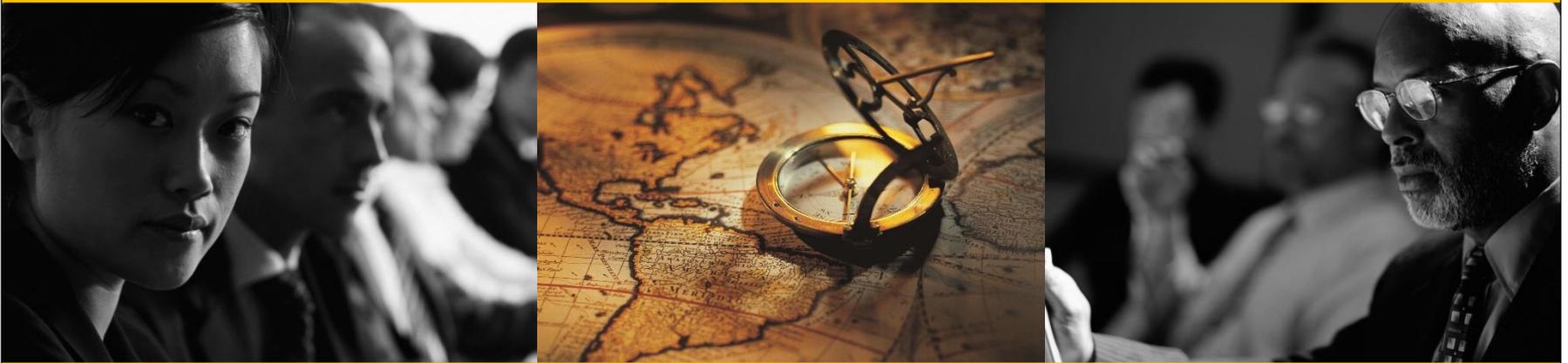


# Compensation Study City of Isle of Palms, SC



Evergreen Solutions, LLC

# Overview



Study Goals



Project Phases

Internal Review

External Review



Recommendations

# *Purpose of a Compensation Study*

An organization's employees are its most valuable resource and greatest asset. A compensation study is an important tool used by organizations to maintain a competitive advantage.

Recruiting &  
Retaining Top-Tier  
Talent

Improving  
Employee Morale

Improving  
Organization  
Culture

Creating and  
Maintaining a  
Healthy Budget



# *Study Goals*

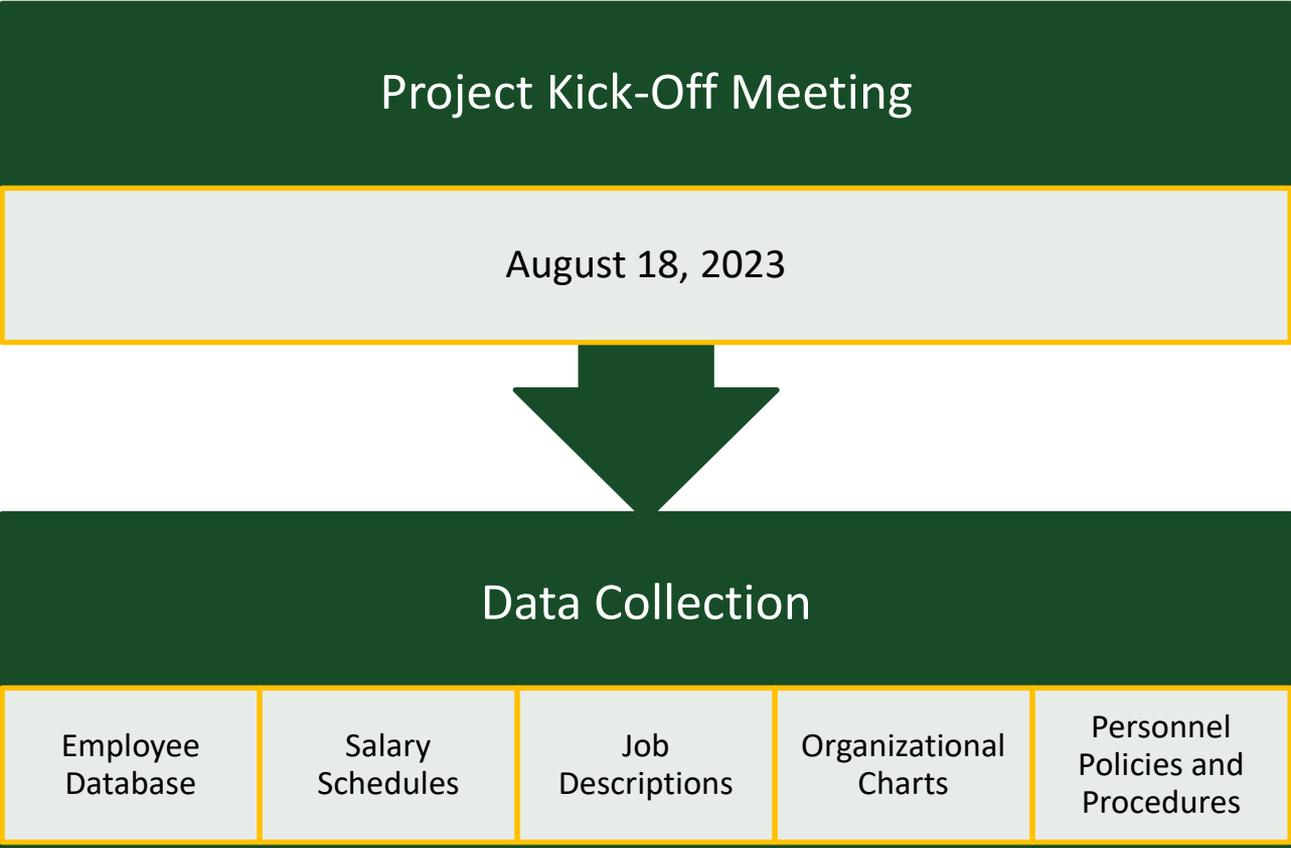
Review current compensation system to ensure internal equity

