

BOARD OF ALDERMEN

ITEM NO. D(1)

AGENDA ITEM ABSTRACT

MEETING DATE: August 14, 2001

SUBJECT: A Request to Consider Adopting a Compensation Philosophy for the Town of Carrboro

DEPARTMENT: Personnel	PUBLIC HEARING: NO
ATTACHMENTS: A. Resolution B. Matrix C. Compensation Philosophies D. Town's Current Pay Practices	FOR INFORMATION CONTACT: Desiree White, 918-7321

PURPOSE

At the conclusion of the 2001-02 Budget discussions, the Board requested an opportunity to discuss their concerns about the Town's pay plan. The purpose of this item is to provide the Board with an opportunity to identify their interests and concerns about employee compensation and to request that the Board authorizes the development of a compensation philosophy for the Town.

INFORMATION

Voluntary employee turnover was one of several issues facing the Town last year. During exit interviews, employees repeatedly reported their primary reason for leaving employment was higher salaries. As an initial step to address the pay issues in two of the larger departments - police and fire- the Board of Aldermen fully implemented the market study that was conducted in March by Springsted, Inc. The implementation affected certified police and fire personnel only. Even though this effort addressed the salary concerns of these two public safety areas for this fiscal year, it does not provide a long-term approach to compensation for these departments or for the organization as a whole.

Several local governments have adopted compensation philosophies to guide their decisions. Attached are copies from the Town of Chapel Hill, the City of Charlotte, and the City of Fayetteville. Staff suggests that the Board consider adopting a philosophy that will provide direction in preparing a compensation plan that will meet the future needs of the organization. To assist the Board in providing feedback and thinking through these issues, staff has provided a matrix used by the City of Charlotte that provides a rationale for the various components of its compensation plan.

After receiving the Board's feedback, staff will draft a compensation philosophy for the Board's approval. Staff will then convene focus groups to obtain additional information from employees, supervisors, and department heads and research the compensation packages and practices of other jurisdictions. The Town Manager will prepare a compensation report that includes recommendations and a Personnel Improvement Plan (PIP) based on the newly approved compensation philosophy. The report will be presented to the Board in October.

ADMINISTRATION'S RECOMMENDATION

The administration recommends that the Board of Aldermen approve the attached resolution.

ATTACHMENT A

A RESOLUTION AUTHORIZING STAFF TO DEVELOP
A COMPENSATION PHILOSOPHY FOR THE TOWN OF CARRBORO

WHEREAS the Carrboro Board of Aldermen requested an opportunity to identify their interests and concerns about employee compensation,

BE IT RESOLVED that the Carrboro Board of Aldermen have discussed and provided feedback on the Town's pay plan and have authorized the development of a compensation philosophy for the Town.

This the 14th day of August 2001.