



Classification and Compensation Study



Project Overview

COMPLETE

- ✓ **Data Collection:** project planning meetings, DDQs, data requested from the Town.
- ✓ **Position Review:** using existing or updated job descriptions to adjust titles and conduct job evaluation to establish internal equity.
- ✓ **Market Assessment:** collection of base pay, benefits, and pay practice information from peer organizations.

IN PROGRESS

- **Pay Plan Development:** pay plan development, grade assignments, and implementation calculations.

NEXT

- **Project Completion:** final report delivered, final presentation, project documentation delivery.



Project Overview

Position Review

- Job Evaluation: We conducted job evaluation using our point factor tool, called SAFE® for all 137 positions. This process establishes a hierarchy of jobs within the organization that is reflective of internal equity.
 - *This is a measurement of the position, NOT the person in the position.*
- The 9 compensable factors:

1. Education	6. Working Conditions
2. Experience	7. Independence to Act
3. Level of Work	8. Impact of Actions
4. Human Relations	9. Supervision Exercised
5. Physical Demands	
- *SAFE is compatible and compliant with the Federal Equal Pay Act.*
- *Baker Tilly will assess the Fair Labor Standards Act (FLSA) designation for each position to support the Town in determining appropriate exempt or nonexempt status.*



Project Overview

Market Assessment

- Peer Organizations (12): We partnered with you to identify comparable and competitive peer organizations to include in the study. These are organizations that look like you and work like you relative to size (revenue, population served, or number of employees), service offerings, geography, growth, etc.
 - Published salary survey data will be incorporated as a private sector comparison: Comp Analyst and Economic Research Institute.
- Benchmark Positions: 137 positions (100%) were included in the market survey.
- Quality & Quantity: Looking for a 75% overlap in duties as responsibilities (best practice) to be considered a “good match”. We want 3 to 5 “good matches” per benchmark to calculate market value.
- Data Adjustment: Differences in work week, fiscal year, and geographic labor cost. *We do not weight the data to give preferences to peers.*
 - Reports demonstrating market average minimum, midpoint, and maximum by benchmark; a comparison of current midpoints vs. market; a comparison of current ranges vs. market.



Market Assessment: Peer Organizations

- The Town identified 12 public peer organizations to be included in the study
- We were able to collect and compile data from all 12 peers.
- Data from **2 published surveys** was included to represent the “private sector”

1. Apex, NC
2. Wake County, NC
3. Cary, NC
4. Chapel Hill, NC
5. Clayton, NC
6. Fuquay-Varina, NC
7. Holly Springs, NC
8. Wake Forest, NC
9. Morrisville, NC

10. Raleigh, NC
11. Knightdale, NC
12. Wendell, NC
13. Comp Analyst
14. Economic Research Institute



Market Assessment: Cost of Labor Differentials

Where cost of living is a measurement of goods and services in each area, the cost of labor is a measurement of compensation paid.

Cost of labor can be impacted by the cost of living but is mainly influenced by the supply and demand of labor in each area (rate of unemployment and number of qualified laborers).


Peer #	Peer Name	Public or Private	Cost of Labor	COL Adjust	Locality used
Client	Garner, NC	Client	101.8	\$ 83,900	Garner, NC
1	Apex, NC	Public	102.0	-0.2%	Apex, NC
2	Wake County, NC	Public	102.0	-0.2%	Raleigh, NC
3	Cary, NC	Public	101.9	-0.1%	Cary, NC
4	Chapel Hill, NC	Public	105.8	-4.0%	Chapel Hill, NC
5	Clayton, NC	Public	99.6	2.2%	Clayton, NC
6	Fuquay-Varina, NC	Public	102.0	-0.2%	Fuquay-Varina, NC
7	Holly Springs, NC	Public	102.0	-0.2%	Holly Springs, NC
8	Wake Forest, NC	Public	102.1	-0.3%	Wake Forest, NC
9	Morrisville, NC	Public	102.0	-0.2%	Morrisville, NC
10	Raleigh, NC	Public	102.0	-0.2%	Raleigh, NC
11	Knightdale, NC	Public	102.0	-0.2%	Raleigh, NC
12	Wendell, NC	Public	102.0	-0.2%	Wendell, NC
A	Comp Analyst	Private	94.7	7.1%	North Carolina State Average
B	ERI	Private	94.7	7.1%	North Carolina State Average

