



City of Franklin

Phase II Pay Plan Implementation

March 25, 2014 – Board of Mayor and Aldermen Work Session

Phase I Recap

- ❖ Market-based Pay Plan adopted by Board in August of 2013.
- ❖ Based pay grades (Market Benchmark) on a target of 70th percentile of market actual pay.
- ❖ Moved from 22 pay grades to 15 pay grades with a 12.5% difference between grades (vs. 5% difference in the old plan).
- ❖ Phase I resulted in increases to 171 employees, totaling \$427,318.
- ❖ 529 employees have a higher max in their new pay grade.
- ❖ 133 employees have a lower max in their new pay grade.

Proposed Phase II approach

- ❖ Phase II is a one-time pay adjustment designed to move employees within the pay grade recognizing time in position and with the City. The adjustment is intended to provide a baseline adjustment, not to establish an expectation for movement going through pay grades.
- ❖ Applied to employees who have been their current position for 5 years or more:
 - ❖ Employee pay would be compared to baseline equal to:
 - ❖ 1% per year of time within position
 - ❖ Plus 1% for every five years with the City overall
 - ❖ If an employee is below this calculation, their pay would be increased to this level.
 - ❖ If an employee is at or above this calculation, no adjustment is necessary.
 - ❖ To be eligible, employee must have achieved a “meets expectations” (an overall score of 3.5) or better rating in four of the past five evaluations.

Example of Phase II Adjustment

- ❖ Employee has 13 years of experience overall with the City, 8 years in their current position.
 - ❖ Their adjustment calculation would be 10% above the starting point of the pay grade (1% for each year in the current job=8%; 1% for each 5-years with the City overall=2%).
- ❖ To the extent this employee is below the calculation (10% above the pay grade minimum) an adjustment would be made to their pay effective the first pay period in July 2014. If the employee is at or above this pay rate no adjustment will be necessary.

Estimated impact of Proposed Phase II approach

- ❖ 246 Employees would received increases under the proposed approach.
- ❖ Total amount of increases is projected at \$697,995.85.
- ❖ This would be incorporated into the FY15 Recommended Budget and be effective the first full pay period in July 2014.

Phase II - Summary

- ❖ Impact on 246 employees
- ❖ Total projected expense of \$697,996.
- ❖ Average increase = \$2,837.38
- ❖ 147 employees below the average, 99 above.
- ❖ Median = \$2,736.36
- ❖ High = \$12,566.34
- ❖ Low = \$ 23.60

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Phase II Breakdown by Amount of Increase

Increase Amount	# of Employees
\$0 - \$500	18
\$501 - \$1,000	22
\$1,001 - \$1,500	22
\$1,501 - \$2,000	22
\$2,001 - \$2,500	31
\$2,501 - \$3,000	38
\$3,001 - \$3,500	28
\$3,501 - \$4,000	27
\$4,001 - \$5,000	11
\$5,001 - \$6,000	9
\$6,001 - \$7,000	9
\$7,001 - \$8,000	3
\$8,001 - \$9,000	1
\$9,001 - \$10,000	2
\$10,000 - \$13,000	3

Phase II Breakdown by Department

Department	Amount	Percentage	# Employees
Administration/Facilities	\$5,663.52	0.81%	3
BNS	\$13,654.59	1.96%	5
Court	\$3,129.92	0.45%	1
Engineering	\$3,824.11	0.55%	2
Finance	\$6,382.67	0.91%	1
Fire	\$241,224.99	34.56%	93
IT	\$40,559.41	5.81%	5
Parks	\$16,488.89	2.36%	2
Planning	\$367.71	0.05%	1
Police	\$261,207.97	37.42%	91
Purchase	\$589.51	0.08%	1
Sanitation and Env. Srv.	\$7,195.59	1.03%	3
Streets	\$75,364.99	10.80%	26
Water Management	\$22,341.99	3.20%	12

Phase II Breakdown by Pay Grade

Pay Grade	# Employee with Adjustments	# Eligible (Time in Grade)	% Receiving an Increase	Average Increase Amount
B	2	12	16.67%	\$843.13
C	0	19	0.00%	\$0.00
D	32	52	61.54%	\$1,742.50
E	118	141	83.69%	\$2,297.26
F	31	51	60.78%	\$2,648.60
G	23	41	56.10%	\$3,020.45
H	4	6	66.67%	\$5,416.96
I	20	25	80.00%	\$4,589.14
J	9	9	100.00%	\$6,031.82
K	4	5	80.00%	\$6,057.31
L	3	5	60.00%	\$8,643.30
M	0	1	0.00%	\$0.00
N	0	2	0.00%	\$0.00
P	0	1	0.00%	\$0.00
TOTAL	246	370	66.49%	