

MILFORD CITY COUNCIL
MINUTES OF MEETING
October 9, 2017

The City Council of the City of Milford met in Workshop Session on Monday, October 9, 2017 in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware.

PRESIDING: Mayor Bryan Shupe

IN ATTENDANCE: Councilpersons Arthur Campbell, Lisa Ingram Peel, James Burk,
Owen Brooks Jr. and Douglas Morrow

City Manager Eric Norenberg, Police Chief Kenneth Brown and
Deputy City Clerk Christine Crouch

COUNSEL: City Solicitor David Rutt, Esquire

Mayor Shupe called the Council Workshop to order at 6:03 p.m.

Classification and Compensation Study Results

City Manager Norenberg recalled there was money budgeted last fiscal year for a Classification and Compensation Study because the last one was completed more than ten years ago. A procurement process was done after which PayPoint HR was awarded the bid. Rick (Mr. Campbell) and Karin Campbell (Ms. Campbell), Project Managers, were in attendance to present their findings.

The report and presentation were also included in the packet.

Mr. Norenberg submitted the following memo included in the packet:

Over the past few weeks, we have looked at a variety of options and financial scenarios related to implementing the recommendations to adjust the compensation of the positions that the study identified were below the market.

Keeping in mind that many of our employees are at the market level and will need no adjustment, and that the collective bargaining agreements for Police Officers and Sergeants (approved last year) and for unionized electric employees (approved earlier this year) brought those employees to market rates, the Finance Director, Human Resources Administrator and I sought a way to responsibly bring these remaining employees up to the market. Our goal was to be able to make the adjustments for below market employees (identified in the Paypoint HR study) and associated benefit-related costs with no adverse impact on the budget or on revenue sources.

Several scenarios were modeled, including:

- *Making adjustments retroactive to July 1,*
- *Making mid-year adjustments at various implementation dates,*
- *Making 50% adjustments for supervisory and management employees this year and 50% next fiscal year, etc.*

Concurrently, we identified savings in both the general fund departments and enterprise fund operations that can offset the cost of additional compensation. As we are partially through the fiscal year, the impact will be less than the impact of making the change for the full year.

However, once implemented, these adjustments will carry on into the full fiscal year starting in July. Accordingly, any savings that were identified had to be ongoing, not one-time savings or one-time revenues.

The result is the scenario as shown in the below table that will not result in the need for a revenue increase:

<i>SALARY EXPENSES/ FY 17-18 BUDGET ADJUSTMENT</i>	
<i>BY DEPARTMENT:</i>	<i>11/13/17 - 06/30/18</i>
<i>FINANCE & ADMINISTRATION</i>	<i>19,309</i>
<i>PARKS & RECREATION</i>	<i>7,277</i>
<i>PLANNING & ZONING</i>	<i>4,476</i>
<i>POLICE</i>	<i>25,603</i>
<i>STREETS</i>	<i>13,714</i>
<i>GENERAL FUND TOTAL SALARY INCREASE</i>	<i>\$72,379</i>
<i>+ BENEFITS @ 27%</i>	<i>\$19,542</i>
<i>TOTAL GENERAL FUND COST</i>	<i>\$91,921</i>
<i>PUBLIC WORKS</i>	<i>3,594</i>
<i>GARAGE</i>	<i>7,509</i>
<i>SOLID WASTE</i>	<i>8,974</i>
<i>WATER</i>	<i>9,400</i>
<i>WASTEWATER</i>	<i>9,400</i>
<i>ELECTRIC</i>	<i>19,803</i>
<i>TOTAL ENTERPRISE SALARY INCREASE</i>	<i>\$58,680</i>
<i>+ BENEFITS @ 27%</i>	<i>\$15,843</i>
<i>TOTAL PUBLIC WORKS COST</i>	<i>\$74,523</i>
<i>TOTAL SALARY INCREASE</i>	<i>\$131,058</i>
<i>TOTAL BENEFITS</i>	<i>\$35,386</i>
<i>TOTAL BUDGETARY IMPACT FY17-18</i>	<i>\$163,9014</i>

Recommendation

It is recommended that the City Council authorize the City Manager to implement the recommendations of the Paypoint HR Job Classification and Compensation Study, including the compensation adjustments.

Councilman Morrow arrived at 6:09 p.m.

Ms. Campbell then introduced herself and Mr. Campbell. She explained the study was based on the following factors:

1. *Scope of Work*
2. *Employee Outreach*
3. *Comparators*
4. *Compensable Factor Score*
5. *Salary Scale*
6. *Open Discussion*

Scope of Work

Goal

Provide recommendations necessary to establish and maintain an equitable and easy to administer classification and compensation system for the City's full-time positions.

Full Scope

- *65 job titles*
- *Approximately 106 full-time employees*

Base-

All non-elected City employees including International Brotherhood of Electrical Workers (IBEW) employees as well as civilian police and command staff.

Base Plus Police-

Add the union police officers (General Teamsters Local LU 326) to the Scope of Work.

She explained that the goal of the study is to adopt a fair way of paying employees and a fair way of making that transferrable from the consultants into the City's program, as well as sustainable. In that manner, it can grow with the City and will maintain equity in the long run. It involves both internal equities, as far as the high hierarchy of employees, as well as pay in the external market.

Included in the survey were 65 job titles and 106 full-time employees. Included were the International Brotherhood of Electrical Workers (IBEW) Labor Union and the Police Officers General Teamsters Local LU 326. However, that information is excluded from this discussion because of the ongoing union negotiations.

Also reviewed was the Police Department, including its leadership and rank and file.

Phase I – Classification Study

The classification study tasks as set forth by the Request for Proposal included the following:

- *Review of background materials.*
- *Communicate with leadership and employees.*
- *On-site orientation sessions with employees.*
- *Development, distribution, collection, and review of job analysis questionnaires.*
- *Review of existing classifications for regulatory compliance.*
- *On-site focus groups with employees to verify/clarify information received.*
- *Analysis of findings.*
- *Job Description review and updates.*
- *Recommendations for classifications and job families if warranted.*
- *Development of administration manual for the City to objectively evaluate new or revised positions as well as an employee appeal process.*

A standard methodology was followed though each study is custom. Certain things happen to ensure the City is doing

the study correctly so that Council is confident in the final results.

They looked at the existing plan and did a SWOT analysis whereby strengths, weaknesses, opportunities and threats were identified to look for areas of improvement.

They communicate with the leadership and employees through a plan that is followed throughout a course of the study. An employee outreach is utilized, and a job analysis, in addition to focus groups, are done with the employees. That provides additional information and ideas that are included in the study. It also provides a better pulse on the City of Milford itself.

An analysis of the findings and an external market survey is done. They look at comparators and developed new updated job descriptions based on the job analysis survey.

A customer job analysis has been developed and the position is called the vantage point. It is named that because they go to the experts, who are the employees themselves because they have a better understanding of what they do. They are then compared to other related positions in the market.

Employees are asked what they do in their own words so the consultants have a better understanding of what they do so it can be better compared to the market.

That information is also used to update the job description.

Recommendations are then made on classifications and the areas where a reclassification is needed.

Phase II – Compensation Study

The classification study tasks as set forth by the Request for Proposal included the following:

- *Review of current compensation practices and conduct an internal salary relationship analysis.*
- *Identify external market comparators and benchmark job titles.*
- *An external market salary survey of public and private sector organizations.*
- *A pay compression analysis.*
- *Recommendations for an externally competitive and internally equitable salary/step plan for each job class.*
- *A written final report with specific recommendations.*
- *Preparation of a fiscal impact analysis of recommendations.*
- *Training as needed to ensure proper implementation and maintenance of the new classification and compensation structure.*

This phase includes the external survey. The classification is the internal hire and an administrative assistant is compared to another administrative assistant in another department. Another example is a HR generalist versus a bookkeeper. They try to make sure the playing field is level.

They also look at organizations that meet certain criteria in regard to population, high school graduation rates, unemployment rates and median household income to ensure the organizations that are used for comparisons are appropriate.

Compression ensures that people that have been here a long time are given the proper credit and prevents new employees from being paid equal to them. This ensures the employees with longevity are appropriately compensated. That can easily happen in an organization, and especially during the 2008 global financial crisis. What happens is an employee who has been in the organization for a number of years is paid at the standard step grade and a new employee is brought in at market rate. As a result, they are being paid about the same salary.

Recommendations are given and a draft report is created and forwarded to the project team for their review, along with a fiscal impact statement.

Project Approach

Each phase is conducted simultaneously, though it is a separate process, because they prefer two measuring sticks. This ensures that internally and externally are looked at correctly.

Job Analysis

The purpose of conducting a job analysis is to gain an accurate understanding of the actual work performed to compare like positions in the external market.

- *Paypoint HR used our Position Vantage Point (PVP) job analysis tool to update job descriptions.*
- *The PVP results were used to accurately compare the positions within the City to those in the external market.*

The job analysis looks at the work performed and not the performance of the employee. There are compensable factors as to why one position would be paid differently than another. That is used to compare organizations within the City itself. They make sure it is looked at objectively from knowledge, skills and abilities and compensable factors.

Milestones

- *Briefing sessions held over a 2-day period to discuss the Scope of Work, their roles, and to review the job analysis questionnaire.*
- *A custom website was created for employees to complete the Position Vantage Point (PVP) questionnaire.*
- *A total of 100 PVP's were completed with 86 responses being reviewed by approximately 22 supervisors.*
- *A second website was created for managers to review a copy of the employee response and give their own response to the same questions.*

A custom website was created for the City of Milford employees to conduct a job analysis. Those employees that completed it by hand were given a hard copy. All that information was loaded to a central data base for a separate website for the City of Milford and included a manager's review of the employee responses. The employee responses were not changed but a response could be given to the same question.

Milford had 100 employees complete the PVP's which is a high number and indicative that City employees are very vested in their organization. Twenty-two supervisors reviewed 86 of the responses. Typically there is a 30-40% response and Milford was in the 90 percentile.

Focus Groups

The purpose of conducting focus groups is to:

- *Help the consultant to gain a clear picture of how the existing pay plan is being utilized.*
- *Allow employees to have further involvement in the study, which in turn, will help the implementation process.*
- *Look for areas of improvement.*

Focus groups were asked the same list of questions. The idea is to obtain by group and topic a pattern and if everyone answered the same question similarly, any great ideas or red flags that should be brought to the City's attention.

Milestones

- *Paypoint HR conducted a total of 25 focus group sessions*
- *The majority of the focus groups were held onsite over a two-day period with a couple of sessions held on a 3rd day via teleconference.*
- *Approximately 90 employees participated in the focus groups.*

Some sessions were held over SKYPE on a separate day.

Summary Highlights from Employee Focus Groups

Paypoint HR compared the notes from each of the 25 focus groups and looked for patterns by topic. The following list gives a general summary of the input received.

Organizational

- *Job descriptions need updating with convenient centralized access.*
- *Need a City-wide goal and strategic plan to prioritize day-to-day operations.*
- *Like consistent meetings with supervisors.*
- *Employees are encouraged by new leadership and their follow-through.*
- *They feel there is a need for succession planning and additional training opportunities.*
- *Would like to see clear career ladders.*
- *Difficulty hiring and retaining staff for certain positions.*

Employees felt like job descriptions needed updating because most were inaccurate and that many of their daily duties fell under the general clause of ‘additional duties as assigned’.

The employees want to see a Citywide goal. There was a fear among the focus groups there was not one established or at least it had never been communicated to them in the past. They did feel they had communication from the departmental level but not from the Citywide standpoint.

Employees like to see new changes in the leadership and felt the City had a ‘good ole boy network’ in the past that no longer exists.

The current existing salary is wide and allows for opportunity though it was not communicated well or understood by the employees at the time of their increases.

In addition, employees expressed there were certain positions the City had difficulty filling and retaining employees.

Environmental/Situational

- *Employees take pride in their work.*
- *They see the economy improving.*
- *Employees would like to see controlled growth for Milford.*
- *Impact of Great Recession on pay, tools, and staffing levels has affected morale.*
- *Better communication needed.*
- *Changing demographics and a need for the City to adapt.*
- *Employees would like to see more resources for grants.*

Employees feel like the community appreciates their work. However, employees continue to feel they are still facing impacts of the recent recession from a staffing point and morale. Overall, there seems to be better communications though each group sees a need for a strategic plan.

Employees are seeing a larger bilingual community. In addition, there is a 48% reduced/free lunches within the school district. Employees are feeling that impact as far as participation in P&R activities and at the Police Department at the SRO level.

There was also a feeling there were not enough resources in staffing and time lines to research and complete grant applications, including maintaining compliance requirements.

Comparators Factors

- *Population*
- *Cost of Living Adjustment*
- *High School Graduation Rate*
- *Labor Force Participation Rate*
- *Median Household Income*
- *Median Housing Price*
- *Unemployment Rate*

<i>List of Comparators to the City of Milford</i>			
<i>Berlin, MD</i>	<i>Bridgeville, DE</i>	<i>Cambridge, MD</i>	<i>Camden, DE</i>
<i>Chestertown, MD</i>	<i>Clayton, DE</i>	<i>Delmar, MD</i>	<i>Dover, DE</i>
<i>Easton, MD</i>	<i>Elkton, MD</i>	<i>Elsmere, DE</i>	<i>Federalsburg, MD</i>
<i>Fruitland, MD</i>	<i>Georgetown, DE</i>	<i>Harrington, DE</i>	<i>Laurel, DE</i>
<i>Lewes, DE</i>	<i>Middletown, DE</i>	<i>Millsboro, DE</i>	<i>Milton, DE</i>
<i>New Castle, DE</i>	<i>Newark, DE</i>	<i>Ocean City, MD</i>	<i>Ocean View, DE</i>
<i>Princess Anne, MD</i>	<i>Salisbury, MD</i>	<i>Seaford, DE</i>	<i>Selbyville, DE</i>
<i>Smyrna, DE</i>	<i>Snow Hill, MD</i>	<i>Townsend, DE</i>	

Mr. Campbell then continued the view beginning with the comparator factors. He provided the following information:

One of the charges is for the consultants to be an independent third party so that all activities are provided with an unbiased opinion. One of the first things they do is determine who the City comparables are within a one hundred mile radius. They look at the economics and the ones highlighted were removed due to factors ranging from population to unemployment rates. They did not cherry pick the towns based on higher or lower salaries when compared to Milford.

The economics did the talking so they were able to select the closest comparators to the City of Milford. They began with the list above and those highlighted are the ones these factors indicated were bad comparisons. For example, Milford cannot compare to Dover because of Dover's population.

Their job was to be fair to all people which includes employees, managers and taxpayers in order to come up with a fair analysis so that everyone is on a level playing field.

From that, an external survey was sent asking these organizations to send the pay of each of the City comparable positions. From that they looked at the external equity on how people are being paid. They also looked at the internal equity and how they view or grade the City Manager, Police Chief, etc. and try to develop what is fair.

The only way they can do a fair comparison is to look at what every employee's knowledge, skills and abilities for their position. Also considered were any strenuous conditions including those that apply to police officers or wastewater employees. That information is then filtered out in two steps. Employees were gauged by the information provided though the checks and balances were in place so they did not exclusively rely on their answers. The managers made sure the information was fair and accurate.

From that information, they produced a compensable factor system. Based on the ways employees answered, they produced a score based on their knowledge skills and abilities.

In addition to the manager review of their employee information, they also internally checked themselves against what the internal market says about the same positions. They use two independent measures to determine how they correlate. They had an 84% correlation between the CFS score and the average salary from the external market which from a statistical view is extremely high. That means 84% of the knowledge, skills and abilities that are afforded correlate with how employees are paid in the external market.

They then came up with how they rank, stack up and how the external market says it compares to the other positions, which are independent and verifiable.

They heard over and over again in the focus groups that City employees did not understand the current payscale and that it is not motivating. This is partially due to the lowest paid group who moves up faster based on the percentage that is calculated from the midpoint. The employees did not understand the calculation. Their number one recommendation is to change it and provide something that is motivating.

Another concern is they liked the City Manager added a performance evaluation that he submits himself to a 360-performance review. One thing that should be taken into consideration is rolling that out to the other department heads, then to the employees, which would allow a merit pay increase, rather than just the expected pay increase.

Based on employees' preferences, they designed a step system. The spread system is consistent at 60% from grade 1 through grade 17. An employee who goes from a grade 1 step 5 to step 6 receives an additional 23 cents per hour. In that manner, the increase is transparent and easily understood.

Mr. Norenberg then asked if City Council had any questions on what has been presented up to this point.

Councilman Brooks recalled that Ms. Campbell had stated earlier that the employees wanted more job descriptions. He pointed out we have a new Public Works Director and each employee that moves up is trained by the worker who is currently doing that job. He asked how that can be improved; Mr. Norenberg stated that all of the job descriptions have been updated through this process so everyone has a better understanding of their job and what is required in each position. Once this process is complete, the HR Administrator meets with each supervisor and each employee to review the updated job description. Everyone will then sign off to make sure there is a better understanding of their roles and responsibilities.

Councilman Brooks asked if there is a plan for the six or so groups in each classification; Mr. Campbell said he is referring to the hierarchy as far as the City Manager, director level, coordinator level, technician, etc.