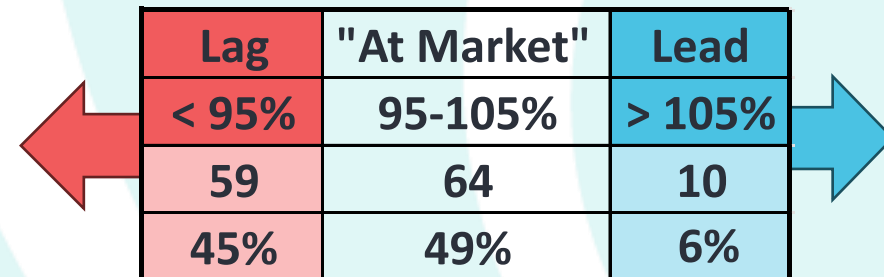
Cost of labor differentials collected from Economic Research Institutes Geographic Assessor tool which utilizes figures published by the Bureau of Labor Statistics.



Market Assessment: Results

- In total, 137 positions were included in the market survey as benchmark positions.
- Of those, 131 positions had sufficient data (≥ 3 matches).
- Overall, the study yielded market values for 96% of the Towns benchmark positions.
- Average minimum, midpoint, and maximum results were prepared for all benchmarks.
 - *Benchmarks had 7.56 matches on average.*
 - *46.7% of the benchmarks had 8 or more matches each.*

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- A comparison of current midpoints vs. the market average midpoint was also prepared.
 - **On average, Garner's salary ranges are:**
 - 2.8% **below** market at the minimum
 - 5.2% **below** market at the midpoint
 - 7.7% **below** market at the maximum



Lag	"At Market"	Lead
< 95%	95-105%	> 105%
59	64	10
45%	49%	6%



Market Assessment

What is The Market?

MIN

MID

MAX

Market Midpoint

Lead Market

MIN

MID

MAX

Market Midpoint

Match Market

MIN

MID

MAX

Market Midpoint

Lag Market

Project Overview

Pay Plan Development

- Pay Plan: We are making recommendations to adjust the existing pay structure tailored to the study's results.
- Grade assignments: will be based on internal equity (job evaluation), external equity (market), and existing equity (current midpoints and grade groupings) with consideration to career progressions, supervisor separation, business needs, etc.
 - We are recommending that department heads be included in a preliminary review of grade assignments.
- Implementation: We will prepare implementation calculations across 3 scenarios that will assist your organization in adopting the new classification and compensation system.



Current General Pay Plan

Grade	Minimum	Midpoint	Maximum	Range Spread	Mid Diff %
5	\$ 35,638	\$ 44,961	\$ 54,284	52%	
6	\$ 37,403	\$ 47,201	\$ 56,998	52%	5%
7	\$ 39,279	\$ 49,562	\$ 59,845	52%	5%
8	\$ 41,242	\$ 52,044	\$ 62,846	52%	5%
9	\$ 43,295	\$ 54,638	\$ 65,980	52%	5%
10	\$ 45,457	\$ 57,373	\$ 69,289	52%	5%
11	\$ 47,730	\$ 60,242	\$ 72,754	52%	5%
12	\$ 50,135	\$ 63,254	\$ 76,372	52%	5%
13	\$ 52,629	\$ 66,410	\$ 80,191	52%	5%
14	\$ 55,255	\$ 69,731	\$ 84,207	52%	5%
15	\$ 58,035	\$ 73,228	\$ 88,421	52%	5%
16	\$ 60,927	\$ 76,881	\$ 92,835	52%	5%
17	\$ 63,971	\$ 80,720	\$ 97,469	52%	5%
18	\$ 67,171	\$ 84,759	\$ 102,346	52%	5%
19	\$ 70,525	\$ 88,995	\$ 107,465	52%	5%
20	\$ 74,056	\$ 93,453	\$ 112,849	52%	5%
21	\$ 77,763	\$ 98,120	\$ 118,476	52%	5%
22	\$ 81,647	\$ 103,030	\$ 124,413	52%	5%
23	\$ 85,729	\$ 108,182	\$ 130,635	52%	5%
24	\$ 90,010	\$ 113,589	\$ 137,167	52%	5%
25	\$ 94,512	\$ 119,260	\$ 144,007	52%	5%
26	\$ 99,234	\$ 125,229	\$ 151,224	52%	5%
27	\$ 104,199	\$ 131,485	\$ 158,770	52%	5%
28	\$ 109,407	\$ 138,061	\$ 166,714	52%	5%
29	\$ 114,879	\$ 144,968	\$ 175,056	52%	5%
30	\$ 120,617	\$ 152,205	\$ 183,793	52%	5%
31	\$ 126,663	\$ 159,829	\$ 192,995	52%	5%
32	\$ 132,996	\$ 167,818	\$ 202,639	52%	5%
33	\$ 139,638	\$ 176,203	\$ 212,767	52%	5%
34	\$ 146,611	\$ 185,008	\$ 223,404	52%	5%
35	\$ 153,938	\$ 194,254	\$ 234,569	52%	5%

