

Compensation and Classification Study for the Town of Chapel Hill, NC

FINAL REPORT



Evergreen Solutions, LLC

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Table of Contents

	PAGE
1.0 INTRODUCTION.....	1-1
1.1 Study Methodology.....	1-1
1.2 Report Organization	1-3
2.0 SUMMARY OF EMPLOYEE OUTREACH.....	2-1
2.1 General Feedback	2-1
2.2 Compensation and Classification.....	2-2
2.3 Market Peers	2-5
2.4 Summary.....	2-5
3.0 ASSESSMENT OF CURRENT CONDITIONS.....	3-1
3.1 Analysis of Pay Plans.....	3-1
3.2 Grade Placement Analysis	3-4
3.3 Quartile Analysis	3-8
3.4 Compression Analysis	3-11
3.5 Summary	3-18
4.0 MARKET SUMMARY.....	4-1
4.1 Market Data	4-3
4.2 Salary Survey Results.....	4-7
4.3 Salary Survey Conclusion.....	4-13
5.0 RECOMMENDATIONS	5-1
5.1 Classification Recommendations.....	5-1
5.2 Compensation Recommendations.....	5-2
5.3 Compensation and Classification System Administration.....	5-5
5.4 Summary	5-9



Chapter 1 - Introduction

The leadership of Chapel Hill, NC (the “Town”) in keeping with its commitment to attracting and retaining the employees necessary to provide high quality services determined that its current compensation and classification systems and structure needed to be updated to better reflect best practices. Evergreen Solutions, LLC (“Evergreen”) was selected by the Town during September of 2024 as its partner to accomplish this goal. This engagement sought to evaluate the strengths and weaknesses of the Town’s current systems, conduct a job and pay grade analysis to study internal equity, collect peer salary data to study external equity, and adjust the current compensation and classification systems to better reflect the market. This study and the analysis contained within provides Town leadership with valuable information related to their employee demographics, opinions, and market data, as well as internal and external equity.

Internal equity relates to the fairness of an organization’s compensation practices among its current employees. Specifically, by reviewing the skills, responsibilities, and duties of each position, it can be determined whether similar positions are being compensated in an equitable manner within the organization. External equity relates to the differences between how an organization’s classifications are valued and the compensation available in the marketplace for the same skills, responsibilities, and duties. This component of the study aims to address how the Town is positioned in the market relative to other local area government organizations with similar positions and to develop recommendations that allow the Town to recruit and retain quality employees.

1.1 STUDY METHODOLOGY

Evergreen Solutions combines qualitative and quantitative data analysis to produce recommendations that maximize the fairness and competitiveness of an organization’s compensation structure and practices. It is important to note that the data utilized in the study represents a snapshot in time. As market conditions can change rapidly, it is important for the Town to conduct regular market surveys to ensure their external market position does not decay. A full compensation and classification review is recommended approximately every three to five years. Some examples of project activities included:

- Conducting a project kick-off meeting
- Presenting orientation sessions to employees
- Facilitating focus group sessions with employees
- Conducting an external market salary survey
- Conducting an external market benefits survey
- Comparing the Town’s benefit offerings to that in the market



- Developing recommendations for compensation management
- Revising classification descriptions based on employee JAT feedback
- Developing recommendations for compensation and classification changes
- Creating draft and final reports
- Conducting training sessions with human resources staff in the methodology used to systematically assess job classifications

Kickoff Meeting

The kickoff meeting provided an opportunity to discuss the history of the Town, finalize the work plan, and begin the data collection process. Data collection included the gathering of relevant background material including existing pay plans, organization charts, policies, procedures, training materials, classification specifications, and other pertinent material.

Employee Outreach

Through the orientation sessions, Evergreen consultants briefed employees on the purpose and major processes of the study. This process addressed employee questions to resolve misconceptions about the study and related tasks and explained the importance of employee participation in the JAT process.

In addition, employees participated in focus group sessions designed to gather input from their varied perspectives as to the strengths and weaknesses of the current system. Feedback received from employees in this context was helpful in highlighting aspects of the organization which needed particular attention and consideration. This information provided some basic perceptual background, as well as a starting point for the research process.

Job Assessment Tool® (JAT) Classification Analysis

Employees were asked to complete individual JAT surveys, where they shared information pertaining to their work in their own words. These JATs were analyzed and compared to the current classification descriptions, and classifications were individually scored based on employee responses to five compensable factor questions. Each of the compensable factors—Leadership, Working Conditions, Complexity, Decision Making, and Relationships—were given weighted values based on employee responses, resulting in a point factor score for each classification. The rank order of classes by JAT scores was used to develop a rank order of classes within the proposed compensation structure. Combined with market data, this information formed the foundation of the combined recommendations. The nature of each compensable factor is described below:

- Leadership – relates to the employee’s individual leadership role, be it as a direct report of others who have leadership responsibilities, or as executives who have leadership over departments or the Town.
- Working Conditions – deals with the employee’s physical working conditions and the employee’s impact on those conditions, as well as the working conditions’ impact or potential impact on the employee.



- Complexity – describes the nature of work performed and includes options ranging from entry-level manual or clerical tasks up to advanced scientific, legal, or executive management duties.
- Decision Making – deals with the individual decision-making responsibility of the employees. Are decisions made on behalf of the employee or is the employee making autonomous decisions that impact the individual, other employees, or even the entire organization?
- Relationships – deals with organizational structure and the nature of the employee's working relationships. Responses range from employees who work primarily alone, those who work as members of a team, those who oversee teams, and those who oversee the organization.

Salary Survey

The external market for this study was defined as identified local government organizations with similar positions as well as similar characteristics, demographics, and service offerings. Specific benchmark positions in the Town were surveyed, although not all positions had matching positions at the peer organizations. The data were then analyzed comparing Town classifications to the jobs performing the same duties at peer organizations to gain a fuller understanding of their market position.

Recommendations

Evergreen developed recommendations for the Town to consider helping maximize the effectiveness and efficiency of its current compensation and classification structure. Evergreen provided the Town with a variety of recommendations for the future at various costs. Plans ranged from minor tweaks to the current compensation and classification system to wholesale changes to the entire organizational structure. These plans were designed to fix the issues identified in this report, while continuing to build on the strengths the Town currently exhibits.

1.2 REPORT ORGANIZATION

This report includes the following additional chapters:

- Chapter 2 – Summary of Employee Outreach
- Chapter 3 – Assessment of Current Conditions
- Chapter 4 – Market Summary
- Chapter 5 – Recommendations

Chapter 2 – Summary of Outreach

Outreach was conducted by three Evergreen consultants over the course of three days. The consultants met with Town employees and explained the process of the study and fielded questions that employees had about the study. Focus groups were conducted to solicit



information from employees that gave Evergreen solid information to begin researching. Employees provided Evergreen their opinions on classifications that were overly broad, narrowly tailored, behind market, or had trouble retaining employees.

Information was also provided on the employees' opinions of the biggest competitors to the Town. Finally, employees provided information on all the positive aspects of employment with the Town. Evergreen used employee opinions as a starting point for problem framing, but everything that was collected and used during this study was independently verified by Evergreen. A full summary of the outreach can be found in **Chapter 2** of this report.

Chapter 3 - Assessment of Current Conditions

An assessment of current conditions was conducted to help Evergreen better understand the current standing of the Town pay plans, demographics, and compensation structures. This assessment should be considered a snapshot in time and is reflective of the conditions present within the Town upon the commencement of this study. By leveraging this information, Evergreen was able to gain a better understanding of the strengths and weaknesses of the current compensation system. When combined with the market results, the Assessment of Current Conditions helped provide a basis for recommendations. A full summary of the Assessment of Current Conditions can be found in **Chapter 3** of this report.

Chapter 4 - Market Summary

A salary survey was designed by Evergreen and approved by the Town's human resources department. The external market was defined by Evergreen and approved by the Town's human resources department. After the results were received, the data were analyzed to compare the Town to the overall results. Combined with the Assessment of Current Conditions, the market survey gave Evergreen the information needed to understand the Town's position relative to its labor market. A full summary of the market results can be found in **Chapter 4** of this report.

Chapter 5 – Recommendations

During the recommendations phase, Evergreen provided several different solution options based on their current relationship to market. Solutions were provided that only require minor tweaks to the current compensation and classification systems, as well as some solutions that would require wholesale changes to Town's current structure. Evergreen has provided the Town with recommendations that can both leverage the current compensation structure and help expand its ability to recruit and retain talent in the most competitive classifications. A full explanation of the recommendations can be found in **Chapter 5** of this report.



Chapter 2 – Summary of Employee Outreach

Between October 28 and 30, 2024, Evergreen consultants conducted thirty focus groups for The Town of Chapel Hill. Employees were orientated to the study's purpose, processes, their participation and goals at the beginning of each Focus Group session. Focus groups were designed to solicit open feedback from employees concerning a few topics related to compensation and classification. Overall, the goal of these groups was to gauge the general employee sentiment towards the current compensation and classification structures of the Town, while also gathering specific concerns employees had.

The observations in this chapter are a generalized summary of opinions, general themes, and trends expressed by employees who either participated in a focus group or provided direct feedback to Evergreen. Information that may identify the commenter has been removed. It is important to note that the views shared in this summary are perceptual in nature and may not necessarily reflect actual conditions in the Town.

Comments are separated by the following four categories below:

- 2.1 General Feedback
- 2.2 Compensation and Classification
- 2.3 Market Peers
- 2.4 Summary

2.1 GENERAL FEEDBACK

The primary focus of this study is to address The Town's compensation and classification structures. However, it is important to understand how employees currently view employment at large within the Town, and as a result, general feedback was sourced from employees on what brought them to work for the Town and what were the primary factors that led to their continued employment. The comments described in this section reflect the factors that incentivize prospective applicants to pursue employment with the Town and reflect the reasons employees have decided to continue working for the Town. These elements are important to highlight, as compensation, while an important factor, is often not the sole determination for where employees wish to work. The responses varied from the individual health coverage benefits, the work environment and recruitment. Additional comments expressed by employees include:

- **Benefits** – Employees said that while the benefits package (particularly health and dental) is well-regarded. Additionally, wellness initiatives like the lunch and learns, flu shots, and the Wellness Center were highly appreciated.



- **Culture** – Several employees described the collaborative and relaxed culture. This was seen as a positive aspect of working for the town. However, “commute” was frequently cited as a challenge in balancing work-life quality, impacting work satisfaction.

Overall, personnel revealed that the Town is a wonderful and unique place to work with several distinct advantages in place for employees.

2.2 COMPENSATION AND CLASSIFICATION

As the focus of this study, feedback on compensation and classification was solicited from employees. Employees were asked to identify any concerns, challenges, or limitations observed with how the Town currently compensates and classifies its positions. It is important to note that the perceptions of employees listed below do not necessarily reflect or align with the data collected in the market survey, found in **Chapter 4**.

Specific feedback shared by employees related to compensation practices included the following:

- **External Equity** – Feedback on pay competitiveness was mixed, with employees in departments like Public Works and IT noting that some roles fall below market averages. In departments where additional certifications are required, such as Transit and Public Works, employees expressed the concern that they were valued more in the private sector in terms of compensation.
- **Internal Equity** – Salary compression issues were raised across almost all departments, particularly between new hires and long-standing employees. Numerous long-standing employees of the Town expressed this problem. Also, the lack of succession planning and career progression opportunities was commonly discussed. Specifically, Public Works certifications and additional skills often do not reflect in promotional opportunities or higher pay. Lastly, it was noted that numerous job titles do not accurately reflect the respective employee’s duties and responsibilities.
- **Work Environment** - Employees expressed significant concerns about the financial challenges they face working for the town of Chapel Hill. Many reported needing to hold multiple jobs to make ends meet, which negatively impacts their work-life balance and overall well-being. The high cost of living in Chapel Hill means that some employees cannot afford to reside within the community they serve, forcing them to make long commutes from more affordable areas.
- **Recruitment** - Recruitment challenges were a significant concern across multiple departments, as noted in the outreach sessions. Employees highlighted difficulties in filling roles such as firefighters, construction workers, operators, bus drivers, and temporary positions in Parks & Recreation, often due to stringent qualifications and low starting salaries compared to neighboring municipalities. High turnover further exacerbates these challenges, particularly within the police department, which struggles to retain staff despite ongoing recruitment efforts. Additionally, the



recruitment of specialized roles, like commercial inspectors and maintenance mechanics in housing, remains difficult.

- **Turnover** – Several positions were mentioned as positions that employee felt had an extremely high turnover ratio. Those positions included:
 - Police Officers
 - Firefighters
 - Construction Workers
 - Operators
 - Temporary Positions in Parks & Recreation
 - CDL-certified Transit roles
 - Maintenance Mechanics in Housing
 - Commercial Inspectors
- **Vacancies** – Employees mentioned many vacant positions that they did not believe would not be filled any time soon. They mentioned that this places an unfair burden on current employees, who are not compensated for the extra work they perform.
- **Progression** – Career advancement opportunities are limited in numerous departments, including IT, Library, and Public Works departments. It was a commonplace concern among employees that there was not a clear framework for progression. This remains true also pay grades, where it was expressed there not being consistent movement in pay within a classification.
- **Professional Development** – Supervisors appreciated the available training programs, noting these as paths to additional roles, though limited in scope. The adjustment from a 5% to 7.5% promotion increase was positively received. However, the lack of promotional structure across numerous departments limits employees' professional development.
- **Organizational Structure** – Employees described the town structure as “top-heavy,” suggesting a need for restructuring to improve efficiency and enable career growth.
- **Succession Planning** – A pressing need for clearer succession planning was raised across departments to ensure retention and advancement.
- **Benefits (Strengths):**
 - **Health Insurance:** Employees appreciate that the town covers a significant portion of individual health coverage, making healthcare more affordable. However, some employees, especially in Public Safety, would like slight competitive adjustments to keep pace with neighboring areas.
 - **Flexible Schedules:** Flexibility in work hours was highlighted as a major benefit, allowing employees a better work-life balance. Many noted that the ability to adjust



hours is a key reason for their job satisfaction, especially when compared to nearby municipalities.

- Tuition Reimbursement: Employees view tuition assistance positively; it remains an appreciated resource for career and skill development.

- **Benefits (Weaknesses):**

- Health Insurance Adjustments: Although generally positive, it was mentioned by employees that they find the health plan to be less competitive than it was in the past.
- Flex Time and Compressed Schedules: Many employees expressed a desire for flex time or a four-day workweek option (working extended hours Monday-Thursday). They believe it would enhance work-life balance but noted it's not yet widely available.
- Benefits Enrollment Guidance: Some employees felt the benefits enrollment process needs clearer explanations and more support, which would help newer employees and those unfamiliar with the options make better choices.
- Sick Leave Limitations: Limited sick leave prompted some employees to use vacation time when unwell. They recommended either expanding sick leave or offering more flexibility with paid time off to address this concern.