Mr. Norenberg informed Council the positions have been realigned in terms of titles, consistency and understanding. Councilman Brooks said his old employer only had six groups and it was clear which positions fell into each group. He pointed out that even the police officers have different positions and pay scales.

Mr. Norenberg explained there are seventeen different pay grades throughout the organization. Each position will fit into one of those paygrades.

In Mr. Brooks' opinion, seventeen pay grades is too many. His company had 4,000 employees whose pay fell under six categories and it worked without a lot of questions.

Mr. Norenberg said he understands, but this is the recommendation of the experts who suggest this structure.

Ms. Campbell stated that in essence, there are about six groups if you look at it from a hierarchy standpoint. The City Manager is first, then the director level employees, coordinator level employees down to clerical positions. For example a Public Works Coordinator would be in the same pay grade as a Coordinator in the Parks and Recreation Department.

Mr. Campbell pointed out that is something the City Manager worked on almost independently and more than anyone else. For example how a coordinator title compares to a director or a technician. This involves a grade type of structure so that everyone understands where they fit within the organization.

Councilman Burk asked the time frame of when this started and when the final study was delivered. He recalled that in the middle of this, an increase was approved for several employees and asked if that was considered.

Ms. Campbell reported that the study started in March and the draft was completed in September. However, Mr. Campbell can discuss about whether or not the increase was captured in the numbers at that time.

Ms. Campbell confirmed it was delivered September 23rd or 27th. Mr. Campbell added that throughout the process, there

were a number of updates and changes. New positions have been added, including the City Engineer, which happens to be the most recent addition. They were asked in those cases to look at each position and integrate them. However, the integration process stopped a couple weeks ago. Everything they were aware of has been reflected and included in the study.

Mr. Norenberg stated that one of the things that popped into the work schedule in the May time frame was to pull together and analyze the data for the IBEW employees' negotiations. That was something that sped up that phase of the process so those numbers were available for their negotiations.

Councilman Campbell asked if the bargaining units were part of this study; Mr. Norenberg stated that all employees' data was captured and in particular, the IBEW information was used for negotiations. All of the figures in the electric department have already been updated. In addition, the figures the City had a year ago for the teamsters' officers have been updated as the City moves into the next phase of the negotiations.

When asked, Mr. Norenberg said he does not believe the shop stewards are getting additional pay when compared to other employees though he cannot answer for the police department. However, if the IBEW shop steward would be paid overtime if they were held over for a grievance or similar situation, but not on a regular basis and because of their position.

Councilman Burk does not understand why the executive summary would not be reviewed in an executive session versus a workshop and asked who made that call; Mr. Norenberg explained that a lot of what Council is seeing tonight is publicly available and is being reviewed in light of the recent FOIA training. A lot of the details, where they start talking about individual employees and positions and dollars and cents were not added to the public document, because that is not public information at this point. That is because it remains a work product and something protected by FOIA because it is relevant to union negotiations. The intent was to give Council the scope of the work that had been prepared along with the results and recommendations. The City Clerk's Office provided him with what was presented to Council ten years ago in an executive session though what was presented, in terms of what was discussed related to FOIA, is all information that should have been discussed in open session.

Councilman Burk confirmed that what Mr. Norenberg is saying is ten years ago when a similar study was done, it was discussed in an executive session first and should have been made public. Mr. Norenberg said he does not remember the sequence. Councilman Burk prefers to have it that way because Council will be discussing compensation.

Mr. Norenberg stated that the City Solicitor can comment on this, but at this point, we are not talking about individual employees and instead discussing collective results.

City Solicitor Rutt verified this discussion would not fit within the exception requirements for FOIA because it is broad-based and not specific. It does not discuss individual employee qualifications and instead is an overview of the compensation structure of the City. This discussion would not be appropriate in executive session.

Councilman Morrow stated that with that being said, he hopes there will be an executive session to dive deeper into this. He feels that is needed to make an informed decision because he only saw this packet on Saturday which has not given him enough time to review the 48-page document. He prefers more time to review it. He pointed out that Mr. Norenberg has had this for a month and Council has only had it for two days emphasizing that it contains a lot of information.

Solicitor Rutt said when you start getting into the specifics of job classes or individuals or groups of individuals and how you would adjust salaries can be discussed in executive session. Council would then need to go back in open session to vote on it.

Councilman Morrow said it sounds like there was a lot of insight obtained from the employees and from the focus groups. However, it still will take sometime for Council to review it properly.

Councilman Brooks asked when Council starts talking about job descriptions and pay increases, who will be explaining

it is understood properly. Mr. Norenberg feels that is getting into the realm of responsibility for the City Manager and the Police Chief. All of the job descriptions will be public though it is not really the Councils' responsibility to dive into the administrative details of the particular wording of job descriptions and titles.

Councilman Brooks pointed out that City Council is the one that makes the decision about the overall pay increases and budget. Because of that, there is a need that someone explain it more to Council before a decision is made and why a position needs to be increased.

Councilman Morrow added that in order for Council to vote on paygrades and the hierarchy, based on the opinion of the consultants and whoever else was involved, Council needs time for additional information and details with regard to each position.

Mayor Shupe noted that the point of the study was to look at those job descriptions to determine where they match in other areas and other towns in comparison to Milford financially, and whether or not we are competitive. Councilman Brooks said that Council as a whole wants to treat each employee fairly across the board.

Councilman Campbell asked if that would be done by group anyway; Mr. Norenberg feels that Council is getting into details about individual positions instead of taking the recommendations of the study which, as the consultants pointed out, were based on a detailed analysis from the input provided about the jobs and responsibilities.

Councilman Burk pointed out that Council is asking to be involved in this process. He personally feels like they are left out a lot lately and instead wants to be involved in the process. Councilman Starling and Councilman Brooks both agreed.

Councilman Morrow also agrees adding that he understands that Mr. Norenberg is the City Manager who has a job to do, but it is also the job of City Council to be involved, especially because of the financial impact. Mayor Shupe asked where Council feels the line should be drawn when it comes to job descriptions.

Councilman Brooks said Council has the final say in the pay increases. If it is important to understand the job description and what each person does and whether they are getting paid enough or not, Council needs to understand that. He noted that Mr. Norenberg is the one that asked for the study.

Mr. Campbell explained that part of the study, is the classification part that the employees participated in. Then there is the external factor that was mailed to the organizations with comparators. The job titles and a short summary that exists were sent and questions asked about how much they paid for the position and how close of a match it is to our position. The other HR persons know more about their employees than anyone else, and is why they determined if it was a match to the positions at Milford. From that, the recommendations were made relative to salary.

Mr. Brooks said that each year, every employee is given a pay raise. That has been done since he has been on City Council. He pointed out the State of Delaware and Counties do not do that and does not understand how anyone can be behind.

Ms. Campbell pointed out that something brought out in the study by the employees themselves was that they appreciate the increase annually but they have become numb to it because it promotes mediocrity and does not recognize those employees who are doing stellar work. The employees are asking that their performance speak for them and that they prefer a merit pay versus an automatic increase.

Councilman Morrow said to add to that, he can safely say that everyone in the City gets the 3% regardless of the work an employee is being done. What is needed is for the low performers to receive a lower rating. Instead, they may only receive 1% or 1.5%. He feels that should be based on the reviews except for the past year where Mayor Shupe improved the process for positions that report to Council.

Mr. Norenberg pointed out that one thing recommended, which will be handled through the Personnel Manual update, is to restructure the authority for performance-based compensation. Right now, that has not been in existence since for

many years before Mr. Norenberg came to Milford. He agrees that needs to be changed and will help the organization better understand how employees are performing and meeting their goals and how that ties in with each department's goals and strategic plan.

The pay structure being recommended will help with that according to Mr. Norenberg.

Councilman Brooks pointed out that in the past, a lot of times employees felt that a pay increase fell under the 'ole buddy-buddy system' and the person their supervisor liked the most. He feels that can cause more problems with the employees.

Ms. Campbell said that is a problem in the industry and one that many organizations have felt. One way to circumvent that is to conduct a 360-performance review so that the employees self evaluate and their peers and supervisors evaluate them as well. In some cases, the customers evaluate the employees to allow information to come in from different angles and not necessarily the buddy system Councilman Brooks referred to. It prevents the increase from being based on favoritism or popularity.

Mr. Campbell pointed out that Mr. Norenberg is already doing that through the organization he is involved in and the parties subject themselves to that level of scrutiny from City employees.

Ms. Campbell said that the City employees want to be held accountable for their performance and told her they are ok with that system. That is because they feel strongly they are doing a good job and want that credit.

Mr. Campbell added that a lot of the information the employees came up with through the focus groups, whether it was good or bad. Those items were already provided to the City Manager and Mayor within weeks of those meetings. The City Manager and Mayor looked at the report and made a lot of changes as a result of the comments that 'employees would like to see this...' which can be very helpful and a positive move in the right direction. They were proactive by changing something that did not cost anything. Now the City Manager has breakfast and meets with the employees and the same applies to the Mayor. There is a tremendous change in morale due to those breakfasts and how our employees perform. He said kudos to that program.

Ms. Campbell said the report speaks more in depth to job descriptions and the employees would also like to have a central library for all job descriptions. They would like to have the ability to go on the website and be able to download them. They would also like to know what the next job is in their progression and what type of certifications are needed to move up. The job description are now printed out and Council can access the job description summary.

The finished job descriptions will be presented to the employees and their supervisors so that they may sign off that they agree with it, have read it or prefer to have further discussion. From that point, there is an implementation plan. Also there needs to be a way in the future when a job changes and other employees are taking on the duties of another employee, how to request a review and a discussion with HR in an informal setting.

Mr. Norenberg then pointed out the last thing in the packet after the report of how to implement the recommendations for the few employees that will need to be adjusted to bring them up to market.

He then referenced the fiscal impact to both the general fund and enterprise funds as earlier referenced.

Mr. Norenberg then clarified that Mr. Portmann, HR Manager Lisa Carmean and he have identified areas where there are savings in both the general fund and public works budgets to implement the adjustments for the remaining employees. It is recommended this be done in the next month or two and would not add a long term impact on the budget because those savings will be carried through. That is the reason he is recommending the adjustments be effective in November.

Councilman Morrow said he does not know how other Councilmembers feel, but he definitely needs more time to review as well as more information. Councilman Burk said if this is implemented in November, there is only one more meeting in October. He does not feel an hour is enough time and asked if the consultants had more to their presentation; Ms. Campbell said they are here at this point only for questions.

Mr. Norenberg said that if additional information is needed, he recommends this be carried over to the first meeting in November because he will be out of town at the next meeting. In addition, HR Manager Lisa Carmean will be back for that meeting.

Councilman Morrow feels it needs to be more thoroughly reviewed in executive session. Mayor Shupe said the question is not looking at specific employees and what they are getting paid and what they need to be making, but instead looking at the overall City and the job descriptions and the comparison with other cities and whether we are on the same page.

Mayor Shupe understands this is a lot of information, but feels that if we get into specific jobs, then we get into specific people. Councilman Morrow said he is not really worried about the people in their positions. But some of his concerns are the paygrades and how they progress. He especially wants to look at the police department.

Councilman Burk feels we need to talk about this and referenced the \$163,904 price tag.

Mr. Norenberg then reminded Council that Ethics Training will be presented at the first meeting in November and the State Public Integrity Commission Director will be here at 6:00 p.m. Milford will again be hosting another couple City Councils from other towns. He asked Council to let him know what information they would like so he can have it prepared in advance.

Councilman Morrow asked to see the actual pay and classification study and the comparisons so that he understands how they arrived at the numbers.

The City Manager again pointed out there is certain information in the report but and some relates to the data needed for the union negotiations which is not a public document at this point. He asked Councilman Morrow what data he is looking for; he understands this is Councilman Morrow's area of expertise and is willing to set up a separate call with Councilman Morrow and the consultants.

Councilman Burk feels that information should be given to all of Council and not just one Councilperson. Councilman Brooks agreed adding that one Councilperson does not make a decision. Instead eight Councilmembers do.

It was agreed to postpone any review until the second meeting in November.

Mayor Shupe then asked what we will be talking about; Councilman Burk reiterated that Council just got this document. Councilman Brooks agreed adding it involves \$163,000 that needs to be considered.

Councilman Burk pointed out this is exactly why Council does not feel they are included in the process. He noted Milford is a Council-Mayor form of government in which Council makes financial decisions. Solicitor Rutt emphasized that this is a City Manager form of government where Council appoints the City Manager who is the administrator according to the Charter. Council then approves contracts and budgets under the new \$50,000 threshold. Personnel decisions under the charter are made by the City Manager. He suggests Councilman Burk read the Charter about the breakdown of powers between the City Manager and Council. Therefore, it is not accurate to say this is a City Council government.

Councilman Burk said he only wants to be included in the process and an hour is not enough to make a \$163,000 decision. Councilman Brooks added that he does not believe City employees are being underpaid by \$163,000. Councilman Burk wants more time to talk about it. He said Council has had one hour to digest this and referenced the memo dated October 9th telling Council how to move forward. He appreciates them finding the money in the budget to pay for it even though this will have an impact on future budgets. He then referenced the number of days it takes Council to review the budget. He does not agree with being restricted to a one hour discussion when it involves this amount of money.

Solicitor Rutt shared his opinion that once Council starts discussing individual salaries and breakdowns, that is something for an executive session. Councilman Morrow pointed out that is the concern of Council. This involves \$163,000 and no one understands where it is going. Mr. Norenberg said it is going to the positions that are unpaid according to the

market average. Councilman Morrow asked to see that data that shows that so that Council has the ability to either agree or not agree with it.

Solicitor Rutt reiterated that would be appropriate for an executive session. Councilman Brooks said the consultants said they used eight cities to compare Milford. Mayor Shupe said that is the reason they brought in a third party because Council is not the experts who should make this decision.

Councilman Morrow again asked to see the data. Councilman Burk pointed out that no one is opposed to taking care of our employees. They were given a 3% increase even though Council was worried about having to raise property taxes. Instead, Mr. Portmann found a way to balance the budget and still give the increase. He feels Council is always looking out for our employees. Councilman Brooks again pointed out that our employees have received a pay raise every year and have great benefits and a lot of vacation time. Now we have a new City Manager who is saying our employees are underpaid by \$163,000.

Mr. Norenberg emphasized that \$163,000 is out of a \$9.7 million total payroll expenses for the City and will go to more than twenty different employees. He is unsure if it is Council's authority or responsibility to be looking at the individual positions. Councilman Brooks said he didn't ask that, but Mr. Norenberg has asked Council to act on this.

The City Manager pointed out that Council is asking where the money is going. Councilman Brooks agrees that he wants to know where the \$163,000 is going.

Councilman Morrow said he needs to see the data that supports the \$163,000 increase in payroll expenses versus a sentence in a memo that says our employees are underpaid.

Councilwoman Peel also agreed that more time is needed to digest the information. Councilman Burk said he is only asking for a dialogue to discuss it and an hour is not long enough. He recommends adding it to the November meeting as was suggested.

Councilman Morrow says this is a serious matter; Councilman Burk agreed it is not like approving a street sweeper that was approved at budget time.

Councilman Brooks concluded by stating that the City was able to come up with \$165,000 in savings from the budget to pay for this, though he questions why that money wasn't available in July.

Councilman Burk agreed that a phone call with Councilman Morrow and HR is not going to answer everyone's questions.

Councilman Brooks confirmed this involves 86 employees; Ms. Campbell reiterated it involves 65 job titles or 100 employees. Councilman Brooks stated that will then be divided by \$163,000. Councilwoman Peel emphasized that the increase is only being divided among certain employees.

It was agreed to continue the discussion in November.

There being no further business, the Workshop Session concluded at 7:07 p.m.

Respectfully submitted,



Terri K. Hudson, MMC
City Clerk/Transcriber

Attachments:
PayPoint HR PowerPoint
Paypoint HR Report



Job Classification and Compensation Study

October 9, 2017



Presentation Outline

1. Scope of Work
2. Employee Outreach
3. Comparators
4. Compensable Factor Score
5. Salary Scale
6. Open Discussion

Work Product

1. Scope of Work

Work Product



Scope of Work

Goal

Provide recommendations necessary to establish and maintain an equitable and easy to administer classification and compensation system for the City's full-time positions.

Full Scope

- 65 job titles
- Approximately 106 full-time employees

Base

All non-elected City employees including International Brotherhood of Electrical Workers (IBEW) employees as well as civilian police and command staff.

Base Plus Police

Add the union police officers (General Teamsters Local LU 326) to the Scope of Work.

