

# 2023 Employee Compensation & Classification Study



# Overview

- Current compensation system
  - Overview of Township general employee pay plan
  - Key issues driving the need for comp study
- Comp study review
  - Methodology
  - Review of findings
  - Recommendation for implementation

# Township General Employee Pay Plan

- Township has multiple pay plans to cover all employees
  - General – 381 employees
  - Fire Suppression – 160 employees
  - Dispatch – 18 employees
  - Seasonal – 400 temporary employees (out of scope for comp study)
- General pay plan has an “open range” structure
  - 150+ positions are assigned across 45 pay grades
  - Minimum, Midpoint, Maximum for each pay grade
  - Employees typically start at/near minimum, and move through the range over time (7 years to midpoint, 14 years to max)

# Township General Employee Pay Plan

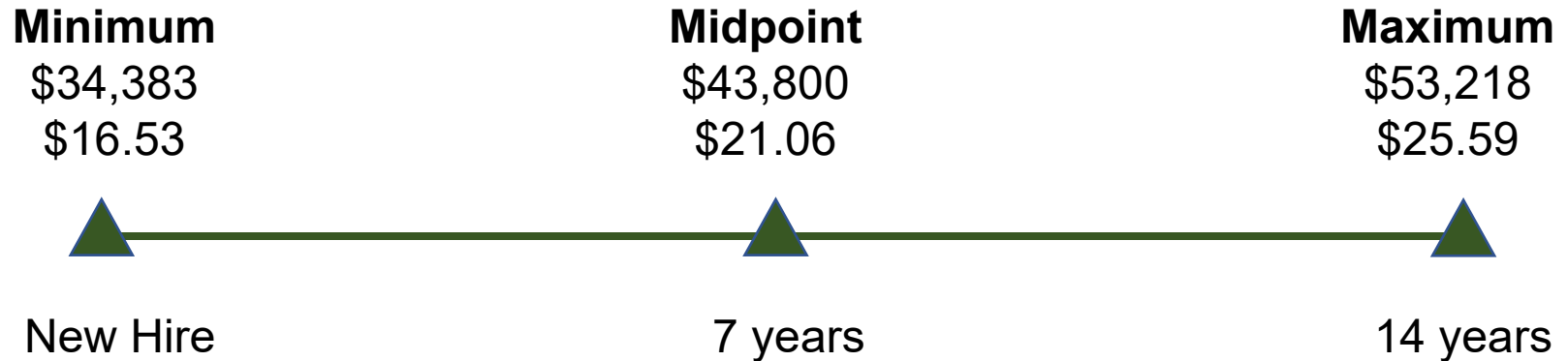
## CURRENT

Pay Grade	Pay Frequency	Pay Range			Job Title
		Minimum	Midpoint	Maximum	
17	Annual	\$31,187	\$39,728	\$48,270	Application Specialist
	Hourly	\$14.99	\$19.10	\$23.21	Park Ranger
					Town Center Ranger
					Parks Technician
18	Annual	\$32,746	\$41,715	\$50,683	Covenant Compliance Officer
	Hourly	\$15.74	\$20.06	\$24.37	Recreation Specialist
					Senior Administrative Assistant
					Senior Customer Service Representative
19	Annual	\$34,383	\$43,800	\$53,218	Pool Technician
	Hourly	\$16.53	\$21.06	\$25.59	Senior Parks Technician
					Senior Accounts Payable Specialist



