

Board of County Commissioners
Budget Discussion Item

Date of Meeting: June 27, 2007
Date Submitted: June 20, 2007
To: Honorable Chairman and Members of the Board
From: Parwez Alam, County Administrator *PA*
Alan Rosenzweig, Assistant County Administrator *AR*
Lillian Bennett, Human Resources Director *LWB*
Subject: Funding Allocation for FY07/08 for Cost of Living Adjustments
(COLA), Sheriff Salary Study, and Human Resources Recommended
Reclass of Positions and Recommended Pay Adjustments

Statement of Issue:

This item discusses the recommended FY07/08 funding allocation for cost of living adjustments (COLA), the Sheriff's Salary Study, and recommended pay adjustments by Human Resources for Emergency Medical Services (EMS) and Technical, Paraprofessional, and Professional (TPP) positions in Management Information Systems (MIS), Geographic Information Systems (GIS), Growth and Environmental Management (GEM).

Background:

As part of the development of the annual budget, the County determines the pay increases and bonuses for full-time career service employees for the subsequent budget year, which take effect at the beginning of the fiscal year, October 1st. In accordance with the Leon County Board of County Commissioners Personnel Policies and Procedures Manual, Policy 5.02, Human Resources maintains a three-year classification review schedule for all Board positions. MIS/GIS, GEM, and EMS are the areas reviewed for re-classification during the FY07/08 budget cycle (Attachment #1).

Analysis:

Cost of Living Adjustments:

Leon County recognizes that the most valuable asset of any organization is its employees. Historically, Leon County has provided performance based merit raises on a range of 3 – 5% for career service employees. In addition, employees were eligible for one-time performance based bonuses. Through properly compensating employees the organization has developed a highly skilled organization with the ability to have long term retention. These efforts have allowed Leon County the ability to provide exemplary service to the community throughout all departments and divisions. As compared to other Counties in the State of Florida, Leon County continues to provide services with less employees per resident than most other Counties: Leon County has 6.7 employees per 1,000 residents which ranks the 51th lowest of 67 counties.

With the pending property tax referendum scheduled for January 2008, Leon County intends to keep the hiring freeze in place through at least February 1, 2008. Pending the outcome of the

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constitutional amendment the hiring freeze may need to be extended through the next legislative session. Acknowledging that existing employees will continue to be called upon to provide existing services to their best abilities and at the same time realizing that some services will suffer it is recommended that a cost of living adjustment of 2.7% be provided for all career service and senior management employees. Based on the Bureau of Labor Statistics, the most recent annual inflation rate was calculated at 2.7% and has been steadily increasing over the past year as a result of fuel costs. The total fiscal impact of the COLA, including all Constitutional Officers and Board employees is approximately \$2.1 million. The adjustments will take effect on October 1, 2007. If the Constitutional amendment passes in January, one of the recommended reductions will be an across the board pay reduction of the 2.7% COLA.

Human Resources Recommended Reclass of Positions:

In accordance with Leon County Board of County Commissioners Personnel Policies and Procedures Manual, Policy 4.03, Human Resources recommends reclassifying 12 positions in order to provide the appropriate classification for work being performed (Attachment #2). The total fiscal impact for the reclassification of these positions is \$41,312. Staff recommends that the reclass for these 12 positions take effect on October 1, 2007.

Human Resources Recommended Pay Adjustments:

During the classification review process, HR staff coordinated the submission of current Job Description Questionnaires (JDQ's) and updated organizational charts where appropriate. Staff also conducted internal equity reviews to proactively address key human resource management issues. In addition, a salary study of all impacted positions was conducted to determine average pay rates, as well as minimum and maximum hiring rates among employers having similar positions. Due to EMS employees having less than 5 years of service with Leon County, staff reviewed prior related work experience to determine where the base rate of pay should be in the EMS Pay Grade ranges. Subsequently, a total of 206 positions were targeted in the Three-Year Position Audit Review.

It has been determined that salary adjustments are appropriate for 100 of the targeted position based upon market, internal equity, and work experience reviews that have been conducted by Human Resources. It has also been determined that salary adjustments are appropriate due to increases in the Minimum Wage and the impact that it has had on the base pay of the pay ranges for 15 of the targeted positions.

In an effort to maintain an internally fair and externally competitive pay plan, staff recommends the following:

- Adjusting the salaries of 100 of the targeted positions based upon market, internal equity, and work experience reviews that have been conducted by Human Resources.

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- Adjusting the salaries of the impacted employees and the pay ranges of the remaining 15 targeted positions to coincide with the increases to the Minimum Wage.

The cost of implementing the salary adjustments, which include fringe benefits, for the positions that were targeted in is \$349,276; \$191,961 of this amount is provided form EMS employees.

Staff recommends that the Board implement the salary adjustments for the positions that were targeted Human Resources' recommended pay adjustments (MIS, GIS, GEM, and EMS) on February 1, 2008 if the constitutional amendments fail. The total fiscal impact of implementing the salary adjustments on February 1, 2008 is \$223,850.