Phase I – Classification Study

The classification study tasks as set forth by the Request for Proposal included the following:

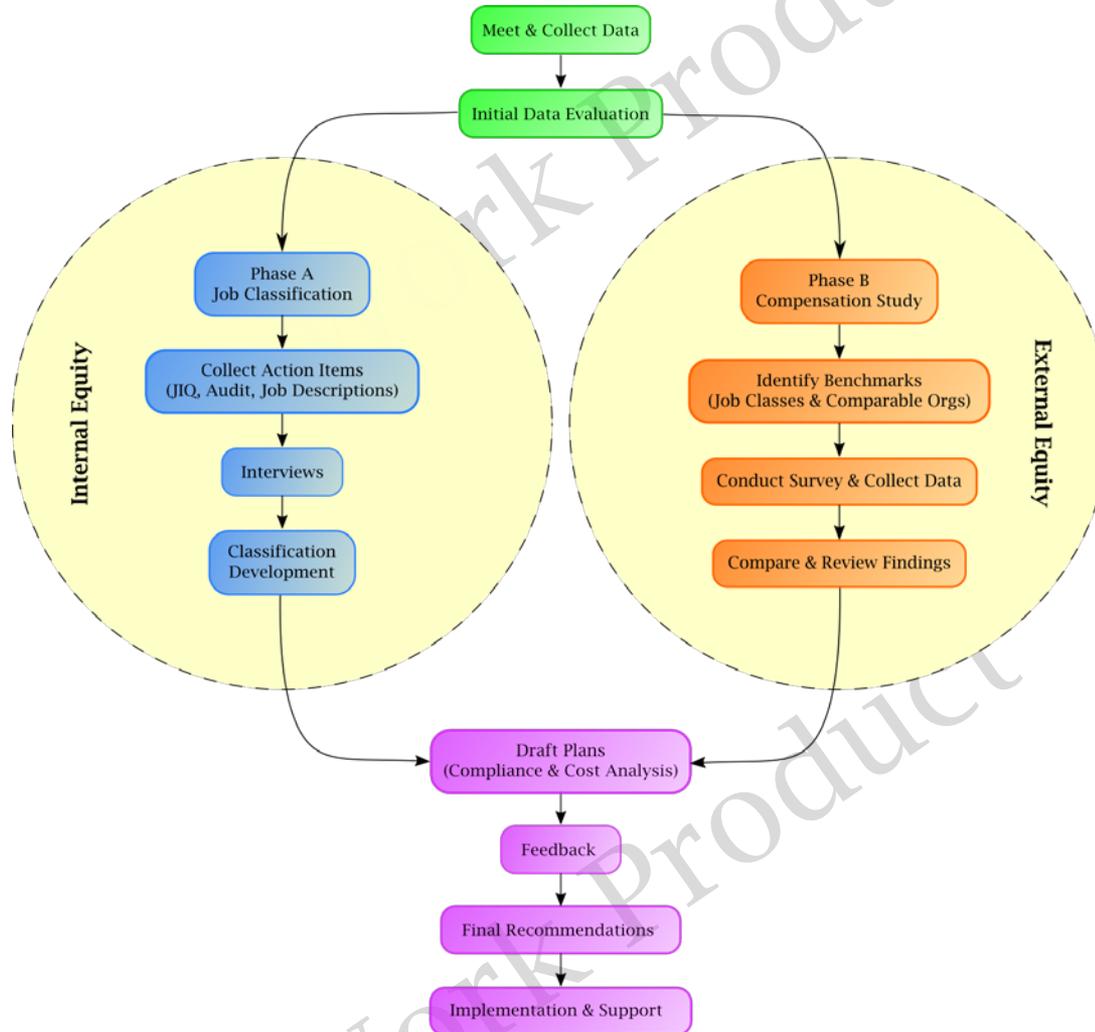
- Review of background materials.
- Communicate with leadership and employees.
- On-site orientation sessions with employees.
- Development, distribution, collection, and review of job analysis questionnaires.
- Review of existing classifications for regulatory compliance.
- On-site focus groups with employees to verify/clarify information received.
- Analysis of findings.
- Job Description review and updates.
- Recommendations for classifications and job families if warranted.
- Development of administration manual for the City to objectively evaluate new or revised positions as well as an employee appeal process.

Phase II – Compensation Study

The classification study tasks as set forth by the Request for Proposal included the following:

- Review of current compensation practices and conduct an internal salary relationship analysis.
- Identify external market comparators and benchmark job titles.
- An external market salary survey of public and private sector organizations.
- A pay compression analysis.
- Recommendations for an externally competitive and internally equitable salary/step plan for each job class.
- A written final report with specific recommendations.
- Preparation of a fiscal impact analysis of recommendations.
- Training as needed to ensure proper implementation and maintenance of the new classification and compensation structure.

Project Approach



Work Product

2. Employee Outreach

Work Product



Job Analysis

The purpose of conducting a job analysis is to gain an accurate understanding of the actual work performed to compare like positions in the external market.

- Paypoint HR used our Position Vantage Point (PVP) job analysis tool to update job descriptions.
- The PVP results were used to accurately compare the positions within the City to those in the external market.

Milestones

- Briefing sessions held over a 2-day period to discuss the Scope of Work, their roles, and to review the job analysis questionnaire.
- A custom website was created for employees to complete the Position Vantage Point (PVP) questionnaire.
- A total of 100 PVP's were completed with 86 responses being reviewed by approximately 22 supervisors.
- A second website was created for managers to review a copy of the employee response and give their own response to the same questions.

Focus Groups

The purpose of conducting focus groups is to:

- Help the consultant to gain a clear picture of how the existing pay plan is being utilized.
- Allow employees to have further involvement in the study which in turn will help the implementation process.
- Look for areas of improvement.

Milestones

- Paypoint HR conducted a total of 25 focus group sessions
- The majority of the focus groups were held onsite over a 2 day period with a couple of sessions held on a 3rd day via teleconference.
- Approximately 90 employees participated in the focus groups.

Summary Highlights from Employee Focus Groups

Paypoint HR compared the notes from each of the 25 focus groups and looked for patterns by topic. The following list gives a general summary of the input received.

Organizational

- Job descriptions need updated with convenient centralized access them.
- Need a City-wide goal and strategic plan to prioritize day-to-day operations.
- Like consistent meetings with supervisors.
- Employees are encouraged by new leadership and their follow-through.
- They feel there is a need for succession planning and additional training opportunities.
- Would like to see clear career ladders.
- Difficulty hiring and retaining staff for certain positions.

Environmental/Situational

- Employees take pride in their work.
- They see the economy improving.
- Employees would like to see controlled growth for Milford.
- Impact of Great Recession on pay, tools, and staffing levels has affected morale.
- Better communication needed.
- Changing demographics and a need for the City to adapt.
- Employees would like to see more resources for grants.

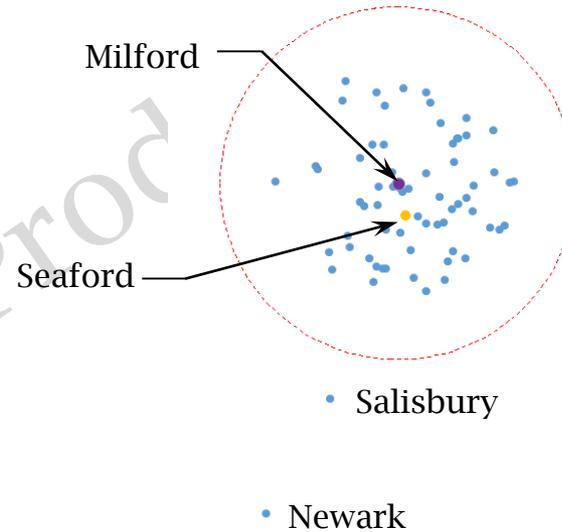
Work Product

3. Comparators

Work Product

Comparators Factors

- Population
- Cost of Living Adjustment
- High School Graduation Rate
- Labor Force Participation Rate
- Median Household Income
- Median Housing Price
- Unemployment Rate



List of Comparators to the City of Milford

Berlin, MD	Bridgeville, DE	Cambridge, MD	Camden, DE
Chestertown, MD	Clayton, DE	Delmar, MD	Dover, DE
Easton, MD	Elkton, MD	Elsmere, DE	Federalsburg, MD
Fruitland, MD	Georgetown, DE	Harrington, DE	Laurel, DE
Lewes, DE	Middletown, DE	Millsboro, DE	Milton, DE
New Castle, DE	Newark, DE	Ocean City, MD	Ocean View, DE
Princess Anne, MD	Salisbury, MD	Seaford, DE	Selbyville, DE
Smyrna, DE	Snow Hill, MD	Townsend, DE	

Work Product

4. Compensable Factor Score

Work Product

Compensable Factor System

Position Vantage Point

- Education
- Certifications
- Work Duties
- Work Experience

The diagram shows a circle divided into two main segments: a light blue segment labeled 'Background' and a light green segment labeled 'Environment'. To the left of the circle are two lists of factors. The top list (Education, Certifications, Work Duties, Work Experience) is associated with the Background segment. The bottom list (Physical, Working Conditions, Interaction) is associated with the Environment segment. The circle is also divided into four smaller colored segments: yellow, light blue, light green, and light red.

Position Vantage Point

Background

First Name

Middle Name

Last Name

Job Title

Job Category

- Administrative *(e.g., Accounts Payable, Admin. Assistant, Secretary)*
- Education *(e.g., Teacher, Librarian, Social Worker)*
- Executive *(e.g., Department Head, Assessor)*
- Fire & Rescue *(non-administrative)*
- Laborer *(e.g., Bus Driver, Custodian, Maintenance)*
- Law Enforcement *(non-administrative)*
- Professional *(e.g., Accountant, Marketing, Engineer, Lawyer)*
- Skilled Trade *(e.g., Mechanical/Electrical/Water Inspector)*
- Trade Supervisor *(e.g., Shift Supervisor, Foreman)*
- Other *(Other)*

Status

Full-Time Part-Time

Work Week (Hours)

Supervisor Name

Job Description

15

Compensable Factor System

Current Grade	Job Title	CFS Score
18	City Manager	118.2
17	Chief of Police	109.7
16	Director of Public Works	75.4
16	Finance Director	72.1
15	City Engineer	45.3
15	Superintendent, Electric	63.1
14	Coordinator of Planning & Economic Development Activities	71.1
14	Information Technology Manager	66.8
14	Police Captain	69.2
13	City Clerk	38.7
13	Director - Parks & Recreation	41.2
13	Police Lieutenant	44.8
13	Supervisor, Streets & Solid Waste	35.6
12	Accounting Manager	43.6
12	Customer Service Manager / Software Specialist	42.8
12	Human Resources Manager	53.6

84% Correlation between CFS Score and Average Salary from the External Market

Work Product

5. Salary Scale

Work Product

Salary Scale

Living Wage for Sussex County - \$11.54
 10% between grades, 2% between steps

Grade	Min Step 01	Mid Step 16	Max Step 31	Step Increase	Spread
G01	\$11.54	\$15.00	\$18.46	\$0.23	60%
G02	\$12.69	\$16.50	\$20.31	\$0.25	60%
G03	\$13.96	\$18.15	\$22.34	\$0.28	60%
G04	\$15.36	\$19.97	\$24.58	\$0.31	60%
G05	\$16.90	\$21.97	\$27.04	\$0.34	60%
G06	\$18.59	\$24.17	\$29.74	\$0.37	60%
G07	\$20.45	\$26.58	\$32.72	\$0.41	60%
G08	\$22.50	\$29.25	\$35.99	\$0.45	60%
G09	\$24.75	\$32.17	\$39.59	\$0.49	60%
G10	\$27.23	\$35.39	\$43.56	\$0.54	60%
G11	\$29.95	\$38.93	\$47.91	\$0.60	60%
G12	\$32.95	\$42.83	\$52.70	\$0.66	60%
G13	\$36.25	\$47.12	\$57.98	\$0.72	60%
G14	\$39.88	\$51.83	\$63.78	\$0.80	60%
G15	\$43.87	\$57.02	\$70.16	\$0.88	60%
G16	\$48.26	\$62.72	\$77.18	\$0.96	60%
G17	\$53.09	\$69.00	\$84.91	\$1.06	60%

Work Product

Open Discussion

Work Product





City of Milford
10 S.E. 2nd Street
Milford, Delaware 19963

Job Classification and Compensation Study



Paypoint HR, LLC
695 Santa Maria Lane
Davidsonville, MD 21035
(443) 336-4272
(443) 926-9930 FAX

Submitted on
September 27, 2017

Table of Contents

A. Executive Summary.....	2
B. Recommendations.....	4
Salary Recommendations	5
Non-Salary Recommendations.....	6
C. Introduction	10
Scope of Work.....	10
Methodology.....	11
Summary of Classification Survey Findings	16
Focus Groups	18
Summary of External Survey Findings.....	29
Benefit Survey Summary.....	30
D. Public Comparators	32
E. Private/Semi-private Comparators.....	38
F. Benchmark Positions	39
G. Proposed Salary Schedules.....	40
H. Compensable Factor Score from Position Vantage Point Job Survey	42
I. Salary Schedules.....	45
J. Recommended Salary Adjustments	46
K. Additional Items.....	47

List of Tables

Table 1 - Communities in Proximity to Milford.....	33
Table 2 - Communities in Proximity to Milford (Sorted Alphabetically).....	33
Table 3 - Economic Data of Milford and Comparators	34
Table 4 - Variances of Comparators	35
Table 5 - Benchmark Positions.....	39
Table 6 - 2016-2017 Pay Schedule, General Employees	41
Table 7 - Compensable Factor Score (CFS).....	42
Table 8 - Proposed General Salary Schedule	45

A. Executive Summary

Paypoint HR is pleased to present this Job Classification and Compensation Study to the City of Milford, Delaware. The study began March 2, 2017 and was completed for presentation to the City Council on September 27, 2017. The intent of the study was to assist the City in:

- Implementing updates to the City of Milford's current Classification and Compensation Plan;
- Ensuring positions performing similar work with essentially the same level of complexity, responsibility, knowledge, skills, and abilities are classified together;
- Providing salaries commensurate with assigned duties;
- Clearly outlining promotional opportunities and provide recognizable compensation growth;
- Providing justifiable pay differentials between individual classes; and,
- Verifying that the recommendations are competitive within relevant labor markets.

The study included approximately 65 position titles occupied by approximately 110 full-time employees (not including elected officials). Positions included single or multiple incumbent positions in a job series (such as Electric Line Technician I, II, III). Paypoint HR, LLC considered the objectives of the City and recommended changes necessary to establish and maintain an equitable and easy to administer classification and compensation system for the City's full-time positions. Collectively Bargained Units considered in this study include the General Teamsters Local Union 326 (Teamsters LU 326). The International Brotherhood of Electrical Workers (IBEW) Union employees were initially included in the study. The resulting information was utilized in successful Union negotiations, and has already been applied. As such, there is no need to report the findings in this document.

The point of the Executive Summary is to give an overview of the most important issues and opportunities identified by the consulting team during the study. The reader is highly encouraged to read the document in its entirety in order to gain an understanding of the recommendations within the report. The study takes into consideration both short and long-term concerns. Paypoint HR has identified opportunities but it is up to the leadership team of the City to determine which are most appropriate and the timing of implementation.

In considering the options for implementation, it is critical to understand the costs and benefits related to each option. By utilizing market data it is possible to make informed decisions with regard to possible changes. However, in addition to the quantitative economic cost and benefit, it is important to consider the social/cultural impact of implementation and management. The City of Milford will need to consider all components in making final decisions.

City of Milford, Delaware

Job Classification and Compensation Study

Comprehensive surveys like this establish a credible pay structure that is fair for the work completed and strategically positions Milford competitively in the labor market. The desired result is the improved ability to attract and retain quality staff that perform at optimal levels to meet the growing demands of the community.

The study was divided into two parts: a classification phase and a compensation phase. The classification phase included identification, review, and analysis of specific work being performed in various positions. That data was then used to simplify positions and match them to the external market in an “apples to apples” comparison. The compensation phase consisted of an external market survey of local public and private sector organizations to determine what the local labor market pays for specific jobs.

The purpose of collecting and analyzing external market data was to understand the external value of jobs and to address the following issues.

- Ability to adopt standardized job titles and salary pay ranges while maintaining autonomy about decisions on pay
- Changing job functions within a job title
- Determination of best practices and opportunities
- Difficulty recruiting qualified staff
- Difficulty retaining qualified staff
- Internal and external inequities
- Pay compression
- Impartial recommendations and confidentiality
- Fiscal impact of recommendations
- Effective administration and ongoing maintenance of recommended pay scales

B. Recommendations

Lower turnover rates, the ability to attract a better pool of job candidates, and improved morale are examples of positive benefits of introducing an internally and externally equitable classification and compensation system.

Having excellent staff is key to successful organizations. It is important for Milford to retain a highly qualified work force by providing a transparent, fair, fiscally responsible and competitive compensation program. It is equally important, that the City not overpay positions. The proposed implementation plan carefully balances these two considerations.

As an independent contractor, Paypoint HR has taken an unbiased assessment of the organization and compiled its findings and recommendations in this report. These recommendations are presented as opportunities for the City to provide the highest levels of service to the community in a fiscally responsible way.

Our recommendations address both external (market) and internal (job responsibility) equity issues. The recommendations in the report accomplish the following:

- Brings about internal equity for employees in consideration of time in position;
- Standardize the salary plan for internal administration;
- Provides a simple, easy to understand plan for employees;
- Addresses any salary that is above or below the market range; and
- Allows for simplification of future pay structure adjustments to accommodate for market changes.

These recommendations achieve the maximum amount of internal equity without reducing the pay of any employee. The recommendations also ensure that Milford will remain a good steward of its service programs and the budget that support them.

Once the recommendations are put in place, the City should experience full equity as new hires are brought on and the City experiences normal attrition.