# Township General Employee Pay Plan

## Example: Senior Parks Technician (CURRENT)



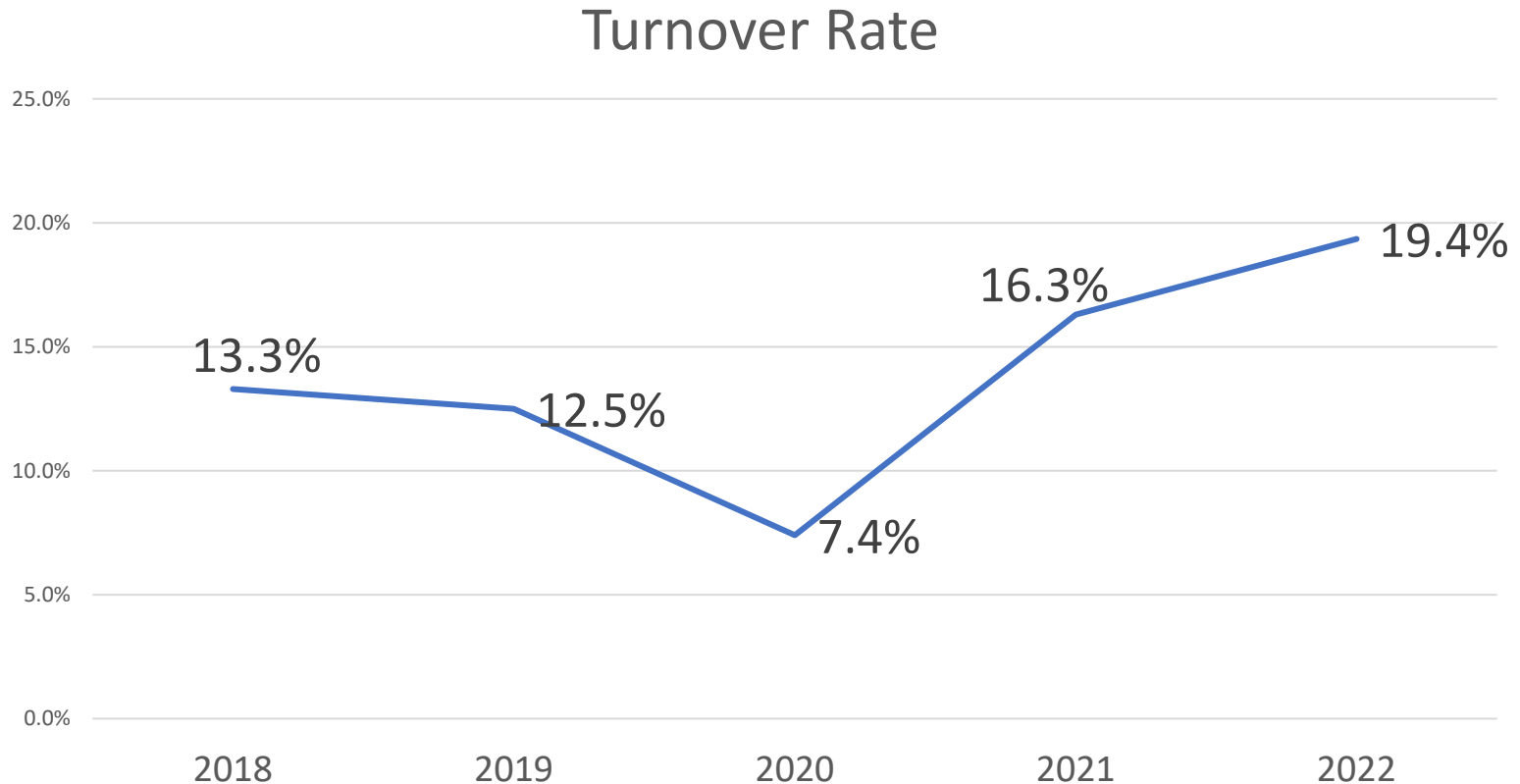
# History of Employee Pay Increases

Year	Township Increase	% Change in CPI
1/1/2023	6%	5.8%
1/1/2022	3%	8.0%
1/1/2021	2.25%	4.7%
1/1/2020**	2.25%	1.2%
1/1/2019	2.25%	1.8%
1/1/2018	2.25%	2.4%
1/1/2017	2.25%	2.1%
1/1/2016	2.25%	1.3%

*\*\* Last structure adjustment for general pay plan*



# Critical Issues to Address

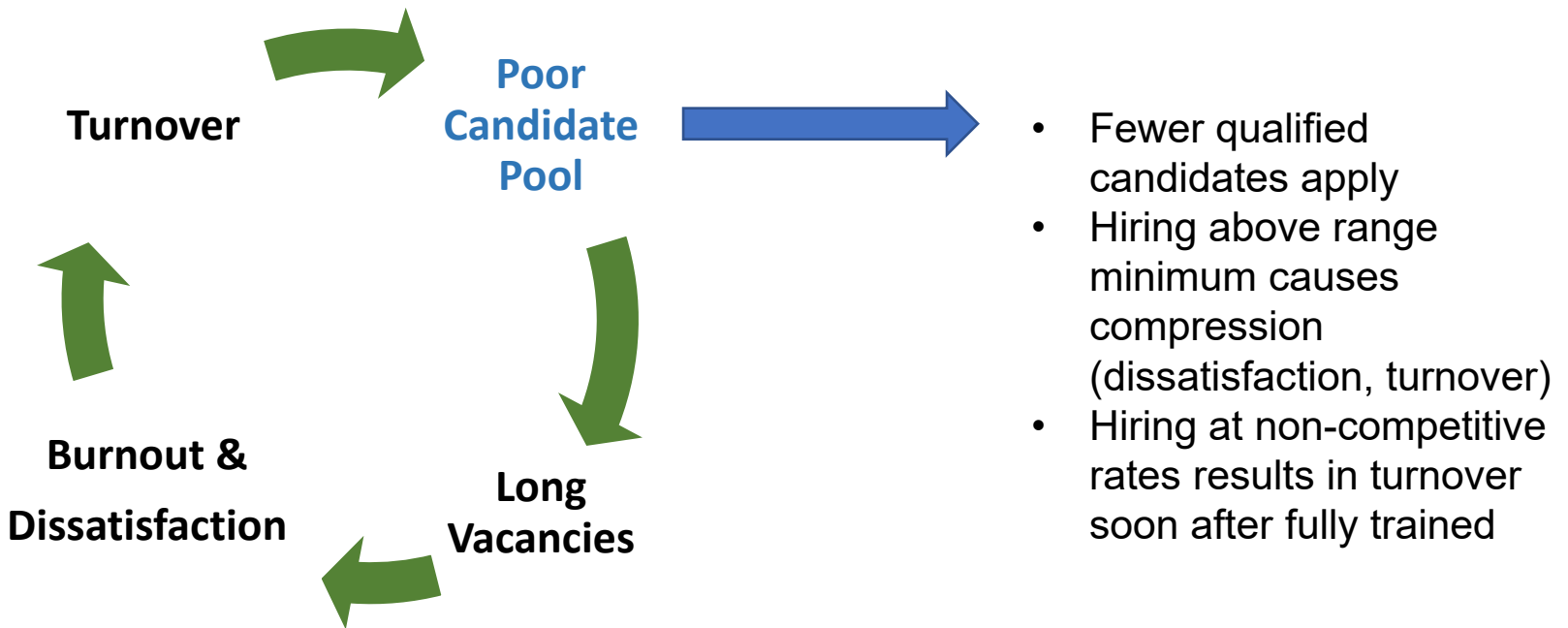


- Turnover increased in 2021 and 2022
- Top 3 reasons for regrettable turnover: personal, pay, advancement