- **Job Descriptions** - Employees raised concerns about outdated and inconsistent job descriptions across various roles, which they felt did not accurately reflect current responsibilities or expectations. Many employees emphasized the need for updated and detailed job descriptions to clarify roles, ensure alignment with actual job duties, and support career development.

- **Performance Management** – Employees and supervisors shared mixed feelings about the town's performance management and evaluation process. While supervisors appreciated that evaluations are not overly time-consuming, they recommended more frequent feedback sessions beyond quarterly check-ins to ensure alignment with goals. A primary concern was the lack of financial incentives tied to performance, with employees voicing a desire for merit-based pay or bonuses to reward high performers and drive improvement. Additionally, inconsistencies in evaluation practices across departments created a sense of inequity, with some departments offering more structured evaluations than others. Employees expressed interest in an updated evaluation system that includes clear, measurable goals specific to each role.



2.3 MARKET PEERS

Focus group participants were asked to name organizations they considered to be both local and regional market peers, who they believe have similar characteristics to the Pinellas Town Unified Personnel System. Respondents shared twenty-one specific public-sector municipalities. Responses are listed below and were considered when developing the list of peers for the compensation and classification survey: Participants named the following municipalities with some frequency as the Town's biggest competitors in terms of employee compensation and classification:

- Apex
- Burlington
- Carthage
- Carrboro
- Cary
- Charlotte
- Durham
- Greensboro
- Hillsborough
- Knightdale
- Mebane
- Morrisville
- North Chatham
- Orange Water and Sewer Authority
- Pittsboro
- Raleigh
- Siler City
- University of North Carolina
- Wake Town
- Wake Forest
- Winston-Salem

2.4 SUMMARY

The feedback received by Evergreen Solutions provided a solid foundation for the development of recommendations for the Town. The willingness of Chapel Hill employees to contribute to this dialogue was evident in the number of employees that took time out of their busy schedules to provide several reasonable observations with respect to potential compensation and classification strengths/weaknesses across the organization. These comments were verified and taken into consideration when identifying challenges and formulating recommendations for the Town.

The focus groups revealed three main issues facing Chapel Hill employees: **compensation and salary compression, recruitment and retention challenges, and limited career progression opportunities**. Many employees reported that their compensation was not competitive with neighboring markets, particularly given the high cost of living, and that salary compression between new hires and long-term staff created dissatisfaction. Recruitment and retention



issues were also prevalent, with departments like police, fire, and public works struggling to fill roles and experiencing high turnover, which increased workloads for current staff. Additionally, employees expressed frustration over the lack of clear career pathways and advancement opportunities, as well as limited performance-based incentives, which they felt restricted their growth within the organization. Addressing these core issues would be essential to enhancing employee satisfaction and organizational stability.

The employees of the Town of Chapel Hill take pride in their work, love serving their community and strive to make distinct contributions to their organization and their community. The Evergreen Team used the information gathered from employees throughout the remainder of this study to arrive at appropriate recommendations for the Town.



Chapter 3 – Assessment of Current Conditions

The purpose of this chapter is to provide a statistical analysis of the compensation and classification system in place at the Town at the start of this study. The assessment is divided into the following sections:

- 3.1 Analysis of Pay Plans
- 3.2 Grade Placement Analysis
- 3.3 Quartile Analysis
- 3.4 Compression Analysis
- 3.5 Summary

The analysis represented in this chapter represents a snapshot in time – this chapter was built from employee information collected in October of 2024. Every organization changes continuously, so this chapter is not meant to be a definitive statement on continuing compensation practices at the Town. Rather, this AOCC is meant to represent the conditions that were in place when this study began. The data contained within provide the baseline for analyses through the course of this study but are not sufficient cause for recommendations in isolation. By reviewing employee data, Evergreen gained a better understanding of the structure and methods in place and identified issues for both further review and potential revision.

3.1 ANALYSIS OF PAY PLANS

The purpose of analyzing the pay plans used within the Town is to help gain an overview of the compensation philosophy as it existed when the study began. The Town had a system in place that categorized classifications by level and type of work. This system used alpha-numeric and numeric pay grades to represent classifications of varying level and responsibility. For the purpose of this report, the various pay plans are being included together in the analysis to provide a wholistic look at the pay ranges available to employees. **Exhibit 3A** displays the Town's pay plans summarized for ease of comparison. The exhibit provides the name; each pay grade on the plan; the value of each pay grade at minimum, midpoint, and maximum; the range spread for each pay grade – which is a measure of the distance between the minimum and maximum of the grade; the midpoint progression between grades; and the number of employees per pay grade.

The Town does use a single “ungraded” pay grade, pay grade “no grade”. An ungraded pay grade is one that does not include pay ranges. That differs from a typical pay grade that would normally expect a range spread from 50-70 percent. The advantage of an ungraded pay grade is that it allows much more flexibility when assigning salaries than a typical range. While a



50-70 percent pay range might be sufficient for an administrative support position, for example, an ungraded range can be appropriate for positions that may experience quick changes over time due to changing market conditions. Employee salaries in certain classifications could also vary widely depending on the department, the level of competency, and the level of responsibility and oversight an employee is assigned. There are three employees total in this pay grade. Classifications assigned to this pay grade include Town Manager, Town Attorney and Chief of Staff.

The Town's pay plan includes 48 occupied pay grades that hold 743 employees. The pay range spreads fall between 6.0 - 149.3 percent. Pay grades 120, F8 , and 218 only have one employee, while pay grade 210 contains the most employees with 148.



EXHIBIT 3A
PAY PLAN SUMMARY

Pay Plan	Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Progression	Employees
EXEMPT	108	\$ 42,829	\$ 56,742	\$ 70,654	65%	-	2
	110	\$ 47,218	\$ 62,557	\$ 77,896	65%	10%	11
	111	\$ 49,579	\$ 65,685	\$ 81,791	65%	5%	9
	112	\$ 52,058	\$ 69,777	\$ 87,496	68%	6%	15
	113	\$ 54,661	\$ 72,418	\$ 90,174	65%	4%	14
	114	\$ 60,264	\$ 79,841	\$ 99,418	65%	10%	36
	115	\$ 63,277	\$ 83,833	\$ 104,388	65%	5%	14
	116	\$ 66,441	\$ 88,025	\$ 109,608	65%	5%	14
	117	\$ 69,763	\$ 92,426	\$ 115,088	65%	5%	11
	118	\$ 73,251	\$ 97,047	\$ 120,842	65%	5%	4
	119	\$ 76,914	\$ 101,899	\$ 126,884	65%	5%	30
	120	\$ 80,759	\$ 106,994	\$ 133,229	65%	5%	1
FIRE	F2	\$ 43,678	\$ 56,844	\$ 70,010	60%	-	24
	F3	\$ 45,862	\$ 59,687	\$ 73,512	60%	5%	10
	F4	\$ 48,154	\$ 62,671	\$ 77,187	60%	5%	10
	F5	\$ 53,090	\$ 69,095	\$ 85,099	60%	10%	12
	F6	\$ 55,745	\$ 72,550	\$ 89,354	60%	5%	2
	F7	\$ 59,960	\$ 78,035	\$ 96,109	60%	8%	21
	F8	\$ 66,106	\$ 86,034	\$ 105,961	60%	10%	1
	F9	\$ 72,882	\$ 94,852	\$ 116,821	60%	10%	6
NON-EXEMPT	206	\$ 31,959	\$ 42,341	\$ 52,723	65%	-	4
	207	\$ 33,558	\$ 45,103	\$ 56,647	69%	7%	22
	208	\$ 35,235	\$ 46,681	\$ 58,127	65%	3%	14
	209	\$ 36,997	\$ 49,844	\$ 62,690	69%	7%	18
	210	\$ 38,847	\$ 51,466	\$ 64,085	65%	3%	148
	211	\$ 40,789	\$ 54,039	\$ 67,289	65%	5%	18
	212	\$ 42,828	\$ 56,980	\$ 71,131	66%	5%	35
	213	\$ 44,969	\$ 60,729	\$ 76,489	70%	7%	41
	214	\$ 47,218	\$ 62,557	\$ 77,896	65%	3%	5
	215	\$ 49,579	\$ 65,685	\$ 81,791	65%	5%	29
	216	\$ 52,058	\$ 69,227	\$ 86,395	66%	5%	4
	217	\$ 54,661	\$ 75,442	\$ 96,222	76%	9%	17
	218	\$ 57,394	\$ 78,447	\$ 99,500	73%	4%	1
	220	\$ 63,277	\$ 83,833	\$ 104,388	65%	7%	4
OTHER	No Grade	\$ 74,967	\$ 130,916	\$ 186,864	149%	-	3
POLICE	P1	\$ 50,000	\$ 51,500	\$ 53,000	6%	-	4
	P2	\$ 50,000	\$ 54,249	\$ 58,497	17%	5%	10
	P3	\$ 55,000	\$ 60,095	\$ 65,190	19%	11%	21
	P4	\$ 65,000	\$ 70,600	\$ 76,200	17%	17%	13
	P5	\$ 69,230	\$ 82,225	\$ 95,219	38%	16%	18
	P6	\$ 76,153	\$ 89,199	\$ 102,245	34%	8%	10
	P7	\$ 83,768	\$ 95,746	\$ 107,724	29%	7%	8
	P8	\$ 92,145	\$ 105,335	\$ 118,524	29%	10%	5
SENIOR MANAGEMENT	II	\$ 81,393	\$ 105,929	\$ 130,464	60%	-	5
	III	\$ 89,735	\$ 116,786	\$ 143,837	60%	10%	15
	IV	\$ 109,074	\$ 141,955	\$ 174,835	60%	22%	5
	V	\$ 126,267	\$ 164,422	\$ 202,576	60%	16%	17
	VII	\$ 146,170	\$ 190,233	\$ 234,296	60%	16%	2
Total	-	-	-	-	-	-	743



Comparing the summary data in **Exhibit 3A** to best practices, several observations can be made regarding the Town's pay plans. Based on the analysis of the pay plans, the following facts can be observed:

- Range spreads—generally set between 50-70 percent—are consistent typical to the market today. However, the range spreads are not uniform through the Non-Exempt Structure or Police Structure.
- The number of employees on each pay grade is widely varied. Multiple pay grades have few incumbents occupying the grade, while others contain several dozen employees.
- The minimum of any pay grade is \$31,959 while the maximum of any pay grade is \$234,296.

3.2 GRADE PLACEMENT ANALYSIS

The Grade Placement Analysis examines how employee salaries are distributed throughout the pay grades. This can help identify salary progression issues, which are usually accompanied by employee salaries that are clustered in segments of the pay grades. A clustering of employee salaries in the lower part of ranges can indicate a lack of salary progression for employees or a high level of employee turnover. A clustering of employee salaries in the high end of pay ranges can be a sign of high employee tenure or a sign that the pay ranges are behind market, forcing the organization to offer salaries near the maximum of the range to new hires. Regarding minimum and maximum salaries, employees at the grade minimum are typically newer to the organization or to the classification, while employees at the grade maximum are typically highly experienced and highly proficient in their classification. The Grade Placement Analysis examines how salaries compare to pay range minimums, midpoints, and maximums. Only pay grades with at least one incumbent are included in this analysis.

Exhibit 3B displays the percentage and number of employees compensated at their pay grade minimum and pay grade maximum. The percentages presented are based on the total number of employees in that grade. As can be seen in the exhibit, 0.5 percent (four total) of all employees are compensated at their pay grade's minimum. A larger percentage of employees, 1.1 percent (eight total), are compensated at their pay grade's maximum.

EXHIBIT 3B EMPLOYEES AT MINIMUM AND MAXIMUM BY GRADE

Pay Plan	Grade	Employees	# at Min	% at Min	# at Max	% at Max
EXEMPT	108	2	0	0.0%	0	0.0%
	110	11	0	0.0%	0	0.0%
	111	9	0	0.0%	0	0.0%
	112	15	0	0.0%	0	0.0%
	113	14	0	0.0%	0	0.0%
	114	36	0	0.0%	0	0.0%
	115	14	0	0.0%	0	0.0%
	116	14	0	0.0%	0	0.0%
	117	11	0	0.0%	0	0.0%
	118	4	0	0.0%	0	0.0%
	119	30	0	0.0%	0	0.0%
	120	1	0	0.0%	0	0.0%
FIRE	F2	24	3	12.5%	0	0.0%
	F3	10	0	0.0%	0	0.0%
	F4	10	0	0.0%	0	0.0%
	F5	12	0	0.0%	0	0.0%
	F6	2	0	0.0%	0	0.0%
	F7	21	0	0.0%	0	0.0%
	F8	1	0	0.0%	0	0.0%
	F9	6	0	0.0%	0	0.0%
NON-EXEMPT	206	4	0	0.0%	0	0.0%
	207	22	0	0.0%	0	0.0%
	208	14	0	0.0%	0	0.0%
	209	18	1	5.6%	0	0.0%
	210	148	0	0.0%	0	0.0%
	211	18	0	0.0%	0	0.0%
	212	35	0	0.0%	0	0.0%
	213	41	0	0.0%	0	0.0%
	214	5	0	0.0%	0	0.0%
	215	29	0	0.0%	0	0.0%
	216	4	0	0.0%	1	25.0%
	217	17	0	0.0%	0	0.0%
	218	1	0	0.0%	0	0.0%
	220	4	0	0.0%	0	0.0%
OTHER	No Grade	3	0	0.0%	2	66.7%
POLICE	P1	4	0	0.0%	4	100.0%
	P2	10	0	0.0%	0	0.0%
	P3	21	0	0.0%	0	0.0%
	P4	13	0	0.0%	0	0.0%
	P5	18	0	0.0%	0	0.0%
	P6	10	0	0.0%	0	0.0%
	P7	8	0	0.0%	0	0.0%
	P8	5	0	0.0%	0	0.0%
SENIOR MANAGEMENT	II	5	0	0.0%	0	0.0%
	III	15	0	0.0%	0	0.0%
	IV	5	0	0.0%	0	0.0%
	V	17	0	0.0%	1	5.9%
	VII	2	0	0.0%	0	0.0%
Total	-	743	4	0.5%	8	1.1%



In addition to assessing the number of employees at minimum and maximum, an analysis was conducted to determine the number of employees below and above pay grade midpoint. The percentages refer to the percentage of employees in each pay grade that are above and below midpoint. **Exhibit 3C** displays the results of this analysis: a total of 417 employees are compensated below their pay grade midpoint—which is 56.1 percent of all employees for the Town. There are 326 employees compensated above the midpoint of their pay grade, which is 43.9 percent of all employees.