Survey peer organizations to ensure external equity

Produce recommendations to provide the City with a system that is equitable, both internally and externally



# Study Initiation



# Assessment of Current Conditions

Current structure  
found to be well  
organized

3 Pay plans – one open  
range and two step plans

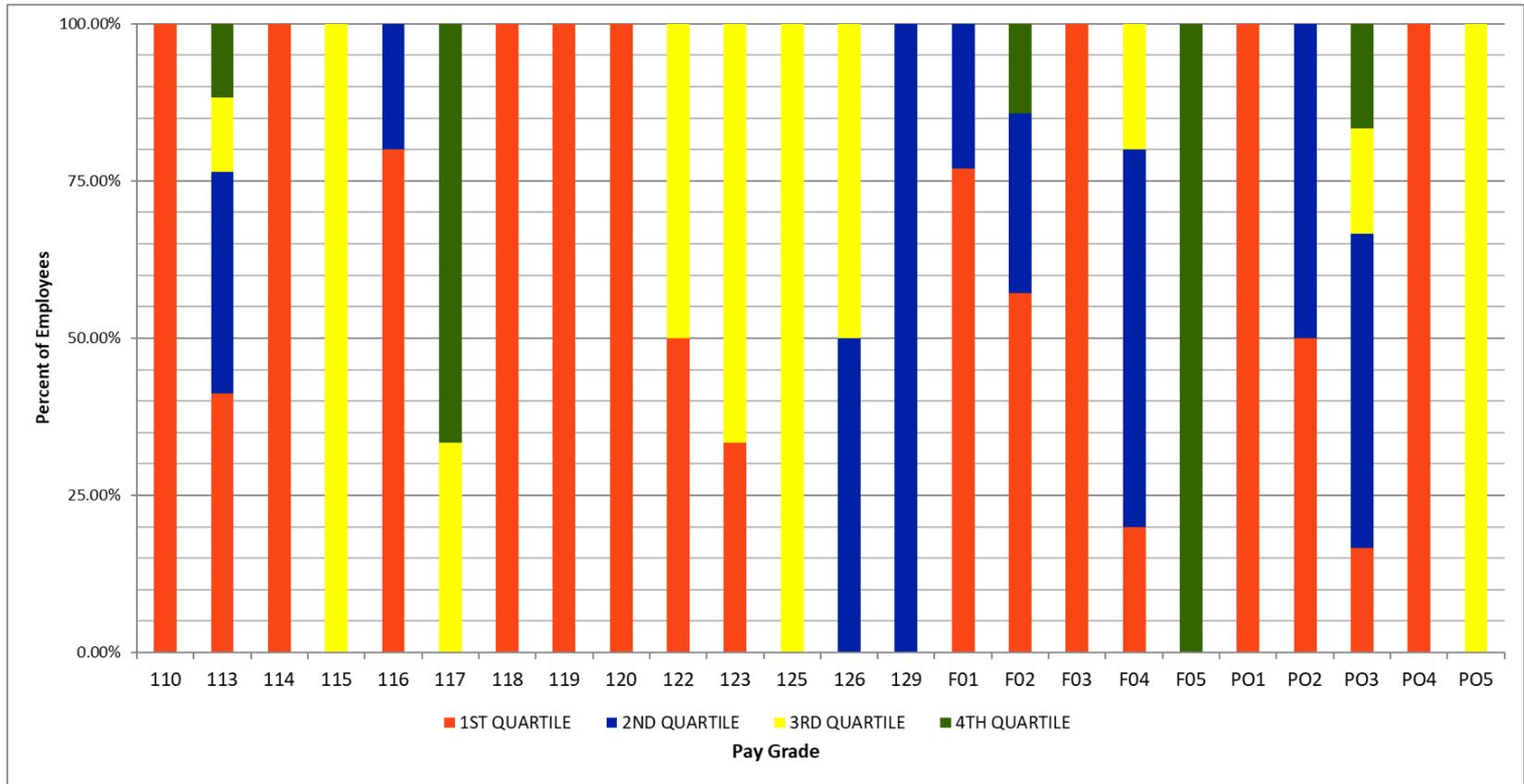
Salary Distribution

Approximately 76% of employees are  
below the midpoint of their respective  
pay range; 53% fall within the 1<sup>st</sup> quartile

In general, tenure increases throughout the  
quartiles

# Assessment of Current Conditions

## Quartile Analysis for City Employees



# *Employee Outreach Survey*

Survey released to all employees on September 13, 2023

Received 81 survey responses

Employees shared that they came to work for the City as well as remain because of the following:

Location

Opportunity to Make a Positive Impact

Coworkers/Work Environment

Type of Work



# *Employee Outreach*

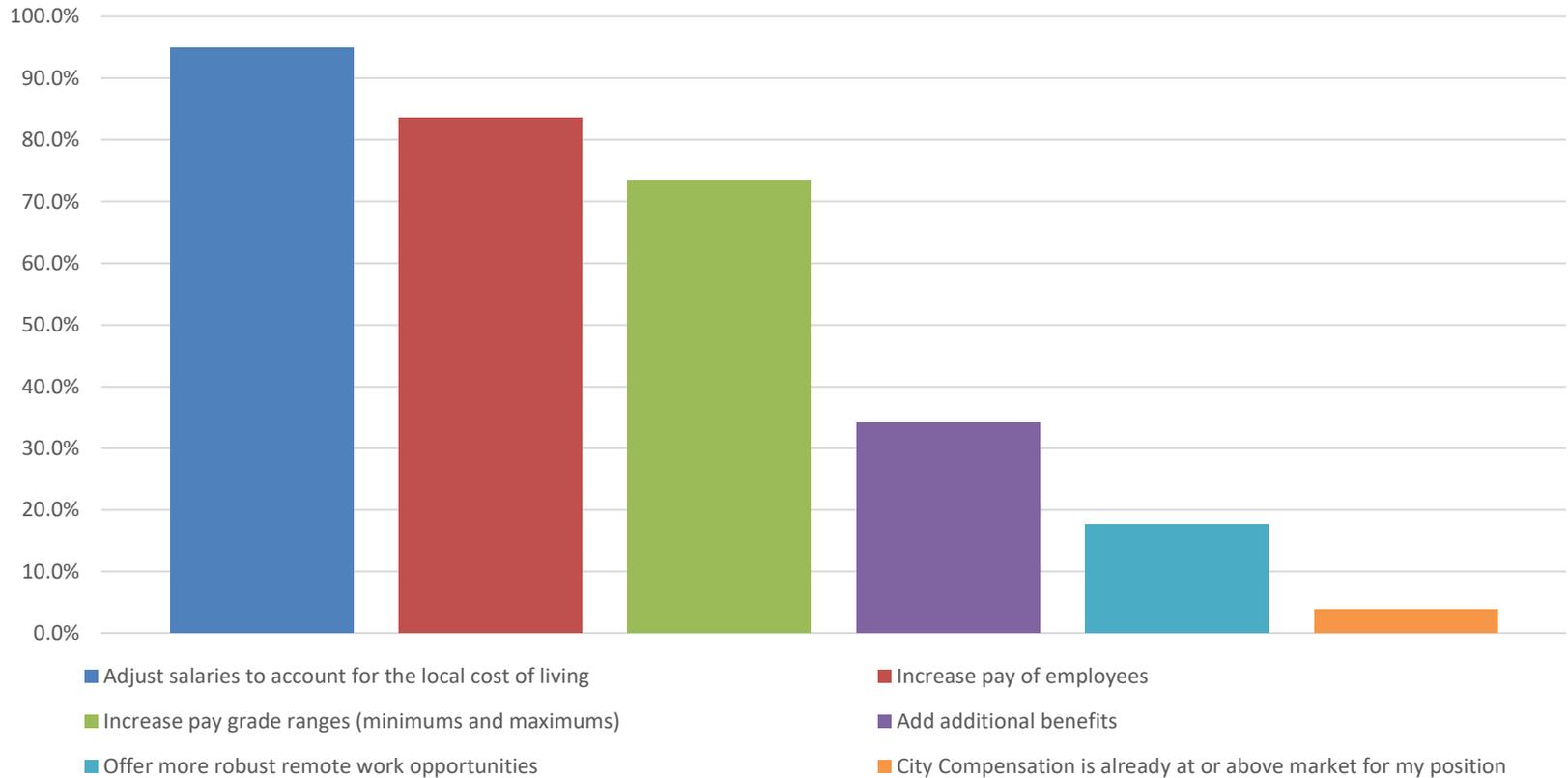
## Compensation Concerns

- Starting salaries for entry-level positions
- Compression between new and tenured employees as well as between employees and supervisors
- Would like more communication regarding how starting pay is determined
- Incentives for education/certifications
- Competitive salaries with surrounding municipalities



# Employee Outreach

## Employee Suggestions for the City to be More Competitive with Market



# Market Salary Survey

- Data was solicited from 15 peers
- Identified peers are close in proximity and represent employers that the City often competes with for quality employees.
- **Bolded peers only provided average actual salary data (no defined ranges)**

Market Peers
<b>City of Isle of Palms</b>
City of Beaufort, SC
City of Charleston, SC
<b>City of Folly Beach, SC</b>
City of Myrtle Beach, SC
City of North Charleston, SC
Town of Bluffton, SC
<b>Town of Edisto Beach, SC</b>
Town of Mount Pleasant, SC
Town of Sullivan's Island, SC
<b>Town of Summerville, SC</b>
City of Charleston, SC Fire Department
City of Myrtle Beach, SC Fire Department
Town of Mount Pleasant, SC Fire Department
Town of Sullivan's Island, SC Fire Department
Charleston County, SC

# *Market Salary Survey, cont.*

- 42 classifications used as benchmarks
- Over 300 data points collected
- Results finalized in November 2023

## Market Comparison at the 50<sup>th</sup> Percentile

At the Minimum  
11.6% Below

At the Midpoint  
11.1% Below

At the Maximum  
11.0% Below

Average Range  
Spread: 47.5%

# *Market Salary Survey, cont.*

At the 50<sup>th</sup> percentile, there are 16 salary ranges that are greater than 10% behind market at the salary midpoint:

**More than 20%  
Behind Market**

- 14.6% of City classifications

**20% - 15%  
Behind Market**

- 7.3% of City classifications

**15% - 10%  
Behind Market**

- 14.6% of City classifications

# *Salary Plan Considerations*

Maintain consistency and transparency in structure

Allow for flexibility to meet future need and that is fiscally sustainable