# Critical Issues to Address

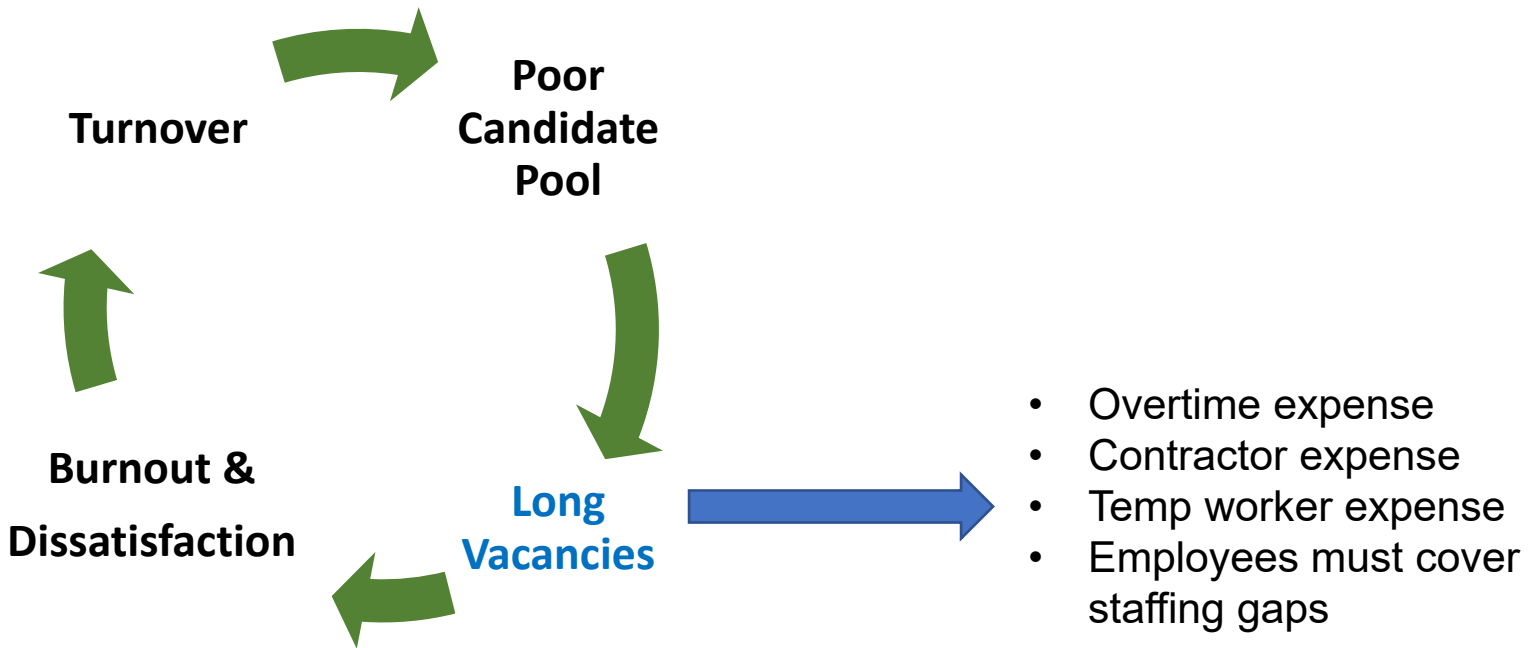
- Current pay ranges are not competitive in our market





# Critical Issues to Address

- Current pay ranges are not competitive in our market



# Compensation & Classification Study History

- 2009 – Waters Consulting Group conducted the Township’s first compensation and classification study; established current pay structure
- 2019 – Public Sector Personnel Consultants conducted Township’s second compensation and classification study; minimal adjustments made to structure and salaries
- 2022 – Adopted 2022 budget (adopted in 2021) included \$65K for third compensation and classification study; study postponed to 2023 due to labor market dynamics following pandemic
- Best practice is to conduct informal market surveys annually and a formal comp study every 3 to 5 years

# Compensation Study Goals

- Market-responsive pay plan aligned with our compensation philosophy
- Transparency in process and outcomes with all stakeholders, especially with employees

# Compensation Philosophy



Peer 1  
Peer 2  
Peer 3  
Peer 4  
Peer 5  
Peer 6  
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Peer 26  
Peer 27



- The Woodlands Township strives to align compensation and benefits with market peers who are identified as leaders in providing municipal services of similar scope and standards to The Woodlands Township.
- The Township does not expect to match Township salaries to the private sector but will consider the private sector among public sector comparators when determining compensation for applicable positions.
- The Township considers both time in classification and with the organization as important factors in determining total compensation.



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# Compensation & Classification Study

## How Does it Work?

### 1) Assessment of current system

- What is/isn't working about the current system?

