

**From:** Maurice Jones <mjones@townofchapelhill.org>  
**Sent:** Thursday, January 27, 2022 9:59 AM  
**To:** Town Email Users  
**Subject:** Compensation and Classification Study Approval

Hello Everyone,

I'm pleased to announce that last night the Town Council approved our recommendations regarding the Compensation and Classification Study. The Council took time to thank all of you for your hard work especially during the last two years. This is a significant step in right sizing our pay ranges and ensuring we are in a much stronger position to retain our talented workforce and to remain competitive in recruiting new employees to fill our vacancies.

The first recommendation approved by Council included a New Pay Plan for our regular positions, developed by our consultant MAG, Inc., in collaboration with each Department Director and Human Resources Development.

The second recommendation was to provide the additional funding needed to move any employee whose job is on the Pay Plan and who is not at the new minimum pay rate of their pay range up to that new minimum. We also asked Council to approve additional funding to begin addressing the long-standing issue of salary compression for those who will be above the new minimums in their pay ranges.

This study focused on the positions primarily filled by our Full and Part Time Benefitted employees. We recognize that our Program Support employees are also a valued asset to our operations. Our program support employees whose positions are not currently on the Regular Pay plan will be evaluated as part of the FY 2023 budget process and living wage process.

Here are a few details about how the Phase I implementation will occur:

- All employees whose positions fall on the Pay Plan will receive increases beginning with the February 11, 2022 paycheck.
- Employees will receive a letter sent to their Department that outlines their current Job Title, Pay Grade and Salary as well as their new Salary, Grade and any other changes related to this implementation by Wednesday February 9, 2022.
- BMD and HRD staff will be working to get the new information into MUNIS in advance of the February 11 payroll deadline.
- Employees who have less than 5 years of Town Service and were hired by December 31, 2021 will receive the greater of the amount of either moving to new minimum of their pay grade or an increase of 2% of their new midpoint of their salary grade.
- Employees who have 5 years or more of Town service as of December 31, 2021, will receive the greater of the amount of either moving to new minimum of their pay grade or an increase of 3 % of their new midpoint of their salary grade.

- We are finalizing a process by which employees will be able to appeal their Pay Grade (not Pay Rate). We will include information outlining that process in the letters sent to each employee.

I want to emphasize that Phase 1 is the beginning of the Comp and Class implementation. We realize we have a compression issue that has occurred over many years. Unfortunately it will not be solved in one fell swoop. We mentioned to Council that in addition to the 2%/3% increases in February, we will consider other ways to address compression in future phases, including researching a step system, that was proposed by MAG, for public safety and transit.

Another critical step we will take to address compensation long term is to implement regular review of our salaries. Employers often do that through consultant-based market studies (maybe once every two years) or by hiring a compensation analyst who reviews pay on an annual basis and proposes changes when needed. Staff will be discussing those options in the coming months and returning to Council with recommendations as part of the FY 23 budget discussion.

I believe strongly in the value of our employees and I know the Council does as well. We made a commitment to addressing pay issues and we are glad we can take these important steps to recognize our dedicated employees.

I am grateful for your great work!

All the Best,  
Maurice

Maurice Jones  
Town Manager  
Town of Chapel Hill, NC  
(919) 968-2743  
[www.townofchapelhill.org](http://www.townofchapelhill.org)