



**TOWN COUNCIL**  
**Work Session**  
Cape Charles Civic Center  
September 4, 2014  
6:00 PM

At approximately 6:00 p.m., Mayor George Proto, having established a quorum, called to order the Town Council Work Session. In addition to Mayor Proto, present were Vice Mayor Bannon, Councilmen Bennett, Brown, Godwin and Wendell and Councilwoman Natali. Also present were Town Manager Heather Arcos, Assistant Town Manager Bob Panek, Town Clerk Libby Hume, Police Chief Jim Pruitt, Corporal Chelsea Pfeiffer, and Mr. John Anzivino of Springsted, Inc. There was one member of the public in attendance.

Mayor Proto announced the business for the evening would be to review the i) Compensation and Position Classification Plan; and ii) Organization Management Review which were prepared by Springsted, Inc.

Mr. Anzivino reviewed the following: i) Purposes for the Study; ii) Pay Philosophy; iii) The Town's Objectives; iv) The Study Methodology; v) The Study's Findings; vi) The Salary Survey Results; vii) Proposed Pay Scale; viii) Job Evaluation; ix) Implementation Options; x) Ongoing Administration; xi) Fringe Benefits; and xii) Organizational Review. (Please see attached.)

Town Manager Heather Arcos noted the items still needing to be completed and/or provided to Springsted: i) Updated FY 2014-2015 pay scale; ii) Pay ranges for the recommended positions; iii) Evaluation of the summary and comparison to the employees' current pay and possible years of service adjustments; iv) Finalization of job descriptions; v) Staff training on the SAFE system; vi) Job descriptions to be included in the Personnel Policies; vii) Updated pay scale to be included in the Personnel Policies; viii) Cost of implementing all recommendations; ix) Employee turnover analysis; and x) Exit interviews to be included in the Personnel Policies.

Mayor Proto stated that Council would need to discuss the details of the report findings in a separate work session. Council agreed that the follow-up discussion should be done as part of the budget discussions for FY 2015-2016.

**Motion made by Councilman Brown, seconded by Councilman Bennett to adjourn the Town Council Work Session. The motion was unanimously approved.**

\_\_\_\_\_  
Mayor Proto

\_\_\_\_\_  
Town Clerk

Public Sector Advisors



PRESENTATION TO

**The Town of Cape Charles, Virginia  
Town Council**

**Compensation and Position Classification  
Plan**

September 4, 2014

PRESENTER: John Anzivino, Senior Vice President

## Purposes for the Study

- Responds to changing market conditions and supports the Town's efforts to attract and retain quality employees
- Recognizes changes in employees' duties and responsibilities resulting from workplace and organizational changes
- Ensures internal equity and consistency among similar positions
- Ensures that salaries are externally competitive with comparable employers in appropriate labor markets

## Pay Philosophy

- Providing fair and equitable compensation to employees in a highly competitive and changing labor market
- Maintaining a competitive pay structure that takes into consideration the Town's fiscal resources
- Ensuring that employee compensation is based on individual performance that meets or exceeds expectations and reflects changing economic conditions
- Providing consistent administration of pay policies and procedures among all Town departments

## The Town's Objectives

- Evaluate the accuracy of current classification descriptions for Town employees
- Evaluate competitiveness of the salary and benefit package compared to external market value
- Develop a compensation strategy and salary structures that are fair internally and externally
- Evaluate the internal ranking of current positions, based on job responsibilities and salaries

## Study Methodology

- Meetings with the Town Manager and Department Heads
- Employee orientation meetings
- Collection of data
- Update of position descriptions
- Evaluation of positions
- Obtain market salary and benefits information
- Development of salary line
- Assignment of positions to pay grades
- Development of implementation options

## The Study's Findings

- The Town's salary levels are significantly below the market
- Internal pay relationship inequities exist within the Town
- In order to develop consistency for the Town and to maintain competitiveness within the regional labor market, a new salary schedule was developed
- Policies regarding maintenance of the plan should be evaluated
- A well-balanced evaluation system should be developed

## Salary Survey Benchmark Communities - Municipalities

- **Accomack County\***
- **Northampton County\***
- **Chesapeake Bay Bridge Tunnel Authority\***
- **City of Franklin**
- **Town of Chincoteague**
- **Town of Colonial Beach**
- **Town of Kilmarnock\***
- **Town of Onancock**
- **Town of Smithfield\***
- **Town of Warsaw\***
- **Town of West Point\***
- **Town of Windsor\***
- **Town of Crisfield, MD**
- **Pocomoke City, MD**

*\*Reflect communities who responded to the survey*

## Salary Survey Results and Pay Scale Comparisons

The Town's Proposed Pay Scale:

- Has been developed utilizing the respondents' survey data and is consistent with the other jurisdictions
- Is an open range system that provides a minimum, midpoint and maximum salary consistent with the survey responses
- Contains 38 pay grades with a 5% spread between grades and a minimum to maximum spread of 50%
- Complete survey data can be found in the study

## Proposed Pay Scale

Grade	Salary Range		
	Min	Mid	Max
1	11,625.00	15,500.00	19,375.00
2	12,206.25	16,275.00	20,343.75
3	12,816.56	17,088.75	21,360.94
4	13,457.39	17,943.19	22,428.98
5	14,130.26	18,840.35	23,550.43
6	14,836.77	19,782.36	24,727.96
7	15,578.61	20,771.48	25,964.35
8	16,357.54	21,810.06	27,262.57
9	17,175.42	22,900.56	28,625.70
10	18,034.19	24,045.59	30,056.98
11	18,935.90	25,247.87	31,559.83
12	19,882.70	26,510.26	33,137.83
13	20,876.83	27,835.77	34,794.72
14	21,920.67	29,227.56	36,534.45
15	23,016.70	30,688.94	38,361.17
16	24,167.54	32,223.39	40,279.23
17	25,375.92	33,834.56	42,293.20
18	26,644.71	35,526.28	44,407.85