### 2) Market survey

- How do we define our market?
- What is the market paying for our jobs?

### 3) Internal job factor analysis

- How do our jobs compare to each other on specific factors?

### 4) Development of pay grades and pay grade assignments

- Which pay grade is appropriate for each job?

### 5) Implementation options

- How do we place individual employees into the new pay grades?



# Evergreen's Market Survey Findings

General  
Fire

Unadjusted Results (no cost-of-living adjustment)			Adjusted Results (cost-of-living adjusted)		
Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
-10.5%	-5.2%	-3.2%	-6.8%	-1.6%	0.3%
-0.1%	3.4%	4.8%	3.7%	6.9%	8.2%



# Proposed Pay Plan Example

## CURRENT

Pay Grade	Pay Frequency	Minimum	Midpoint	Maximum	Job Title
19	Annual	\$34,383	\$43,800	\$53,218	Pool Technician
	Hourly	\$16.53	\$21.06	\$25.59	Senior Parks Technician
					Senior Accounts Payable Specialist

## PROPOSED

### Pool Technician

Pay Grade	Pay Frequency	Minimum	Midpoint	Maximum
G105	Annual	\$36,118	\$46,050	\$55,983
	Hourly	\$17.36	\$22.14	\$26.91

### Senior Parks Technician

Pay Grade	Pay Frequency	Minimum	Midpoint	Maximum
G107	Annual	\$39,820	\$50,770	\$61,721
	Hourly	\$19.14	\$24.41	\$29.67

### Senior Accounts Payable Specialist

Pay Grade	Pay Frequency	Minimum	Midpoint	Maximum
G108	Annual	\$41,811	\$53,309	\$64,807
	Hourly	\$20.10	\$25.63	\$31.16



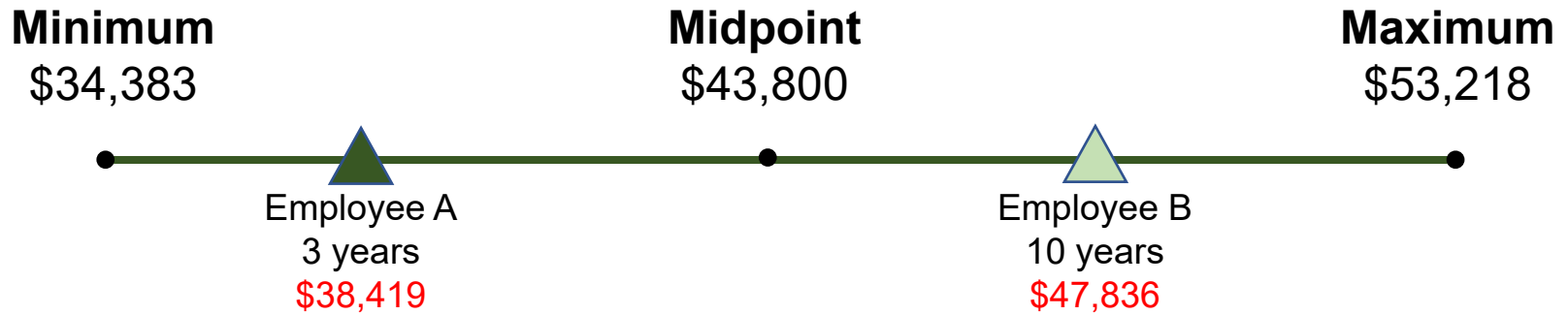
# Evergreen's Implementation Options

Option	Description	Option Pros	Option Cons
1	<b>Bring to Minimum</b> of New Pay Grades	<ul style="list-style-type: none"> <li>- Least Expensive Option</li> <li>- Ensures all employees are in new pay grade</li> </ul>	<ul style="list-style-type: none"> <li>- Does not address compression</li> <li>- Can cause additional compression at grade minimum</li> </ul>
2	Assign Salaries Based on <b>Time in Position</b> (Class Parity)	<ul style="list-style-type: none"> <li>- Credits employees for time in position</li> <li>- Addresses compression based on time in position</li> <li>- Adjusts for market</li> </ul>	<ul style="list-style-type: none"> <li>- Does not account for organizational tenure</li> <li>- Does not account for outside experience</li> </ul>
3	Assign Salaries Based on <b>Time in Position and Time with Township</b> ( <i>Hybrid Parity – Evergreen's recommendation</i> )	<ul style="list-style-type: none"> <li>- Credits employees for time in position and organizational tenure</li> <li>- Addresses compression based on time in position and organizational tenure</li> <li>- Adjusts for market</li> </ul>	<ul style="list-style-type: none"> <li>- Does not account for outside experience</li> </ul>
4	Assign Salaries Based on <b>Time with the Township</b> (Tenure Parity)	<ul style="list-style-type: none"> <li>- Credits employees for organizational tenure</li> <li>- Addresses compression based on organizational tenure</li> <li>- Adjusts for market</li> </ul>	<ul style="list-style-type: none"> <li>- Does not account for time in classification</li> <li>- Does not account for outside experience</li> </ul>
5	Retain Existing <b>Compa Ratio</b>	<ul style="list-style-type: none"> <li>- Maintains the relationships between employee salaries that currently exist</li> <li>- Can reward previous experience (to the extent that it is rewarded now)</li> </ul>	<ul style="list-style-type: none"> <li>- Does not correct compression</li> <li>- Does not account for outside experience</li> </ul>