EXHIBIT 3C EMPLOYEES ABOVE AND BELOW MIDPOINT BY PAY GRADE

Pay Plan	Grade	Employees	# < Mid	% < Mid	# > Mid	% > Mid
EXEMPT	108	2	0	0.0%	2	100.0%
	110	11	7	63.6%	4	36.4%
	111	9	4	44.4%	5	55.6%
	112	15	9	60.0%	6	40.0%
	113	14	5	35.7%	9	64.3%
	114	36	21	58.3%	15	41.7%
	115	14	8	57.1%	6	42.9%
	116	14	6	42.9%	8	57.1%
	117	11	5	45.5%	6	54.5%
	118	4	2	50.0%	2	50.0%
	119	30	10	33.3%	20	66.7%
	120	1	0	0.0%	1	100.0%
FIRE	F2	24	24	100.0%	0	0.0%
	F3	10	9	90.0%	1	10.0%
	F4	10	7	70.0%	3	30.0%
	F5	12	9	75.0%	3	25.0%
	F6	2	2	100.0%	0	0.0%
	F7	21	12	57.1%	9	42.9%
	F8	1	0	0.0%	1	100.0%
	F9	6	6	100.0%	0	0.0%
NON-EXEMPT	206	4	3	75.0%	1	25.0%
	207	22	11	50.0%	11	50.0%
	208	14	12	85.7%	2	14.3%
	209	18	7	38.9%	11	61.1%
	210	148	123	83.1%	25	16.9%
	211	18	10	55.6%	8	44.4%
	212	35	8	22.9%	27	77.1%
	213	41	24	58.5%	17	41.5%
	214	5	2	40.0%	3	60.0%
	215	29	21	72.4%	8	27.6%
	216	4	0	0.0%	4	100.0%
	217	17	9	52.9%	8	47.1%
	218	1	1	100.0%	0	0.0%
	220	4	4	100.0%	0	0.0%
OTHER	No Grade	3	0	0.0%	3	100.0%
POLICE	P1	4	0	0.0%	4	100.0%
	P2	10	9	90.0%	1	10.0%
	P3	21	5	23.8%	16	76.2%
	P4	13	8	61.5%	5	38.5%
	P5	18	0	0.0%	18	100.0%
	P6	10	0	0.0%	10	100.0%
	P7	8	0	0.0%	8	100.0%
	P8	5	0	0.0%	5	100.0%
SENIOR MANAGEMENT	II	5	0	0.0%	5	100.0%
	III	15	3	20.0%	12	80.0%
	IV	5	3	60.0%	2	40.0%
	V	17	8	47.1%	9	52.9%
	VII	2	0	0.0%	2	100.0%
Total	-	743	417	56.1%	326	43.9%

3.3 QUARTILE ANALYSIS

The last part of the Grade Placement Analysis is a detailed look at how salaries are distributed through pay grades, through a quartile analysis. Here, each pay grade is divided into four segments of equal width, called quartiles. The first quartile represents the first 25 percent of the pay range; the second quartile represents the part of the range above the first quartile up to the mathematical midpoint; the third quartile represents the part of the range from the midpoint to 75 percent of the pay range; and the fourth quartile represents the part of the range above the third quartile up to the pay range maximum. Employees are assigned to a quartile within their pay range based on their current salary.

The quartile analysis is used to determine the location of employee salary clusters. Quartile analysis helps identify whether clusters exist in specific quartiles of pay grades. Additionally, the amount of time the employee has spent at the organization is also analyzed, to observe any relationship between organizational tenure and salary progression. This information, while not definitive alone, can shed light on any root issues within the current compensation and classification plan when combined with market data and employee feedback.

Exhibit 3D shows the number of employees that are in each quartile of each grade, as well as the average overall tenure (i.e. how long an employee has worked for the Town) by quartile. Overall, data shows that 12.2 percent of employees fall into Quartile 1 of their respective grade; 43.9 percent fall into Quartile 2; 30.7 percent fall into Quartile 3; and 13.2 percent fall into Quartile 4. While this distribution does not lead to a conclusion, data for average tenure do lead to determinations on the relationship between tenure and salary.

Specifically, overall average tenure increases as quartile increases; the average tenure in Quartile 1 is 1.6 years; in Quartile 2 is 5.3 years; in Quartile 3 is 11.6 years; and in Quartile 4 is 17.5 years. This would seem to indicate that employees are moved through their pay grades equitably, or at the very least a positive linear relationship exists between tenure and pay.

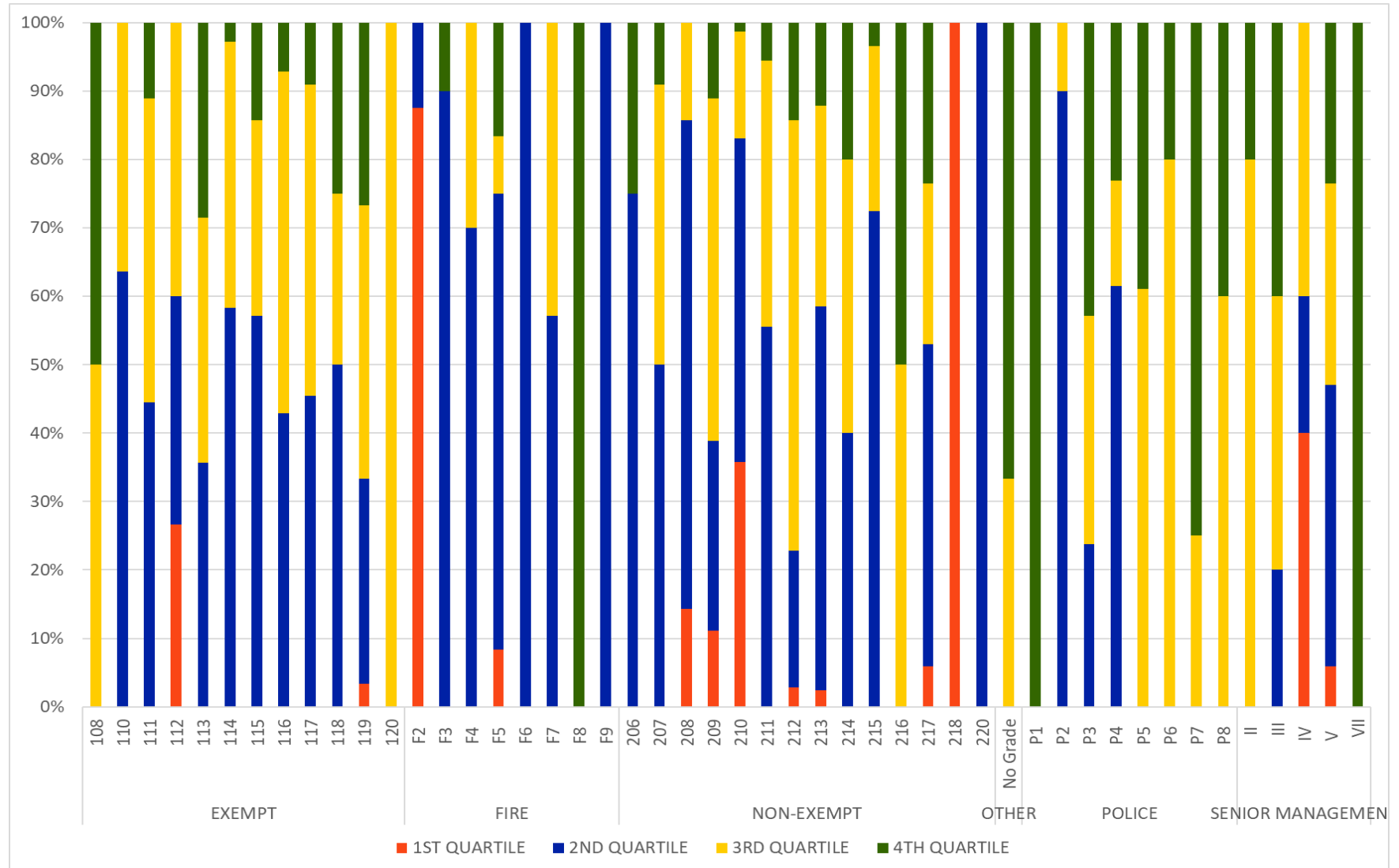
Exhibit 3E displays a graphical representation of the data contained in **Exhibit 3D**. Each pay grade is divided into up to four sections representing the percentage of employees, in that pay grade, who belong in each quartile. For example, pay grade 120 has zero employees in Quartiles 1, 2, or 4. That pay grade is represented by a 100 percent yellow bar, showing that 100 percent of grade 120 employees are in Quartile 3. Pay grade 209 has employees in all four quartiles, however, and is consequently represented with bars displaying all four colors, corresponding to the percentage of employees for each pay grade in each quartile.

EXHIBIT 3D

QUARTILE ANALYSIS AND TIME WITH THE ORGANIZATION

Pay Plan	GRADE	Total Employees	Average Tenure	1st Quartile		2nd Quartile		3rd Quartile		4th Quartile	
				# Employees	Avg Tenure	# Employees	Avg Tenure	# Employees	Avg Tenure	# Employees	Avg Tenure
EXEMPT	108	2	8.1	0	-	0	-	1	3.8	1	12.5
	110	11	9.8	0	-	7	4.6	4	18.9	0	-
	111	9	7.2	0	-	4	3.8	4	3.9	1	34.2
	112	15	3.4	4	0.8	5	1.3	6	6.9	0	-
	113	14	7.2	0	-	5	4.0	5	7.3	4	11.2
	114	36	7.2	0	-	21	5.4	14	8.9	1	22.8
	115	14	6.0	0	-	8	5.6	4	4.8	2	10.3
	116	14	8.2	0	-	6	7.5	7	6.5	1	23.8
	117	11	10.6	0	-	5	5.4	5	12.5	1	26.5
	118	4	7.0	0	-	2	4.0	1	8.2	1	11.6
	119	30	11.3	1	3.3	9	10.7	12	9.7	8	15.3
FIRE	120	1	7.5	0	-	0	-	1	7.5	0	-
	F2	24	1.4	21	1.1	3	3.3	0	-	0	-
	F3	10	5.1	0	-	9	3.1	0	-	1	23.6
	F4	10	5.0	0	-	7	3.6	3	8.4	0	-
	F5	12	10.2	1	1.5	8	7.5	1	17.8	2	21.4
	F6	2	2.7	0	-	2	2.7	0	-	0	-
	F7	21	14.4	0	-	12	13.1	9	16.2	0	-
	F8	1	28.3	0	-	0	-	0	-	1	28.3
	F9	6	20.3	0	-	6	20.3	0	-	0	-
NON-EXEMPT	206	4	4.6	0	-	3	0.8	0	-	1	16.1
	207	22	7.5	0	-	11	2.3	9	8.3	2	31.9
	208	14	1.6	2	0.3	10	2.0	2	0.9	0	-
	209	18	7.0	2	1.0	5	3.9	9	7.3	2	19.5
	210	148	4.7	53	0.9	70	4.2	23	12.6	2	29.8
	211	18	9.0	0	-	10	4.1	7	13.0	1	30.2
	212	35	15.5	1	1.5	7	2.8	22	16.8	5	30.2
	213	41	10.5	1	2.0	23	5.4	12	16.1	5	22.3
	214	5	13.4	0	-	2	9.8	2	14.1	1	18.9
	215	29	8.3	0	-	21	5.3	7	16.2	1	16.3
	216	4	10.9	0	-	0	-	2	6.8	2	14.9
	217	17	11.9	1	0.8	8	9.9	4	10.8	4	19.6
	218	1	9.2	1	9.2	0	-	0	-	0	-
	220	4	6.2	0	-	4	6.2	0	-	0	-
	No Grade	3	13.6	0	-	0	-	1	27.4	2	6.6
POLICE	P1	4	0.5	0	-	0	-	0	-	4	0.5
	P2	10	1.3	0	-	9	1.2	1	2.4	0	-
	P3	21	3.3	0	-	5	2.1	7	2.9	9	4.3
	P4	13	4.7	0	-	8	3.4	2	6.1	3	7.2
	P5	18	17.0	0	-	0	-	11	12.7	7	23.9
	P6	10	13.3	0	-	0	-	8	10.7	2	23.9
	P7	8	17.2	0	-	0	-	2	11.7	6	19.0
	P8	5	23.7	0	-	0	-	3	23.0	2	24.7
SENIOR MANAGEMENT	II	5	8.7	0	-	0	-	4	8.6	1	9.2
	III	15	13.6	0	-	3	11.4	6	13.0	6	15.2
	IV	5	25.2	2	20.9	1	20.5	2	31.8	0	-
	V	17	11.3	1	9.7	7	4.4	5	13.9	4	20.7
	VII	2	23.4	0	-	0	-	0	-	2	23.4
Overall	-	743	8.4	91	1.6	326	5.3	228	11.6	98	17.5

EXHIBIT 3E QUARTILE PLACEMENT BY PAY GRADE



Studying the data from the following exhibits can reveal certain patterns. One thing that can be observed is there is an apparent correlation between organizational tenure and quartile progression. In most cases, employees in a grade's higher quartiles have more tenure with the Town. This is more evident when taking into consideration the percentage of employees in Quartile 4 in the more senior grades. This can be evidence of employee progression through pay grades and through their ranges. This could indicate that as employees on the Classified pay plan move up into the highest pay grades, they are generally progressing through the individual pay range, as well. There are many reasons why this might be the case. One possible explanation is that employees who are promoted in the Town could be expected to have progressed through their current pay grade to near the maximum. Then when they are promoted, their salary is increased by a percentage of their current or a percentage into their new grade. Another possible explanation is as you move to higher pay grades, positions are more competitive on the open market. There are typically more certifications required, more experience is desirable, and there are fewer employees available to fill the position. That requires the Town to bid up the price of a new hire to attract high quality employees. It is impossible to determine why this pattern is occurring without more data. However, it is something that bears watching in the future, as the Town could gather valuable information about itself.

3.4 COMPRESSION ANALYSIS

Pay compression can be defined as the lack of variation in salaries between employees with significantly different levels of experience and responsibility. Compression can be seen as a threat to internal equity and morale. Two common types of pay compression can be observed when the pay of supervisors and their subordinates are too close, or the pay of highly tenured staff and newly hired employees in the same job are too similar.