Below are recommendations for updates to the existing pay plans along with their associated costs for the City of Milford. The City should use the fiscal impact of these recommendations to assist in prioritizing and planning for future budgets. The salary recommendations are listed in order by what Paypoint HR considers to be of greatest need.

Salary Recommendations

1. Raise the salaries of positions that are *substantially* below market, first.
2. Raise the salaries of positions that are below market, second.
3. Continue to adjust the salaries of positions that are near market with cost of living adjustments as calculated based on the Southern Mid-Atlantic Region CPI.
4. Discontinue making cost of living adjustments to the salaries of positions that are above or *substantially* above market until compensation is near market.
5. Recommend reclassifying positions when necessary in the future in accordance with the Compensable Factor Score (CFS) produced from the employee and management Position Vantage Point (PVP) job description surveys.

Work Product

Non-Salary Recommendations

Below are recommendations listed by category for additional recommendations the City may want to consider.

Benefits

- The City's' supplemental benefit package offers a strong competitive plan for employees overall. One possible improvement would be with regard to educational assistance. The City should consider developing a more formal policy and setting aside funds annually for employees to take advantage of the benefit. An example of a more formal educational assistance program would be to establish the types of courses eligible, acceptable educational facilities, expectation of minimum performance requirements, annual or lifetime maximums for assistance, as well as a potential pay-back scale if the employee terminates before specified anniversary dates.
- Consider revising the existing monetary payout for unused leave to a deferred compensation program by creating a retirement health savings plan specifically for this purpose.
- Move forward with the City's plan to update the HR manual for telework. The updates should create a formal policy that addresses obstacles such as security of data, hours & scheduling, communication channels, approval, and performance expectations.
- If the City only offers telework as a special accommodation for employees it should communicate the policy to staff and remain sensitive to HIPAA laws.

Retaining and Recruiting Employees

- Consider a referral program for employees who refer successful hires.
- Implement predictive analysis testing as a condition of hiring or promotion.
- Develop succession planning & internship programs to grow employees from within the organization.
- Make community safety a priority not only for existing residents but to also make the City more attractive to potential job candidates.
- Promote diversity.
- Conduct a staffing level study of similar municipalities.

Leadership

- Continue strategic planning for the City. Clarify, goals, milestones and communication relationships.
- Implement 360° evaluations for performance of department heads and then expand it to employees as appropriate.

- Human Resources and Supervisors should review updated job descriptions with employees annually. Preferably, the employees should have online access to job descriptions.
- Adopt the recommended updates in the most recent personnel handbook and have it available to employees.
- Improve communication channels within the organization and across service units as well as to the community through a City-wide public relation campaign.
- Have members of the leadership team reach out to employees and continue to have an open-door approach. An example of this is the departmental meetings with the City Manager called “*Eat with Eric.*” These breakfast meetings with 6-8 employees who are randomly selected from various departments are effective in building rapport and improving communication across the organization.

Tools and Technology Recommendation

- Develop a strategic plan that incorporates internal communication across departments.
- Create a central library for employees to access internal information like job descriptions.
- Consider purchasing additional patrol cars and allowing police officers that live in Milford to take home marked vehicles.
- Consider the purchase of rifles for each Patrol Officer.
- Train additional staff in the Police department on troubleshooting the Tracker software.
- Incorporate the Compensable Factor System (CFS) to assist the City in appropriately and objectively placing jobs into the appropriate pay grade based on the knowledge, skills, and abilities required for the position.

Classification Recommendations

- Changing the wording of some titles would help add clarity to the responsibility of positions.

The tiers of titles would then be:

- City Manager
- Department Director
- Assistant Department Director (*when needed and approved)
- Superintendent / Administrator
- Supervisor
- Coordinator / Technician-Assistant
- Aide / Clerk

The Compensable Factor System (CFS) will assist the City in appropriately placing jobs into the appropriate pay grade based on the knowledge, skills, and abilities required for the position.

- Incorporate the implementation manual once the plan is accepted and utilize the job discussion request and job discussion guide forms when a substantial change to a position is incurred.
- In anticipation of the Electrical Superintendent's retirement, it is recommended that the City evaluate the opportunity for the current Electrical Operations Supervisor to be trained to take on additional administrative and technical responsibilities of the Electrical Superintendent's position as a succession planning initiative.
- It is recommended for the Police Captain to be included in the City Executive Management team as the position has similar responsibility levels as a Director and to promote positive communication channels across the organization.
- It is recommended for the City to change the job title for the Coordinator of Planning & Economic Development Activities to a Planning & Development Director.
- It is common for employers with 125 employees or more with collective bargaining units to have a Human Resources Director. Once the City reaches a labor force at or above this level, it could convert the Human Resources Administrator position to the Director level. At the same time, the City may need to establish a Human Resources Assistant or Human Resource Generalist position from one of the existing support positions in an effort to create a job family succession plan.
- It is recommended the City adopt the compensation recommendations for Officer positions in the Police department. When negotiating Union agreements going forward, the City should be cognizant of the impact of changes to Officers and Managers.

Pay Structure Recommendations

- Timing of implementation of the new pay scale should occur at either the adoption of the new budget or at the beginning of the calendar year. Prior to implementation there should be education on the updates done by Human Resources with each employee. The education should include a simple spreadsheet showing the employee their pay on the current system as compared directly to their pay on the new system.
- Managing compensation overall is a fluid task and it is recommended that the City adopt a pro-active approach by conducting regular market analysis on certain key positions annually and every 3-4 years conduct a formal comprehensive study.

- Adopt the Compensation Factor System (CFS) developed for the City by Paypoint HR to help determine the proper classifications for existing positions as the job evolves over time and to determine appropriate placement of new positions within the existing system.

Performance Reviews

- The challenges with annual performance reviews are in making them simple enough to complete in a timely manner, unbiased, and agile. Whether or not Milford chooses to adopt the performance evaluation structure offered by Paypoint HR, we recommend that the City incorporate a 360° review approach to performance reviews. A 360° review includes information solicited from the employee, the employee's subordinates, peers, and supervisors. To address the issues of making the review timely so that employees can make adjustments to positively impact their pay, we recommend quarterly conversations with managers where the focus is on development and short-term goals. Implementation would consider conducting an initial 360° and then using the results to determine short-term focus.
- If the City prefers it may choose to initially conduct 360° performance reviews for management positions only. This approach may allow for a "beta" test and should improve morale of employees by having management model the behaviors it is trying to encourage. Either the highest scoring performers in the review or those that met pre-set standards would then be eligible to receive performance pay.

C. Introduction

Paypoint HR was commissioned by the City of Milford, Delaware to conduct a Job Classification and Compensation Study. The City has undertaken the goal of preparing itself for anticipated economic, demographic, and industry related fluctuations. By preparing for changes in demand for labor, Milford will be better able to cost effectively provide its residents with an excellent quality of life.

To level the playing field for its staff and position itself for the future, the City has set out to conduct a compensation and benefits plan review and analysis. An advantage to conducting this project using an outside consultant was the ability to look objectively at pay across the organization. This data will help the City to make informed decisions about employee pay. In turn, the City will be able to attract and retain the best employees to care for the community it serves and to improve its ability to meet community goals.

Comprehensive wage comparability studies ensure that wages paid to all staff, from management to the front-line, are competitive to both those within the organization and those paid for similar work in the labor markets in which the City competes.

Scope of Work

The City intended the Study to include employees that are not part of the police union, including civilian police employees and command staff. Alternatively, the Scope of Work intended to add the union police officers. This Study covers both police and electric union and non-union employees.

The City of Milford and Paypoint HR worked together to clarify job roles to ensure the data compares “apples to apples” for the essential functions of the positions studied. It was decided to involve employees and get their input through job analysis questionnaires and focus groups to assist in the clarification of current job duties and help uncover areas of improvement. The results were helpful in accurately and effectively determining internal equity and conducting the external market analysis.

The purpose of collecting and analyzing external market data was to understand the external value of jobs, compare the findings to the City’s Pay Plan, and develop recommendations.

The market data serves as an indicator of market trends and the internal job analysis serves as a balancing element for determining pay grade assignment. Paypoint HR’s target salary recommendations consider the following:

- Milford’s short and long-term strategic plan,
- Current salary,

- Current job title or rank
- Education, Experience, Knowledge, Skills, Abilities, Certification levels, and,
- Length of service.

The integrated findings from both the classification phase and the compensation phase have resulted in the overall recommendations and has been critical in addressing the following issues:

- Difficulty in recruiting qualified individuals for certain positions;
- Difficulty in retaining qualified employees;
- Internal and external pay equity;
- Pay compression;
- Strengths and weaknesses of the existing Pay Plan; and,
- Fiscal impact of recommendations.

As part of the research developed by Paypoint HR, we have generated comparative ratio report including each position. The industry term for this report is called a compa-ratio report. These reports show each position considered in this study, with their respective compensation and compensation relative to the external market data. All calculations consider the standard number of hours an employee is expected to work based on the position. Using an hourly rate allows for a fair comparison of pay from one organization to another as each organization may have different expectations for the number of hours worked. This approach eliminates confusion caused when using annual salaries.

The final report includes current market pay data by job and compares Milford's Pay Plan to the overall findings.

Methodology

The study was divided into two parts: an internal equity classification phase and an external equity compensation phase. The classification phase was initiated first and included the identification, review, and analysis of work being performed in various positions. Paypoint HR then used this information to more accurately compare compensation for work done by employees within the City to employees doing similar work in the external market.

Phase I - Classification Study

The classification study tasks as set forth by the Request for Proposal included the following:

- Review of background materials to establish a baseline
- Communication with leadership and employees
- On-site orientation sessions with employees

- Development, distribution, collection and review of job analysis questionnaires
- Review of existing classifications for regulatory compliance
- On-site focus groups with employees to verify/clarify information received
- Analysis of findings
- Job Description review and updates
- Recommendations for classifications and job families if warranted
- Recommendations for an employee appeal process
- Development of administration manual for the City to objectively evaluate new or revised positions

Phase II - Compensation Study

The classification study tasks as set forth by the Request for Proposal included the following:

- Review of current compensation practices
- Internal salary relationship analysis
- Identification of appropriate external market comparators and benchmark job titles
- An external market salary survey of vetted public and private sector organizations
- A pay compression analysis
- Recommendations for an externally competitive and internally equitable salary/step plan for each job class
- Development and preparation of training materials and training sessions for key staff to implement and maintain recommendations
- A written final report with specific recommendations and the methodology used to develop the new Classification & Compensation Plan
- Preparation of a fiscal impact analysis of recommendations
- Training as needed to ensure proper implementation and maintenance of the new classification and compensation structure

Background Information

Paypoint HR recognizes that implementations of the new or revised compensation and classification programs must take into account the financial environment, current pay structures, and other variables unique to the City. Paypoint HR has worked to provide an implementation plan that will address current inequities and will provide a framework for external competitiveness.

The City of Milford is a full-service municipal government located in both Kent & Sussex Counties in the State of Delaware. According to the Delaware Census Data reported July 1, 2016, the current population is estimated to be approximately 10,239. The City is ranked 11th for total population and 8th for diversity index out of 77 incorporated municipalities in Delaware. The City provides utilities (water, wastewater, and electric), public services

(street maintenance, solid waste collection, and utility and tax billing), police protection, and operates and maintains parks and recreation programming and facilities.

The City has collective bargaining agreements with the entry level police patrol officers through the rank of Sergeant and electrical department employees.

A comprehensive job classification and compensation study was completed in 2007/2008, which created the current Pay Grade structure and was implemented as of July 1, 2008, along with the creation and/or update of job descriptions.

The recommendations of the study adopted in 2008 had included pay increases for City positions that were to occur over the following three (3) years. The initial first year increase were put into place. However, due to the unfavorable economic climate of the Great Recession of the late 2000's and early 2010's, the City was unable to implement pay increases in the subsequent years. The City has followed the pay scale recommendation implemented in 2008 to adjust pay annually based on the South Consumer Price Index which is approximately 1.7% for the last ten years.

The current City Pay Plan has 16 grades (3 - 18) for a mixed hourly and salaried workforce that works 40 hours per week.

Recent Developments

The City is anticipating the impact of previous decisions to begin impacting the work environment and culture. Some of these decisions include:

The purchase of an automated refuse truck which will need only one staff member to operate instead of two and allow for the City to re-assign the additional employee.

Addition of the new 3.23-acre electric substation on Rt. 14 Milford-Harrington Hwy. that improves operational efficiency and ensures ability to meet capacity demands during the summer.

Recent hiring of a new City Manager, Eric Norenberg, ICMA-CM and new Public Works Director, Mark Whitfield, who both bring experience in the public sector with them. Eric has a Bachelor of Science in Political Science from Heidelberg University in Tiffin, Ohio, a Master of Public Policy from the Ford School of Public Policy at the University of Michigan and he is an ICMA Credentialed Manager. Mark is an active member of the American Public Works Association (APWA), and has served on several APWA committees, including the APWA Solid Waste Committee for six years (two years as Chair) and is a past president of the APWA Central Pennsylvania Chapter Executive Board. In 2009, Whitfield was named an APWA Jennings Randolph International Fellow. Their collective experience enables the City to adopt industry best practices, knowledge, and innovation to ensure smart growth.

Growth

Milford has a favorable environment that attracts new businesses and is projected to have continued growth. Growth rates for Milford are estimated to be:

	Growth Rates 2016-2020
Population	1.39%
Households	1.21%
Families	1.17%
Median Household Income	1.28%
Per Capita Income	1.56%

Ref: Delaware Census Data, July 1, 2016

This growth is transforming the once-secluded summertime beach destination into a year-round community. Indicators of sustained growth are the building of infrastructure, housing units and year-round amenities.

Examples:

- Delaware's Strong Neighborhoods Housing Fund, the Milford Housing Development Corporation will use \$500,000 to create 10 housing units in the City's Downtown Development District area.
- Anticipated opening of the new Bayhealth 168 bed hospital campus in 2019 which will bring additional jobs to the City.
- Opening of the DE Turf Sports Complex, a 5-acre, state-of-the-art multipurpose sports complex featuring 12 synthetic turf fields with sports lighting and scoreboards, centered by a major 700 seat championship stadium. The fields surround a world class indoor field house complex complete with restrooms, concession stands, office space, locker rooms and a multipurpose room.
- Governor Jack Markell's announcement of a statewide expansion of Delaware's Downtown Development District (DDD) program to include the City of Milford. Investors who make qualified improvements to residential, commercial, or industrial properties in Milford's District Area now may qualify for state and local development incentives.

Challenges and Opportunities

Changes in the City's operation, increased needs of the community, major economic shifts, and evolving job roles in the last several years has caused the type, scope, and level of work being performed by employees to change. To address these issues, the City has modified the job roles and related pay over the years.

The results of reactionary adjustments such as these are that over time they become confusing to explain and difficult to administer. A sense of unease can occur from a lack of understanding of the plan or more seriously, a perception of "special deals" being built in to the system. Another common issue with the reactionary adjustments is that they may penalize the employees who have the most experience with the organization through hiring new employees at market while not making accommodations for the existing staff. This can cause experienced employees to look to the external labor market to see what is being paid elsewhere for their position.

Challenges and opportunities the City faces include both internal and external factors such as:

Internal Factors

- Perception of employees that each department is a siloed organization without a clear central mission,
- From a historical perspective, the perception of employees is that there is a lack of communication from leadership,
- Low morale due to perception of pay inequities,
- Need for formal standards to move employees through the pay system as it pertains to new hires, promotions, reclassifications, longevity, education, certification, etc.,
- Difficulty recruiting needed staff in high demand specialties,
- Potential turnover due to baby boomers retiring and competition from other organizations for labor,
- Budget constraints & expectations for increased service levels within the community, and
- Balancing the cost of benefit management.

External Factors

- Changes in demographics with local employers hiring non-English speaking population and these employees moving to Milford.
- Employees being recruited by other local government and private organizations,
- Population growth on the rise,
- Political factors,
- Challenges meeting service demands,
- Changing standards,
- Increased regulations,

- People moving to Milford to retire with the expectations of no or low taxes,
- Crime rates are on the rise, and
- New businesses moving to the area.

Individually, any of these factors are cause for Milford to reconsider its position in the labor market. Together these hurdles require a long-term strategic plan. The consultant team initially requested in-depth data (see Appendix A) from the City and met with the City manager, Eric Norenberg, and Human Resources Manager, Lisa Carmean, to collect data and get clarification of the material provided. We would like to express appreciation to the City for providing the necessary in-depth information, coordination of schedules for the job analysis questionnaire briefing and focus group sessions, and for generating general information for this report.

Summary of Classification Survey Findings

An initial kick-off meeting was held with the City's project leadership team including the City Manager, HR Manager and other stakeholders to gain understanding of the current pay structure, establish reporting relationships, determine schedules for meeting project milestones, and to collect needed background data.

Paypoint HR used the background data collected from the leadership team to establish a baseline on the relationship between job roles and associated compensation. The initial review of the existing pay scales revealed that the Police Union Teamsters LU 326 are likely compensated at the current market rate since Collective Bargaining Agreement finalized July 1, 2014 built in pay scales through its termination date of June 30, 2018. The other employee groups have only received the annual increases and likely their pay is not in-line with the external market.

