

TOWN OF PALM BEACH

Information for Town Council Meeting on: March 19, 2019

To: Mayor and Town Council

Via: Kirk Blouin, Town Manager

From: Danielle Olson, Director of Human Resources

Re: Compensation and Benefits Study Report

Date: March 15, 2019

STAFF RECOMMENDATION

Staff recommends Town Council review the attached compensation and benefits report prepared by Evergreen Solutions and provide direction to assist staff in our preparation of corrective options for consideration and discussion at the April 1, 2019, Special Town Council meeting.

GENERAL INFORMATION

In November 2018, the Town began their engagement with Evergreen Solutions to conduct a Compensation and Benefits Study. A comprehensive survey was distributed to 28 market peers,. The data collected was analyzed by Evergreen Solutions and compared to current Town compensation and benefits. The final report from Evergreen Solutions and various options for consideration, along with their presentation, are enclosed for your review and direction.

In summary, the consultant has identified pay grades that allow Town positions and benefits to be aligned with the 75th percentile of the market. In addition to the realignment of pay grades to a market competitive position, various options to address concerns with market competitiveness to aid in reducing turnover and address compression have been provided. The following chart provides a summary of the options, cost per retirement group, and total estimated impact to a taxpayer of a property with a taxable value of \$1 million. The details associated with the methodology for each option, including pros and cons for consideration are included in the final report.

	Option	Police	Fire	General	Cost per \$M of Taxable Value (5%)
A:	Bring Employees' Salaries to New Minimums	\$228,298	\$10	\$145,158	\$21
B:	Closest Step in Revised Pay Plan	\$60,277	\$113,721	N/A	\$30
C:	Current Range Penetration	\$477,774	\$364,882	\$1,194,081	\$131
D:	Current Range Penetration - Capped at Midpoint	\$326,921	\$250,204	\$401,233	\$73
E:	Move Toward Market (3 Tier) & Closest Step in Revised Pay Plan	\$378,612	\$461,220	\$222,511	\$78
F:	Move Toward Market (2 Tier) & Closest Step in Revised Pay Plan	\$454,788	\$484,572	\$71,764	\$75

Additionally, as requested by Town Council, estimates for amending the retirement eligibility for Police Officers and Firefighters prepared by GRS are enclosed. The proposed provisions considered in the valuation changes the normal retirement eligibility conditions, adding a service element to eligibility as follows: age 56 with at least 10 years of service or 25 years of service regardless of age; and age 56 with at least 10 years of service or 30 years of service regardless of age.

Following the presentation by Evergreen Solutions at the March 19, 2019, meeting, staff will facilitate a discussion related to specific questions for Town Council's consideration. Direction provided, resulting from that discussion, will guide staff in preparing for the April 1, 2019, special meeting. The questions for consideration will address compression, market placement of compensation, pay plan structures (merit versus step plans), pay progression, and retirement and other benefits. Details related to the information sought for discussion at the Town Council meeting are enclosed within the presentation from staff.

Attachments

cc: Jay Boodheshwar, Deputy Town Manager
Department Directors