According to the Society for Human Resources Management (SHRM), specific examples of actions that may cause pay compression include the following:

- Reorganizations change peer relationships and can create compression if jobs are not reevaluated.
- In some organizations, certain departments or divisions may be relatively liberal with salary increases, market adjustments, and promotions—while others are not.
- Some employers have overlooked their Human Resources policies designed to regulate pay, paying new hires more than incumbents for similar jobs under the mantra of “paying what it takes to get the best talent.”
- Many organizations have found it easy to hire people who have experience for another organization, eliminating the need for training. Rather than hiring individuals with high potential and developing them for the long term, they have opted for employees who could “hit the ground running”—regardless of their potential.



Exhibit 3F indicates the ratio of subordinate to supervisor salaries by grade graphically and **Exhibit 3G** displays these results numerically. Employees were grouped into categories reflecting whether their actual salary was less than 80 percent, less than 95 percent, or greater than 95 percent of their supervisor's salary. Less than 80 percent would indicate that the ratio of an employee's salary to his supervisor's salary would yield a result of less than 0.8. For example, an employee with a salary of \$79,000.00 and a supervisor with a salary of \$100,000.00 would yield a ratio of 0.79 and be placed into the Less than 80 percent category.

An analysis of the data would quickly reveal that while most positions in the Town are in a great position, with plenty of space between employee and supervisor salaries, there are still some employees with salaries more than 100 percent of their supervisor's salary. Anywhere blue or red appears on **Exhibit 3F** is somewhere that warrants an examination of supervisor vs. employee salary.

EXHIBIT 3F
EMPLOYEE TO SUPERVISOR SALARY RATIO BY PAY GRADE

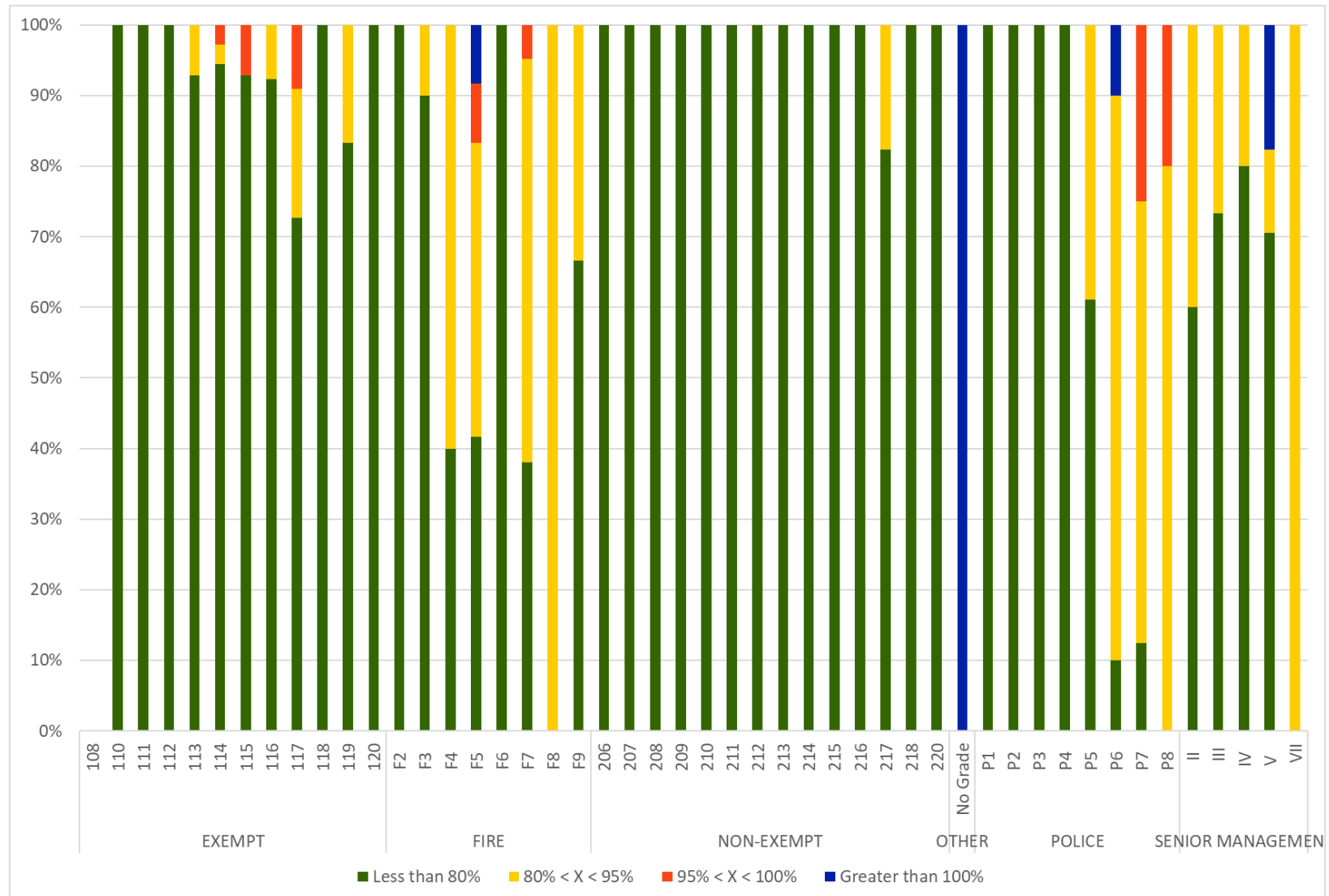


EXHIBIT 3G

EMPLOYEE TO SUPERVISOR SALARY RATIO BY PAY GRADE

Pay Plan	Grade	Less than 80%	80% < X < 95%	95% < X < 100%	Greater than 100%
EXEMPT	108	0	0	0	0
	110	11	0	0	0
	111	9	0	0	0
	112	15	0	0	0
	113	13	1	0	0
	114	34	1	1	0
	115	13	0	1	0
	116	12	1	0	0
	117	8	2	1	0
	118	4	0	0	0
	119	25	5	0	0
	120	1	0	0	0
FIRE	F2	24	0	0	0
	F3	9	1	0	0
	F4	4	6	0	0
	F5	5	5	1	1
	F6	2	0	0	0
	F7	8	12	1	0
	F8	0	1	0	0
	F9	4	2	0	0
NON-EXEMPT	206	4	0	0	0
	207	22	0	0	0
	208	14	0	0	0
	209	18	0	0	0
	210	148	0	0	0
	211	18	0	0	0
	212	35	0	0	0
	213	41	0	0	0
	214	5	0	0	0
	215	29	0	0	0
	216	4	0	0	0
	217	14	3	0	0
	218	1	0	0	0
	220	4	0	0	0
OTHER	No Grade	0	0	0	2
POLICE	P1	4	0	0	0
	P2	10	0	0	0
	P3	21	0	0	0
	P4	13	0	0	0
	P5	11	7	0	0
	P6	1	8	0	1
	P7	1	5	2	0
	P8	0	4	1	0
SENIOR MANAGEMENT	II	3	2	0	0
	III	11	4	0	0
	IV	4	1	0	0
	V	12	2	0	3
	VII	0	2	0	0
Total	-	649	75	8	7



Exhibit 3H and **Exhibit 3I** showcase the actual vs. projected progression of Town employees, sorted by tenure. Projected progression is calculated using a 30-year progression assumption for employees. For example, an employee who had worked at their position for 15 years would be projected to be at the grade midpoint, while an employee with 30 or more class years would be projected to be at the grade maximum. An important distinction between this compression table and the quartile analysis: this compression table utilizes class years, while the Quartile analysis uses tenure. Class years are differentiated from tenure by using the date that you started working in your current classification as the start date, instead of the date you first were hired by the Town. To illustrate, if an employee had been an accountant for fifteen years, and then was promoted last year to Accountant Supervisor that employee would have fifteen years of tenure, but only one class year.

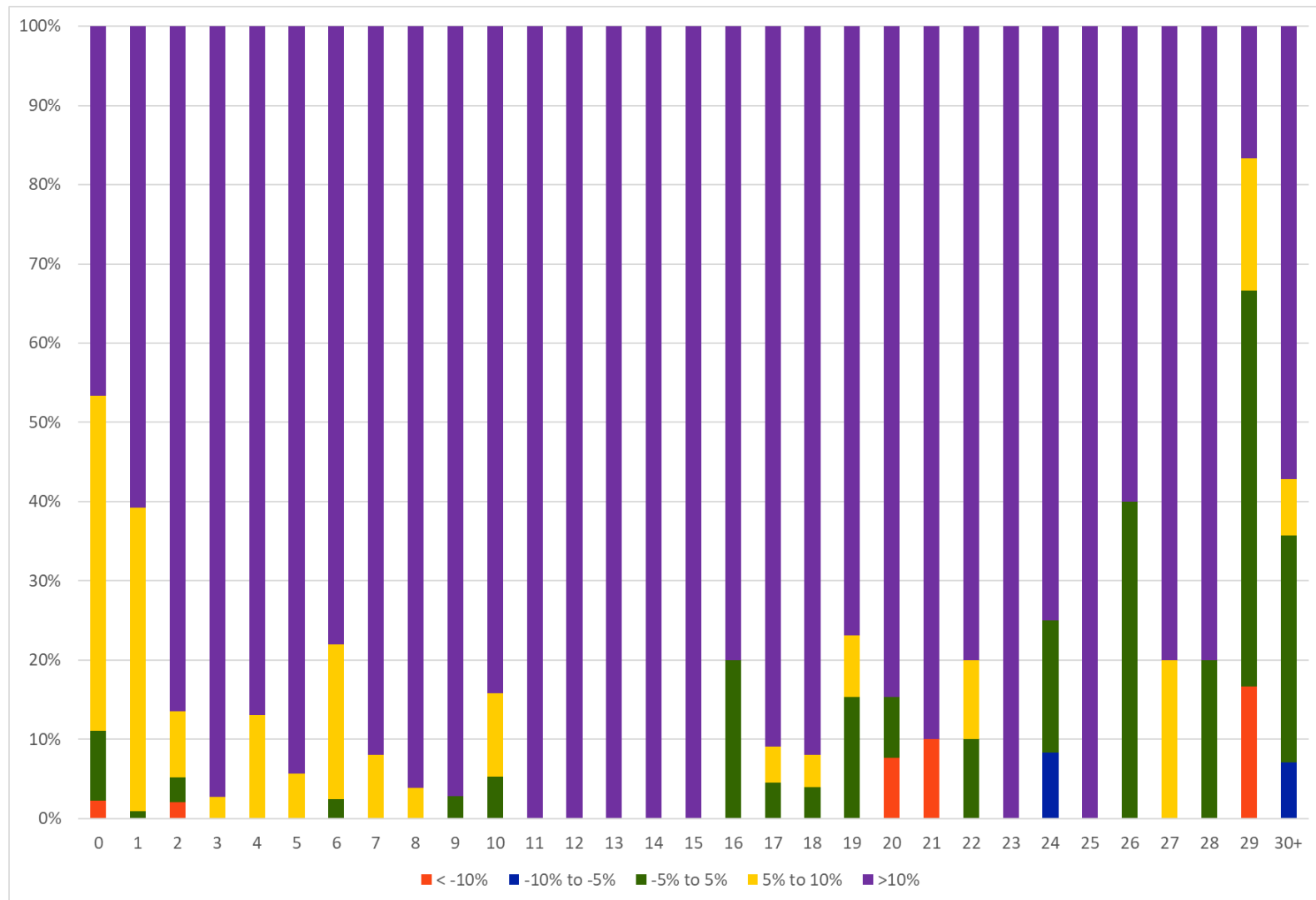
On **Exhibit 3I**, it is easy to discern that most Town employees have progressed more than 10 percent above what they would be projected, based on their class years. While this is clearly good for employees, it is not necessarily bad for the Town. It could mean that the Town is paying employees very competitively or that pay grades are too low, forcing the Town to advance employees more quickly through pay grades to keep competitive with the market. However, it could just as easily be another indicator of employee promotion and advancement through the ranks. As mentioned in the description of the quartile analysis, when an employee has advanced to near the top of their pay grade and they receive a promotion, they will often not start at their new pay grade minimum. An employee will not accept a pay decrease, so that employee is therefore started above the minimum on their new pay grade. That puts them above their “projected pay,” by definition. They have zero class years, but their pay is above the minimum. Then, if they advance exactly at the speed expected for the rest of their career, they will always remain above their “projected” pay. Additionally, this could also be an indication of a workforce that possesses value outside of their time spent with the Town, such as additional education or experience. This may mean that the employee is hired above their “projected salary” based on class years alone, and again, standard progression through the ranges throughout their time with the Town would lead to a salary that is higher than the projection. While the true explanation likely encompasses many of these factors, a definitive answer cannot be determined without more data.

EXHIBIT 3H ACTUAL VS. PROJECTED PROGRESSION

Tenure	< -10%	-10% to -5%	-5% to 5%	5% to 10%	>10%
0	1	0	4	19	21
1	0	0	1	41	65
2	2	0	3	8	83
3	0	0	0	2	71
4	0	0	0	3	20
5	0	0	0	2	33
6	0	0	1	8	32
7	0	0	0	2	23
8	0	0	0	1	25
9	0	0	1	0	34
10	0	0	1	2	16
11	0	0	0	0	12
12	0	0	0	0	17
13	0	0	0	0	5
14	0	0	0	0	8
15	0	0	0	0	11
16	0	0	2	0	8
17	0	0	1	1	20
18	0	0	1	1	23
19	0	0	2	1	10
20	1	0	1	0	11
21	1	0	0	0	9
22	0	0	1	1	8
23	0	0	0	0	9
24	0	1	2	0	9
25	0	0	0	0	6
26	0	0	2	0	3
27	0	0	0	1	4
28	0	0	1	0	4
29	1	0	3	1	1
30+	0	1	4	1	8



EXHIBIT 3I ACTUAL VS. PROJECTED PROGRESSION



3.5 SUMMARY

There were many observations made with respect to the Town's compensation system in place at the beginning of the study.

- Range spreads, generally recommended to be between 50-70 percent, vary across several grades. The Town's six plans have range spreads varying from 6 percent up to 149 percent.
- Most employees have progressed more than their projected progression, based on a 30-year progression plan.
- More than half of employees are paid below their pay grade midpoint as the Town's average tenure is 8.4 years.
- Few employees (12.2 percent) are in Quartile 1 of their pay grade. This can indicate a workforce with high tenure or an organization that is forced to hire deeper into their grades as the pay plan has not matched the market. Further analysis is required to determine the cause of this imbalance.
- Most Town employees are paid less than 80.0 percent of their supervisors' salaries. This is a good indication that there are not widespread salary compression issues between employees and their supervisors.

This analysis acts as a starting point for the development of recommendations in subsequent chapters of this report. Paired with market data, Evergreen can make recommendations that will ensure that the Town's compensation system is structurally sound in terms of best practice, competitive with the market, and treats all employees equitably moving forward.