For the job analysis, Paypoint HR worked with the City's Human Resources department to schedule briefing sessions with employees. The briefings were scheduled for March 2, 2017. In preparation for this portion of the study Paypoint HR developed a custom website for the employees of Milford to complete a job analysis questionnaire. Position Vantage Point (PVP) is the proprietary tool designed by Paypoint HR to collect information about job duties from the employees. Employees are considered Subject Matter Experts on their position and their input was highly encouraged. Questions within the PVP were divided into four (4) categories. Each category covered compensable factors associated to the topic. Compensable factors are reasons for differentiation in pay for jobs. The four (4) categories in the PVP were background, skill, environment, and authority.

The internal relationship of positions and salary levels of job titles were determined by required knowledge, skills, and abilities as well as the environment and scope of decisions for which each job was responsible. Logically, titles with the most complex and most impacting decision levels were at the highest salary levels and titles with the lowest level of decision making were classified in the lower salary levels.

City of Milford, Delaware

Job Classification and Compensation Study

The purpose of the briefing sessions was to discuss the project scope, expectations, the roles of employees and supervisors, as well as to review the job analysis questionnaire. During the briefings, employees were given instructions on how to complete their individual job analysis using the PVP questionnaire. Each employee had the option to complete the questionnaire online or on a paper copy. This gave employees that either do not have access to a computer or who prefer to complete a printed version an opportunity to participate. Employees who completed a hard copy version were asked to seal their responses in an envelope provided by Paypoint HR to hand in to either their supervisor or Human Resources. The due date for submission of PVP responses was set for Thursday, March 9, 2017, giving the employees ample time from the briefing session to complete the survey. An onsite follow-up meeting was held with Eric Norenberg and Lisa Carmean on March 10, 2017.

The completed paper version PVPs were then collected by Milford's Human Resources department and given to Paypoint HR. Paper copies were reviewed by Paypoint HR and manually entered into the electronic database creating a central location for all responses. The electronic database with employees' responses was locked at this time to maintain its integrity. Copies of employee results were reviewed by their respective supervisor on a separate custom website developed for the City. The supervisors were only able to review a copy of the employees' responses who are in their charge. The supervisor's review insured compliance and accuracy. Supervisors were not able to change the employees' response but were asked to give their own response to the same questions.

After using several techniques in analyzing the data collected from the Position Vantage Point (PVP) job analysis, it was determined that enough data was collected for there to be a clear understanding of the compensable factors associated with positions. Having the PVP responses reviewed from a quantitative perspective further confirms objectivity and validity. It was discovered through the PVP findings that positions within the City align with the expected responsibilities and background requirements.

One test used to look at PVP results was a regression analysis against the market study findings. The findings were determined to be a good predictor of compensation. We will expand on this in our recommendations for ongoing administration of the pay plan.

The current system was reviewed for salary compression. Compression typically develops over time and impacts long-tenured employees who have not received pay increases commensurate with the market while new hires with less experience are brought on-board at market rate. The result is that pay is not commensurate with knowledge, skills, and abilities. It is common to see compression in pay following an economic downturn. As the economy strengthens, new employees are brought on at market while existing employees who have been subject to pay freezes are overlooked. It was found that within Milford the way that the annual Consumer Price Index (CPI) adjustments to pay are made, there is a greater risk for compression.

Further review of the current salary schedules shows that there is a wide “spread” between the minimum and maximum within each pay grade. Spread measures the percentage difference between the maximum and minimum salary for a position. It is also an indication of the lateral progression available to an employee within their job title. A narrow spread often is a contributing factor to wage compression as the maximum salary is quickly achieved. Because Milford has a wide spread of 60% the risk of compression is mediated and even the most tenured employees may not have reached the maximum for their grade. In general, the pay scales do offer employees the ability to grow with the organization by providing a large “spread” between to minimum and maximums within each pay grade. After meeting with the employees in focus groups, it was found that the existing plan is not well understood and generally not motivating.

Focus Groups

Paypoint HR conducted onsite and phone focus groups with employees. Both Dr. Rick Campbell III and Karin Campbell attended all 25 sessions. The 23 onsite focus groups were held on Thursday, March 30th & Friday, March 31st. As not all the scheduled groups were able to meet during the onsite visits, two (2) additional focus groups were held on Tuesday, April 11th. The purpose of the focus groups was to have employees share valuable firsthand knowledge and opinions of the existing Milford pay plan. The focus groups generally lasted an hour and consisted of a Q & A session where Paypoint HR asked questions from a pre-set list of ten (10) questions. While the main point of the employee feedback is centered on classification and compensation these topics naturally open discussion to a number of other factors. This is a normal communication pattern and we address the topics as they presented themselves in the discussion. The City may want to consider exploring the issues raised during the study that are outside of the scope of work for a Classification and Compensation Study. A copy of the list of questions is shown below:

1. Is the current job description accurate for your unique position?
2. Do you have a clear understanding of Milford’s goals?
3. What general trends/forces impact your and Milford’s success?
 - a. Economic
 - b. Regulatory
 - c. Cultural
 - d. Technology
 - e. Organizational structure
 - f. Demographics
 - g. Political
 - h. Natural environment/Other

4. Who are Milford's competitors for labor? Who are industry leaders and what contributes to their success?
5. Has Milford had difficulty retaining, developing, motivating, and recruiting competent performers in any position?
6. Who are key sources of employees for Milford? Any recommendations?
7. Do you understand your compensation plan?
 - a. Is it motivating/fair?
 - b. Is it in-line with Milford's goals?
 - c. Does it use the right metrics?
 - d. Does it allow for advancement in your career ladder?
 - e. Is it competitive?
 - f. What does it recognize? Education, tenure, performance?
8. Does Milford's work environment encourage the following:
 - a. Personal growth,
 - b. Team Building,
 - c. Praise for effort, not just outcomes, or,
 - d. Kindness & caring?
9. Pick one:
 - a. Individual incentives
 - b. Group incentives
 - c. Individual & Group incentives
10. What recommendations for improvements do you have?

Approximately 87 employees were scheduled to attend the focus group sessions and actual attendance was very close to 100%. Employees were given an acknowledgement form to sign that explained the ground rules for focus groups. Participation was strongly encouraged but voluntary. The following departments were represented by attendees of the focus groups:

- Administration
- Customer Service
- Finance
- IT
- Parks & Recreation
- Police
- Solid Waste
- Water & Sewer
- Communications
- Electric
- Garage
- Leadership
- Planning / Zoning & Code
- Public Works
- Streets

A brief description of the comments made by focus group participants are summarized in the remainder of this section. It is important to note that the views shared in this

summary are not necessarily supported by Paypoint HR. Information that may identify the commenter has been removed. The feedback obtained provides a much stronger foundation for the study than simply reading the information from handbooks, job descriptions, and agreements. The comments and suggestions received during these meetings are one component to the study.

The format of the questions was set up so that employees see themselves as part of the bigger picture of Milford. This helps them to give feedback that is more strategic and focused on the long term.

In the following paragraphs, the responses from the Focus Groups have been grouped by topic.

1. Job Descriptions

- It was discussed that the employees would like to see their job descriptions periodically and have convenient access to them. It was thought that having them available on the City's website would make it convenient. Several employees mentioned seeing their job description within the last few days as an initiative started by the Human Resources department but that it has been several years since their job description have been reviewed to reflect changes in responsibilities that occur over time.
- Changes in the essential functions of positions can be due to technology upgrades, changes in regulations, additional education or certification requirements, organizational changes, and greater demands put on the City by the community.

2. Organizational Goals

- Employees expressed the desire to be kept informed on the City's goals. It was widely stated that employees felt that having an overall Goal for the City would help them know how to prioritize their work and make decisions on issues that directly impact the residents of Milford. A few employees recited the Chamber of Commerce's slogan of "River Town, Art Town, Home Town" as a goal for the City.
- Many groups mentioned having departmental goals or an overall idea of goals such as customer service, grant approvals, increased recycling rates, competitive electric rates, safety, cross-functional training, fast response times, and financial goals
- Parks and Recreation mentioned a goal initiated by a previous department manager of making the Mispillion River a focal point for the City. By setting that goal, the City was slowly able to create the mile-long path to host events like the Bug and Bud Festival, National Night Out, Community Parade, Eat in the Street, Holiday Stroll, and the Freedom Festival.
- In recent years due to the economic recession, it was said the goal was to find people to purchase homes in the area to bolster the local economy. It was

City of Milford, Delaware Job Classification and Compensation Study

thought that this was a short-term approach to growth and didn't take into account the risks associated with rapid growth.

- The employees generally wanted to see controlled growth that protects the small town feel of Milford and also allows for economic development.
- Employees are encouraged by the new City Manager's experience with public sector management and the fact that the City will be developing a strategic plan.
- Numerous employees mentioned their personal pride in their work as motivation to do an excellent job for the City. Employees requested having training standards and succession planning. Employees were very appreciative of training programs and wanted the City to help them continue getting information that they can bring back and use daily.
- The employees spoke highly of the existing leadership team and felt they are keeping the high standards they promised. The favorable opinion carried over into support for the changes introduced by the City Manager and Police Chief. Employees hold the new Police Chief and City Manager in high regard. There is a lot of respect for the City Manager's willingness to subject himself to a 360° performance review through the International City Management Association (ICMA) credentialing program. Equally respected is the Police Chiefs open door and transparency approach to leadership.
- The Mayor, was also seen as a positive leader for the City. The new Public Works Director's ideas for change have employee support but this department could benefit from change management training. The overall opinion was that the leadership team members promote morale and lead by example. When describing the leadership team adjectives like, honest, effective communicator, positive, open, pro-active, and dedicated were used. Employees would like to see and hear from leadership more frequently to get a better understanding of the organization outside of their department. The City Manager has held meetings with Public Works Supervisors monthly from January to July of 2017. The general employees of the Public Works department would like to meet with the City Manager to better understand the goals and vision of the City. There was the opinion that departmental goals should be shared across the organization.
- Employees would like the City committed to making facility updates to the Armory and the new Police Station.

3. General Trends

- There were a number of trends that employees felt effect their success and the success of the City.
 - a. Economic
 - Economic issues related to the Great Recession and how it affected their pay was one of the most frequent issues mentioned.

City of Milford, Delaware Job Classification and Compensation Study

- Employees recalled being told after the 2007/2008 compensation study, they would receive a 21% increase in pay over a three (3) year period in order to catch them up to the external market. They received a single 7% increase and have since only received the CPI increases annually as approved by the City Council.
 - Grants are another issue that puts stress on employees. Grant writing is not built into some job descriptions and is required to keep funding for numerous initiatives. They felt they are limited in the time they have to look for or apply to grants. They have an ongoing fear that grant money will go away or that there are grants they haven't accessed even though they are available.
 - There seems to be a trend of population growth with new businesses in the area and people from New York and New Jersey considering Delaware a good place to retire.
 - Parks and Recreation want to make as many programs accessible for youth by keeping costs low and would like to take language courses to communicate better.
 - The land in area is inexpensive and it is often less expensive to purchase and build a new home than to buy an existing home.
 - The City Hall is located in close proximity to an area frequently cited for criminal activity and there is a concern not only for the image of the City but also the safety of its employees and residents.
- b. Political/Regulatory
- The political trend was that leadership and decision quality were improving and the City has come a long way in improving the services offered to the community.
 - Employees mentioned having the impression that politicians were afraid to make tough decisions out of concern for re-election. Employees felt two-year term limits were too short for leadership to make meaningful decisions.
 - Staffing levels are not a topic for the bargaining agreements.
- c. Cultural
- Employees see children of non-English speaking parents acting as translators for the family. Staff use google translator which help communication and builds rapport.
 - Due to fear of being deported, residents do not report code or legal matters.

City of Milford, Delaware Job Classification and Compensation Study

- Nationally there have been a number of events that have reflected poorly on Police.
- Police stated they see drug use on the rise and an increase in serious crimes.
- It was stated that in the local schools there is a positive influence provided through the grant funded, Police School Resources Officers program. The program encourages relationships development with the schools, parents and students.
- Employees feel there is an improved community outreach program with the new Police Chief and events like the National Night Out at Bicentennial Park.

d. Technology & Tools

- It was discussed that there are departmental social media and public relations efforts but no centralized effort to communicate positive activities happening in the City. Employees felt community events would have better attendance if the City maximized communication outlets.
- Police Officers currently use own telephones for directions outside of city limits.
- Uniforms worn by employees in departments that have direct contact with residents help meet safety standards, maintain professionalism, and create positive image for the City.
- At the time of the Focus Groups, Milford was manually entering time cards for police officers. This method is prone to error and inefficiencies though there is some value to manual entry as it requires additional checks and balances. Since then, the City has bridged the gap between the ADP system used by the police department and the Sungard system used throughout the rest of the City by purchasing ExecuTime software which has a Sungard interface and resolves the issue.
- While Police felt staffing levels were their priority, they see a major benefit to having each officer have their own assigned rifle so that the officer in charge of them can track them better. They would also like to see the City consider offering Police that live in Milford have take-home patrol cars.
- The phone system, Milford uses does not allow the Dispatchers to distinguish between emergency and non-emergency calls. Milford may want use other phone line extensions for non-emergency calls.
- In addition to responding to emergency calls with a handheld phone Dispatchers are also responsible for monitoring cameras and opening

City of Milford, Delaware Job Classification and Compensation Study

door for officers when they are escorting prisoners. (Officers have to release hold on prisoner in order to punch in key code to open door if dispatch cannot). Recommend equipping dispatchers with wireless headsets to reduce issues.

- The Police Tracker software system goes out several times per shift and pings the Lieutenant every time. He is the sole person trained to work with the system for troubleshooting and had been contacted while on vacation to address issues.

e. Organizational

- A unique factor with regards to the organizational structure within in Milford is that the Police Chief reports directly to the Council instead of the City Manager
- Police department employees felt there was an internal inequity between the compensation of Sergeants and positions of higher rank (Lieutenants, Captain, Chief).
- Police: Police Officers mentioned having a high case load relative to other local jurisdictions.
- The Police have one or two female officers on staff and have to make calls to outside agencies if they are unavailable to process female suspects. It was felt having additional staff would be helpful for these situations.
- Employees would like to see diversity in the leadership team.
- There is no formal structure for adding positions to the existing classification and compensation plan. Feel it isn't fair or based on legitimate factors.
- Staffing levels of some departments may be too low, others seem too high which may be addressed with the updated classifications and organizational changes.
- Employees feel departments are very isolated/independent.
- When there are code infractions, the City uses available resources to assist the homeowner or business owner in meeting their obligations.
- Employees feel they have very good relationships with residents and understand the needs of the residents through individual rapport building efforts.

f. Demographics

- Employees expressed they see a growing number of non-English speaking people moving to the area to work for local businesses. A

City of Milford, Delaware Job Classification and Compensation Study

demographic trend employees have seen was a growing population of residents who speak Haitian Creole. They also have seen a greater number of minorities and families sharing housing units.

- The City uses court certified translators as necessary and have established relationships with vendors for formal interactions. For day-to-day operations, there is limited ability of staff to effectively communicate with non-English speaking residents. Employees mentioned having translation dictionaries that they keep as a reference tool. Employees see a value to having time and training to learn other languages.
- It was stated that Milford's school system has 48% of school age children on the free or reduced lunch program. It was felt this statistic was an indicator of the demographics the City serves. Employees from Parks and Recreation notice a drop in participation levels when there are issues affecting the economy like the Great Recession. Due to financial constraints, residents are unable to pay the fees for registration, transportation, or opportunity costs related to time off work.
- It was stated that retirees moving to the area do not see the same advantages to higher taxes for schools and youth services.
- There are communities that have a Milford address who are outside of the City limits. While this population does not contribute to the City's taxes, they expect City benefits and the City does try to accommodate them.
- City Police respond to calls when other jurisdictions can't get there timely through a mutual aid policy.
- Because Milford is in both Kent and Sussex Counties, staff must complete multiple forms to meet compliance standards associated with both.

g. Political

- It was felt that if the Police Chief reported to the City Manager that there would be more of a coordinated effort in reaching the City's goals.
- Employees suggested longer term limits for elected officials. The comment was made that elected officials could have a fear of making long-term decisions that are in the best interest of the City if they have perceived negative short-term implications.
- Employees would like to have management bring issues to employees directly. Morale in the Electric department was negatively impacted when the break room was consolidated into a smaller space in another building.

City of Milford, Delaware Job Classification and Compensation Study

- It was mentioned that one or two positions in the City can telework. As there wasn't a formal telework policy, it was perceived to be unfair. Human Resources is aware of the concern and is adding a formal policy to the new HR Policy Manual that is currently under review.
- Employees are encouraged by the City Council's willingness to conduct a compensation study to remain competitive and their ability to see pay as part of a strategic plan.

h. Natural Environment/ Other

- The City is impacted by tides and sea level which can put additional strain on emergency services during inclement weather. The City employees go above and beyond to keep each other and the community safe during storms and emergencies. An example that was cited was during a major snow storm, management personnel made sure that snow plow and emergency services employees were fed since everything was closed and they were working long shifts.
- Milford is larger than the city it is most often compared to Smyrna and Seaford. Milford is 5.6 square miles, Smyrna is 3.7 square miles, and Seaford is 3.6 square miles. This makes serving the community more of a challenge.
- It was stated that workload/caseload is greater than Smyrna and Seaford.

