



Legislation Details (With Text)

File #: [22-0062] Version: 1 Name:
Type: Discussion Item Status: Passed
File created: 1/14/2022 In control: Town Council
On agenda: 1/26/2022 Final action: 1/26/2022
Title: Consider Implementing the Class & Compensation Study.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Attachment 1 - Revised Pay Plan, 2. Class Comp Recommendations, 3. Staff Presentations, 4. Staff Presentation - Proposed Pay Plan, 5. Council Questions with Staff Responses, 6. AN ORDINANCE CONCERNING THE AMENDMENT OF THE TOWN PAY PLAN FOR THE FISCAL YEAR BEGINNING JULY 1, 2021 (2022-01-26/O-1), 7. AN ORDINANCE TO AMEND "THE ORDINANCE CONCERNING APPROPRIATIONS AND THE RAISING OF REVENUE FOR THE FISCAL YEAR BEGINNING JULY 1, 2021" (2022-01-26/O-2)

Table with 5 columns: Date, Ver., Action By, Action, Result. Rows show 1/26/2022, 1, Town Council, enacted, Pass.

Consider Implementing the Class & Compensation Study.

Staff:

Cliff Turner, Director
Amy Oland, Director

Department:

Human Resources Development
Business Management

Overview: The Town initiated a Classification and Compensation study two years ago and presented the results to Council on January 12, 2022... We recommend three actions this evening to begin implementing the Study.

The first action is to adopt the new pay plan. This would replace the old plan, which was adopted as part of the FY 2022 budget and establish new pay grades and place employees in those grades based on the results of the Study.

The second action is to bring all regular employees to the minimums of their new pay ranges. This will impact 277 employees out of the current 656 (42%) regular employees. Since our ranges were significantly lower than our benchmark agencies, we need \$500,000 in funding in addition to the \$400,000 set aside in this year's budget to fully implement this recommendation in FY 2022.

In addition, we have struggled with salary compression among employees in similar jobs throughout the Town for many years. We would like to begin addressing compression with additional increases for employees who are not impacted by the new minimums. Currently 337 employees are at or above their respective midpoints. With implementation of the new Pay Plan, only 37 will be at or above the midpoint..

To start addressing this issue, the third action we recommend is a 3% of midpoint salary increase for all regular employees with at least 5 years of service (as of 12/31/21) and a 2% of midpoint salary increase for those regular employees with less than 5 years (as of 12/31/21).

We believe these actions support the commitment to implementing a compensation plan and compensating our employees to recognize the high level of service they provide to our citizens and to help us remain competitive with other employers in our region.

☆ **Recommendation(s):**

We are recommending the Council approve the new Pay Plan. We also recommend that Council approve an additional \$500,000 appropriation from the FY 2021 excess fund balance to bring all employees to the new minimums and to provide increases to all regular employees to address our longtime compression issues.

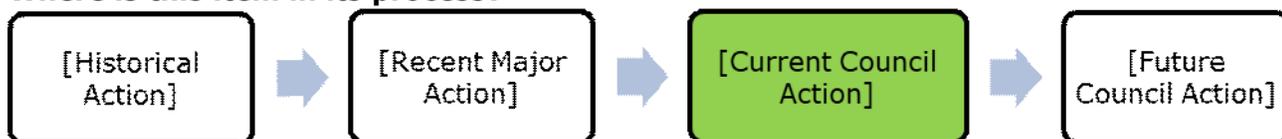
Decision Points:

- Approve the new Pay Plan for Regular Employees
- Approve bringing all regular employees to the new minimums, as applicable and for those who are already above the minimums, approve a 3% of midpoint or 2% of midpoint increase based on years of service as of 12/31/2021.
- Enact the budget ordinance amendment to adjust the General Fund budget to appropriate an additional \$500,000 in fund balance to implement the pay study recommendation in FY 2022..

Fiscal Impact/Resources:

- The costs associated with this for the remainder of FY 2022 is \$987,633 (General Fund cost is \$774,379).
- The impact to the FY 2023 Budget is \$2,668,439 (General Fund cost is \$2,113,979).
- Based on a high-level review of revenue projections for FY 2023, staff believe that there is ample revenue growth to offset the cost of the increased personnel costs for FY 2023.

Where is this item in its process?



 **Attachments:**

- Revised Pay Plan Ordinance
- Budget Ordinance
- Attachment 1 - Revised Pay Plan
- Draft Staff Presentation

AN ORDINANCE CONCERNING THE AMENDMENT OF THE TOWN PAY PLAN FOR THE FISCAL YEAR BEGINNING JULY 1, 2021 (2022-01-26/O-1)

BE IT ORDAINED by the Council of the Town of Chapel Hill:

Section 6 of the Budget Ordinance Amendment dated June 9, 2021 approved the Classification and Pay Plan.

There is hereby amended, for Fiscal Year 2022, the Revised Position and Classification Pay Plan and Longevity Plan for Town Employees as contained in Attachment 1. The Town Manager may make changes to the pay and classification plan within the established number of positions and the approved budget.

This the 26th day of January, 2022.

AN ORDINANCE TO AMEND "THE ORDINANCE CONCERNING APPROPRIATIONS AND THE RAISING OF REVENUE FOR THE FISCAL YEAR BEGINNING JULY 1, 2021" (2022-01-26/O-2)

BE IT ORDAINED by the Council of the Town of Chapel Hill that the Budget Ordinance entitled "An Ordinance Concerning Appropriations and the Raising of Revenue for the Fiscal Year Beginning July 1, 2021" as duly adopted on June 9, 2021, be and the same is hereby amended as follows:

ARTICLE I

APPROPRIATIONS	Current Budget	Increase	Decrease	Revised Budget
GENERAL FUND				
Mayor/Council	\$ 492,520	\$ -	\$ -	\$ 492,520
Town Manager/CaPA	3,274,278	-	-	3,274,278
Human Resource Dev't	2,009,707	-	-	2,009,707
Business Management	2,460,541	-	-	2,460,541
Technology Solutions	2,547,572	-	-	2,547,572
Attorney	577,687	-	-	577,687
Planning & Sustainability	2,353,422	-	-	2,353,422
Building and Development Services	2,518,666	-	-	2,518,666
Housing and Community	843,694	-	-	843,694
Public Works	13,027,106	-	-	13,027,106
Police	13,432,173	-	-	13,432,173
Fire	10,203,486	-	-	10,203,486
Parks and Recreation	7,495,026	-	-	7,495,026
Library	3,885,064	-	-	3,885,064
Non-Departmental	7,867,636	500,000	-	8,367,636
	<u>\$ 72,988,578</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 73,488,578</u>

ARTICLE II

REVENUES	Current Budget	Increase	Decrease	Revised Budget
GENERAL FUND				
Other Revenues	\$ 68,520,343	\$ -	\$ -	\$ 68,520,343
Fund Balance Appropriated	<u>4,468,235</u>	<u>500,000</u>	<u>-</u>	<u>4,968,235</u>
	\$ 72,988,578	\$ 500,000	\$ -	\$ 73,488,578

This the 26th day of January, 2022.

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

PRESENTER: Maurice Jones, Town Manager

RECOMMENDATION: That the Council approve the new Pay Plan, approve an additional \$500,000 appropriation from the FY 2021 excess fund balance to bring all employees to the new minimums and to provide increases to all regular employees to address our longtime compression issues.