Current Pay Plan

- Open plan structure (no steps)
- 31 pay grades
- 52% range spreads (distance from min to max)
- 5% consistent midpoint differential (distance between grades)

Recommendations:

- Tailored range spreads to reduce compression between positions
- Realignment to market

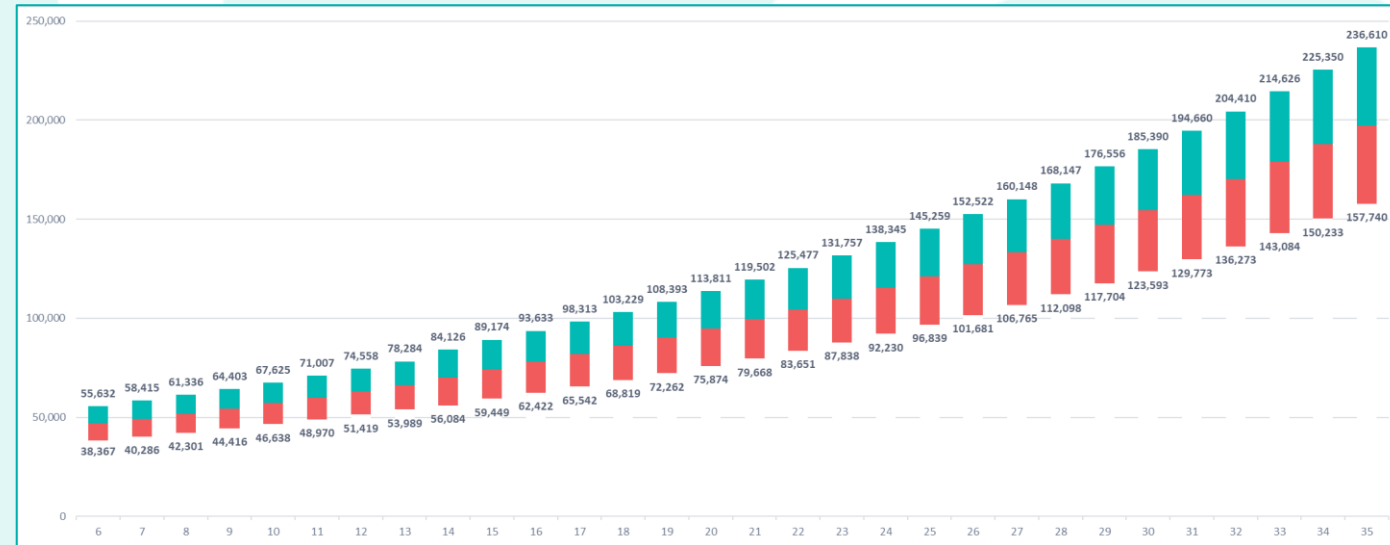


Proposed General Pay Plan

Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Differential
6	\$38,367	\$47,000	\$55,632	45%	
7	\$40,286	\$49,350	\$58,415	45%	5%
8	\$42,301	\$51,819	\$61,336	45%	5%
9	\$44,416	\$54,410	\$64,403	45%	5%
10	\$46,638	\$57,131	\$67,625	45%	5%
11	\$48,970	\$59,988	\$71,007	45%	5%
12	\$51,419	\$62,988	\$74,558	45%	5%
13	\$53,989	\$66,137	\$78,284	45%	5%
14	\$56,084	\$70,105	\$84,126	50%	6%
15	\$59,449	\$74,311	\$89,174	50%	6%
16	\$62,422	\$78,027	\$93,633	50%	5%
17	\$65,542	\$81,928	\$98,313	50%	5%
18	\$68,819	\$86,024	\$103,229	50%	5%
19	\$72,262	\$90,328	\$108,393	50%	5%
20	\$75,874	\$94,843	\$113,811	50%	5%
21	\$79,668	\$99,585	\$119,502	50%	5%
22	\$83,651	\$104,564	\$125,477	50%	5%
23	\$87,838	\$109,797	\$131,757	50%	5%
24	\$92,230	\$115,287	\$138,345	50%	5%
25	\$96,839	\$121,049	\$145,259	50%	5%
26	\$101,681	\$127,101	\$152,522	50%	5%
27	\$106,765	\$133,456	\$160,148	50%	5%
28	\$112,098	\$140,122	\$168,147	50%	5%
29	\$117,704	\$147,130	\$176,556	50%	5%
30	\$123,593	\$154,491	\$185,390	50%	5%
31	\$129,773	\$162,216	\$194,660	50%	5%

Proposed Pay Plan

- Open plan structure (no steps)
- 30 pay grades
- Tailored 45-50% range spreads (distance from min to max)
- 5-6% consistent midpoint differential (distance between grades)
- Aligned to 100% of market midpoints



Grade Assignments

Positions will be assigned based on the following:

- External competitiveness (market midpoints)
- Internal Equity (job evaluation scores)
- Existing alignment (current midpoints and grade groupings)
- Career progressions
- Supervisor / Subordinate separation

The following information is NOT considered:

- The person in the position
 - Performance
 - Length of service
 - Existing employee salary
- Preliminary grade assignments will be reviewed with the Town's project team and Department leadership to ensure positions are assigned to the correct grade and address any outliers.