Leon County Sheriff's Salary Study:

In FY05, the Board authorized a salary study for sworn law enforcement officer. The salary study indicated that based on market conditions, the sworn officers were not being compensated adequately. As a result, the Board approved the implementation of a three year plan to address the pay inequities. The Board fully funded the study in FY06 and FY07. The FY08 budget implements the third and final year of the findings from the Sheriff's salary study. The total annual fiscal impact is \$1.8 million in salary adjustments for the Sheriff's Deputies and Correction Officers.

Staff recommends that the Board implement the salary adjustments for the third year of the Sheriff's Salary Study on February 1, 2008 if the constitutional amendments fail. The total fiscal impact of implementing the salary adjustments on February 1, 2008 is \$1.2 million.

Options:

1. The following items are included in the FY08 Tentative Budget:
 - 2.7% cost of living adjustment for all employees
 - Human Resources' recommendation to reclass 12 positions in the amount of \$41,312
 - Human Resources' recommended pay adjustments in the amount of \$232,850 the positions that were targeted Human Resources' recommended pay adjustments (MIS, GIS, GEM, and EMS). These adjustments will take effect February 1, 2008 if the constitutional amendments fail.
 - Third and final year of the Sheriff's Salary Study in the amount of \$1.2 million to take effect on February 1, 2008 if the constitutional amendments fail.
 - Board Direction.

Recommendation:

Option #1 is included in the tentative budget.

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Attachments:

1. Leon County Board of County Commissioners Personnel Policies and Procedures Manual, Policy 5.02
2. Leon County Board of County Commissioners Personnel Policies and Procedures Manual, Policy 4.03

SECTION V
Pay Plan

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5.01 Contents

The procedure for establishment, maintenance, and administration of an equitable pay plan shall be applicable to all positions. The salary schedules shall include the minimum and maximum rates of pay for all skill levels. For EMS, in addition to the salary schedule, the pay plan includes shift differentials and Special Pays. The guidelines for EMS shift differentials and special pays can be found in the Emergency Medical Services Standard Operating Guidelines Manual. When an employee reaches the ceiling of a salary range they are "red circled" and receive no additional pay increases until the pay grade schedule raises the maximum above the employee's salary or through other Board action.

5.02 Administration

The Human Resources Division shall maintain the salary schedule which includes the EMS shift differentials and special pays. This includes conducting a general salary survey periodically from which recommendations may be made to adjust the schedules. The salary survey shall consider prevailing pay rates and fringe benefits within the appropriate market.

When approved by the Board, the Pay Plan shall constitute the County's pay schedule for pay grades of all positions, EMS shift differentials and special pays shall become effective as designated.

5.03 Changes in Pay

5.03.1 Promotion

Upon a promotion of one grade level, the employee will receive 5% or will be placed at the new grade minimum which ever is greater. Upon a promotion of two grade levels, the employee will receive 10% or will be placed at the new grade minimum which ever is greater.

In no case will the promotional increase place an employee's salary above the maximum of the assigned pay grade, even if this results in less than a 5% increase.

5.03.2 Demotion

Upon demotion for cause, the employee's salary will be placed on the new pay grade level at a rate determined by the Department Head based upon the recommendation of the Human Resources Director.

If the adjusted salary is above the maximum of the lower grade, the salary will be red

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range, the salary is red circled and is frozen until changes in the pay grade schedule raise the maximum above the employee's salary.

If reclassification results in the position being assigned to a class in a skill level with the same pay range as the original classification, an incumbent employee shall maintain the same pay as before classification.

4.03.1 Procedure: Reclassification

The Human Resources Division, upon request of a Department/ Division Head, or as a function of administering the Wage and Salary Program, shall analyze positions and recommend reclassification where appropriate. Upon the review of the Office of Management and Budget, and the approval of the County Administrator, the recommendation shall be submitted to the Board for final approval during the normal budget process.

4.04 Retitling

Upon request of the Department/Division Director, the Human Resources Division may recommend retitling of a position. An incumbent employee in a retitled position shall maintain the same rate of pay.

4.05 Maintenance

The Classification Plan shall be kept current by the Human Resources Division through continued audit, investigation, and review. Department/Division Directors shall notify the Human Resources Director of change of duties, responsibilities or work assignments as they occur.

4.05.1 Procedure: Job Audit

The Human Resources Division will audit positions in the organization on a regular schedule. Within a three year cycle all positions of the County will be reviewed.

Separate questionnaires (See Appendix G) will be forwarded to the supervisor and to the incumbent with an indicated return date to Human Resources. Any extension of the return date will be coordinated between the Department/Division Director, and the Compensation Officer who will conduct a job site audit. Any recommendations will be submitted to the Human Resources Director, the Department/Division Director and the appropriate OMB Liaison.