



Legislation Text

File #: 22-263, **Version:** 1

TITLE:

Acceptance of and Authorization to Implement the Classification and Compensation Study Report

PURPOSE: The purpose of this agenda item is to request that the Town Council accept the Classification and Compensation Study Report and approve the implementation plan.

DEPARTMENT: Town Manager's Office and Human Resources

CONTACT INFORMATION: Richard White, Town Manager - Rwhite@carrboronc.gov; Julie Eckenrode, Human Resources Director - Jeckenrode@carrboronc.gov

INFORMATION: On March 8, 2022, the Town Council authorized the Town Manager to enter into a contract with Management Advisory Group International, Int. (MAG) to conduct a Compensation and Class Study. The goal of this study was to position the Town of Carrboro as a competitive employer by providing a sound compensation strategy, ensuring equitable compensation across all Town positions, and addressing recruitment and retention challenges within the tight labor market.

MAG initially met with Department Directors to explain the study's approach, methodology, and process. The comprehensive study included receiving employee input related to all ninety-one positions in the Town at the time of the study as well as a market survey benchmarking nearly one-third of all positions against twenty peer and competitor government employers. Ultimately, it was determined that the Town's salaries are lagging the market rate minimum salaries by 7.5%. Additionally, all positions were placed in a new unified range plan with employees performing the same level of duties and responsibilities positioned in the same class and pay grade, regardless of the number of hours worked. These new ranges are competitive with the market.

In January 2022, Police Department staff received an initial market adjustment. In July 2022, all permanent Town employees, including the Police Department staff, received a \$3,000 adjustment. Together, the two adjustments lessened the total impact of the cost to implement the recommended position classification and pay plan.

A proposed implementation plan includes the following:

- Adopting the proposed unified pay plan;

- Providing all employees with a 2% across-the-board pay adjustment;
- Providing 42 employees adjustments to their new pay grade minimum; and
- Providing 59 employees adjustments related to internal equity and longevity.

On September 13, 2022, Steve Foster, MAG Senior Consultant, provided an overview of the study. The Town Council discussed the Classification and Compensation Study Report and postponed voting on the study until September 20th to provide time for them to receive the answers to several questions.

The proposed implementation date is October 8, 2022. MAG also provided a proposed compensation philosophy, selected compensation policy recommendations, and a memorandum on the Town Manager and Town Clerk salaries.

FISCAL & STAFF IMPACT: The fiscal impact to implement the findings and conclusions of this study will increase total salaries by \$434,087 from \$9,497,941 to \$9,932,028. The increase in benefits for FICA, retirement and 401K associated with these changes will cost an additional \$100,814. The Town's budget for FY23 includes carryover of \$660,220 from the FY22 budget. The remaining staff impact will be related to the implementation of the study findings.

RECOMMENDATION: The Town Manager recommends that the Town Council adopt the attached Resolution, which includes accepting and authorizing the full implementation of the study.