

City of Palm Coast, Florida Agenda Item

Agenda Date: October 13, 2026

Agenda Item: E.1

Department HUMAN RESOURCES Division HUMAN RESOURCES	Amount Org/Account #
Subject: PRESENTATION - COMPREHENSIVE COMPENSATION AND BENEFIT SURVEY WITH EVERGREEN SOLUTIONS, LLC	
Presenter: Jessica Analetto, HR Generalist, and Mark Holcombe PMP SKRM-SCP, Project Manager Evergreen Solutions, LLC	
Attachments: 1. Presentation	
Background: <u>UPDATED BACKGROUND FROM THE APRIL 21, 2026, BUSINESS MEETING:</u> At the April 21, 2026, Business Meeting, City Council held discussion on the item and agreed to move forward with the Comprehensive Compensation and Benefit Survey with Evergreen Solutions, LLC. <u>UPDATED BACKGROUND FROM THE APRIL 7, 2026, BUSINESS MEETING:</u> At the April 7, 2026, Business Meeting, City Council held discussion on the item and tabled it to the April 21, 2026, Business Meeting. No changes have been made to the item. <u>ORIGINAL BACKGROUND FROM THE APRIL 7, 2026, BUSINESS MEETING:</u> The City went out for a request for proposal for a comprehensive compensation and benefit survey. We received 7 proposals. The evaluation team selected Evergreen Solutions, LLC. <u>Council Priority:</u> As part of council priorities 1.0 Strong Resilient Economy, #9 Quality of Life for Essential Workers, Council's strategy is to strengthen organizational effectiveness and employee well-being by supporting first responders, enhancing workplace culture and ensuring competitive compensation through targeted programs. The agreement allowed Evergreen Solutions, LLC to conduct a comprehensive compensation and benefit survey for the City of Palm Coast.	
Recommended Action: FOR PRESENTATION ONLY	

The City of Palm Coast, Florida Compensation and Classification Study Presentation of Results



**Presented by:
Mark Holcombe**



October 13, 2026

Overview

- Study Goals
- Project Phases
- Employee Meetings
- Current System Findings
- Market Results
- Initial Recommendations
- Next Steps