Chapter 4 – Market Summary

The purpose of the market summary chapter is to benchmark the Town's compensation practices against that of its market peers; to establish how competitive the Town is with the market. To complete this market study, Evergreen compared pay ranges of select benchmark positions that the Town possesses against the compensation of positions performing those same duties within peer organizations. By aggregating the differences in pay ranges across all the positions, a reasonable determination is made as to the Town's competitive position within the market.

It is important to note that individual salaries are not analyzed in this methodology, since individual compensation can be affected by several variables such as experience and job performance. For this reason, Evergreen looked at average pay ranges across the entire classification to make the most accurate comparison. The results of this market study should be considered reflective of the current state of the market at the time of this study; however, market conditions can change rapidly. Consequently, it is necessary to conduct market surveys of peer organizations at regular intervals for an organization to consistently monitor its position within the market. Furthermore, the market results detailed in this chapter provide a foundation for understanding the Town's overall structural standing in the market, and the rates reflected in this chapter, while an important factor, are not the sole determinant for how classifications were placed into the proposed salary ranges outlined in **Chapter 5**.

Evergreen conducted a comprehensive market salary survey for the Town, which included soliciting 22 target peer organizations (5 counties, 14 cities, 1 university and 2 special districts) for 111 benchmark positions. Of the 22 total organizations contacted, 22 responded and provided data for the benchmark positions. Target peers were selected based on several factors, including geographic proximity, resource level, job overlap, and size. Target organizations were also identified for their competition with the Town for employee recruitment and retention efforts. The list of targets that provided data for the purpose of this study are included in **Exhibit 4A**.



EXHIBIT 4A RESPONDENT MARKET PEERS

Respondent Organizations
Apex, NC
Cary, NC
Durham, NC
Greenville, NC
Holly Springs, NC
Morrisville, NC
Raleigh, NC
Wake Forest, NC
Wilmington, NC
Birmingham, AL
Lexington, KY
Charlottesville, VA
Franklin, TN
Madison, WI
Alamance County, NC
Chatham County, NC
Durham County, NC
Orange County, NC
Wake County, NC
University of North Carolina
GoTriangle (Transit Only)
Raleigh Housing Authority

Because the data collected for the market summary was from various regions, it was necessary to adjust peer responses relative to the Town based on cost-of-living. For all organizations that fell outside the Town's immediate region, a cost-of-living adjustment was applied to the reported pay ranges to ensure a market average was attained in terms of the spending power an employee would have in the Town's local area. Evergreen utilizes cost-of-living index information from the Council for Community and Economic Research. The cost-of-living index figures for the Town and each of the respondent market peers are in **Exhibit 4B**.



EXHIBIT 4B
RESPONDENTS WITH COST-OF-LIVING ADJUSTMENTS

Organization	Cost of Living
Chapel Hill, NC	107.4
Apex, NC	104.9
Cary, NC	104.9
Durham, NC	100.1
Greenville, NC	93.7
Holly Springs, NC	104.9
Morrisville, NC	104.9
Raleigh, NC	104.9
Wake Forest, NC	104.9
Wilmington, NC	98.8
Birmingham, AL	98.8
Lexington, KY	98.2
Charlottesville, VA	109.3
Franklin, TN	114.7
Madison, WI	104.6
Alamance County, NC	93.1
Chatham County, NC	103.0
Durham County, NC	100.1
Orange County, NC	107.4
Wake County, NC	104.9
University of North Carolina	107.4
GoTriangle (Transit Only)	-
Raleigh Housing Authority	104.9

4.1 MARKET DATA

The results of the market study are displayed in **Exhibit 4C**, which includes the benchmark job titles and the market average salaries for each position at the minimum, midpoint, and maximum points of the pay ranges. Also included within the exhibit are the percentage differentials of the Town's pay ranges at each respective point, relative to the market average pay. A positive percent differential is indicative of the Town's pay range exceeding that of the average of its market peers; alternatively, a negative percent differential indicates the Town's compensation for a given position lagging behind the average of its peers. For those classifications where no differential is shown, this is due to the Town not possessing a pay range for comparison to the market. The exhibit also includes the average pay range for the market respondents for each position, as well as how many responses each benchmark received.

While all benchmarks are included in the survey, not every peer organization possesses an appropriate match. Consequently, the benchmarks receive varying levels of response. For this study, all positions that received fewer than five matches from market peers were not considered in establishing the Town's competitive position. The rationale behind these positions being excluded is that insufficient response can lead to unreliable averages that may skew the aggregated data, blurring the reality of the Town's actual position in the market. Of the 111 positions surveyed, 104 met the criteria for inclusion.



EXHIBIT 4C
MARKET SURVEY RESULTS

ID	Classification	Survey Minimum		Survey Midpoint		Survey Maximum		Survey Avg Range	# Resp.
		Average	% Diff	Average	% Diff	Average	% Diff		
1	ACCOUNTANT - HOUSING	\$58,361.30	3.2%	\$74,985.06	6.1%	\$91,608.81	7.9%	57.0%	12.0
2	ACCOUNTING TECH II	\$48,880.56	-14.1%	\$62,765.44	-10.2%	\$76,650.32	-7.8%	57.0%	13.0
3	ADMINISTRATIVE ANALYST	\$52,941.96	3.1%	\$67,675.82	6.5%	\$82,409.68	8.6%	55.3%	6.0
4	ADMINISTRATIVE ASSISTANT	\$43,111.29	-16.5%	\$55,429.41	-11.2%	\$67,747.52	-8.1%	57.2%	14.0
5	ADMINISTRATIVE COORDINATOR	\$52,123.69	-10.4%	\$66,925.52	-7.0%	\$81,727.34	-4.9%	56.8%	11.0
6	ADMINISTRATIVE SVCS MANAGER	\$71,225.11	-12.6%	\$93,838.86	-11.9%	\$116,452.61	-11.6%	63.7%	5.0
7	AFFORDABLE HSG DEVEL OFFICER	\$58,082.37	3.6%	\$67,404.57	15.6%	\$76,726.78	22.8%	31.9%	9.0
8	AQUATICS SPECIALIST	\$53,214.04	-18.3%	\$67,939.01	-11.9%	\$82,663.99	-8.1%	55.4%	5.0
9	ASSISTANT ARBORIST	\$58,163.86	-23.2%	\$73,395.39	-17.3%	\$88,626.93	-13.8%	52.5%	7.0
10	ASSISTANT DIR-P&R-REC OPS	\$91,662.77	-2.1%	\$116,580.01	0.2%	\$141,497.25	1.6%	54.5%	7.0
11	ASSISTANT MAINTENANCE MANAGER-FLEET	\$70,067.42	-5.5%	\$89,028.51	-1.1%	\$107,989.60	1.5%	54.1%	8.0
12	ASSISTANT TRANSPORTATION ENGIN	\$80,543.03	-27.3%	\$104,174.95	-24.3%	\$127,806.88	-22.4%	58.7%	3.0
13	ASST DIR BUS MANAGEMENT	\$91,748.63	-2.2%	\$119,543.91	-2.4%	\$147,339.19	-2.4%	60.4%	4.0
14	BATTALION CHIEF	\$87,300.71	-19.8%	\$109,791.23	-15.8%	\$132,281.75	-13.2%	51.4%	9.0
15	BLDG MAINT MECH III	\$47,591.37	-5.8%	\$61,745.19	-1.7%	\$75,899.00	0.8%	59.5%	7.0
16	BUSINESS ANALYST	\$66,544.36	-10.4%	\$86,100.90	-7.8%	\$105,657.43	-6.3%	58.8%	11.0
17	BUSINESS OPERATIONS MANAGER	\$77,004.15	-15.9%	\$99,227.68	-12.7%	\$121,451.21	-10.8%	57.7%	6.0
18	BUSINESS SERVICES MANAGER	\$79,502.11	-3.4%	\$105,145.87	-3.2%	\$130,789.63	-3.1%	64.7%	5.0
19	CHIEF INFORM SECURITY OFF	\$136,415.99	-68.9%	\$180,200.43	-68.4%	\$223,984.87	-68.1%	64.3%	7.0
20	CODE ENFORCEMENT OFFICER	\$54,305.24	-26.8%	\$68,937.41	-21.0%	\$83,569.58	-17.5%	53.9%	10.0
21	COMMUNITY RELATIONS MANAGER	\$65,968.95	14.2%	\$87,976.98	13.7%	\$109,985.02	13.3%	66.7%	7.0
22	CONSTRUCTION CREW SUPERVISOR	\$58,992.22	-31.2%	\$75,617.91	-24.5%	\$92,243.61	-20.6%	56.5%	6.0
23	CONSTRUCTION WORKER I	\$44,321.29	-38.7%	\$55,787.56	-31.8%	\$67,253.83	-27.6%	51.6%	5.0
24	CRISIS COUNSELOR	\$54,460.44	-4.6%	\$70,904.48	-1.6%	\$87,348.52	0.2%	60.4%	5.0
25	DATA & ANALYTICS ANALYST	\$62,863.88	0.7%	\$82,634.78	1.4%	\$102,405.68	1.9%	63.1%	9.0
26	DEVELOPMENT TECH I	\$45,895.17	-24.1%	\$59,238.77	-18.8%	\$72,582.37	-15.8%	58.2%	9.0
27	DIGITAL CONTENT COORDINATOR	\$61,900.04	-2.7%	\$80,934.64	-1.4%	\$99,969.24	-0.6%	61.6%	9.0
28	DIR-AFF HOUS & COMM CONN	\$111,967.94	11.3%	\$144,192.38	12.3%	\$176,416.82	12.9%	57.6%	7.0
29	DIR-BUILDING & DEV SERVICES	\$108,750.71	13.9%	\$140,411.69	14.6%	\$172,072.67	15.1%	58.2%	10.0
30	DIR-BUSINESS MANAGEMENT	\$118,598.34	6.1%	\$157,330.69	4.3%	\$196,063.04	3.2%	65.4%	5.0
31	DIR-COMMUNICATIONS-PUBLIC	\$110,637.70	12.4%	\$144,110.70	12.4%	\$177,583.70	12.3%	60.5%	9.0
32	DIR-ECONOMIC DEVELOPMENT	\$116,794.24	7.5%	\$153,517.21	6.6%	\$190,240.19	6.1%	62.9%	8.0
33	DIRECTOR OF EMPLOYEE ENGAGEMENT	\$106,247.37	15.9%	\$139,365.79	15.2%	\$172,484.21	14.9%	62.2%	5.0
34	DIR-EMR PREP & RISK MGMT	\$99,514.29	-10.9%	\$129,895.71	-11.2%	\$160,277.14	-11.4%	61.4%	6.0
35	DIR-HUMAN RESOURCES	\$121,933.26	3.4%	\$159,803.87	2.8%	\$197,674.49	2.4%	62.3%	10.0
36	DIR-LIBRARY COMM ARTS	\$109,507.33	13.3%	\$138,179.46	16.0%	\$166,851.59	17.6%	53.1%	6.0
37	DIR-PARKS AND REC	\$116,604.20	7.7%	\$151,909.54	7.6%	\$187,214.87	7.6%	60.8%	9.0
38	DIR-PLANNING	\$115,781.21	8.3%	\$149,962.21	8.8%	\$184,143.21	9.1%	59.2%	11.0
39	DIR-PUBLIC WORKS	\$127,306.77	-0.8%	\$165,837.93	-0.9%	\$204,369.09	-0.9%	60.5%	8.0
40	DIR-TRANSPORTATION	\$120,215.05	4.8%	\$156,071.49	5.1%	\$191,927.94	5.3%	59.7%	3.0
41	ECONOMIC DEVELOPMENT MGR	\$78,148.76	-23.5%	\$102,619.25	-22.4%	\$127,089.73	-21.7%	62.7%	10.0
42	EM MGMT DEPUTY COORDINATOR	\$64,183.10	-6.5%	\$82,787.46	-3.7%	\$101,391.83	-2.0%	58.1%	10.0
43	ENGINEER II	\$79,980.80	-26.4%	\$103,706.67	-23.7%	\$127,432.54	-22.1%	59.5%	9.0
44	ENGINEERING TECHNICIAN	\$56,794.35	-26.3%	\$72,719.90	-19.7%	\$88,645.45	-15.9%	56.1%	9.0
45	EXEC DIR-STRATEGIC COMMS	\$135,722.28	-7.5%	\$176,278.49	-7.2%	\$216,834.71	-7.0%	59.9%	5.0
46	EXEC DIR-TECHNOLOGY SOLUTIONS	\$115,107.22	8.8%	\$146,356.66	11.0%	\$177,606.10	12.3%	54.2%	6.0
47	FACILITIES SYSTEMS TECHNICIAN	\$46,948.08	5.3%	\$59,505.13	9.4%	\$72,062.18	11.9%	53.6%	7.0
48	FINANCIAL SYSTEMS ANALYST	\$68,843.13	-8.8%	\$89,550.66	-6.8%	\$110,258.19	-5.6%	60.2%	9.0
49	FIRE CAPTAIN	\$73,128.71	-22.0%	\$93,407.25	-19.7%	\$113,685.79	-18.3%	55.4%	11.0
50	FIRE CHIEF	\$124,591.92	1.3%	\$160,652.98	2.3%	\$196,714.03	2.9%	57.9%	7.0
51	FIRE EQUIPMENT OPERATOR	\$61,244.39	-27.2%	\$79,928.73	-27.5%	\$98,613.06	-27.8%	60.9%	7.0
52	FIRE INSPECTOR II	\$58,063.73	-4.2%	\$72,532.27	0.0%	\$87,000.81	2.6%	49.5%	7.0
53	FIREFIGHTER LEVEL I	\$53,173.38	-21.7%	\$67,238.31	-18.3%	\$81,303.23	-16.1%	52.7%	9.0
54	FLEET SUPERVISOR	\$62,726.87	0.9%	\$82,068.04	2.1%	\$101,409.21	2.9%	61.8%	8.0
55	FLEET TECHNICIAN II	\$50,796.06	-2.5%	\$64,422.77	1.9%	\$78,049.48	4.6%	53.7%	9.0