4. Milford's Competitors for Labor

- Employees listed the following organizations and possible competition to Milford for labor:
 - Private Contractors
 - Delmarva Power
 - Exelon
 - Choptank Electric Coop
 - Delaware Electric Coop
 - Other Municipalities such as Newark, Lewes, Georgetown, Smyrna, Seaford, Rehobeth, Dewey, Dover, Middleton, New Castle, University of Delaware, State and County
 - YMCA
 - Boys and Girls Club
- It was felt that competitors can easily attract younger candidates from the external labor force as well as those employees who have been trained in Milford because they don't have as great of a need for benefits.

- There is a strong word of mouth system locally and employees from different local governments talk about the work climate. Employees are attracted to Milford or leave due to proximity of family and family needs.

- Part-time employees have second jobs and cannot fill in for vacancies.

5. Difficult to fill Positions

- Employees from most departments did not feel turnover rates were above normal but did feel it was difficult to find qualified candidates for open positions.
- Employees expressed the need for Milford to prepare for baby boomers who are leaving the work force soon.
- Positions where there is difficulty finding and retaining staff:
 - Lieutenant
 - Electric Groundmen
- Employees would like to see additional openings for journeyman in the Electric Department.

6. Ideas for Sources of Labor

- Succession planning
- University of Delaware
- Other local municipalities
- Internships
- Referral Program

7. Understanding of Existing Plan

- They generally understand that their pay increases with the Consumer Price Index (CPI) Southern Mid-Atlantic Region and that the Council votes to approve it each year. The South region is comprised of Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia. Employees across the board do not feel it is motivating.
- Though HR has communicated the COLA increases, employees feel it is not easily understood because they never see the calculation behind the CPI increase. They felt it isn't straight forward and don't see the full amount reflected in their paycheck. They would like to see the calculation and have it explained. versus increased pay, this may alleviate some confusion. The electric department cited that the increase is a percent off the base pay which increases the disparity between steps. They understood the calculation to be based on the employee's

- base pay which would mean the lower on the pay scale a position was classified, the lower the increase.
- Some employees mentioned the feeling that the City is looking out for the employees and understand that experience is sometimes more important than a degree.
 - New positions seem to “jump” pay grades or do not recognize additional responsibilities. They feel it can be subjective or a popularity issue.
 - Employees stated the feeling of bias in the existing pay system due to a perceived old boy network with the former leadership. They feel current leadership seems committed to transparency, setting clear expectations, and consistent in application of policies which should mitigate these concerns.
 - Employees who oversee seasonal employees feel they are not recognized for training them.
 - Employees explained that the City gives Compensatory Time but the employees do not see it. Most departments are busy year-round so they cannot take the time earned.
 - Employees expressed that additional applicable certifications or risk exposure are not recognized in the pay system fairly.
 - It was widely accepted that the existing system is not motivating because employees have no way of impacting pay if it is an across the board increase for all staff. It was expressed that these types of pay increases are expected and employees have become “numb” to them. Employees would like the ability to recognize excellent performance. Those that perform above expectations feel discouraged when they see peers who get the same pay for less work. Milford HR is proposing recognition policy where excellent performance is rewarded.
 - Several groups expressed concern for pay compression.

8. Work Environment

- Most departments felt that there have been major strides made in making departments more connected but still felt some silo departments still exist. Previously there was the perception of manipulation and in-fighting. It was stated that with the new leadership, the culture has improved.
- Employees who have weekly departmental meetings felt more aware of organization direction and had more positive outlook. Employees appreciate when the managers implement fun activities and recognize achievements. They feel an element of respect when they are asked their thoughts on challenges which is encouraging.
- Employees appreciate the ability to take certification and continuing education courses and get reimbursed.

- Due to the nature of some positions, some employees have different workloads and higher expectations to work on weekends and holidays.
- There is no career ladder in some departments. It was stated that the only factor for consideration of a higher position in some areas is longevity.
- Employees stated part-time staff can work 8 to 12 hour shifts but do not get the same benefits as full-time employees.
- Some work units within Public Works do not feel properly appreciated or given opportunity for growth.
- Employees said they know on a day-to-day basis they give excellent customer service like; fast response times, improvements to work flow, troubleshooting, and good utilization of resources; but it is the infrequent complaint that gets the attention of their managers.

Summary of External Survey Findings

For this study, Paypoint HR gathered and compiled current pay information from the City's key competitors for labor. In order to yield results that are indicative of the labor market, both private and public-sector employers were considered. Much effort was put into determining appropriate organizations to consider for participation in the study. There were eight economic metrics considered for comparable organization selection. Paypoint HR's final report provides data representative of organizations near the City of Milford. The eight (8) metrics considered include:

- Proximity
- Population
- Median Housing Price
- Median Household Income
- Cost of Living
- Unemployment Rates
- Labor Force Participation
- High Graduation Rates

The custom external market survey was conducted to capture a clear picture of pay in the labor market. Both public and private organizations that met the selection criteria were given the salary survey. The salary information collected from the organizations that responded represented the majority of positions included in the survey. To validate the findings of the custom study, Paypoint HR used additional external market data from our resource library. Based on the results, the findings from the custom survey were found to be in line with the data from a larger pool of participants indicating that findings were relevant.

Benefit Survey Summary

The benefit survey was designed to get a snapshot of the participant's employee benefit offerings. It was not intended to be an in-depth benefit survey comparing the benefit summaries, premiums, co-pays, and deductibles. Further, benefit analysis looks at benefits as a portion of total compensation. In aggregate data, it is reported as a percentage of pay using the number of employees within each organization. Elements within each organization are not equal. For example, there may be more part-time or seasonal workers employed at an organization who are not eligible for benefits. Using part-time or seasonal wages in the calculation could skew the findings.

Questions included in the Benefit Survey addressed the following:

- 1) Does your organization have a pay for performance system in place? For example, a bonus or stipend plan? How does it work?
- 2) What pension plans do you offer and is there an employer match? What are the terms of the employer match?
- 3) Do you offer major medical, dental & vision benefits? What are the employer/employee contributions to premiums?
- 4) Do you offer employees any auto allowances?
- 5) When were your pay ranges/pay scales last adjusted?
- 6) How are salaries adjusted? (Longevity, performance, COLA, etc.)
- 7) What do benefits cost the organization in relation to the total compensation? For example, Salaries/Benefit ratio 70/30. What benefits are you including in your calculation?
- 8) What benefits do you offer to retirees?

Responses

Only one of the external market survey participants reported offering a pay-for-performance plan however five organizations stated they use performance to adjust pay. The organization with a formal performance pay plan was a utility firm and they offer a percent of total salary in an annual payout if corporate goals are met.

External Market respondents reported having defined contribution plans, defined benefit plans, State Pension Plan, 401A, deferred compensation plans, and 457 pension plans for employees. Employer matches ranged from 0% - 13.77%. The highest contribution for non-union employees was 13.5%.

Survey respondents reported paying 70% - 100% of employee only medical benefits. The majority of respondents paid 90% of the employee's premium amount. Employers

reported requiring their employees to pay more for dependent coverage up to 50% of premiums. Several respondents reported having cut-off dates for contribution amounts based on hire dates with more recent hires paying more of the premium.

40% of respondents reported offering some type of auto allowance or personal use of employer vehicles.

All respondent reported updating their pay scales in the last two (2) years.

50% of respondent reported adjusting pay based on performance evaluations. Other forms of pay increases included union agreements, longevity, COLA, annual increase as voted by Council, step increases, and based on external market studies.

Cost of benefits as a percent of total compensation ranged from 20% - 51% with an average of 33.625%. This is consistent with the national average of between 30-35% for non-union employees and 40% for union employees.

70% of respondents offered some type of benefit for retirees. Two respondents offer a life insurance policy for retirees. For medical coverage premiums, there were established parameters associated with hire date, length of service, and conversion to Medicare that determine amount of any contributions.

D. Public Comparators

Purpose

To determine economically comparable organizations for inclusion in the external market study by comparing economic metrics of the City of Milford to those of proximal communities.

Methodology

The goal was to understand how each of the thirty-one (31) proximal communities compared with the City of Milford. Seven (7) metrics that were chosen for evaluation were population, unemployment rate, labor force participation rate, median household income, cost of living adjustment, median housing price, and High School graduation rate. Each metric was assumed to be equally important and were examined individually and in combination.

A statistic was produced for each metric by first taking the absolute value of the difference between the metric for a proximal community and the same metric for the City of Milford, for example, the difference between the population of Seaford, Delaware and the City of Milford. The difference was then divided by the sum of the mean value of the differences and twice the standard deviation of the differences to understand how the difference varied for each proximal community in relation to the sample population of thirty-one (31) communities as a whole.

Two standard deviations from the mean was chosen, rather than the maximum deviation, to eliminate the influence of extreme outliers. For example, the population of Dover, Delaware is more than three times larger than the population of the City of Milford. Had the maximum value been used, the relative weight of the population metric, or rather its' importance, would have been substantially skewed. If any of the metrics had a value in excess of two standard deviations from the mean, then the proximal community was considered to not be a good comparator for the City of Milford - highlighted in **red** in Table 1 through Table 4.

From a statistical perspective, Chebyshev's Inequality Theorem indicates that 75% of all data values would be within two (2) standard deviations of the mean for a generic distribution. If a normal distribution exists, then values less than two (2) standard deviations account for 95.45% of the population. The choice of population comparison is therefore statistically sound and appropriate.

A summary table of these calculations is presented in the following tables. (Sample calculations are also presented.) The variances are summed to produce a total value for each proximal community and ordered from minimum variance to highest.

City of Milford, Delaware Job Classification and Compensation Study

Table 1 - Communities in Proximity to Milford

≤ 20 miles	≤ 40 miles	≤ 60 miles	> 60 miles
Harrington, DE	Dover, DE	Townsend, DE	New Castle, DE
Milton, DE	Lewes, DE	Easton, MD	Newark, DE
Georgetown, DE	Seaford, DE	Salisbury, MD	Elkton, MD
Bridgeville, DE	Millsboro, DE	Berlin, MD	Elsmere, DE
Camden, DE	Federalsburg, MD	Middletown, DE	
	Laurel, DE	Chestertown, MD	
	Smyrna, DE	Fruitland, MD	
	Clayton, DE	Cambridge, MD	
	Selbyville, DE	Ocean City, MD	
	Ocean View, DE	Princess Anne, MD	
	Delmar, MD	Snow Hill, MD	

Table 2 - Communities in Proximity to Milford (Sorted Alphabetically)

Berlin, MD	Bridgeville, DE	Cambridge, MD	Camden, DE
Chestertown, MD	Clayton, DE	Delmar, MD	Dover, DE
Easton, MD	Elkton, MD	Elsmere, DE	Federalsburg, MD
Fruitland, MD	Georgetown, DE	Harrington, DE	Laurel, DE
Lewes, DE	Middletown, DE	Millsboro, DE	Milton, DE
New Castle, DE	Newark, DE	Ocean City, MD	Ocean View, DE
Princess Anne, MD	Salisbury, MD	Seaford, DE	Selbyville, DE
Smyrna, DE	Snow Hill, MD	Townsend, DE	

City of Milford, Delaware Job Classification and Compensation Study

Table 3 - Economic Data of Milford and Comparators

Community	Population	MHP	MHI	COLA	U Rate	LFP Rate	HS Grad Rate
Milford, DE	9,993	\$180,600	\$45,368	101.2	5%	60%	86%
Berlin, MD	4,520	\$217,500	\$57,782	106.2	4%	69%	85%
Bridgeville, DE	2,364	\$227,200	\$52,396	105.1	6%	48%	84%
Cambridge, MD	12,534	\$162,000	\$35,354	99.1	8%	65%	84%
Camden, DE	3,501	\$193,100	\$59,721	108.3	4%	68%	92%
Chestertown, MD	5,186	\$231,600	\$43,977	104.2	3%	44%	85%
Clayton, DE	3,034	\$190,100	\$65,612	106.2	5%	71%	86%
Delmar, MD	3,026	\$133,100	\$51,117	100.5	5%	73%	90%
Dover, DE	37,144	\$176,300	\$45,363	102.4	5%	60%	87%
Easton, MD	16,599	\$272,200	\$50,496	111.9	4%	60%	87%
Elkton, MD	15,718	\$206,800	\$53,851	107.7	6%	62%	85%
Elsmere, DE	6,154	\$169,400	\$47,704	103.5	8%	68%	78%
Federalsburg, MD	2,676	\$145,700	\$34,707	96.1	8%	59%	76%
Fruitland, MD	5,110	\$162,200	\$65,707	102.0	4%	69%	91%
Georgetown, DE	6,775	\$210,300	\$45,983	105.7	7%	69%	64%
Harrington, DE	3,665	\$147,400	\$37,321	99.7	7%	69%	88%
Laurel, DE	3,916	\$134,300	\$33,525	93.3	7%	65%	78%
Lewes, DE	2,887	\$477,300	\$56,058	138.4	1%	42%	91%
Middletown, DE	19,744	\$259,800	\$84,451	114.3	3%	72%	93%
Millsboro, DE	4,050	\$184,800	\$46,350	100.5	3%	63%	81%
Milton, DE	2,717	\$220,100	\$46,643	107.3	3%	56%	89%
New Castle, DE	5,371	\$199,900	\$56,307	108.7	4%	62%	89%
Newark, DE	32,740	\$268,100	\$54,187	114.6	3%	50%	96%
Ocean City, MD	7,074	\$291,000	\$52,410	116.5	5%	56%	92%
Ocean View, DE	1,880	\$347,500	\$69,688	128.0	5%	49%	97%
Princess Anne, MD	3,325	\$165,500	\$23,319	97.6	3%	49%	78%

City of Milford, Delaware Job Classification and Compensation Study

Community	Population	MHP	MHI	COLA	U Rate	LFP Rate	HS Grad Rate
Milford, DE	9,993	\$180,600	\$45,368	101.2	5%	60%	86%
Salisbury, MD	31,883	\$149,000	\$37,704	102.3	7%	63%	86%
Seaford, DE	7,290	\$162,900	\$38,145	97.8	4%	56%	79%
Selbyville, DE	2,675	\$252,600	\$41,853	110.8	4%	68%	72%
Smyrna, DE	10,904	\$191,200	\$54,217	103.2	4%	69%	90%
Snow Hill, MD	2,343	\$134,100	\$38,194	96.1	8%	62%	82%
Townsend, DE	2,617	\$299,100	\$102,057	120.9	3%	70%	89%

MHP - Median Housing Price
MHI - Median Household Income
COLA - Cost of Living Adjustment

U Rate - Unemployment Rate
LFP Rate - Labor Force Participation Rate
HS Grad Rate - High School Graduation Rate

Table 4 - Variances of Comparators

Community	Total	Population	MHP	MHI	COLA	U Rate	LFP Rate	HS Grad Rate
Milford, DE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Berlin, MD	1.96	0.29	0.22	0.36	0.21	0.28	0.54	0.07
Bridgeville, DE	2.18	0.40	0.28	0.20	0.17	0.28	0.72	0.14
Cambridge, MD	1.89	0.13	0.11	0.29	0.09	0.83	0.30	0.14
Camden, DE	2.30	0.34	0.07	0.41	0.30	0.28	0.48	0.41
Chestertown, MD	2.31	0.25	0.30	0.04	0.13	0.56	0.96	0.07
Clayton, DE	1.88	0.36	0.06	0.58	0.21	0.00	0.66	0.00
Delmar, MD	1.90	0.36	0.28	0.17	0.03	0.00	0.78	0.27
Dover, DE	1.57	1.42	0.03	0.00	0.05	0.00	0.00	0.07
Easton, MD	1.84	0.35	0.54	0.15	0.46	0.28	0.00	0.07
Elkton, MD	1.44	0.30	0.16	0.25	0.28	0.28	0.12	0.07
Elsmere, DE	2.30	0.20	0.07	0.07	0.10	0.83	0.48	0.55

City of Milford, Delaware Job Classification and Compensation Study

Community	Total	Population	MHP	MHI	COLA	U Rate	LFP Rate	HS Grad Rate
Federalsburg, MD	2.70	0.38	0.21	0.31	0.22	0.83	0.06	0.69
Fruitland, MD	2.15	0.26	0.11	0.59	0.03	0.28	0.54	0.34
Georgetown, DE	3.16	0.17	0.18	0.02	0.19	0.56	0.54	1.51
Harrington, DE	2.06	0.33	0.20	0.23	0.06	0.56	0.54	0.14
Laurel, DE	2.68	0.32	0.27	0.34	0.34	0.56	0.30	0.55
Lewes, DE	6.56	0.37	1.76	0.31	1.58	1.11	1.08	0.34
Middletown, DE	4.43	0.51	0.47	1.13	0.56	0.56	0.72	0.48
Millsboro, DE	1.47	0.31	0.02	0.03	0.03	0.56	0.18	0.34
Milton, DE	1.91	0.38	0.23	0.04	0.26	0.56	0.24	0.21
New Castle, DE	1.60	0.24	0.11	0.32	0.32	0.28	0.12	0.21
Newark, DE	4.38	1.19	0.52	0.25	0.57	0.56	0.60	0.69
Ocean City, MD	2.31	0.15	0.65	0.20	0.65	0.00	0.24	0.41
Ocean View, DE	4.67	0.42	0.99	0.70	1.14	0.00	0.66	0.76
Princess Anne, MD	3.00	0.35	0.09	0.64	0.15	0.56	0.66	0.55
Salisbury, MD	2.34	1.15	0.19	0.22	0.05	0.56	0.18	0.00
Seaford, DE	1.60	0.14	0.10	0.21	0.14	0.28	0.24	0.48
Selbyville, DE	3.04	0.38	0.43	0.10	0.41	0.28	0.48	0.96
Smyrna, DE	1.55	0.05	0.06	0.26	0.09	0.28	0.54	0.27
Snow Hill, MD	2.33	0.40	0.28	0.21	0.22	0.83	0.12	0.27
Townsend, DE	4.93	0.39	0.70	1.64	0.84	0.56	0.60	0.21

MHP - Median Housing Price
MHI - Median Household Income
COLA - Cost of Living Adjustment

U Rate - Unemployment Rate
LFP Rate - Labor Force Participation Rate
HS Grad Rate - High School Graduation Rate

Sample Calculation for Smyrna, DE

Cost of Living Adjustment (COLA) Variance

Maximum COLA = 138.4 (Lewes, DE)

Minimum COLA = 93.3 (Laurel, DE)

Smyrna COLA = 103.2

Milford COLA = 101.2

Statistic - Absolute value of the COLA difference
between each comparator and Milford

Statistic Average (μ) = 7.247

Statistic Standard Deviation (σ) = 8.115

$$\text{Variance} = \frac{|\text{Smyrna} - \text{Milford}|}{\mu + 2\sigma}$$

$$\text{Variance} = \frac{|103.2 - 101.2|}{7.247 + 2 \times 8.115}$$

$$\text{Variance} = 0.09$$

Notes

1. The mean and standard deviation is calculated from the population difference between each comparator and Milford and not just the population of each comparator.

