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April 27, 2015

Kay Bolick, Director
Human Resources Department
City of Smyrna
2800 King Street
Smyrna, GA 30081

Re: Pay Plan Update for 2015

Dear Kay:

As you are aware, the Archer Company conducted a major update of the City's pay plan in the Spring of 2014, which included a review and re-evaluation of numerous classifications and a salary survey. While the recommendations regarding the re-evaluation of classifications were adopted and implemented, the City opted not to adjust the pay ranges at that time. Given pending changes in the market, and questions as to the competitiveness of senior management positions, the City engaged the Archer Company to update its market data from 2014 and reassess the relative placement of senior management classifications in the pay plan. Enclosed, please find the results of the market analysis and recommendations for updating the City of Smyrna's pay ranges for 2015.

Scope of Work: As you are aware, this engagement had two primary tasks:

1. **Update the Market Analysis from 2014:** The Archer Company updated the market analysis completed for Smyrna in 2014 in order to assess the competitiveness of the City's pay ranges relative to changes happening in the market this year, 2015. The City's intent was to use this information to consider adjustments to its pay ranges as part of the upcoming budget year.
2. **Re-evaluate Department Heads:** The Archer Company conducted a high-level job analysis for all classifications covering department head positions in the City. The analyses was used to re-evaluate these classifications and make new recommendations for placing these positions in pay grades that reflect current duties and responsibilities. In doing so, we used this opportunity to restructure the pay grades so as to better align the City's structure with conditions in the market.

Findings & Recommendations: The Archer Company has built upon the findings of both tasks in order to develop recommendations for updating the City's pay ranges in 2015. These recommendations were developed using the same methodology employed to create the City's initial pay plan and maintain the pay plan over time. The results of the market analysis have been provided in an attached report titled, "Wage & Salary Survey, Updated for 2015; Summary of the Market Data;" the recommendations for updating the pay ranges and changes to the pay grade placement for senior management classifications have been provided in an attached report titled, "Pay Plan Update 2015; Grade Order Listing – Current to Proposed."

Implementation of the Recommendations: Presuming that you decide to adopt the new pay grade structure and pay ranges for 2015, the City of Smyrna has multiple options available to it for implementing the pay plan recommendations.

1. **Consider funding an across-the-board increase for all employees:** An increase ranging from 2.5 to 3.5% would keep pace with (or be slightly ahead of) the anticipated increases that many of your peers in the local market are weighing as part of their budget preparation. Alternatively, a smaller amount could be funded, especially if the City funds a separate pool of monies for merit increases based on performance appraisal.
2. **Increase all salaries to the minimum of the new ranges:** After the across-the-board increase has been applied, the City should bring employees up to the new minimum of the pay ranges for their classification if their salaries are not already at that level or higher.
3. **Consider placement into the new ranges beyond cost-to-minimum:** After the across-the-board increase has been applied and employees have been brought up to the minimum of the new pay ranges, the City may want to consider placing employees into the range in a manner that preserves their relative placement in the current pay plan. The most common way to do this would be to increase employee salaries to match the percentile at which they fell under the current pay plan (e.g. if an employee's salary falls at the 25% mark between minimum and maximum of the current range, increase their salary to the level equal to the 25th percentile in the new range). As an alternative, the City could utilize a similar adjustment but at a lower percentile pro-rated evenly across the board. This step is optional, as it is noted that many organizations have found that placement into the new ranges is not feasible given current economic conditions and projections for revenue and expenditures. Please note that we recommend that organizations cap these adjustments at the midpoint of the pay range, as this represents the corresponding market rate of each classification.

Thank you for your continued interest in working with the Archer Company to maintain the City's pay plan. Please do not hesitate to call me if you have any questions regarding these findings or require further assistance.

Sincerely,



Chip King
Regional Director