EXHIBIT 4C (CONTINUED)
MARKET SURVEY RESULTS

56	FORENSIC & EVIDENCE SPECIALIST	\$49,398.91	-9.9%	\$62,657.60	-3.2%	\$75,916.29	0.7%	53.6%	11.0
57	GIS ANALYST	\$63,372.38	-5.2%	\$81,432.42	-2.0%	\$99,492.46	-0.1%	57.1%	11.0
58	HOUSING MAINTENANCE MECHANIC	\$52,258.81	-16.2%	\$66,240.57	-9.1%	\$80,222.33	-4.9%	53.6%	7.0
59	HOUSING OFFICER	\$50,215.13	-17.2%	\$63,047.31	-11.1%	\$75,879.49	-7.4%	51.2%	8.0
60	HR CONSULTANT	\$88,074.68	-46.1%	\$117,690.90	-47.4%	\$147,307.11	-48.2%	67.2%	5.0
61	INFORMATION TECH ANALYST	\$63,927.17	-28.9%	\$83,550.59	-27.2%	\$103,174.02	-26.1%	61.4%	6.0
62	INSPECTOR - SENIOR	\$63,885.88	-16.9%	\$81,471.47	-8.0%	\$99,057.07	-2.9%	55.2%	7.0
63	LEGAL ADVISOR-SR	\$102,477.73	6.0%	\$134,671.46	5.1%	\$166,865.19	4.6%	63.0%	6.0
64	LEGAL SERVICES ADMINISTRATOR	\$95,864.64	-30.9%	\$123,208.30	-27.0%	\$150,551.97	-24.6%	57.1%	5.0
65	LIBRARY EXP COORD ADULT PROG	\$61,427.53	-1.9%	\$77,859.31	2.5%	\$96,095.58	3.3%	60.2%	5.0
66	LIBRARY EXPERIENCE ASSISTANT	\$36,391.59	6.3%	\$45,693.46	11.2%	\$54,995.32	14.2%	50.9%	6.0
67	LIBRARY EXPERIENCE SPECIALIST	\$51,936.34	-21.3%	\$63,956.80	-12.2%	\$76,884.88	-8.1%	50.5%	6.0
68	LIBRARY EXPERIENCE TECHNICIAN	\$42,129.28	10.8%	\$54,162.07	13.4%	\$66,194.85	15.0%	57.1%	6.0
69	MANAGEMENT ANALYST	\$67,112.29	-6.1%	\$86,142.98	-2.8%	\$105,173.67	-0.8%	56.7%	11.0
70	MANAGER-TRANSIT OPERATIONS	\$104,832.02	-36.3%	\$138,237.04	-35.7%	\$171,642.06	-35.3%	63.9%	3.0
71	MARKTNG & RES DEVELOP ADMIN	\$68,956.41	-14.4%	\$87,203.92	-9.2%	\$105,451.43	-6.1%	53.0%	5.0
72	MECHANIC I-BUS	\$49,659.01	-10.4%	\$63,679.77	-4.9%	\$77,700.54	-1.6%	56.6%	7.0
73	MECHANIC III-BUS	\$54,778.58	-0.2%	\$71,315.36	5.5%	\$87,852.14	8.7%	60.5%	9.0
74	MEDIA RELATIONS MGR	\$77,359.97	-0.6%	\$102,266.18	-0.4%	\$127,172.39	-0.2%	64.8%	6.0
75	NETWORK ENGINEER	\$77,561.89	-11.2%	\$100,215.66	-8.4%	\$122,869.43	-6.8%	58.5%	8.0
76	OCC HEALTH & SAFETY OFFICER	\$64,316.55	-17.7%	\$83,033.69	-14.7%	\$101,750.82	-12.8%	58.1%	7.0
77	PARK MAINTENANCE SPECIALIST	\$44,316.41	-25.8%	\$56,012.00	-20.0%	\$67,707.59	-16.5%	52.8%	8.0
78	PARK MAINTENANCE SUPV	\$57,865.00	-5.9%	\$74,446.81	-2.8%	\$91,028.63	-0.9%	57.4%	10.0
79	PARKING ENFORCEMENT OFFICER	\$46,707.50	-39.2%	\$56,144.17	-24.5%	\$65,580.83	-15.8%	40.9%	5.0
80	PLANNER I	\$57,814.68	-11.1%	\$75,330.00	-8.0%	\$92,845.31	-6.1%	60.6%	10.0
81	PLANNING MANAGER	\$81,659.95	-6.2%	\$105,336.28	-3.4%	\$129,012.61	-1.7%	58.1%	10.0
82	POLICE CHIEF	\$137,869.53	-9.2%	\$177,786.25	-8.1%	\$217,702.98	-7.5%	57.8%	5.0
83	POLICE OFFICER I	\$58,124.71	-16.2%	\$74,410.93	-37.2%	\$90,697.15	-55.0%	56.1%	11.0
84	POLICE SERGEANT	\$78,271.62	-2.8%	\$99,242.44	-11.3%	\$120,213.25	-17.6%	53.5%	9.0
85	POLICE WELLNESS COORDINATOR	\$58,061.06	-17.1%	\$73,508.67	-11.9%	\$88,956.27	-8.8%	53.1%	7.0
86	PROJECT MANAGER - SR	\$81,879.87	-23.2%	\$105,796.86	-20.2%	\$129,713.85	-18.3%	58.5%	8.0
87	PUBLIC ART COORDINATOR	\$57,600.67	4.4%	\$74,283.55	7.0%	\$90,966.43	8.5%	57.9%	7.0
88	PURCHASING & CONTRACTS MANAGER	\$76,270.55	0.8%	\$101,661.85	0.2%	\$127,053.15	-0.1%	66.8%	10.0
89	RECREATION ASSISTANT	\$41,812.34	-13.0%	\$49,320.89	1.0%	\$56,829.43	9.3%	35.8%	8.0
90	RECREATION SPECIALIST	\$52,818.03	-17.5%	\$67,931.02	-11.9%	\$83,044.00	-8.6%	57.3%	9.0
91	RESIDENT SERVICES COORDINATOR	\$53,049.60	-36.6%	\$68,046.62	-32.2%	\$83,043.63	-29.6%	56.8%	5.0
92	RISK CLAIMS ADMINISTRATOR	\$83,114.86	-67.6%	\$109,218.53	-66.3%	\$135,322.21	-65.4%	62.9%	8.0
93	SERVICE ATTENDANT	\$39,476.58	-1.6%	\$48,817.75	5.1%	\$58,158.93	9.2%	47.1%	5.0
94	SIGN & MARKING TECH I	\$44,039.77	-25.0%	\$56,622.35	-21.3%	\$69,204.93	-19.1%	57.2%	8.0
95	SOLID WASTE COLLECTOR	\$41,275.79	-23.0%	\$51,958.06	-15.2%	\$62,640.33	-10.6%	51.9%	10.0
96	SOLID WASTE EQUIP OP II	\$47,382.36	-22.0%	\$60,838.82	-18.2%	\$74,295.27	-15.9%	56.8%	10.0
97	SOLID WASTE SERVICES MANAGER	\$72,542.77	5.7%	\$94,172.53	7.6%	\$115,802.29	8.7%	59.7%	11.0
98	SPECIALIZED REC COORD-CERT	\$57,728.21	-10.9%	\$76,035.79	-9.0%	\$94,343.37	-7.8%	63.6%	8.0
99	SR HEAVY EQUIPMENT OPERATOR	\$51,288.59	-19.8%	\$66,709.06	-17.1%	\$82,129.53	-15.5%	60.4%	7.0
100	STORMWATER ANALYST	\$61,303.99	-1.7%	\$78,144.44	2.1%	\$94,984.88	4.5%	54.9%	7.0
101	STRATEGIC PROJECT MANAGER	\$76,526.07	-4.5%	\$100,859.69	-3.9%	\$125,193.31	-3.6%	63.7%	9.0
102	STREET SWEEPER EQUIP OP	\$44,273.70	-8.5%	\$56,098.43	-3.8%	\$68,602.31	-2.0%	54.2%	8.0
103	STREETS SUPERVISOR	\$60,793.36	-11.2%	\$78,616.66	-8.6%	\$96,439.97	-6.9%	58.6%	7.0
104	SUPERVISOR-TRANSIT	\$62,901.20	-26.9%	\$80,066.12	-21.9%	\$97,231.04	-18.9%	54.1%	4.0
105	SUSTAINABILITY OUTREACH COORDI	\$56,971.42	-14.9%	\$80,246.25	-22.2%	\$103,521.08	-26.6%	81.8%	7.0
106	TRAFFIC SIGNAL SYSTEMS ANALYST	\$58,816.71	-7.6%	\$76,242.63	-1.1%	\$93,668.54	2.7%	59.5%	5.0
107	TRAFFIC SIGNAL TECH II	\$52,728.57	-29.3%	\$66,970.84	-23.9%	\$81,213.11	-20.7%	54.0%	5.0
108	TRAIN & SAFETY SPEC- TRANSIT	\$72,235.27	-45.7%	\$76,537.91	-16.5%	\$80,840.55	1.2%	11.9%	1.0
109	TRANSIT OPERATOR-FIXED ROUTE	\$37,663.14	3.0%	\$46,817.82	9.0%	\$55,972.51	12.7%	48.6%	3.0
110	TRANSIT PLANNING MANAGER	\$83,155.14	-8.1%	\$103,175.87	-1.3%	\$123,196.60	2.9%	48.0%	7.0
111	YOUTH & FAMILY EXP. MANAGER	\$62,932.40	9.8%	\$81,307.16	12.0%	\$99,681.91	13.4%	58.5%	7.0
Overall Average			-11.0%		-7.9%		-6.1%	57.0%	7.5
Outliers Removed*			-10.5%		-7.6%		-5.9%	57.4%	7.8



4.2 SALARY SURVEY RESULTS

Market Minimums

It is important to assess where an organization is relative to its market minimum salaries, as they are the beginning salaries of employees with minimal qualifications for a given position. Organizations that are significantly below market may experience recruitment challenges with entry-level employees. As seen in **Exhibit 4C**, the Town is currently 10.5 percent below the market average minimum, when considering positions with sufficient responses. The Town's benchmark positions ranged from 68.9 percent below to 15.9 percent above the market minimum.

The following points are regarding the Town's position relative to the market average minimum:

- Of these 104 positions, 78 were below market, averaging 16.4 percent below. These 78 classifications represent roughly 75.0 percent of the surveyed positions that met the criteria for inclusion.
- Of the 78 positions below market, 50 were more than 10 percent below the average market minimum. These positions are displayed in **Exhibit 4D**.



EXHIBIT 4D

CLASSIFICATIONS MORE THAN 10 PERCENT BELOW THE MINIMUM

Classification	% Diff
CHIEF INFORM SECURITY OFF	-68.9%
RISK CLAIMS ADMINISTRATOR	-67.6%
HR CONSULTANT	-46.1%
PARKING ENFORCEMENT OFFICER	-39.2%
CONSTRUCTION WORKER I	-38.7%
RESIDENT SERVICES COORDINATOR	-36.6%
CONSTRUCTION CREW SUPERVISOR	-31.2%
LEGAL SERVICES ADMINISTRATOR	-30.9%
TRAFFIC SIGNAL TECH II	-29.3%
INFORMATION TECH ANALYST	-28.9%
FIRE EQUIPMENT OPERATOR	-27.2%
CODE ENFORCEMENT OFFICER	-26.8%
ENGINEER II	-26.4%
ENGINEERING TECHNICIAN	-26.3%
PARK MAINTENANCE SPECIALIST	-25.8%
SIGN & MARKING TECH I	-25.0%
DEVELOPMENT TECH I	-24.1%
ECONOMIC DEVELOPMENT MGR	-23.5%
PROJECT MANAGER - SR	-23.2%
ASSISTANT ARBORIST	-23.2%
SOLID WASTE COLLECTOR	-23.0%
SOLID WASTE EQUIP OP II	-22.0%
FIRE CAPTAIN	-22.0%
FIREFIGHTER LEVEL I	-21.7%
LIBRARY EXPERIENCE SPECIALIST	-21.3%
BATTALION CHIEF	-19.8%
SR HEAVY EQUIPMENT OPERATOR	-19.8%
AQUATICS SPECIALIST	-18.3%
OCC HEALTH & SAFETY OFFICER	-17.7%
RECREATION SPECIALIST	-17.5%
HOUSING OFFICER	-17.2%
POLICE WELLNESS COORDINATOR	-17.1%
INSPECTOR - SENIOR	-16.9%
ADMINISTRATIVE ASSISTANT	-16.5%
POLICE OFFICER I	-16.2%
HOUSING MAINTENANCE MECHANIC	-16.2%
BUSINESS OPERATIONS MANAGER	-15.9%
SUSTAINABILITY OUTREACH COORDI	-14.9%
MARKTNG & RES DEVELOP ADMIN	-14.4%
ACCOUNTING TECH II	-14.1%
RECREATION ASSISTANT	-13.0%
ADMINISTRATIVE SVCS MANAGER	-12.6%
STREETS SUPERVISOR	-11.2%
NETWORK ENGINEER	-11.2%
PLANNER I	-11.1%
DIR-EMR PREP & RISK MGMT	-10.9%
SPECIALIZED REC COORD-CERT	-10.9%
MECHANIC I-BUS	-10.4%
BUSINESS ANALYST	-10.4%
ADMINISTRATIVE COORDINATOR	-10.4%



- Of these 104 positions, 26 were above the market, averaging 7.1 percent above. These 26 classifications represent roughly 25.0 percent of the surveyed positions that met the criteria for inclusion.
- Of the 26 positions above market, seven were more than 10 percent above the average market minimum. These positions are displayed in **Exhibit 4E**.

EXHIBIT 4E
CLASSIFICATIONS MORE THAN 10 PERCENT ABOVE THE MINIMUM

Classification	% Diff
DIRECTOR OF EMPLOYEE ENGAGEMENT	15.9%
COMMUNITY RELATIONS MANAGER	14.2%
DIR-BUILDING & DEV SERVICES	13.9%
DIR-LIBRARY COMM ARTS	13.3%
DIR-COMMUNICATIONS-PUBLIC	12.4%
DIR-AFF HOUS & COMM CONN	11.3%
LIBRARY EXPERIENCE TECHNICIAN	10.8%

Market Midpoints

The market midpoint is exceptionally important to analyze, as it is often considered the closest estimation of market average compensation. As seen in **Exhibit 4C**, the Town is currently 7.6 percent below the market average midpoint, when considering positions with sufficient responses. The Town's benchmark positions ranged from 68.4 percent below to 16.0 percent above at the market midpoint.

The following points are regarding the Town's position relative to the market average midpoint:

- Of these 104 positions, 70 were below the market, averaging 14.7 percent below. These 70 classifications represent roughly 67.3 percent of the surveyed positions that met the criteria for inclusion.
- Of the 70 positions below market, 40 were more than 10 percent below the average market minimum. These positions are displayed in **Exhibit 4F**.