Base plans at the 50<sup>th</sup> percentile; Adjust pay plans by market midpoint of about 11%



# Implementation Cost Explanations

Implementation Option	Description
Bring to New Minimum/Closest Step	A calculation is performed so that each employee's salary is adjusted to the minimum of their classification's proposed pay grade. If their salary is already within the proposed pay range, no adjustment is made. The employee is then moved to the next highest/closest step.
Current Range Penetration Capped at 7.5%	A calculation is performed to determine the percentage through the current range an employee's salary falls. The employee's recommended salary calculation will place them at the same percentage through the proposed range or at a rate no more than a 7.5% increase to their current hourly rate.
Step to Step	This option calculates the cost of keeping each Public Safety employee on their current step within the new proposed plan.
Step Plus One	This option calculates the cost of moving each Public Safety employee up one step from their current step using the new proposed plan.

# Implementation Costs by Option

Implementation Option	Total Implementation Cost	# Employees Receiving Adjustments	Average Salary Adjustment	Average Percentage Adjustment
Bring to New Minimum	\$233,665.02	67	\$ 3,487.54	6.9%
Current Range Penetration Capped at 7.5%	\$517,181.43	90	\$ 5,746.46	9.6%
Step to Step*	\$461,266.64	48	\$ 9,609.72	16.3%
Step Plus One*	\$514,840.73	48	\$ 10,725.85	18.3%

\*Public Safety only

# *Recommendations*

Conduct small-scale salary surveys as needed to assess the market competitiveness of hard-to-fill classifications and/or classifications with retention issues and make changes to pay grade assignments if necessary.

Conduct a comprehensive classification and compensation study every three to five years subject to budget constraints and as market conditions are warranted.

Review and revise, as appropriate, existing pay practice guidelines including those for determining salaries of newly hired employees, progressing employee salaries through the pay plans, and determining pay increase for employees who have been promoted to a different classification.



# *Thank You!*

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