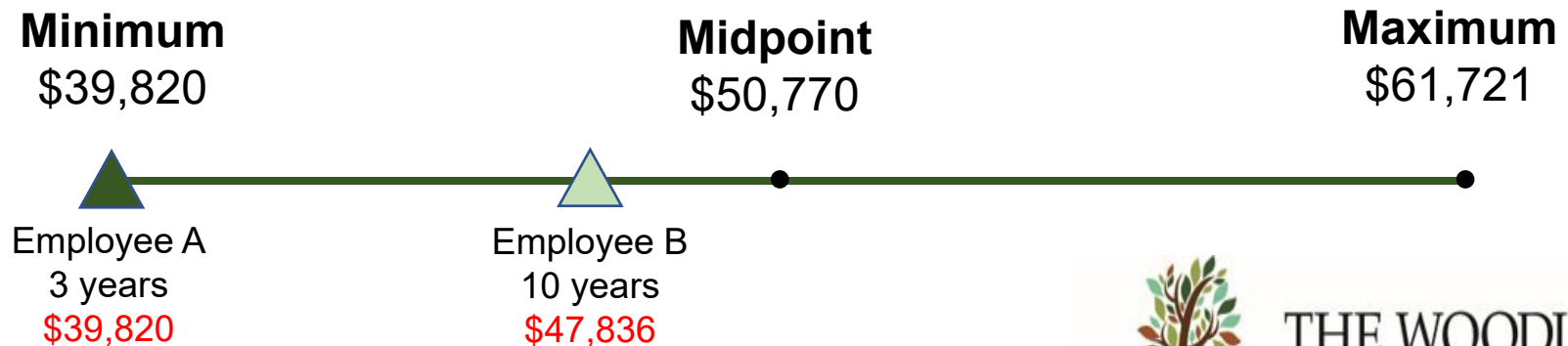


# Proposed Pay Plan Example – Bring to Minimum (#1)

## Senior Parks Technician - CURRENT

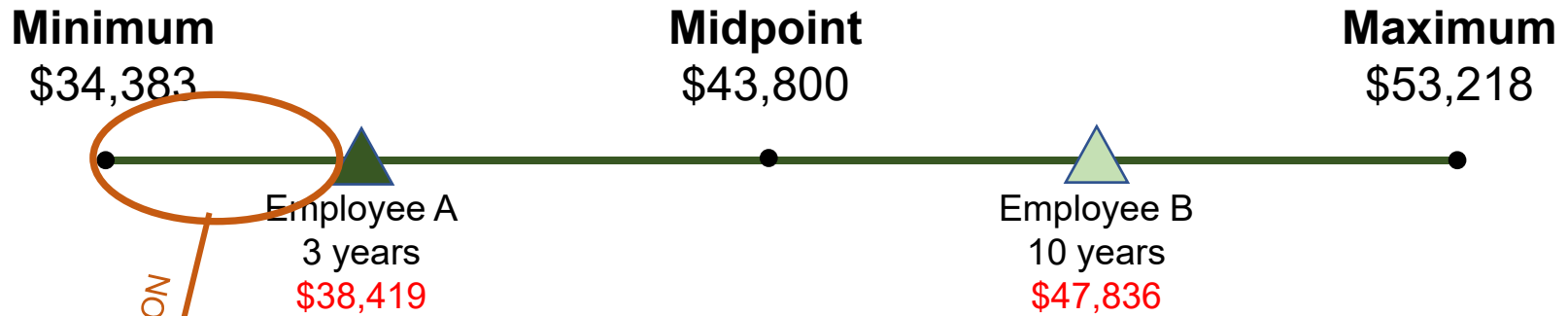


## Senior Parks Technician - PROPOSED

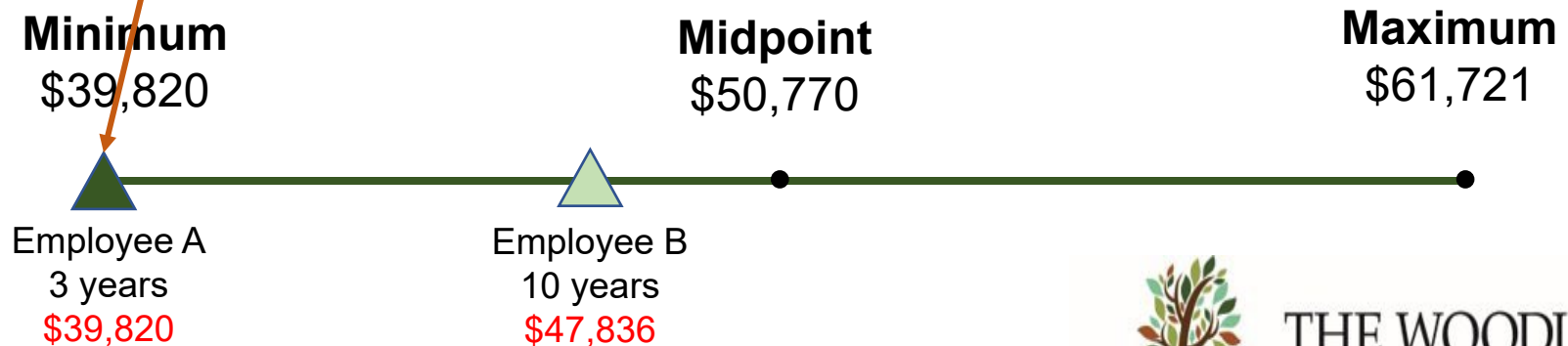


# Proposed Pay Plan Example – Bring to Minimum (#1)

## Senior Parks Technician - CURRENT



## Senior Parks Technician - PROPOSED



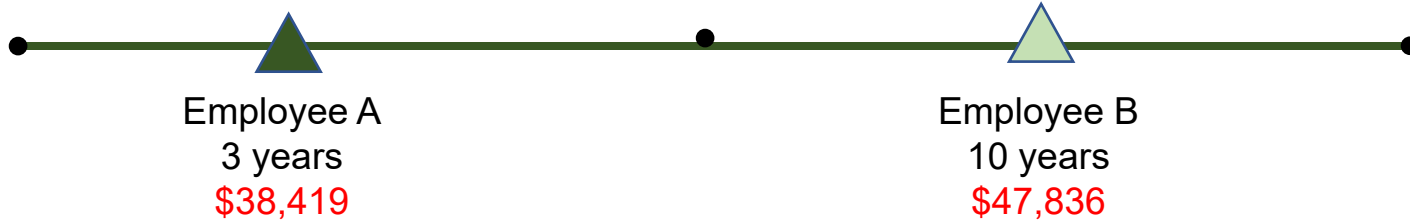
# Proposed Pay Plan Example – Time in Position (#2)

## Senior Parks Technician - CURRENT

**Minimum**  
\$34,383

**Midpoint**  
\$43,800

**Maximum**  
\$53,218



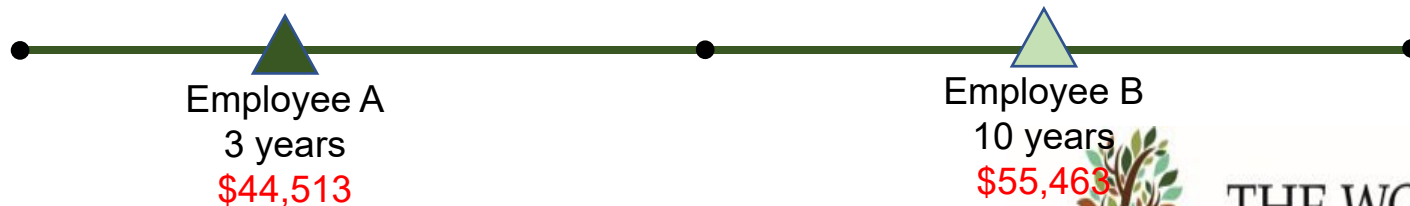
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## Senior Parks Technician - PROPOSED

**Minimum**  
\$39,820

**Midpoint**  
\$50,770

**Maximum**  
\$61,721



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# Total Costs for Evergreen's Implementation Options

	Implementation Option	Total Salary-Only Cost	Number of Employees Adjusted	Average Adjustment for Impacted Employees	% of Payroll
1	Bring to Minimum	\$513,654	131	\$3,921	1.5%
2	Time in Position (Class Parity)	\$1,264,692	234	\$5,405	3.7%
3	Hybrid Parity	\$1,422,828	283	\$5,028	4.1%
4	Tenure Parity	\$2,487,109	338	\$7,358	7.2%
5	Compa Ratio	\$2,494,001	377	\$6,615	7.2%

