum	Position Point	Max
PA	School Crossing Guard		$9.45	$10.30	$11.15	$13.00	$13.23
PA	Museum Guide	Museum					
PB	Taxi Driver	Police	$10.30	$11.15	$12.00	$13.25	$15.60
PB	Golf Attendant	Golf Course					
PB	Maintenance Worker	Parks/various					
PC	Golf Maintenance	Golf Course	$11.15	$12.00	$12.25	$13.50	$15.93
PC	Golf Shop Attendant	Golf Course					
			$11.78	$12.14	$12.50	$13.80	$17.50
			$24,505.70	$25,240.87	$25,998.10	$28,704.00	$36,397.34
B	Custodian	Parks-Mem Hall					
B	Golf Maintenance Tech I	Golf Course					
B	Park Maintenance Tech I	Parks					
B	Solid Waste Attendant I	Public Works - PH					
B	Street Maintenance Tech I	Public Works					
			$12.72	$13.11	$13.50	$14.90	$18.90
			$26,466.16	$27,260.14	$28,077.94	$31,000.32	$39,309.12
C	Equipment Operator I	Public Works					
C	Golf Maintenance Tech II	Golf Course					
C	Park Maintenance Tech II	Parks					
C	Street Maintenance Tech II	Public Works					
			$13.74	$14.15	$14.58	$16.10	$20.41
			$28,583.45	$29,440.95	$30,324.18	$33,480.35	$42,453.85
			$10.60	$10.92	$11.25	$12.42	$15.75
D	Accounting Tech	Administration					
D	Administrative Assistant	Various					
D	Animal Control Officer	Police					
D	Auxiliary Patrol Officer	Police					
D	Court Clerk	Admin - Court					
D	Evidence Tech I	Police					

New Pay Grade	Recommended Title	Dept/Div.	Temp Minimum	Temp Step B	Minimum	Position Point	Max
D	Firefighter I	Fire					
D	Public Safety Dispatcher	Police					
			$14.84	$15.29	$15.75	$17.38	$22.04
			$30,870.12	$31,796.23	$32,750.11	$36,158.77	$45,850.16
E	Assistant Golf Course Operations Supv	Golf Course					
E	Code Inspector I	Public Works					
E	Equipment Operator II	Public Works					
E	Evidence Tech II	Police					
E	Facilities Maintenance Tech	Public Works					
E	Mechanic I	Public Works					
E	Public Safety Dispatcher - Lead	Police					
E	Solid Waste Attendant II	Public Works - PH					
			$15.73	$16.20	$16.69	$18.43	$23.37
			$32,722.33	$33,704.00	$34,715.12	$38,328.30	$48,601.17
			$11.24	$11.57	$11.92	$13.16	$16.69
F	Code Inspector II	Public Works					
F	Court Administrator	Admin - Court					
F	Deputy City Clerk	Administration					
F	Firefighter II	Fire					
F	Mechanic II	Public Works					
F	Police Officer	Police					
			$16.68	$17.18	$17.69	$19.53	$24.77
			$34,685.67	$35,726.24	$36,798.03	$40,628.00	$51,517.24
			$11.91	$12.27	$12.64	$13.95	$17.69
G	Building Inspector - Residential	Public Works					
G	Detective	Police					
G	Event Center Supervisor	Parks					
G	Fire Lieutenant	Fire					
G	Firefighter III	Fire					
G	Master Police Officer	Police					
			$18.34	$18.89	$19.46	$21.49	$27.24
			$38,154.24	$39,298.87	$40,477.83	$44,690.80	$56,668.96
			$13.10	$13.50	$13.90	$15.35	$19.46
H	Assistant Public Works Director	Police					
H	Building Inspector - Commercial	Public Works					
H	Fire Lieutenant*	Fire					
			$19.44	$20.03	$20.63	$22.78	$28.88
			$40,443.49	$41,656.80	$42,906.50	$47,372.25	$60,069.10

New Pay Grade	Recommended Title	Dept/Div.	Temp Minimum	Temp Step B	Minimum	Position Point		Max
I	Assistant Public Works Director	Public Works						
I	Detective Sergeant	Police						
I	Police Sergeant	Police						
			$20.61	$21.23	$21.87	$24.14		$30.61
			$42,870.10	$44,156.21	$45,480.89	$50,214.58		$63,673.25
			$14.72	$15.16	$15.62	$17.24		$21.87
J	Fire Captain	Fire						
J	Golf Maintenance Supervisor	Golf Course						
J	Golf Operations Supervisor	Golf Course						
J	Public Works Supervisor	Public Works						
			$21.85	$22.50	$23.18	$25.59		$32.45
			$45,442.31	$46,805.58	$48,209.75	$53,227.45		$67,493.64
K	Fire Marshall	Fire						
K	Fire Training Officer	Fire						
			$24.03	$24.75	$25.50	$28.15		$35.69
			$49,986.54	$51,486.14	$53,030.72	$58,550.20		$74,243.01
L	Human Resource Generalist	Administration						
L	IT Administrator	Administration						
L	Park Superintendent	Parks						
L	Police Lieutenant	Police						
L	Public Works Superintendent	Public Works						
L	Public Works Administrative Coordinator	Public Works						
			$26.92	$27.72	$28.56	$31.53		$39.98
			$55,984.92	$57,664.47	$59,394.41	$65,576.22		$83,152.17
M	Assistant Fire Chief	Fire						
M	Assistant Police Chief	Police						
			$29.61	$30.50	$31.41	$34.68		$43.97
			$61,583.42	$63,430.92	$65,333.85	$72,133.85		$91,467.39
N	City Attorney	Administration						
			$31.98	$32.94	$33.92	$37.45		$47.49
			$66,510.09	$68,505.39	$70,560.56	$77,904.55		$98,784.78
O	Administrative Services Director/City Clerk	Administration						
O	Parks & Recreation Director	Parks						
			$33.89	$34.91	$35.96	$39.70		$50.34
			$70,500.70	$72,615.72	$74,794.19	$82,578.83		$104,711.86
P	Fire Chief	Fire						

