

HUMAN RESOURCES COMPENSATION STUDY
FMPA RFP 2024-203
Questions & Answers

1Q: Can you please provide the number of unique jobs currently employed or being recruited for at FMPA?

1A: 85

2Q: Does FMPA have a budget allocated for potential pay adjustments based on the recommendations of this compensation assessment?

2A: Yes

3Q: Does FMPA have a current compensation or total rewards philosophy that they are seeking feedback to or are you looking for assistance in creating one?

3A: We have one.

4Q: How often have salary ranges been reviewed and adjusted by FMPA?

4A: Every three years

5Q: When was the last study of this nature done at FMPA and were the findings/results of that study successfully implemented?

5A: 2021 and yes

6Q: Does FMPA have any specific challenges or concerns regarding compensation that you would like the study to address specifically?

6A: No

7Q: Does FMPA have a formal job evaluation system in place, or is compensation primarily determined by market data and internal equity?

7A: We have a formal evaluation system in place.

8Q: Does FMPA have documented compensation administration guidelines?

8A: Yes, attached.

- a) If so, can these guidelines be provided? Does FMPA desire the review/development of a compensation administration guidelines as part of the study? No

9Q: What data sets or reports is FMPA willing to share with the consulting firm to facilitate the compensation assessment?

9A: Salary surveys and anything we have.

10Q: Does FMPA have a specified timeline for completing the study?

10A: Would like implemented by 1/1/2025

11Q: Does FMPA have a preferred format for receiving the deliverables outlined in the RFP (e.g., reports, presentations)?

10A: No.

Compensation (Policy)

Florida Municipal Power Agency believes that it is in the best interest of both the organization and our team members to fairly compensate our team for the value of the work provided. It is our intention to use a salary compensation system that will determine the current market value of a position based on the skills, knowledge and behaviors required of a fully competent incumbent. The system used will be objective and non-discriminatory in theory, application and practice. The Agency has determined that this can best be accomplished by using a professional compensation consultant and system recommended by the Chief People and Member Services Officer (CPO) and as approved by the General Manager & CEO*

The compensation system will pay positions at market by using local, national and industry specific survey data. The market data will primarily include electric utilities, joint action agencies and other comparable entities. It will include survey data for more specialized positions and will address significant job market differences due to geographical location and other relevant information.

The system will evaluate external equity. The relative marketplace job worth of every agency job directly comparable to similar jobs in similar entities; factored for general economic variances and adjusted to reflect the local economic marketplace.

The system will also evaluate internal equity. The relative worth of each job in the Agency when comparing the required level of job competencies, formal training and experience, responsibility and accountability of one job to another, and arranging all jobs in a formal job grading structure.

The CPO will administer the Compensation System. The General Manager & CEO will approve all changes to the compensation system and will seek Board approval when necessary and/or appropriate as required by the HR Policy or otherwise required

The compensation system must be flexible enough to ensure that the Agency is able to recruit and retain a highly qualified team, while providing the structure necessary to fairly and effectively manage the overall compensation program in the long term.

Agency Responsibilities

As part of the Agency's budget process, on an annual basis the Board of Directors (by recommendation of the Finance Committee) will review and approve, as appropriate, recommended changes to salary range movement as determined by the General Manager & CEO and recommended by the CPO through a market analysis process.

As part of the annual budgeting process the Board of Directors will review and approve, as appropriate, funds to be allocated for total compensation, which would include base salaries, bonuses, variable based or incentive-based pay and all other related

expenses, including fringe benefit plans as recommended by the CPO and the General Manager & CEO.

The Board shall set the position level, pay range, and specific components of the total compensation package for the General Counsel and CLO and the General Manager & CEO.

Management Responsibility

The General Manager & CEO is responsible and accountable to the Board of Directors. In that capacity he/she is charged with ensuring that the CPO makes sure the Agency is staffed with highly qualified, fully competent team members and that all programs are administered within appropriate guidelines and within the approved budget.