Option #2 all-in cost (FICA + retirement) = \$1,454,396

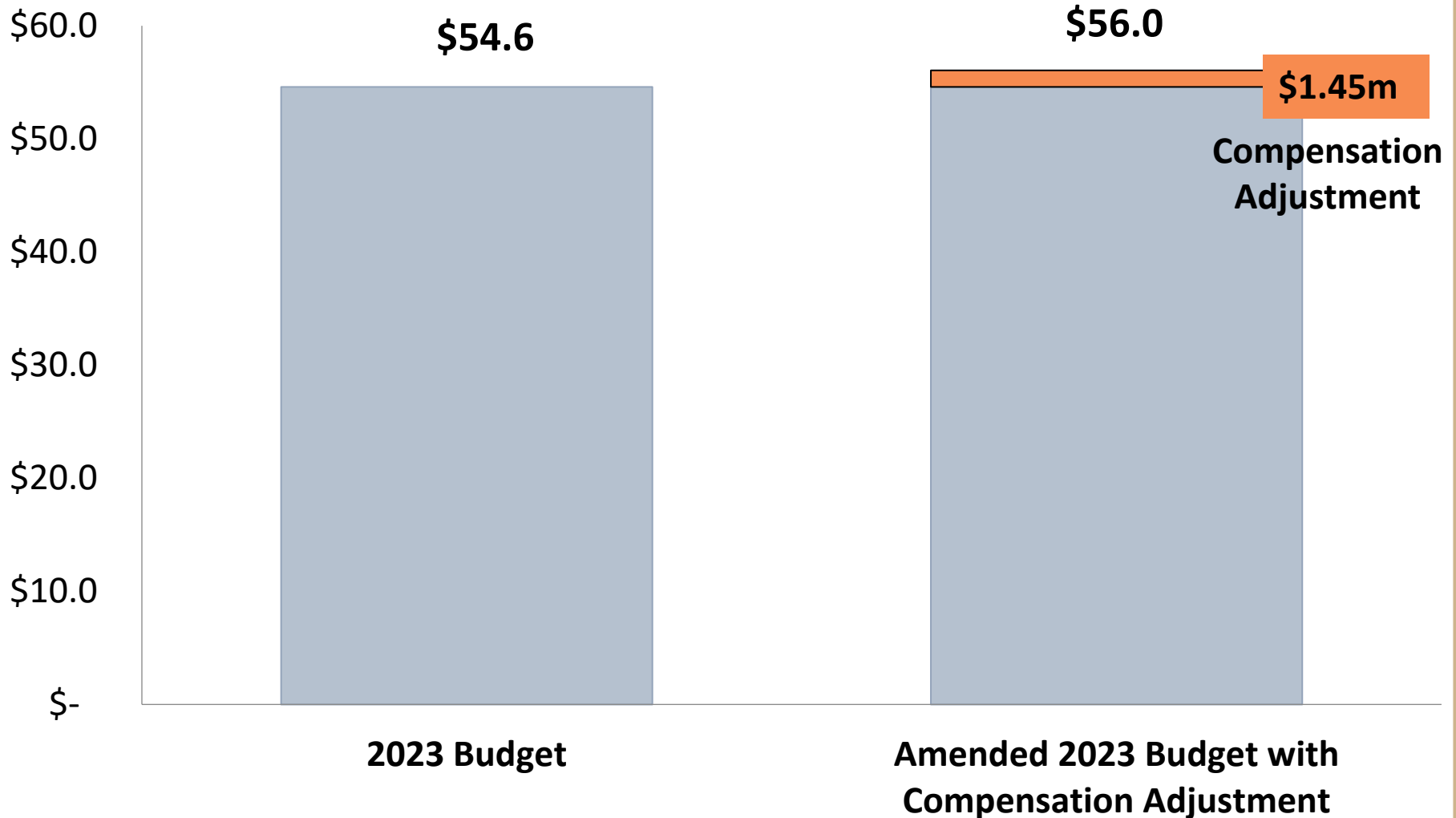


# Additional Considerations

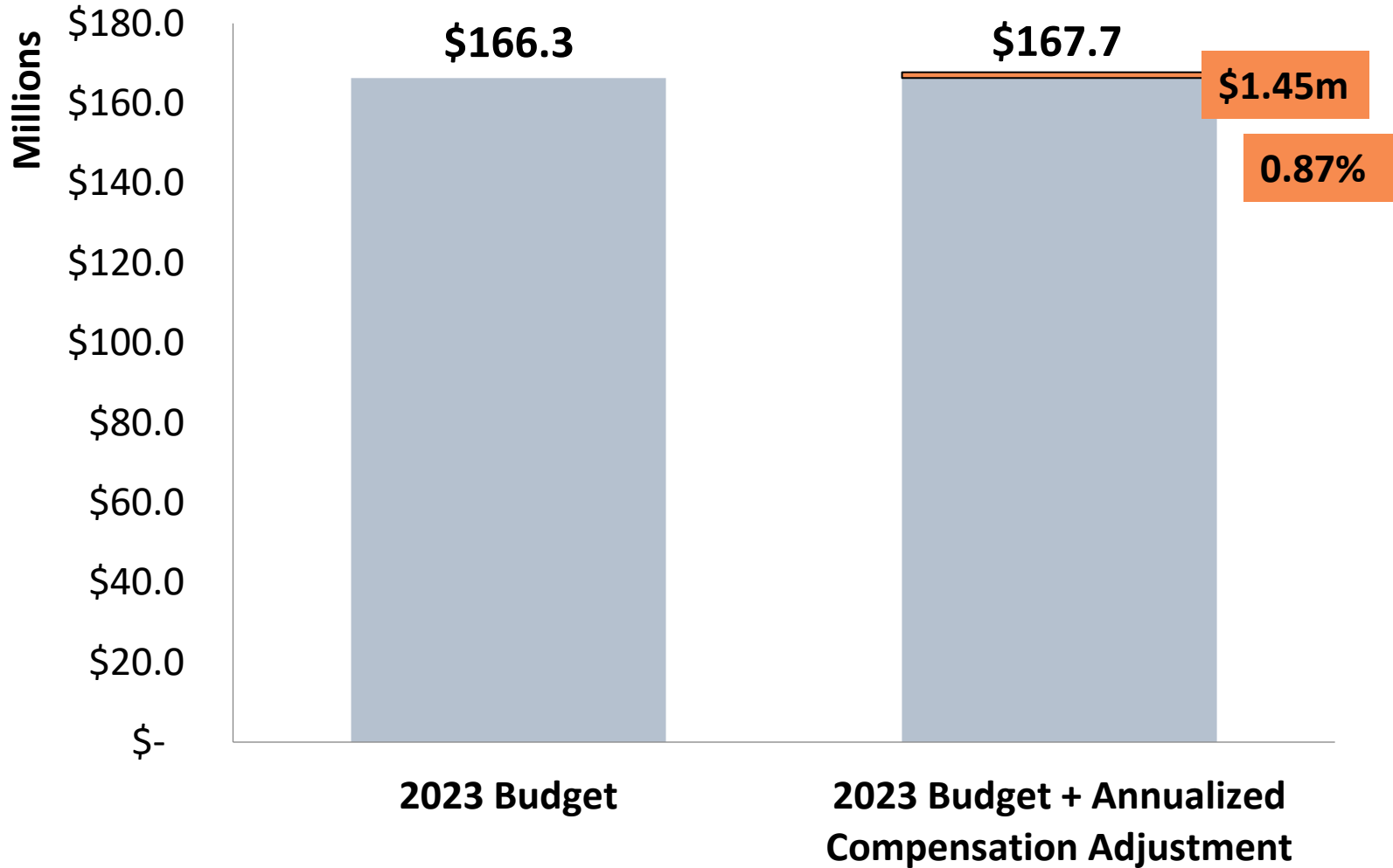
Monique Sharp, President/CEO



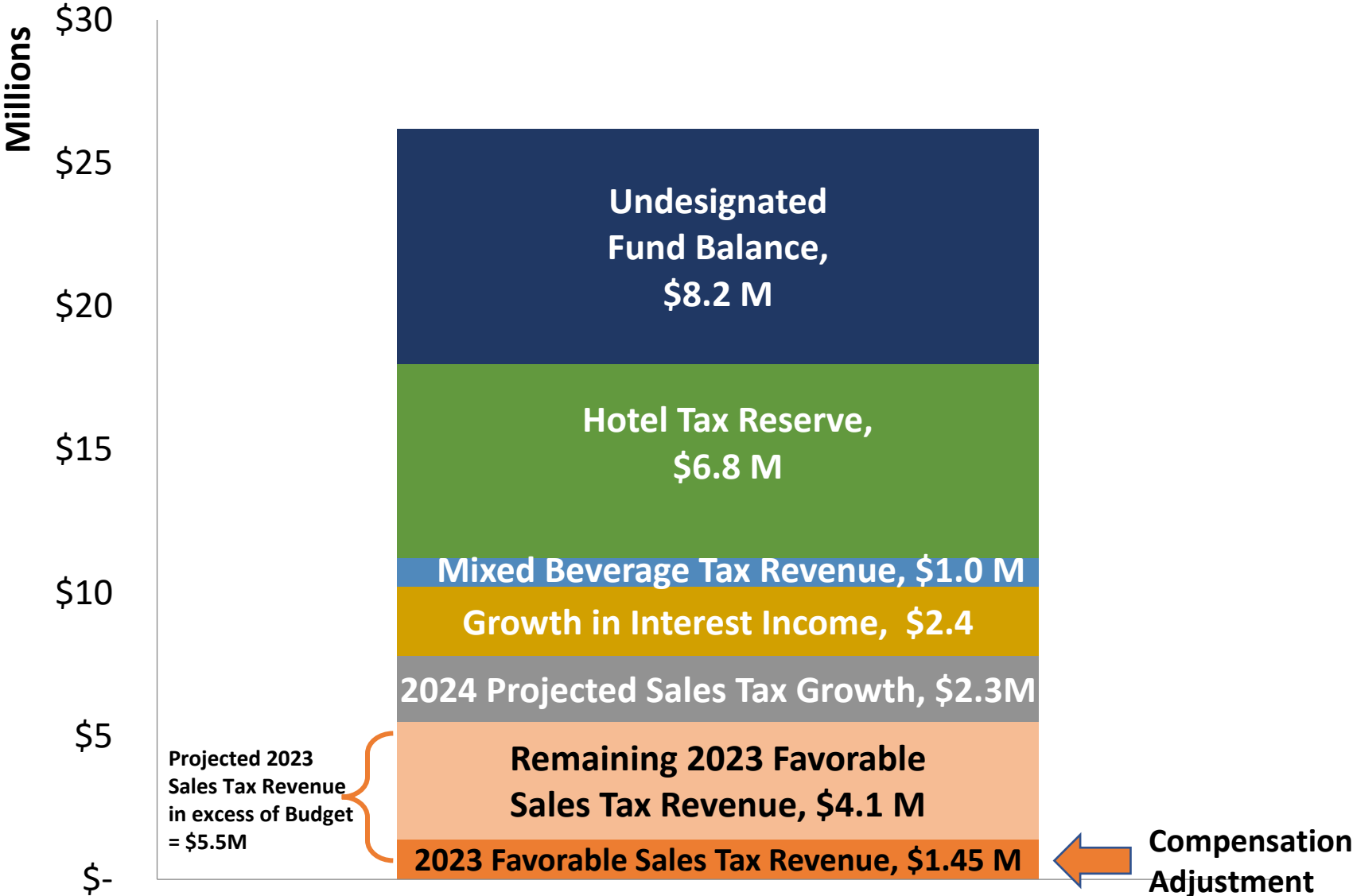
# Salaries & Benefits Expense



# Impact of Compensation Adjustment on Consolidated Budget



# Available Funding Sources



Funding Sources



# Recommendation

1. *Adopt the market-responsive pay plans proposed by Evergreen Solutions, LLC, for General Employees, Fire, and Dispatch.*
2. *Authorize the President/CEO and Director of Human Resources to adjust employee salaries as appropriate based on Evergreen's time in position (Class Parity) implementation option.*
3. *Implement #1 and #2 effective August 1, 2023.*