

MEMORANDUM

COLIN BAENZIGER & ASSOCIATES

TO: Mayor and Commission
Flagler Beach, FL

FROM: Ron Williams and Colin Baenziger

RE: City Manager Salary Considerations

DATE: May 1, 2023

The following outlines our thoughts and analysis concerning the salary range we should use when recruiting your next City Manager.

General Comments

- 1) Generally speaking, the higher the salary range, the better the candidate pool will be. While we do get some outstanding candidates with lower ranges, we tend to see more as the range increases.
- 2) Managers who are in the market will generally be looking at other opportunities. Hence, to get the best talent, Flagler Beach will need to pay the market rate.
- 3) Coastal cities are very desirable and as such, they have a higher cost of living. As the City Charter requires residency in Flagler Beach within 90 days of the contracted start date, housing costs need to be a factor when selecting a salary range. According to Realtor.com, Flagler Beach is the most expensive City in Flagler County. For example, the median listing home price in Palm Coast is \$385k while the median listing home price in Flagler Beach is \$627k.
- 4) Applicants with City Manager experience, when seeking a position, are typically paid more than those who have not already proven themselves – that is, Deputy / Assistant City Managers, Department Heads, etc.
- 5) Internal hires are generally not paid as much as an external hires - they often already live in the community and they do not have the costs associated with moving and finding a new home. For example, Daytona Beach Shores, one of the comparable cities, paid Michael Booker over \$164k at beginning of 2022. They hired the City's then Finance Director / Deputy City Manager, Kurt Swartzlander to replace him a few months later at a salary of \$153,000.
- 6) Flagler Beach's most recent Manager's salary is \$127,005 annually. That amount is already

budgeted.

- 7) The highest paid City employee, after the City Manager, is the Building Official at \$102,315. Normally, the City Manager is paid at least five percent and often 10% more than his/her next highest paid staff member.

Data Analysis

Our firm regularly conducts a survey of what Florida City Managers are paid. Using the data we have, our first step was to select cities as comparable to Flagler Beach as possible and in the same general region^{1/}. We did so by selecting cities with populations between 3,000 and 7,500 within Volusia, Flagler Beach, Duval, and St. Johns County. That is, Flagler Beach’s population plus and minus roughly 2,000. See Table 1.

Table I: City Manager Salaries - Florida Cities with Populations between 3,000 and 7,500		
City Name	Population	Annual Salary
Daytona Beach Shores	5,253	153,000
Neptune Beach	7,259	128,714
Ponce Inlet	3,382	150,000
St. Augustine Beach	6,888	127,045
Average Salary		\$139,689
Source: Annual Florida City Manager / Manager Salary Survey for 2022 by Colin Baenziger & Associates		

The salaries run from a low of \$127,045 to \$153,000 and the average is \$139,689.

Typically, in compensation studies, 17% is subtracted from the average to establish the bottom of the salary range and 17% is added to establish the top of the range. Being a little conservative, we generally use 15% instead.

No. of Cities	Average Salary	Calculated Range
4	\$139,689	\$118,736 - \$160,643

1/ For your information, we have included as Attachment A, a number of other cities that we would have used, had we looked outside the Northeast Florida region.

Recommendation

Rounding off, the data and current circumstances suggest a range of approximately \$125,000 to \$161,000. Three additional comments concerning our sample are warranted. First, as previously noted, Daytona Beach Shores hired their Deputy City Manager at \$153,000. That said, the prior manager was making \$164,000. Second, Max Royle, the City Manager of St. Augustine Beach, has been their City Manager for 32 years, and frankly, his salary is likely to be lower than what it would take to find a competent replacement for him. Third, the City Manager of Neptune Beach was recently terminated for alleged “flagrant neglect of duty and willful misconduct”. That would suggest raising the top of the range to attract top talent.

As a result, we suggest a salary range of \$125,000 to \$175,000. If the Commission prefers a lower range, another option could be a housing stipend. We also suggest including a statement where we discuss compensation that reads, “The City is willing to consider paying at the top of the range for the right person.”

It should be noted that once you select a salary range, you are not required to pay at the high end. After you have seen the candidates, you can decide who is the best fit and it may not be the candidate you would have to pay the most for.