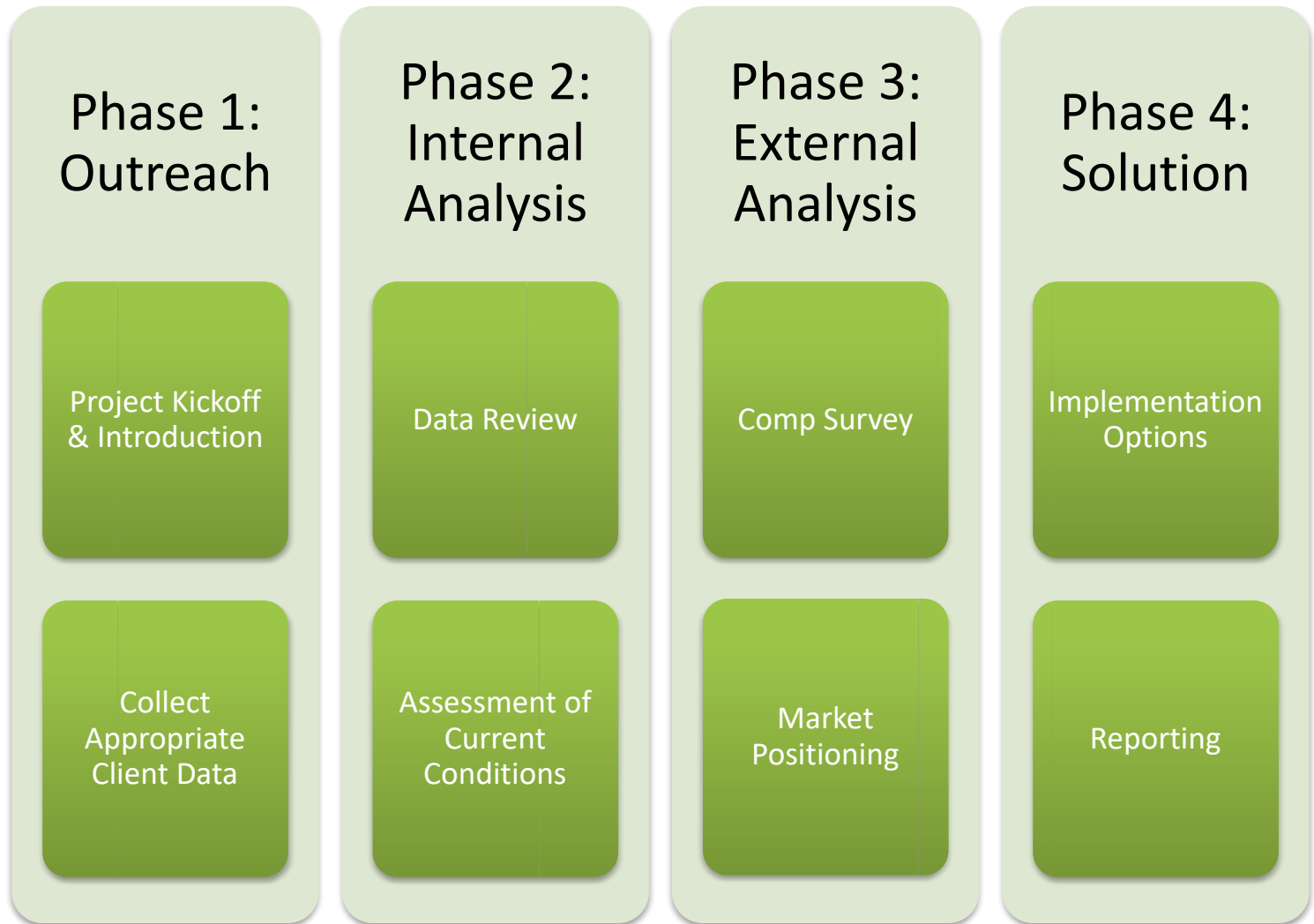


Study Goals

- Review current compensation system to ensure internal alignment.
- Survey peer organizations to ensure external alignment.
- Produce recommendations to provide the organization with a compensation system that is correctly aligned, both internally and externally.



Project Phases



Employee Outreach Comments

- Positive

- **Benefits** – Employees generally spoke positively about the City’s benefits package, particularly health coverage, retirement contributions, leave benefits, and the ability to sell back accumulated leave. Overall, 58.2 percent of survey respondents reported being satisfied or very satisfied with the benefits package.
- **Culture and Coworkers** – Positive relationships with coworkers and teams were consistently identified as a reason employees remain with the City. Employees also expressed a strong sense of community, pride in public service, and commitment to the work they perform.
- **Job Stability and Work Environment** – Employees valued the stability of City employment, consistent work hours, convenient location, and long-term career opportunities. Job stability/security was also the most frequently cited reason employees initially chose to work for the City.
- **Growth and Flexibility** – Employees identified examples of successful internal advancement and generally viewed flexible and hybrid work arrangements positively where available.



Employee Meetings

Comments - Concerns

- **Compensation** – Employees expressed concern that pay adjustments have not always kept pace with the rising cost of living. Salary compression and market competitiveness were also concerns for some positions and departments.
- **Classification & Career Progression** – Some employees felt job titles and descriptions do not fully reflect their current duties or level of responsibility. Employees also expressed interest in clearer advancement paths, particularly for specialized and technical roles.
- **Staffing & Workload** – Employees in several departments indicated that staffing has not always kept pace with the City's growth and increasing service demands, contributing to heavier workloads and recruitment and retention challenges.
- **Performance & Recognition** – Some employees expressed a desire for more meaningful and consistent performance evaluations, along with greater recognition of strong performance and employee contributions



Current System Findings

- **Strength:**

- The City maintains a consistent pay structure, with a uniform 71 percent range spread across all graded ranges.
- Employees generally progress through their pay ranges as they gain experience with the City.
- Supervisor compression is limited, with adequate salary separation between most employees and their supervisors.