EXHIBIT 4F

CLASSIFICATIONS MORE THAN 10 PERCENT BELOW THE MIDPOINT

Classification	% Diff
CHIEF INFORM SECURITY OFF	-68.4%
RISK CLAIMS ADMINISTRATOR	-66.3%
HR CONSULTANT	-47.4%
POLICE OFFICER I	-37.2%
RESIDENT SERVICES COORDINATOR	-32.2%
CONSTRUCTION WORKER I	-31.8%
FIRE EQUIPMENT OPERATOR	-27.5%
INFORMATION TECH ANALYST	-27.2%
LEGAL SERVICES ADMINISTRATOR	-27.0%
CONSTRUCTION CREW SUPERVISOR	-24.5%
PARKING ENFORCEMENT OFFICER	-24.5%
TRAFFIC SIGNAL TECH II	-23.9%
ENGINEER II	-23.7%
ECONOMIC DEVELOPMENT MGR	-22.4%
SUSTAINABILITY OUTREACH COORDI	-22.2%
SIGN & MARKING TECH I	-21.3%
CODE ENFORCEMENT OFFICER	-21.0%
PROJECT MANAGER - SR	-20.2%
PARK MAINTENANCE SPECIALIST	-20.0%
ENGINEERING TECHNICIAN	-19.7%
FIRE CAPTAIN	-19.7%
DEVELOPMENT TECH I	-18.8%
FIREFIGHTER LEVEL I	-18.3%
SOLID WASTE EQUIP OP II	-18.2%
ASSISTANT ARBORIST	-17.3%
SR HEAVY EQUIPMENT OPERATOR	-17.1%
BATTALION CHIEF	-15.8%
SOLID WASTE COLLECTOR	-15.2%
OCC HEALTH & SAFETY OFFICER	-14.7%
BUSINESS OPERATIONS MANAGER	-12.7%
LIBRARY EXPERIENCE SPECIALIST	-12.2%
ADMINISTRATIVE SVCS MANAGER	-11.9%
POLICE WELLNESS COORDINATOR	-11.9%
AQUATICS SPECIALIST	-11.9%
RECREATION SPECIALIST	-11.9%
POLICE SERGEANT	-11.3%
DIR-EMR PREP & RISK MGMT	-11.2%
ADMINISTRATIVE ASSISTANT	-11.2%
HOUSING OFFICER	-11.1%
ACCOUNTING TECH II	-10.2%

- Of these 104 positions, 34 were above the market, averaging 7.2 percent above. These 34 classifications represent roughly 32.7 percent of the surveyed positions that meet the criteria for inclusion.



- Of the 34 positions above the market, 11 were more than 10 percent above the average market midpoint. These positions are displayed in **Exhibit 4G**.

EXHIBIT 4G
CLASSIFICATIONS MORE THAN 10 PERCENT ABOVE THE MIDPOINT

Classification	% Diff
DIR-LIBRARY COMM ARTS	16.0%
AFFORDABLE HSG DEVEL OFFICER	15.6%
DIRECTOR OF EMPLOYEE ENGAGEMENT	15.2%
DIR-BUILDING & DEV SERVICES	14.6%
COMMUNITY RELATIONS MANAGER	13.7%
LIBRARY EXPERIENCE TECHNICIAN	13.4%
DIR-COMMUNICATIONS-PUBLIC	12.4%
DIR-AFF HOUS & COMM CONN	12.3%
YOUTH & FAMILY EXP. MANAGER	12.0%
LIBRARY EXPERIENCE ASSISTANT	11.2%
EXEC DIR-TECHNOLOGY SOLUTIONS	11.0%

Market Maximums

The pay range maximum averages, and how they compare to the Town's, are also detailed in **Exhibit 4C**. As seen in **Exhibit 4C**, the Town is currently 5.9 percent below the market average maximum, when considering positions with sufficient responses. The Town's benchmark positions ranged from 68.1 percent below to 22.8 percent above the market maximum.

The following points are regarding the Town's position relative to the market average maximum:

- Of these 104 positions, 65 were below market, averaging 14.1 percent below. These 65 classifications represent roughly 37.5 percent of the surveyed positions that met the criteria for inclusion.
- Of the 65 positions below market, 33 were more than 10 percent below the average market maximum. These positions are displayed in **Exhibit 4H**.



EXHIBIT 4H
CLASSIFICATIONS MORE THAN 10 PERCENT BELOW THE MAXIMUM

Classification	% Diff
CHIEF INFORM SECURITY OFF	-68.1%
RISK CLAIMS ADMINISTRATOR	-65.4%
POLICE OFFICER I	-55.0%
HR CONSULTANT	-48.2%
RESIDENT SERVICES COORDINATOR	-29.6%
FIRE EQUIPMENT OPERATOR	-27.8%
CONSTRUCTION WORKER I	-27.6%
SUSTAINABILITY OUTREACH COORDI	-26.6%
INFORMATION TECH ANALYST	-26.1%
LEGAL SERVICES ADMINISTRATOR	-24.6%
ENGINEER II	-22.1%
ECONOMIC DEVELOPMENT MGR	-21.7%
TRAFFIC SIGNAL TECH II	-20.7%
CONSTRUCTION CREW SUPERVISOR	-20.6%
SIGN & MARKING TECH I	-19.1%
PROJECT MANAGER - SR	-18.3%
FIRE CAPTAIN	-18.3%
POLICE SERGEANT	-17.6%
CODE ENFORCEMENT OFFICER	-17.5%
PARK MAINTENANCE SPECIALIST	-16.5%
FIREFIGHTER LEVEL I	-16.1%
SOLID WASTE EQUIP OP II	-15.9%
ENGINEERING TECHNICIAN	-15.9%
DEVELOPMENT TECH I	-15.8%
PARKING ENFORCEMENT OFFICER	-15.8%
SR HEAVY EQUIPMENT OPERATOR	-15.5%
ASSISTANT ARBORIST	-13.8%
BATTALION CHIEF	-13.2%
OCC HEALTH & SAFETY OFFICER	-12.8%
ADMINISTRATIVE SVCS MANAGER	-11.6%
DIR-EMR PREP & RISK MGMT	-11.4%
BUSINESS OPERATIONS MANAGER	-10.8%
SOLID WASTE COLLECTOR	-10.6%

- Of these 104 positions, 39 were above the market, averaging 7.8 percent above. These 39 classifications represent roughly 37.5 percent of the surveyed positions that met the criteria for inclusion.



- Of the 39 positions above market, 12 were more than 10 percent above the average market maximum. These positions are displayed in **Exhibit 4I**.

EXHIBIT 4I
CLASSIFICATIONS MORE THAN 10 PERCENT ABOVE THE MAXIMUM

Classification	% Diff
AFFORDABLE HSG DEVEL OFFICER	22.8%
DIR-LIBRARY COMM ARTS	17.6%
DIR-BUILDING & DEV SERVICES	15.1%
LIBRARY EXPERIENCE TECHNICIAN	15.0%
DIRECTOR OF EMPLOYEE ENGAGEMENT	14.9%
LIBRARY EXPERIENCE ASSISTANT	14.2%
YOUTH & FAMILY EXP. MANAGER	13.4%
COMMUNITY RELATIONS MANAGER	13.3%
DIR-AFF HOUS & COMM CONN	12.9%
DIR-COMMUNICATIONS-PUBLIC	12.3%
EXEC DIR-TECHNOLOGY SOLUTIONS	12.3%
FACILITIES SYSTEMS TECHNICIAN	11.9%

4.3 SALARY SURVEY CONCLUSION

The standing of individual classifications pay range relative to the market should not be considered a definitive assessment of actual employee salaries being similarly above or below the market; however, such differentials can, in part, explain symptomatic issues with recruitment and retention of employees.

The main summary points of the market study are as follows:

- The Town's pay ranges are approximately 10.5 percent below the market minimum.
- The Town's pay ranges are approximately 7.6 percent below the market midpoint.
- The Town's pay ranges are approximately 5.9 percent below the market maximum.
- The Town's pay range spread is approximately 64.2 percent, while its peers' pay range spread is 57.0 percent. That means that the Town's salary scale is wider than its peers. As a result, even though the Town is slightly below the average compared to the market at the minimum but catches up to its peers at the higher end of the range.

The results of the market summary chapter are pivotal in the formulation of recommendations by Evergreen Solutions. By establishing the Town's market position relative to its peers, Evergreen is better able to propose recommendations that enable the Town to occupy its desired competitive position.



Chapter 5 - Recommendations

After reviewing the information provided in the preceding sections of this report, Evergreen developed recommendations to improve the Town's current compensation and classification system. The recommendations, as well as the findings that led to each recommendation, are discussed in detail in this section. The recommendations are organized into three sections: classification, compensation, and administration of the system.

5.1 CLASSIFICATION RECOMMENDATIONS

An organization's classification system establishes how its human resources are employed to perform its core services. The classification system consists of the titles and descriptions of the different classifications, or positions, which define how work is organized and assigned. It is essential that the titles and descriptions of an organization's classifications accurately depict the work being performed by employees in the classifications to ensure equity within the organization and to enable comparisons with positions at peer organizations. The purpose of a classification analysis is to identify such issues as incorrect titles, outdated job descriptions, and inconsistent titles across departments. Recommendations are then made to remedy the identified concerns based on human resources best practices.

In the analysis of the Town's classification system, Evergreen Solutions collected classification data through the Job Assessment Tool (JAT) process. The JATs, which were completed by employees and reviewed by their supervisors, provided information about the type and level of work being performed for each of the Town's classifications. Evergreen reviewed the data provided in the JATs and used the information as the basis for classification recommendations.

FINDING

The classification system being utilized by the Town was generally accurate, and titles described the work being performed by employees. However, the Town was highly over classified, in that many its positions performed highly similar work but possessed different titles or had superfluous tiers of classifications in a job family for progression rather than leaning into a compensation methodology. The existing classification system also lacked uniformity in how titling conventions were applied to roles within the Town.

Additionally, several of the Town's classifications require some modification to better describe the work being performed. Current job descriptions and corresponding Fair Labor Standards Act (FLSA) exemption status require review, updates and revisions.



RECOMMENDATION 1: Adopt a new classification system for all employees.

Evergreen has developed a new proposed classification system for the Town's consideration. The foundation for these recommendations was the work performed by employees in these classifications as described in their JATs and best practices among the Town's peers. By organizing highly similar work performed by different positions under a singular title, the Town will have a more organized system of grouping types of work performed, and better be able to track and ensure internal equity between positions within the Town.

RECOMMENDATION 2: Update existing class description to reflect the new classification system and review all updated descriptions for FLSA status.

In conjunction with the Town making the proposed title changes, Evergreen will provide the Town with updated classification descriptions to ensure that they accurately reflect the work being carried out by employees. These are being provided under separate cover. Upon completion and approval of the proposed class descriptions, Evergreen will further recommend an updated FLSA status for the roles based on the new, updated content contained within the description.

5.2 COMPENSATION RECOMMENDATIONS

The compensation analysis consisted of two parts: an external market assessment and an internal equity assessment. During the external market assessment, the Town's compensation for selected benchmark classifications was compared to average compensation offered in the market the Town competes for employees in. The external assessment consisted of comparing the Town against its peer organizations within its market, and revealed that the Town is currently behind the market.

During the internal equity assessment, consideration of the relationships between and the type of work being performed by the Town's employees in their classifications was reviewed and analyzed. Specifically, a composite score was assigned to each of the Town's classifications that quantified the classification's level of five separate compensatory factors. The level for each factor was determined based on responses to the JAT.

FINDING

While the Town currently maintains an organized and defined overall pay plan, Evergreen found that there was a lack of consistency with range spreads and progressions. Pay grades begin into a number sequence which is evidence of adjustments at the lower end of the pay structure. The pay plan lacked uniformity in pay grade designation and the grades themselves were not intuitive in their design.

RECOMMENDATION 3: Adopt a new, market responsive compensation structure and assign all positions to it equitably.

Evergreen has developed five new pay plans for the Town's consideration. The new structure consists of five new pay plans with a combined total of 60 unique pay grades, with range



spreads between 0 percent and 60 percent between the minimum and the maximum of the range. Furthermore, the midpoint progression between grades is between 5 percent and 55 percent. The details of the proposed plans are located in **Exhibits 5A - 5E**.

EXHIBIT 5A PROPOSED NON-EXEMPT STRUCTURE PAY PLAN

Pay Plan	Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Progression
Non-Exempt Structure	N1	\$ 33,280.00	\$ 43,264.00	\$ 53,248.00	60.0%	-
Non-Exempt Structure	N2	\$ 34,944.00	\$ 45,427.20	\$ 55,910.40	60.0%	5.0%
Non-Exempt Structure	N3	\$ 36,691.20	\$ 47,698.56	\$ 58,705.92	60.0%	5.0%
Non-Exempt Structure	N4	\$ 38,525.76	\$ 50,083.49	\$ 61,641.22	60.0%	5.0%
Non-Exempt Structure	N5	\$ 40,452.05	\$ 52,587.66	\$ 64,723.28	60.0%	5.0%
Non-Exempt Structure	N6	\$ 42,474.65	\$ 55,217.05	\$ 67,959.44	60.0%	5.0%
Non-Exempt Structure	N7	\$ 44,598.38	\$ 57,977.90	\$ 71,357.41	60.0%	5.0%
Non-Exempt Structure	N8	\$ 46,828.30	\$ 60,876.79	\$ 74,925.28	60.0%	5.0%
Non-Exempt Structure	N9	\$ 49,169.72	\$ 63,920.63	\$ 78,671.55	60.0%	5.0%
Non-Exempt Structure	N10	\$ 51,628.20	\$ 67,116.66	\$ 82,605.12	60.0%	5.0%
Non-Exempt Structure	N11	\$ 54,209.61	\$ 70,472.50	\$ 86,735.38	60.0%	5.0%
Non-Exempt Structure	N12	\$ 56,920.09	\$ 73,996.12	\$ 91,072.15	60.0%	5.0%
Non-Exempt Structure	N13	\$ 59,766.10	\$ 77,695.93	\$ 95,625.76	60.0%	5.0%
Non-Exempt Structure	N14	\$ 62,754.40	\$ 81,580.72	\$ 100,407.05	60.0%	5.0%
Non-Exempt Structure	N15	\$ 65,892.12	\$ 85,659.76	\$ 105,427.40	60.0%	5.0%
Non-Exempt Structure	UNG	\$ -	\$ -	\$ -	-	-