New Pay Grade	Recommended Title	Dept/Div.		Temp Minimum	Temp Step B	Minimum	Position Point		Max
P	Police Chief	Police							
P	Public Works Director	Public Works							
Q	No Position			$36.61	$37.70	$38.84	$42.88		$54.37
				$76,140.75	$78,424.97	$80,777.72	$89,185.13		$113,088.81
				$45.76	$47.13	$48.54	$53.60		$67.96
				$95,175.94	$98,031.22	$100,972.15	$111,481.42		$141,361.02
AA	City Administrator	Administration							

*Organization changes have been provided to the fire department. This position may be a standalone or combined in the pay grade above.

Appendix C: Definitions

The following are definitions that helped guide the development of the Compensation System for the City of Carthage.

Benchmark Position: A job that is commonly found and defined, used to make pay comparisons, either within the organization or to comparable jobs outside the organization.

Classifications: Job titles.

Compensation System: A system developed to compensate employees. This system includes a balance between internal equity and external competitiveness.

Compensation Data: Data derived from information regarding the salary range and the rate of pay of the incumbent(s) holding a benchmark position of the identified labor market.

Comp Ratio: The ratio of an actual pay range to the established position point (or average market rate). The Comp Ratio is used to measure and monitor an individual's actual rate of pay to the Position Point of the established pay range. In Carthage, positions were evaluated based upon the 50th percentile.

Compression: Pay differentials too small to be considered equitable. The term may apply to differences between (1) the pay of supervisors and subordinates; (2) the pay of experienced and newly hired personnel of the same job; and (3) pay range midpoints in successive job grades or related grades across pay structures.

CPI-U: Consumer Price Index – Urban: A measure of the average change over time in the prices paid by urban consumers for a market of consumer goods and services. It reflects the spending pattern for three population groups: all urban consumers, urban wage earners, and clerical workers. This group represents approximately 87% of the total U.S. population.

Demotion: The (re)assignment of an employee to a position in a lower pay grade or range in the organization's salary structure.

Labor Market: A location where labor is exchanged for wages. These locations are identified and defined by a combination of the following factors: geography; industry; education, experience and licensing or certification required; and job responsibilities.

Market Data: The technique of creating the financial value of a position based on the "going rate" for benchmark positions in the relevant labor markets.

Minimum Salary Range (Minimum): The minimum amount of compensation the organization has deemed appropriate for a position.

Maximum Salary Range (Maximum): The highest amount of compensation the organization has deemed appropriate for a position.

Market Average: Employee pay based upon the 'average' market rate; or the 'average' prevailing wage rate in the external market.

Market Rate (Market): The organization's best estimate of the wage rate that is prevailing in the external market for a given position.

Market Average Range: A pay range in which the minimum and maximum of the range is established around the Average Market Rate.

Pay Grade: The grade, or placement of a position, within the salary structure.

Pay Grade Evaluation: The (re)assignment of a job to a higher or lower pay grade or pay range in the salary structure due to a job content (re)evaluation and/or significant change in the average market rate in the external labor market.

Performance Increase: An adjustment to an individual's base pay rate based on performance or some other individual measure.

Promotion: The (re)assignment of an employee to a position in a higher pay grade or range in the organization's salary structure.

Red Circle: The freezing of a rate of pay until such time that the salary schedule catches up to the pay rate. This is commonly used when implementing a new pay schedule when a tenured employee is above the range maximum or when an employee is placed on a lower pay grade that is not related to performance issues.

Salary Schedule Adjustment: An adjustment to the salary structure; the increase or decrease of a pay range, minimum – maximum. This is a method to maintain the salary range in relation to external market conditions.

Salary Schedule: The hierarchy of job grades and pay ranges established within an organization.

Step Increase: The progressive steps across a salary range that an employee may move to with satisfactory performance and progress within their job.

Step Schedule: Standardized progression pay rates that are established within a pay range. To move to the next step, one must have met acceptable performance standards.

Spread: The range of pay rates, from minimum to maximum, established for a pay grade. Typically used to set individual employee pay rates.