Implementation Scenarios

Baker Tilly does not recommend a pay decrease for any employee as a result of the study.

Calculations reflect base pay only.

1. Employees move to the minimum of their assigned pay grade if their current salary is below that amount.
 - *Option 1 represents the minimum action required to adopt the proposed pay plans.*
2. Employees receive the greater of moving to the minimum of their assigned pay grade or a 2% salary adjustment.
 - *This scenario intends that no eligible employee receives less than 2%.*
3. Starts by moving employees to the minimum of their assigned pay grade then calculating 3% x years in position, capped at 10 years. For example: if an employee has been in their position with the Town for 2 years, the employee's new salary would be calculated by adding 6% to the minimum of their newly assigned pay grade. Any employees whose current salary is greater than that calculation would retain their existing salary.
 - *This scenario is meant to help alleviate compression by moving employees further into their new range relative to their time in position. This is not a calculation based on years of service with the organization.*



Implementation: All Employees

Option 1: 138 employees receive an adjustment.

Option 2: 423 employees receive an adjustment.

Option 3: 162 employees receive an adjustment.

Option 1 - Move to Minimum					
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	439	\$29,565,769.57	\$29,887,710.44	\$321,940.87	1.1%
Employees Below Minimum	138	\$4,469,058.13	\$4,790,999.00	\$321,940.87	7.2%
Employees Within Range	285	\$24,002,558.61	\$24,002,558.61	\$0.00	0.0%
Employees Above Maximum	15	\$1,031,752.83	\$1,031,752.83	\$0.00	0.0%

Option 2 - Greater of Minimum or 2%					
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	439	\$29,565,769.57	\$30,375,537.45	\$809,767.88	2.7%
Employees Below Minimum	138	\$4,469,058.13	\$4,797,526.84	\$328,468.71	7.3%
Employees Within Range	285	\$24,002,558.61	\$24,482,609.78	\$480,051.17	2.0%
Employees Above Maximum	15	\$1,031,752.83	\$1,031,752.83	\$0.00	0.0%