EXHIBIT 5B PROPOSED EXEMPT STRUCTURE PAY PLAN

Pay Plan	Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Progression
Exempt Structure	E1	\$ 48,000.00	\$ 62,400.00	\$ 76,800.00	60.0%	-
Exempt Structure	E2	\$ 50,400.00	\$ 65,520.00	\$ 80,640.00	60.0%	5.0%
Exempt Structure	E3	\$ 52,920.00	\$ 68,796.00	\$ 84,672.00	60.0%	5.0%
Exempt Structure	E4	\$ 55,566.00	\$ 72,235.80	\$ 88,905.60	60.0%	5.0%
Exempt Structure	E5	\$ 58,344.30	\$ 75,847.59	\$ 93,350.88	60.0%	5.0%
Exempt Structure	E6	\$ 61,261.52	\$ 79,639.97	\$ 98,018.42	60.0%	5.0%
Exempt Structure	E7	\$ 64,324.59	\$ 83,621.97	\$ 102,919.35	60.0%	5.0%
Exempt Structure	E8	\$ 67,540.82	\$ 87,803.07	\$ 108,065.31	60.0%	5.0%
Exempt Structure	E9	\$ 70,917.86	\$ 92,193.22	\$ 113,468.58	60.0%	5.0%
Exempt Structure	E10	\$ 74,463.75	\$ 96,802.88	\$ 119,142.01	60.0%	5.0%
Exempt Structure	E11	\$ 78,186.94	\$ 101,643.02	\$ 125,099.11	60.0%	5.0%
Exempt Structure	E12	\$ 82,096.29	\$ 106,725.18	\$ 131,354.06	60.0%	5.0%
Exempt Structure	E13	\$ 86,201.10	\$ 112,061.43	\$ 137,921.77	60.0%	5.0%
Exempt Structure	E14	\$ 90,511.16	\$ 117,664.51	\$ 144,817.85	60.0%	5.0%
Exempt Structure	E15	\$ 95,036.72	\$ 123,547.73	\$ 152,058.75	60.0%	5.0%
Exempt Structure	UNG	\$ -	\$ -	\$ -	-	-



EXHIBIT 5C PROPOSED SENIOR MANAGEMENT STRUCTURE PAY PLAN

Pay Plan	Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Progression
Senior Management Structure	S1	\$ 81,900.00	\$106,470.00	\$131,040.00	60.0%	5.0%
Senior Management Structure	S2	\$ 90,090.00	\$117,117.00	\$144,144.00	60.0%	10.0%
Senior Management Structure	S3	\$112,612.50	\$146,396.25	\$180,180.00	60.0%	25.0%
Senior Management Structure	S4	\$129,504.38	\$168,355.69	\$207,207.00	60.0%	15.0%
Senior Management Structure	S5	\$139,217.20	\$180,982.36	\$222,747.53	60.0%	7.5%
Senior Management Structure	S6	\$149,658.49	\$194,556.04	\$239,453.59	60.0%	7.5%
Senior Management Structure	S7	\$160,882.88	\$209,147.74	\$257,412.61	60.0%	7.5%
Senior Management Structure	UNG	\$ -	\$ -	\$ -	-	-

EXHIBIT 5D PROPOSED FIRE STRUCTURE PAY PLAN

Pay Plan	Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Progression
Fire Structure	F1	\$ 44,000.00	\$ 44,000.00	\$ 44,000.00	0.0%	-
Fire Structure	F2	\$ 52,461.54	\$ 68,200.00	\$ 83,938.46	60.0%	55.0%
Fire Structure	F3	\$ 56,133.85	\$ 72,974.00	\$ 89,814.15	60.0%	7.0%
Fire Structure	F4	\$ 60,063.22	\$ 78,082.18	\$ 96,101.14	60.0%	7.0%
Fire Structure	F5	\$ 64,267.64	\$ 83,547.93	\$102,828.22	60.0%	7.0%
Fire Structure	F6	\$ 67,481.02	\$ 87,725.33	\$107,969.64	60.0%	5.0%
Fire Structure	F7	\$ 70,855.07	\$ 92,111.60	\$113,368.12	60.0%	5.0%
Fire Structure	F8	\$ 77,940.58	\$101,322.76	\$124,704.93	60.0%	10.0%
Fire Structure	F9	\$ 85,734.64	\$111,455.03	\$137,175.42	60.0%	10.0%
Fire Structure	UNG	\$ -	\$ -	\$ -	-	-

EXHIBIT 5E PROPOSED POLICE STRUCTURE PAY PLAN

Pay Plan	Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Progression
Police Structure	P1	\$ 50,000.00	\$ 51,250.00	\$ 52,500.00	5.0%	-
Police Structure	P2	\$ 57,163.46	\$ 74,312.50	\$ 91,461.54	60.0%	45.0%
Police Structure	P3	\$ 65,737.98	\$ 85,459.38	\$105,180.77	60.0%	15.0%
Police Structure	P4	\$ 81,898.57	\$ 98,278.28	\$114,657.99	40.0%	15.0%
Police Structure	P5	\$ 94,183.35	\$113,020.02	\$131,856.69	40.0%	15.0%
Police Structure	P6	\$108,310.86	\$129,973.03	\$151,635.20	40.0%	15.0%
Police Structure	P7	\$124,557.48	\$149,468.98	\$174,380.48	40.0%	15.0%
Police Structure	P8	\$143,241.11	\$171,889.33	\$200,537.55	40.0%	15.0%
Police Structure	P9	\$164,727.27	\$197,672.73	\$230,618.18	40.0%	15.0%
Police Structure	UNG	\$ -	\$ -	\$ -	-	-



Implementation of the new compensation structure requires two steps. First, all positions were assigned to an appropriate pay grade within the plan. To determine what pay grade each position was assigned, Evergreen used the following factors: the results of the JAT analysis, the results of the market study, as well as consideration for both existing and newly created internal relationships between classifications. Assigning pay grades to classifications requires a balance of internal equity and desired market position, and recruitment and retention concerns also played a role in the process. Thus, the market results discussed in **Chapter 4** were not the sole criteria for the proposed pay ranges.

RECOMMENDATION 4: Evergreen recommends the Town adopt a methodology to transition employee salaries into the proposed pay plan that aligns with its established compensation philosophy and meets the available financial resources of the organization.

The second step of implementing the proposed structure is to transition employee salaries into their new recommended pay ranges. This step can be done via a variety of methods, each with their own strengths and drawbacks; the 30 Year Hybrid Parity option is recommended and outlined below.

30-Year Hybrid Parity

This option consists of placing employees in their proposed pay ranges based on how long employees have been with the organization. The parity effectively divides the pay range by 30, and places employees within their range based on their class time. Additionally, employees are given partial credit for any time they have spent at the organization outside of their current classification at half credit. For example, an employee who has been in their classification for five years, but had 25 years with the organization over all, would be placed at the midpoint of the range, due to their receiving five years of class time at straight credit, and the remaining 20 years of experience at half credit, for a total of 15 years of credit. If an employee's current salary is higher than their hybrid parity projected salary, no adjustment is made, and as such no salaries are decreased as part of this adjustment. This methodology seeks to re-align employee salaries based on years in classification, while also giving credit for additional organizational experience, and can space out compressed employee salaries along the range based on this factor. The estimated cost for this adjustment is **\$1,464,907** affecting a total of 280 employees.

5.3 COMPENSATION AND CLASSIFICATION SYSTEM ADMINISTRATION

Any organization's compensation and classification system will need periodic maintenance. The recommendations provided in this chapter were developed based on conditions at the time the study was conducted. Without proper upkeep of the system, the potential for recruitment and retention issues may increase as the compensation and classification system becomes dated and less competitive.

RECOMMENDATION 5: Conduct small-scale salary surveys as needed to assess the market competitiveness of hard-to-fill classifications and/or classifications with retention challenges and adjust pay grade assignments if necessary.

While it is unlikely that the pay plan will need to be adjusted for several years, a small number of classifications' pay grades may need to be reassigned more frequently. If one or more classifications are exhibiting high turnover or are having difficulty with recruitment, the Town should collect salary range data from peer organizations to determine whether an adjustment is needed for the pay grade of the classification(s).

RECOMMENDATION 6: Conduct a comprehensive classification and compensation study every three to five years.

While small-scale salary surveys can improve the market position of specific classifications, it is recommended that a full classification and compensation study be conducted every three to five years to preserve both internal and external equity for the Town. Changes to classification and compensation do occur, and while the increments of change may seem minor, they can compound over time. A failure to react to these changes quickly has the potential to place the Town in a poor position for recruiting and retaining quality employees.

While the previous two recommendations intend to maintain the competitiveness over time of the classification and compensation structure, it is also necessary to establish procedures for determining equitable pay practices for individual employees.

RECOMMENDATION 7: Revise policies and practices for moving employees' salaries through the pay plan, including procedures for determining salaries of newly hired employees and employees who have been promoted, demoted, or transferred to a different classification.

The method of moving salaries through the pay plan and setting new salaries for new hires, promotions, demotions, and transfers depends largely on an organization's compensation philosophy. However, it is important for the Town to have established guidelines for each of these situations, and that they are followed consistently for all employees. Common practices for progressing and establishing employee salaries are outlined below.

Salary Progression

As outlined above, Evergreen recommends Town enact the second phase of implementing the new pay plan which would involve a one-time salary adjustment for employees to ensure they are placed in the proper percentile of their salary range. While this major adjustment should be performed when the Town has the financial resources to do so, the Town should continue to adjust salaries annually when financially feasible. Based on the feedback from employees and Town leadership, Evergreen recommends that the basis of salary adjustment in the future be done at three distinct levels.

- Structural: Adjustment to the ranges should be made annually and with the aim of adjusting for the changes in cost of living. Evergreen recommends the Town tie the annual compensation structure movement to the local change in the Consumer-Price-Index (CPI) or wage inflation figures. This annual adjustment will ensure the Town's pay ranges do not rapidly fall out of line with that of its peers; however, when conducting the small-scale surveys referenced above, the Town should also collect pay plan movement and anticipated movement from its peers to gauge if market movement is keeping pace with CPI movement.



- **Classification:** As a result of the market surveys, the Town may identify classifications or job families that are experiencing considerable market movement and as a result, reassignment of the pay grades should be considered when this occurs. Alternatively, if the Town identifies classifications that have become hard to recruit and retain, pay grade reassignment should also be considered to ensure the Town is competitive for both recruiting new talent and retaining existing employees.
- **Individual:** To tie into the adjustment of the structure, Evergreen recommends the Town adjust employee salaries annually for Cost-of-living adjustment (COLA). This adjustment would be done for all employees who receive a satisfactory performance evaluation, and the percentage adjustment would need to be at least 1.0 – 2.0 percent more than the movement of the compensation structure in any given years, to allow for employee progression into the range. Moreover, based on the feedback from employees and Town's desire to recruit and retain a high-quality workforce, Evergreen recommends the Town grant additional adjustment to employees who receive above average performance evaluations. The Town should exercise a differentiated percentage for high performers that met the financial constraints of the budget but while still providing a meaningful incentive for high performance.

New Hires

A new employee's starting salary largely depends on the amount of education and experience the employee possesses beyond the minimum requirements for the job. Typically, an employee holding only the minimum education and experience requirements for a classification is hired at or near the classification's pay grade minimum. An upper limit to the percentage above minimum that can be offered to a new employee with only the minimum requirements should be established, where approval is needed to offer a starting salary that is a higher percentage above minimum. Another threshold should be established as the maximum starting salary possible without approval for new employees with considerable experience and/or education above the requirements for the position. It is common for the midpoint to be used as the maximum starting salary for most classifications. Once the Town has performed the initial implementation adjustment for current employee salaries, new employee starting salaries should take into consideration internal equity, meaning that new hires should be offered comparable salaries to existing employees in the classification with similar levels of education and experience.

RECOMMENDATION 8: Evergreen recommends the Town adopt using a hiring calculator that aligns with its selected implementation methodology.

Dependent upon which route the Town elects to transition employees into the new salary ranges, a hiring calculator should be adopted that provides guidance where new employee salaries should be set. The adoption of a new hiring calculator should be done to ensure alignment of salary placement between current employees and new hires, and to prevent new compression issues from arising both within classifications and departments, as well as throughout the Town. Evergreen will provide a calculator via separate correspondence.



Promotions/Demotions

When an employee is promoted to a new classification, it is important to have guidelines for calculating the employee's new salary that rewards the employee for their new responsibilities, moves the salary into the new pay grade, and ensures internal equity in the new classification. It is common for organizations to establish a minimum percentage salary increase that depends on the increase in pay grade as a result of the promotion. Regardless of the minimum percent increase, the employee's new salary should be within the new pay grade's range, and internal equity of salaries within the classification should be preserved.

Transfers

An employee transfer occurs when an employee is reassigned to a classification at the same pay grade as their current classification or when an employee's classification stays the same, but their department changes. In either of these cases, it is likely that no adjustment is necessary to the employee's salary. The only situation in which a salary adjustment would be needed for a transferred employee would be if their current salary is not aligned with the salaries of employees in the new classification or department. If that occurs, it may be necessary to adjust the salary of the employee or the incumbents of the classification to ensure salary equity within the new classification.

RECOMMENDATION 9: Evergreen recommends the Town ensure its policy regarding promotions/demotions and transfers to align with its new compensation structure.

Evergreen recommends the Town implement a minimum increase equal to the midpoint progression between the employee's current grade, and the employee's new grade. However, the employee's salary should always be increased to at least the minimum of the new salary range. In the case of demotions, Evergreen recommends a minimum salary decrease equal to the midpoint progression between the employee's current grade, and the employee's new grade, except in cases where this percent decrease would reduce the employee's salary below the new range minimum. If the employee's salary exceeds the new range maximum after the pay decrease, the employee should be capped from receiving any salary adjustments until the pay moves upward to allow for increases.

Critical Classifications

The Town's human resources staff should assess all classifications each year to determine those that should be categorized as "critical" based on market data collected for that year and turnover. In the first year, it is recommended that the critical class supplement be 10 percent for those classifications with more than 30 percent turnover and/or a market rate percent difference of 20 percent or more (after accounting for the new salary range assignments). Furthermore, if adopted by the Town, a critical class supplement could be increased to a larger percent of base pay. For example, if the Town in the future experiences considerable competitive pressure in hiring candidates for a specific classification. Some of the pressure may relate to the pay ranges, but other factors such as the available supply of labor, compared to demand of experienced candidates may also be present. As a result, the base pay of the associated classification would be increased so long as the external market pressures remain prevalent.



RECOMMENDATION 10: Evergreen recommends the Town implement a critical classification program and compensate those classifications that qualify 10 percent above their current base rate of compensation.

5.4 SUMMARY

The Town should be commended for its desire and commitment to provide competitive and fair compensation for its employees. The recommendations in this report establish a new competitive pay plan, externally and internally equitable classification titles and pay grade assignments, and system administration practices that will provide the Town with a responsive compensation and classification system for years to come. While the upkeep of this recommended system will require concrete effort, the Town will find that having a competitive compensation and classification system that encourages strong recruitment and employee retention is worth this commitment.