E. Private/Semi-private Comparators

To supplement the Public Comparators, particularly for positions related to Milford's electric department, the following list of private/semi-private comparators were contacted to participate in the study.

Delaware Municipal Electric
Delmarva Power, An Exelon Company
Easton Utilities, Maryland
New Castle Municipal Services Commission, Delaware

Work Product

F. Benchmark Positions

In Table 5, the benchmark positions used in the external salary survey are presented. From this list of benchmark positions, all positions employed by the City of Milford where examined.

Table 5 - Benchmark Positions

Chief of Police	City Clerk
Customer Service Supervisor / Software Specialist	Deputy City Clerk / Executive Assistant
Electric Ground Technician	Electric Lead Line Technician
Electric Line Supervisor	Electric Line Technician, First Class
Electric Line Technician, Third Class	Electric Operations Supervisor
Electric Superintendent	Equipment Operator
Human Resources Manager	IT Technician
Meter / SCADA Technician	Meter Technician I
Park Superintendent	Park Technician I
Parks and Recreation Supervisor	Payroll Administrator
Planning and Economic Development Director	Police Captain
Police Dispatcher	Police Lieutenant
Public Works Director	Recreation Superintendent
Refuse Collector	Sanitation Driver
Utility Worker	Water and Wastewater Technician
Police Patrolman	Police Patrolman First Class
Police Corporal	Police Sergeant

G. Proposed Salary Schedules

Spread measures the percentage difference between the maximum and minimum salary for a position. It is also an indication of the lateral progression available to an employee within their job title. A narrow spread often leads to wage compression as the maximum salary is quickly achieved. A narrow spread can also lead to low morale and high turnover as economic advancement is limited. It is important that the spread is consistent amongst all employees so that all positions have a relatively equal advancement opportunity.

The Salary Schedule for General Employees has a robust spread of 60%, and no change to the spread is recommended. The spread between the minimum salary of a Patrolman and the maximum salary of a Sergeant, represented by Teamsters LU 326, is a robust 64%. It is recommended that the City of Milford use a common spread.

Ladders define the percentage salary difference between consecutive groups of job titles. Ladders can be used to differentiate employees with different knowledge, skills, and abilities and motivate career advancement. The ladder between grades for General Employees is currently 9%. It is recommended that the ladder be increased to 10%.

It was found that 17% of those employed are at entry level, while 17% are at the maximum compensation of the grade. Additionally, a similar percentage of employees are below the midpoint as they are above the midpoint. This suggests that retention of employees has not been problematic. (Compression can occur when employers, in order to attract new employees, have to compensate at rates above the minimum for the grade, thus “compressing” the relative compensation of longer tenured employees, especially those at the maximum of the grade.)

Compression Analysis

Analysis of the number of employees currently near the minimum and maximum of a pay grade shows that the distribution is fairly broad-banded and without dramatic peaks.

Analysis suggests the midpoint of the pay grade is likely not the determining factor in turnover but the placement of employees near the minimum of the pay scale could be a factor. Milford may want to consider giving new hires in these positions the opportunity to advance more quickly in the steps for their grade.

Under the current pay implementation technique, all salaries in a grade are increased based on the Southern Mid-Atlantic CPI. The CPI is applied to the midpoint for a standard increase across the pay grade. The result is that employees **above** the midpoint receive a smaller percentage increase as compared to those below the midpoint. For example: A 3% CPI increase is calculated on a midpoint of \$20 and yields an amount is \$0.60. The \$0.60 is applied to the minimum of the pay grade which is \$10

City of Milford, Delaware Job Classification and Compensation Study

and the maximum of \$30. The same \$0.60 is 6% of the \$10 minimum and 2% of the \$30 maximum. This approach reduces the risk of an employee reaching the maximum of their grade and the impact of any compression risk.

Table 6 – 2016-2017 Pay Schedule, General Employees

Current Grade	Min Salary	Mid Salary	Max Salary	Spread
18	\$89,792	\$116,729	\$143,666	60%
17	\$82,378	\$107,090	\$131,804	60%
16	\$75,577	\$98,250	\$120,921	60%
15	\$69,337	\$90,137	\$110,937	60%
14	\$63,611	\$82,695	\$101,777	60%
13	\$58,359	\$75,867	\$93,373	60%
12	\$53,541	\$69,602	\$85,664	60%
11	\$49,119	\$63,857	\$78,591	60%
10	\$45,065	\$58,584	\$72,103	60%
9	\$41,345	\$53,747	\$66,160	60%
8	\$37,931	\$49,309	\$60,686	60%
7	\$34,799	\$45,238	\$55,677	60%
6	\$31,926	\$41,503	\$51,080	60%
5	\$29,290	\$38,076	\$46,862	60%
4	\$26,872	\$34,933	\$42,993	60%
3	\$24,654	\$32,049	\$39,444	60%

H. Compensable Factor Score from Position Vantage Point Job Survey

To assist in determining the internal hierarchy of positions at the City of Milford, the employees and managers of the City participated in the Position Vantage Point Job Survey. Job descriptions were consulted to update both the minimum education level and minimum experience level required for each position. The responses were then evaluated, producing the Compensable Factor Score as shown in Table 7.

Table 7 – Compensable Factor Score (CFS)

Current Grade	Job Title	CFS Score
18	City Manager	118.2
17	Chief of Police	109.7
16	Director of Public Works	75.4
16	Finance Director	72.1
15	City Engineer	45.3
15	Superintendent, Electric	63.1
14	Coordinator of Planning & Economic Development Activities	71.1
14	Information Technology Manager	66.8
14	Police Captain	69.2
13	City Clerk	38.7
13	Director - Parks & Recreation	41.2
13	Police Lieutenant	44.8
13	Supervisor, Streets & Solid Waste	35.6
12	Accounting Manager	43.6
12	Customer Service Manager / Software Specialist	42.8
12	Electric Line Foreman	18.4
12	Human Resources Manager	53.6

City of Milford, Delaware Job Classification and Compensation Study

Current Grade	Job Title	CFS Score
12	W&W Supervisor	-
11	Code Enforcement Official	21.6
11	Electric, Lead Line Technician	26.2
10	Assistant Supervisor, Streets & SW	-
10	Electric Line Technician, First Class	23.4
10	Electric Operations Manager	26.2
10	Park Superintendent	28.0
10	Recreation Superintendent	23.1
9	Meter/SCADA Technician	14.6
9	Warehouse Manager	17.6
8	Electric Line Technician, Second Class	-
8	IT Technician (P/T)	18.1
8	Parks & Recreation Supervisor	18.1
8	Streets Crew Leader	-
8	Utility Crew Leader	14.4
8	Water Treatment Operator	17.0
7	Deputy City Clerk/Executive Assistant	15.3
7	Electric Line Technician, Third Class	14.4
7	GIS Technician	8.6
7	Head Mechanic	12.8
7	Meter Technician I	10.6
6	Account Payable Administrator / Admin. Assistant	9.6
6	Administrative Assistant	9.0
6	Administrative Assistant / Permit Technician	8.7
6	Billing Clerk	7.2

City of Milford, Delaware Job Classification and Compensation Study

Current Grade	Job Title	CFS Score
6	Electric, Ground Technician	10.6
6	Meter Technician II	13.6
6	Payroll Administrator	8.3
6	Police Dispatcher (FT)	8.6
6	Terminal Agency Coordinator / Evidence Custodian	9.2
6	Utility Worker	9.0
5	Customer Service Clerk	6.0
5	Equipment Operator	9.0
5	Police Dispatcher (P/T)	-
5	Police Records Clerk	8.2
5	Solid Waste Driver	11.9
5	Solid Waste Driver / Refuse Collector	11.1
5	W&W Technician	9.6
4	Construction Worker / Equipment Operator	-
4	Office Assistant	-
4	Office Associate I (P/T)	-
3	Maintenance Custodial Technician	-
3	Park Technician I	10.1
3	Refuse Collector	10.3

Current Grade	Job Title	CFS Score
SGT	Sergeant	30.4
CPL	Corporal	13.4
PFC	Patrolman First Class	13.4
PTL	Patrolman	13.4

I. Salary Schedules

Table 8 – Proposed General Salary Schedule

Grade	Min Step 01	Mid Step 16	Max Step 31	Step Increase	Spread
G01	\$11.54	\$15.00	\$18.46	\$0.23	60%
G02	\$12.69	\$16.50	\$20.31	\$0.25	60%
G03	\$13.96	\$18.15	\$22.34	\$0.28	60%
G04	\$15.36	\$19.97	\$24.58	\$0.31	60%
G05	\$16.90	\$21.97	\$27.04	\$0.34	60%
G06	\$18.59	\$24.17	\$29.74	\$0.37	60%
G07	\$20.45	\$26.58	\$32.72	\$0.41	60%
G08	\$22.50	\$29.25	\$35.99	\$0.45	60%
G09	\$24.75	\$32.17	\$39.59	\$0.49	60%
G10	\$27.23	\$35.39	\$43.56	\$0.54	60%
G11	\$29.95	\$38.93	\$47.91	\$0.60	60%
G12	\$32.95	\$42.83	\$52.70	\$0.66	60%
G13	\$36.25	\$47.12	\$57.98	\$0.72	60%
G14	\$39.88	\$51.83	\$63.78	\$0.80	60%
G15	\$43.87	\$57.02	\$70.16	\$0.88	60%
G16	\$48.26	\$62.72	\$77.18	\$0.96	60%
G17	\$53.09	\$69.00	\$84.91	\$1.06	60%

In Table 8, a new salary schedule for General Employees is presented. Grade 01, Step 01 was set at \$11.54, the living wage for Sussex County, Delaware using MIT’s living wage calculation at livingwage.mit.edu/counties/10005. The distance between each step was set at 2.00% as the Consumer Price Index for Mid-Atlantic South Urban areas according to the Bureau of Labor Statistics has averaged 1.72% for the past 10 years. The spread was set at a robust 60%. The ladders between grades was set at 10%.

It is recommended that the existing salary schedule for employees represented by Teamsters LU 326 be used.

J. Recommended Salary Adjustments

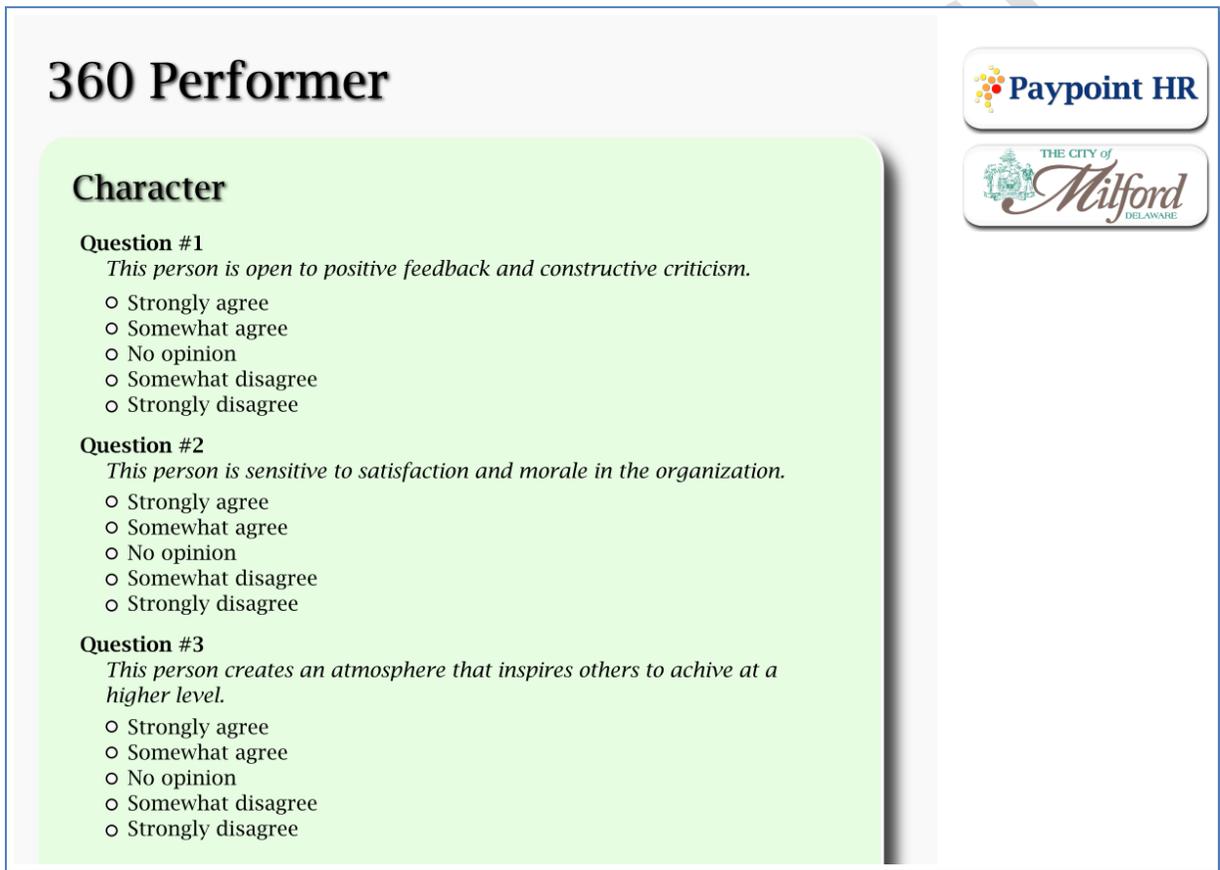
A regression analysis of the CFS Score and the salary survey results indicate that market mean salary for all positions is predicted by the CFS Score. In other words, the knowledge, skills, and abilities identified in the employee/manager Position Vantage Point job description survey correlate well with the external markets' valuation of the job positions at Milford.

1. Raise the salaries of positions that are substantially below market, first, at a cost of \$172,322.
2. Raise the salaries of positions that are below market, second, at a cost of \$34,491.

Work Product

K. Additional Items

In light of the high degree of correlation between the market mean salary for all positions and the corresponding CFS Score, it is recommended that Milford consider the PVP and CFS Scoring system as a valuable tool for future job classifications. Accordingly, Paypoint HR will be making the CFS Scoring system along with the PVP Questionnaire available to Milford, at no cost, for the next year to aid in the transition process.



The screenshot displays the '360 Performer' interface. At the top left, the title '360 Performer' is shown. On the right side, there are two logos: 'Paypoint HR' and 'THE CITY of Milford DELAWARE'. The main content area is a light green box titled 'Character' containing three questions with radio button options:

- Question #1**
This person is open to positive feedback and constructive criticism.
 - Strongly agree
 - Somewhat agree
 - No opinion
 - Somewhat disagree
 - Strongly disagree
- Question #2**
This person is sensitive to satisfaction and morale in the organization.
 - Strongly agree
 - Somewhat agree
 - No opinion
 - Somewhat disagree
 - Strongly disagree
- Question #3**
This person creates an atmosphere that inspires others to achieve at a higher level.
 - Strongly agree
 - Somewhat agree
 - No opinion
 - Somewhat disagree
 - Strongly disagree

Paypoint HR's 360° Performer Employee/Peer/Manager (EPM) System provides an analytical tool to measure the performance of employees by seeking the input of not only the individual employee and their respective manager, but also their peers within the organization. Paypoint's 360°-Performer System involves asking a series of performance related questions to each employee/manager while also allowing each employee/manager to answer the same questions about the performance of their peers/employees and their managers. The system categories the responses based on the respondent and delivers objective metrics to quantify performance. It is typically recommended that the employees who receive top scores receive an equal share of both

City of Milford, Delaware Job Classification and Compensation Study

a monetary and non-monetary form of compensation for their performance. Non-monetary forms of compensation can be anything from a parking spot to official public recognition to a department pizza party in their honor. For the employees who score low both relative to the responses of their peers and managers, it is recommended that remedial action be considered. A sample of questions that are typically asked follows, but can be customized for the client. Narrative questions can also be included for employee feedback purposes.