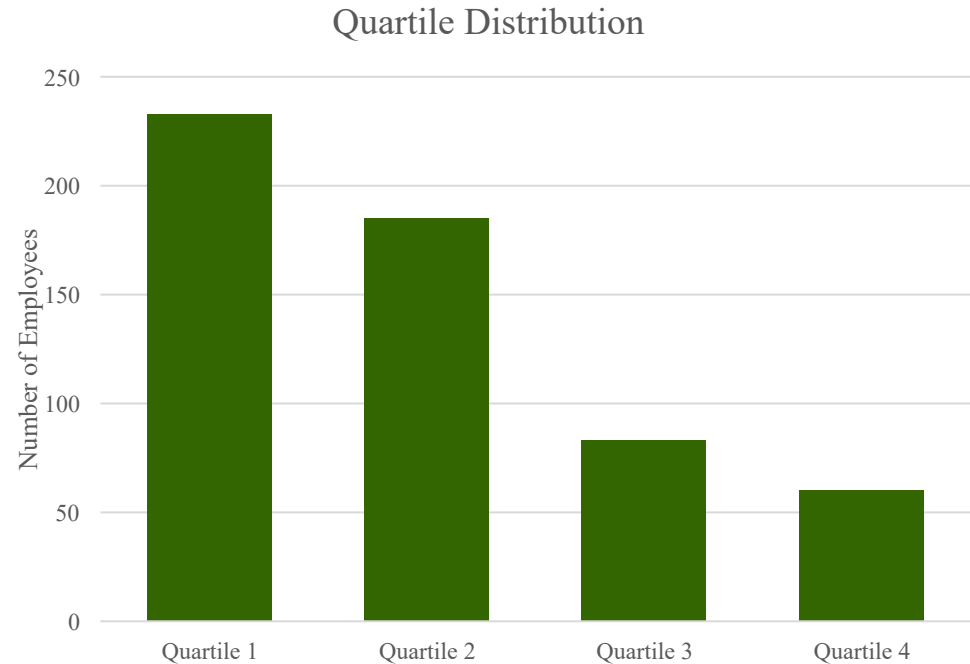
- **Weakness:**

- Salary placement is concentrated in the lower half of the ranges, with three-quarters of employees below midpoint.
- 47.3 percent of employees earn less than \$60,000 annually.



Current System Findings

- The largest concentration of employees is in the 1st quartile, with 233 employees (41.5 percent).
- Only 60 employees, or 10.7 percent, are positioned in the 4th quartile.



Market Targets

- Salary survey resulted in responses from nineteen peers
- All responses are adjusted for cost-of-living differentials.
- All jobs included in the study were benchmarked and compared directly to the market. Average response rate was 6.9 matches per position.

Responding Peers

City of Boca Raton, FL
City of Clearwater, FL
City of Daytona Beach, FL
City of Deltona, FL
City of Fort Myers, FL
City of Gainesville, FL
City of Lakeland, FL
City of Miami Gardens, FL
City of North Port, FL
City of Ormond Beach, FL
City of Plantation, FL
City of Pompano Beach, FL
City of Port Orange, FL
City of Saint Augustine, FL
City of Sunrise, FL
Town of Davie, FL
Flagler County, FL
Saint Johns County, FL
Volusia County, FL



Market Results

Unadjusted Results (no cost-of-living adjustment)			Adjusted Results (cost-of-living adjusted)			Average Actual Salary Comparison
Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum	Differential to the Market
-2.7%	1.6%	4.1%	1.7%	5.8%	8.2%	-5.6%

- A negative differential indicates the City's average actual salaries are behind the market.
- The City's unadjusted ranges are generally competitive with the market, ranging from 2.7 percent below market at minimum to 4.1 percent above at maximum.
- The City's average actual salaries remain 5.6 percent below market



Market Results, Continued

- Currently, 16 positions (50 employees) are 5 percent or more below the market minimum.
- With an anticipated 3 percent market shift, nearly 30 positions (80 employees) are projected to fall 5 percent or more below the market minimum.
- With no COLA or corresponding range adjustment planned this year, the City's market position is expected to decline.



Compensation Considerations

- Employees identified the City's benefits package as an important strength.
- Employee health insurance costs are increasing for the upcoming plan year, with PPO premiums increasing approximately 25 percent and HDHP premiums increasing approximately 5 – 10 percent depending on coverage tier.
- These increases will result in higher out-of-pocket costs for employees in the upcoming year.



Initial Recommendations

1. Evaluate the current pay plan against market conditions and consider adjustments to maintain competitiveness.
2. Review classifications and pay grade assignments to ensure appropriate internal alignment.
3. Focus attention on classifications demonstrating the greatest market disparities.
4. Explore opportunities to improve employee progression within salary ranges.
5. Continue monitoring market movement and benefit costs as the study moves forward.



Next Steps

- Present final study findings and recommendations to City Council in January 2027.
- Receive Council direction regarding implementation priorities and approach.
- Evaluate implementation options for the FY 2028 budget.
- Continue monitoring market movement and changes in competitive pay.
- Consider future salary range adjustments as needed to maintain market alignment



Questions? Thank you!

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