The annual salary budget shall include a gross dollar amount for annual compensation adjustments. The CPO will work with each Executive team member for salary adjustments and will make recommendations to the General Manager & CEO* for final determination. This would include such things as determining titles, position levels, pay for performance compensation (merit) increases, promotional increases, market adjustments, merit bonuses (for those at the top of their range) and variable pay incentives such as: project bonuses, retention bonuses, spot bonuses and other discretionary pay for all positions except that of the General Manager & CEO and the General Counsel & CLO. The CPO will ensure that the total compensation program is managed for consistency and equity within the approved budget.

Pay for Performance Compensation

FMPA has a performance-based compensation program where the team member is incentivized and rewarded for achieving goals and/or objectives that are consistent with the mission and strategic goals of the Agency. Annually, every team member will be evaluated based on their individual contributions accomplishing goals and objectives that were communicated with them from the previous year's evaluation process. This process differentially rewards top performers for their individual contributions allowing faster progression through the pay ranges to retain and recognize top performers. The evaluation score is the main driver in determining the merit increase.

Administration of the Compensation Policy

The CPO shall ensure that salary ranges are updated at least annually, that all individual jobs are market priced at least once every two years, and that pay equity adjustments are administered in a fair and equitable manner.

Statements of Policy:

A. Position Description

All positions will be defined in terms of their reflective duties and responsibilities.

B. Position Evaluation

All positions will be evaluated and classified in order of their relative value, utilizing approved evaluation techniques.

C. Salary Structure

The Agency will maintain a competitive salary structure, which consists of salary grades and ranges.

1. Salary Grades

All positions, except General Counsel & CLO and General Manager & CEO, will be classified by salary grade, which indicates a range of their minimum and maximum salary value.

1. Salary Ranges

Salary ranges are the means by which the relative value of positions is expressed in dollar terms. These ranges will be sufficiently broad to provide salary growth potential for competent personnel. Salary ranges specifically establish the lowest dollar amount generally paid for minimum acceptable performance and the highest dollar amount generally applied for outstanding performance relative to position market value and other positions in the program. Separate salary ranges will be provided for Exempt and Non-Exempt positions.

1. Maintenance

Salary grades and ranges will be reviewed annually by the Human Resources Department and appropriate changes will be recommended to the General Manager and CEO* for final approval by the Board of Directors.

D. Making a Salary Change

A recommended salary adjustment must be initiated by the team member's immediate supervisor and recommended to the CPO by the Director or Executive. The Human Resource Department will review all recommendations for policy and procedure compliance prior to the General Manager & CEO*'s approval and the manager informing the employee.

1. Salary Expectations

At least three organizational levels of management must approve a proposed salary increase. The Manager, the Executive, the CPO, and the General Manager & CEO*.

2. Promotional Increases

A promotion is a permanent reassignment from a position evaluated in a lower salary grade to another position (or the same position) evaluated in a higher grade.

3. Salary Adjustments for Permanent Reassignment to a Lower Salary Grade

When an employee is permanently reassigned to a position which is in a lower level in the Salary Range structure, their salary should remain unchanged provided it does not exceed the salary range maximum of the lower position. If the individual's salary exceeds the maximum, salary shall be reduced to the maximum level of individual's new salary range. Exceptions to this policy must be recommended by the CPO and approved by the General Manager & CEO*.

It is not the Agency's practice to reduce an employee's salary simply because of position re-evaluation, which results in a lower salary grade. Such action is not considered a demotion and the employee's existing salary shall continue if approved by the CPO and General Manager & CEO*.

4. Transfers

A transfer is a change from one position to another within the same salary grade, or a change from a position in one organizational unit to a position of equal value in another organizational unit. Transfers will not normally be accompanied by a salary adjustment. However, the employee's past performance and salary guide level should be considered for purposes of determining desirable merit increases, if any.