Grade	Salary Range		
	Min	Mid	Max
19	27,976.95	37,302.60	46,628.25
20	29,375.80	39,167.73	48,959.66
21	30,844.59	41,126.11	51,407.64
22	32,386.82	43,182.42	53,978.03
23	34,006.16	45,341.54	56,676.93
24	35,706.46	47,608.62	59,510.77
25	37,491.79	49,989.05	62,486.31
26	39,366.38	52,488.50	65,610.63
27	41,334.69	55,112.93	68,891.16
28	43,401.43	57,868.57	72,335.72
29	45,571.50	60,762.00	75,952.50
30	47,850.08	63,800.10	79,750.13
31	50,242.58	66,990.11	83,737.63
32	52,754.71	70,339.61	87,924.52
33	55,392.44	73,856.59	92,320.74
34	58,162.07	77,549.42	96,936.78
35	61,070.17	81,426.89	101,783.62
36	64,123.68	85,498.24	106,872.80
37	67,329.86	89,773.15	112,216.44
38	70,696.36	94,261.81	117,827.26

## Job Evaluation

### Systematic Analysis and Factor Evaluation (SAFE®) System Job Evaluation Factors

Training and Ability	Experience Required
Level of Work	Human Relations Skills
Physical Demands	Working Conditions
Independence of Actions	Impact on End Results
Supervision Exercised	

## Implementation Options

### Option 1 – Move to Minimum

- 54% of employees are paid below the minimum of the proposed salary ranges
- Annual cost is \$61,760 or 5.29% of total salaries
- Increases market comparability

## Implementation Options *(cont.)*

### Option 2 – Minimum or 2% Increase for Employees

- Provides minimum level of funding to address compression issues
- 100% of employees are impacted
- Annual cost is \$74,010 or 6.34% of total salaries
- Includes Adjustments to Minimum
- Increases market comparability

## Implementation Options *(cont.)*

### Option 3 – Years of Service Adjustment

- Addresses salary compression issues
- 100% of employees are impacted
- Annual cost is \$83,713 or 7.17% of total salaries
- Includes Adjustments to Minimum

## On-going Administration

### Annual Adjustments

- Establish guidelines for base adjustments (e.g., CPI, comparable organizations, other economic indicators)
- Adjust pay ranges and wages of employees
- Adjustments that recognize individual employee performance

## Fringe Benefits

<b>Holiday Leave</b>	Consistent with the survey results with 12-13 days
<b>Annual Leave</b>	Above average when compared to survey results
<b>Sick Leave</b>	Above the survey average of 13 days of sick leave
<b>Pension and Retirement</b>	Consistent with survey average including provision of a death benefit
<b>Life Insurance</b>	Consistent with the survey respondents in providing this benefit and above average for amount contributed
<b>Health Insurance</b>	For employee only and employee and one child coverage, the Town pays below the average monthly cost. For employee and spouse and family coverage, the Town pays above the survey average.
<b>Deferred Compensation</b>	Consistent with survey respondents in providing employees access to a plan through the VRS and providing a contribution on their behalf

## Conclusions

Adoption of the reports recommendations will result in:

- Fairer and more equitable compensation to employees in a competitive and changing labor market
- Compensation that addresses internal equity and external market competitiveness
- Establishing a market position that is fiscally responsible with public resources
- Consistent administration of pay policies and procedures among all Town Departments

## Organizational Review

As part of its classification and compensation engagement with the Town of Cape Charles, Springsted was asked to review classification and compensation issues, organizational and management issues, particularly those related to the Town's staffing patterns and current and future staffing levels

## Organizational Review *(cont.)*

Cape Charles has witnessed rapid change in recent years. Major changes which have occurred include:

- The Town's population now exceeds an estimated year-round population of 1,000, per the 2010 Census, and continues to grow.
- The population grows to approximately 3,000 during the summer months with the influx of visitors and second homeowners.
- Continued Town growth and a constant migration of newcomers, many of whom have markedly different expectations regarding the level of public services provided.
- New commercial development in the form of downtown business growth and an increased focus on providing a higher level of services to visitors to Cape Charles.

## Organizational Review *(cont.)*

To review the impact of these changes, the consultant team:

- Interviewed the Town Manager and the management staff
- Interviews were conducted to elicit responses on a number of organizational and management dimensions, among them:
  - a review of the Town's vision for the future;
  - the Town's mission, goals, and governance processes; Council priorities;
  - management processes; operational issues; and
  - current staffing

## Organizational Review *(cont.)*

The Town of Cape Charles is unique. Many communities of similar size do not:

- Have a significant influx of visitors annually which creates spikes in demands for service
- Operate sophisticated utility systems
- Maintain a public beach
- Operate a 'working' commercial/recreational marina/harbor
- Maintain and staff a library
- Operate an inspections department

## Organizational Review *(cont.)*

1. Technology improvements for Finance and Treasurer's functions
2. Administrative Support
3. Police Officer
4. Assistant Town Manager
5. Additional Staffing Demands

## Public Sector Advisors