Option 3 - Move to Minimum + 3% per Years in Position (Capped)					
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	439	\$29,565,769.57	\$30,158,652.39	\$592,882.82	2.0%
Employees Below Minimum	138	\$4,469,058.13	\$4,968,055.91	\$498,997.78	11.2%
Employees Within Range	285	\$24,002,558.61	\$24,096,443.65	\$93,885.04	0.4%
Employees Above Maximum	15	\$1,031,752.83	\$1,031,752.83	\$0.00	0.0%



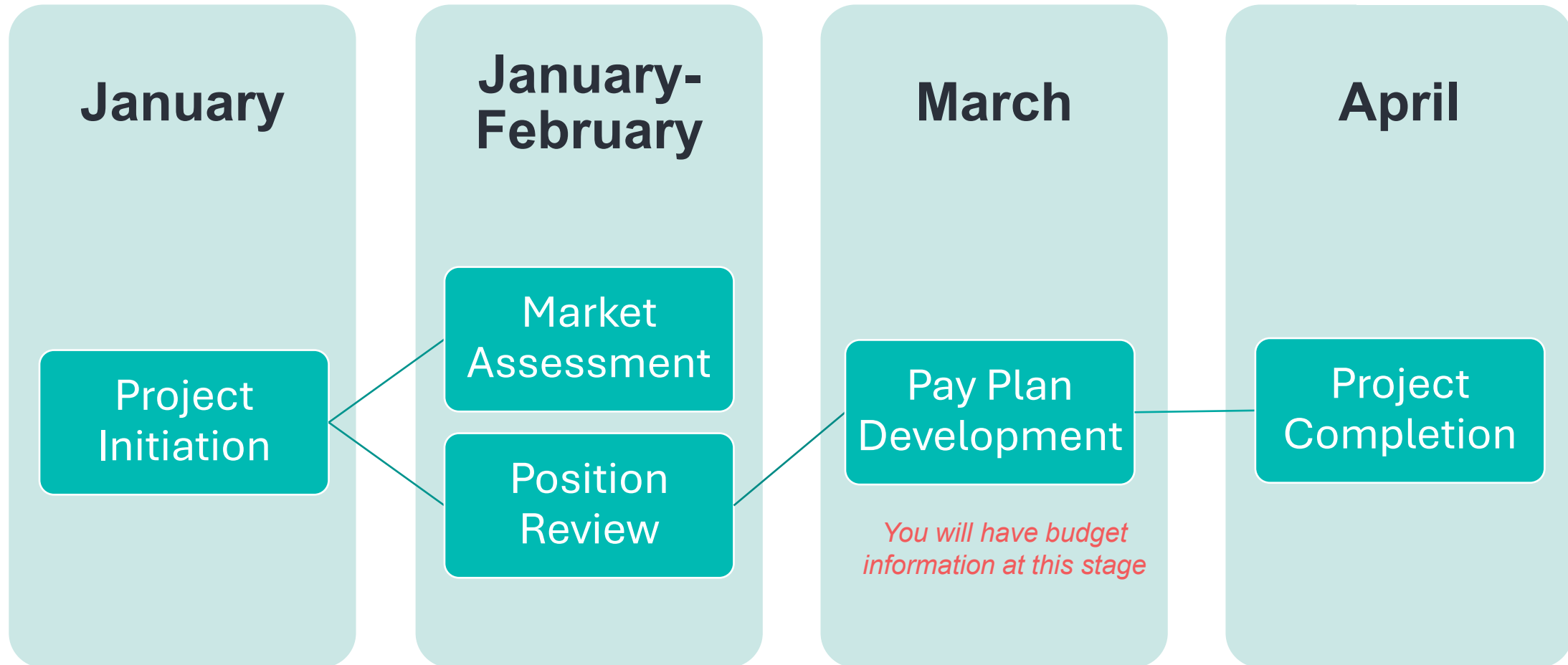
Project Overview

Project Completion

- Final report: We will document the methodology used to conduct the study, our findings, and recommendations in a comprehensive final report.
- Final presentation(s): We can present the results to elected officials, senior leadership, employees, and/or designated staff as desired.
- All project documentation will be delivered.
- Training: We will provide training to HR staff to administer and maintain the new classification and compensation system – including the SAFE® job evaluation process.



Project Timeline



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