Use of Paypoint HR's 360° Employee/Peer/Manager (EPM) System would be provided at no cost for the first review. Subsequent reviews would be priced to reflect the needs of the client. Typically, Paypoint charges a setup fee of \$1,000 (waived) and \$50 per participant with a minimum purchase of \$2,500 worth of services.

A spreadsheet that will calculate the salary schedule for Milford has been included. By adjusting the minimum and maximum value for the entire schedule, the rest of the values are automatically updated.

Paypoint HR appreciates the opportunity to serve the employees and taxpayers of Milford and would welcome the ability to continue to do so on an on-going basis.

MILFORD CITY COUNCIL
MINUTES OF MEETING
October 9, 2017

A regular Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Monday, October 9, 2017.

PRESIDING: Mayor Bryan Shupe

IN ATTENDANCE: Councilpersons Christopher Mergner, Arthur Campbell, Lisa Ingram Peel, James Burk, Owen Brooks Jr, Douglas Morrow and James Starling, Sr.

City Manager Eric Norenberg, Police Chief Kenneth Brown and City Clerk/Recorder Terri Hudson

COUNSEL: City Solicitor David Rutt, Esquire

CALL TO ORDER

Mayor Shupe called the Council Meeting to order at 7:15 p.m.

INVOCATION AND PLEDGE

The Pledge of Allegiance followed the invocation given by Councilmember Starling.

APPROVAL OF PREVIOUS MINUTES

Motion to approve the September 11, 2017 and September 25, 2017 Committee and Council Meetings made by Councilmember Brooks, seconded by Councilmember Morrow. Motion carried.

RECOGNITION

Police Officer Recognition

Chief Brown recognized PFC Cory Swan as the Officer of the Year for the Third Quarter. Swan was recognized for his outstanding performance in the patrol division and his dedication to serving the Milford community. Swan came to Milford Police Department in the summer 2012 as a cadet while in college. In September 2015, Swan was hired as a full-time officer and participates in the Highway Safety Initiatives, drug investigations and other City overtime events.

He recently arrested a defendant after his vehicle was stopped and searched. PFC Swan discovered a handgun under the passenger seat, along with counterfeit substances for sale as narcotics during the incident.

Proclamation 2017-17/Dysautonomia Awareness Month

Mayor Shupe read the following proclamation into record:

DYSAUTONOMIA AWARENESS MONTH

WHEREAS, Dysautonomia is a group of medical conditions that result in a malfunction of the autonomic nervous system, which is responsible for "automatic" bodily functions such as respiration, heart rate, blood pressure, digestion, temperature control and more; and

WHEREAS, Some forms of dysautonomia are considered rare diseases, such as Multiple System Atrophy and Pure Autonomic Failure, while other forms of dysautonomia are common, impacting millions of people in the US and around the world, such as Diabetic Autonomic Neuropathy, Neurocardiogenic Syncope and Postural Orthostatic Tachycardia Syndrome; and

WHEREAS, Dysautonomia impacts people of any age, gender, race or background, including many individuals living in the City of Milford; and

WHEREAS, Some forms of dysautonomia can be very disabling and this disability can result in social isolation, stress on the families of those impacted, and financial hardship; and

WHEREAS, Some forms of dysautonomia can result in death, causing tremendous pain and suffering for those impacted and their loved ones; and

WHEREAS, Increased awareness about dysautonomia will help patients get diagnosed and treated earlier, save lives, and foster support for individuals and families coping with dysautonomia in our community; and

WHEREAS, Dysautonomia International, a 501(c)(3) non-profit organization that advocates on behalf of patients living with dysautonomia, encourages communities to celebrate Dysautonomia Awareness Month each October around the world; and

WHEREAS, We seek to recognize the contributions of the professional medical community, patients and family members who are working to educate our citizenry about dysautonomia in the City of Milford.

NOW, THEREFORE, I, Bryan W. Shupe, Mayor of the City of Milford, do hereby proclaim the month of October as DYSAUTONOMIA AWARENESS MONTH.

Proclamation 2017-20/Extra Mile Day

Mayor Shupe read the following proclamation into record:

EXTRA MILE DAY

WHEREAS, the City of Milford is a community which acknowledges that a special vibrancy exists within the entire community when its individual citizens collectively "go the extra mile" in personal effort, volunteerism, and service; and

WHEREAS, Milford is a community which encourages its citizens to maximize their personal contribution to the community by giving of themselves wholeheartedly and with total effort, commitment, and conviction to their individual ambitions, family, friends, and community; and

WHEREAS, Milford is a community which chooses to shine a light on and celebrate individuals and organizations within its community who "go the extra mile" in order to make a difference and lift up fellow members of their community; and

WHEREAS, the City of Milford acknowledges the mission of Extra Mile America to create 575 Extra Mile cities in America and is proud to support "Extra Mile Day" on November 1, 2017.

NOW, THEREFORE, I, Bryan W. Shupe, Mayor of the City of Milford, do hereby proclaim November 1, 2017, to be Extra Mile Day and urge each individual in the community to take time on this day to not only "go the extra mile" in his or her own life, but to also acknowledge all those who are inspirational in their efforts and commitment to make their organizations, families, community, country, or world a better place.

MONTHLY POLICE REPORT

Police Committee Chairman Burk presented the monthly Police Report on behalf of Chief Brown. Councilmember Peel moved to accept the September 2017 report, seconded by Councilmember Campbell. Motion carried.

MONTHLY CITY MANAGER REPORT

City Manager Norenberg referenced the complete report included in the Council packet. He also noted that a bag representing Public Power Week was provided to each Council member that included treats, coloring information for children and a LED bulb.

The Notice to Proceed has been issued for the Phase II Evaluation of the Growmark Property site proposed for the new Police Facility.

The Community Conversations for the City's Strategic Plan have been scheduled. Mr. Norenberg referred to the City website where residents and business people in the community can obtain additional information.

The Kayak Dock on the Mispillion River will be dedicated on the riverbank by Arena's Restaurant on October 19th at 4:00 p.m.

A grant announcement from the American Beverage Association to support the City's dual and recycling container project will also be made at that time, along with appreciation expressed to DNREC for their financial support of three projects including the Arena Kayak project.

Councilman Burk asked about the report from the Planning Department that indicated there are five new cases and zero closed; Mr. Norenberg confirmed that is correct for the month of September.

Councilman Burk said that based on the information received in the recent survey, he feels that is a high number and asked the reason; Mr. Norenberg said he will follow up with Planning Coordinator Rob Pierce. However, he is aware of the number of time-intensive issues last month.

Pavement Condition Presentation

Public Works Director Mark Whitfield recalled the opportunity over the summer to hire two engineering interns from the University of Delaware to help appraise the condition of the streets and provide a base line for progress as we move forward with a capital improvement program.

Interns Michael Markakis and Xander Arroyo were both in attendance and provided Council with a presentation.

After being presented with a list of streets, each was mapped out after which a total of 500 segments was reviewed for the following conditions:

- Alligator Cracking
- Bleeding
- Block Cracking
- Bumps & Sags
- Corrugation
- Depression
- Edge Cracking
- Joint Reflection
- Lane/Shoulder Drop-Off
- Longitudinal & Traverse Cracking
- Patching & Utility Cut Patching
- Polished Aggregate
- Potholes
- Railroad Crossing
- Rutting
- Shoving
- Slippage Cracking
- Swell
- Raveling
- Weathering

They also explained the system used to evaluate the roads.

Councilman Brooks commented on the good job the interns have done. He said that the past three City Managers have promised him that Mispillion Street would be taken care of. It has not been done yet though Mr. Norenberg has assured him it will be addressed. He noted that the interns graded the street in very poor condition and he agrees.

Mr. Markakis referenced the graph that ranked the streets' severity condition from failed, serious, very poor, poor, fair, satisfactory to good and explained the grading program.

Mr. Whitfield informed Council the report provides information on what is needed as far as maintenance. They are now aware of those streets that can be repaired with crack sealing or where more extensive work is needed. The information will be used to develop a five-year capital plan. As the paving project is planned, failing underground utilities will be addressed at the same time.

In moving forward, the cost of the project will be shared as determined by the amount of utilities that need to be replaced within the roadway. That prevents the total cost from being paid out of the general fund.

He reported that the City should be addressing about 20% of the roadways each year. The lifetime of a pavement project is usually between 20 and 25 years. However, there are some residential streets that receive very little truck and traffic in general and could last for 35 to 40 years. On the other hand, many roads that experience heavy truck and vehicular traffic may only last 15 to 20 years. As a result, 20 to 25 years is the average. That is the reason the City needs to address 20% of their roadways at any given time. The goal is to have 80% of the roads in good and satisfactory condition, 15% in fair condition and those in poor, very poor and serious condition being addressed through a capital program.

Mr. Whitfield plans to put together a five-year capital plan. He can then provide Council with an idea of what is needed in terms of infrastructure improvement.

At the same time, sidewalks and curbing will be considered. A sidewalk program is being prepared though sidewalks will not be repaired when the curb is in bad shape. The intent is to repair the curb before the sidewalk is done.

Various funding sources will be considered in order to move forward.

Mayor Shupe thanked the Public Works Director as well as the work that was done by the interns this summer which will allow the City to move forward in a much quicker manner. Mr. Whitfield thanked Mr. Markakis and Mr. Arroyo for their valuable help this summer, noting that they became a big part of the Public Works' team.

City Manager Norenberg noted that the City does not receive a lot of money from Municipal Street Aid and the reason a five-year capital plan is needed.

MONTHLY FINANCE REPORT

Finance Committee Chairman Morrow reported that through the second month of Fiscal Year 2017-2018 with 17% of the year having passed, 26% of revenues have been received and 16% of the operating budget expended.

He noted that real estate tax revenues are at 98% which makes the overall revenue total appear higher than normal. Building permits are also ahead of schedule.

Councilmember Burk moved to accept the August 2017 Finance Report, seconded by Councilmember Starling. Motion carried.

COMMITTEE & WARD REPORTS

None to report.

COMMUNICATIONS & CORRESPONDENCE

Council Procedural Rules

Mayor Shupe reminded Council of an email asking for some times Council is available to discuss establishing City Council Procedural Rules. He pointed out that our residents find it helpful to have a written document available that outlines those processes.

Realtor Complaint

Councilman Burk said he received a complaint from a realtor about an item coming up on the agenda.

UNFINISHED BUSINESS

Adoption-Ordinance 2017-20/Chapter 180-Residential Rental Operating License

Moving onto unfinished business, Mayor Shupe reported that he had two people contact him about the residential rental license and the real estate transfer tax. He commented that the Public Notice published in the Milford Beacon had an error at the bottom that provided the date of a public hearing. He stated that although we can proceed legally, he prefers both ordinances be republished with the correct information. Even though the agenda is correct, the notice provided to the public included incorrect information.

Solicitor Rutt confirmed that the City of Milford Charter states that ordinances are not subject to public hearings. However, Council has the right to allow a public hearing. The legal process as stated in the Charter requires the introduction of the ordinance, consideration followed by a vote by Council though no public hearing is necessary.

In terms of the mistake, FOIA defers to the posted agenda.

Mr. Rutt explained that if Council wants to add a public hearing, Council would need to vote on it before it is placed on agenda. The public hearing must be on the agenda and the ordinance should be re-advertised. Council also has the ability to withdraw and reintroduce the ordinance.

He also confirmed that the motion would be exclusive to the ordinance (by number) as referenced.

Mayor Shupe feels that if Council is going to start having random public hearings, it should be one way or another. He believes the City should either hold a public hearing on every ordinance or not have a public hearing. He said that can be discussed in an email and a time set up. His personal opinion is to have public comment on all ordinances rather than selecting only certain ordinances.

Councilman Burk moved to discuss in a public hearing, at a future date to be posted, Ordinance 2017-20 Chapter 180 Residential Rental Operating License, seconded by Councilman Brooks. Motion carried.

Adoption/Ordinance 2017-21/Chapter 57-Planning Commission

Mr. Norenberg reminded Council this amendment relates to the required number of Planning Commissioners and removes the nine-member requirement. Instead it aligns with State law and the newly adopted City Charter which permits no less than five and no more than nine members.

He asked Planning and Economic Development Coordinator Rob Pierce to discuss seven members which is the current number that allows for a good balance geographically.

Mr. Pierce said he has no opposition to the range of five to nine members. However, he does not want to drop below seven members to prevent only three members from having the ability to approve an item. He agrees the language should align with the Charter and is comfortable as long as there are seven members.

Solicitor Rutt asked for further clarification from Mr. Pierce and asked if he is recommending it is kept at seven members but if two more show up, it becomes a nine-member board; Mr. Pierce pointed out that currently, there is the ability to fulfill the board with nine members because the charter allows that. But at this time, he recommends having at least seven.

Councilwoman Peel said in her opinion, this allows it to drop to five though that is not something Mr. Pierce is comfortable with, and recommends it be corrected. Solicitor Rutt recommends that by motion, Council include in the motion to adopt the proposed ordinance language and until further changes are made, it shall be a seven-member Commission. Currently, it provides the ability to increase or decrease depending on future circumstances.

Mr. Pierce expressed concern that the City Charter allows five to nine members and he prefers the ordinance be consistent to prevent having to change the Charter. To him, it does not make sense to have the ordinance read differently from the Charter.

Solicitor Rutt said the ordinance talks about five to nine members but Council has the right to fix it at seven for now. Later if things change, it can increase to nine or drop it to five. He does not recommend changing the charter after it was very recently signed by the Governor.

Councilman Campbell made a motion to adopt the ordinance and require at least seven members of the Planning Commission, seconded by Councilwoman Peel:

Chapter 57 - Planning Commission

WHEREAS, Chapter 57 of the City of Milford Code requires the City Planning Commission to consist of nine members; and

WHEREAS, it has been difficult to find nine qualified members to have a full complement; and

WHEREAS, Title 22, Section 701 of the Delaware Code states that Municipal Planning Commissions shall consist of not less than five, nor more than nine members; and

WHEREAS, reducing the required number to align with Title 22, Section 701 would allow the Planning Commission to convene by having a smaller majority present versus the five currently needed to conduct often time-sensitive or emergent circumstances; and

WHEREAS, An Act to Amend the City of Milford Charter was signed into law by Governor John Carney on August 30, 2017 and reflects the reduction of members as so stated.

NOW, THEREFORE, the City of Milford hereby ordains:

Section 1. Chapter 57, Section 57-2 is being amended as indicated below (new language in underlined italics and omitted language by strikeout text),

Chapter 57 - PLANNING COMMISSION

§ 57-1. - Establishment.

There is hereby established, pursuant to 22 Del. C. § 701 et seq., the Milford Planning Commission.

§ 57-2. - Membership; terms of office

The Commission shall consist of ~~nine members to be appointed by the Council~~ no less than 5 and no more than 9 members as recommended by the Mayor and appointed by the Council. The term of each member so appointed and confirmed shall be for three years, except that of the members first appointed, three shall be appointed to a term of three years, three shall be appointed to a term of two years and three shall be appointed to a term of one year.

Section 2. Dates.

Council Introduction: 09-25-2017

Council Adoption: 10-09-2017

Motion carried.

Adoption/Ordinance 2017-22/Chapter 178-Real Estate Transfer Tax

Councilmember Burk moved to discuss in a public hearing, at a future date to be posted, Ordinance 2017-22 Chapter 178 Real Estate Transfer Tax, seconded by Councilmember Peel. Motion carried.

NEW BUSINESS

None.

EXECUTIVE SESSION

Councilmember Peel moved to go into Executive Session reference the below statute, seconded by Councilmember Starling:

Pursuant to 29 Del. C. §10004 (b)(4) for the purpose of the discussion of strategy sessions, including those involving legal advice or opinion from an attorney-at-law, with respect to collective bargaining or pending or potential litigation.

Motion carried.

Mayor Shupe recessed the Council Meeting at 7:52 p.m. for the purpose as is permitted by the Delaware Freedom of Information Act.

Return to Open Session

Councilmember Peel moved to return to the Regular Session, seconded by Councilmember Burk. Motion carried. City Council returned to the Regular Session at 8:00 p.m.

MPD Teamsters Negotiations

Mayor Shupe announced that no action is required on the union matter at this time.

ADJOURN

There being no further business, Councilmember Mergner moved to adjourn the Council Meeting, seconded by Councilmember Campbell. Motion carried.

The Council Meeting adjourned at 8:02 p.m.

Respectfully submitted,



Terri K. Hudson, MMC
City Clerk/Recorder