



# Employer of Choice Compensation

*March 25, 2024*

# Becoming the “Employer of Choice”

## VISION

To attract and retain a skilled and diverse workforce by offering competitive and comprehensive compensation and benefits; opportunities for personal development and training; a safe work environment; and clearly defined expectations allowing employees to provide high quality services and engage in meaningful work.

## EMPLOYEE VALUE PROPOSITION

The City of Fayetteville invests in you so you can invest in our community.



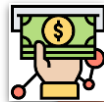
### Recognition

- Revise current evaluation
- Core value awards program
- STAR to recognize
- Pay for performance\*



### Comprehensive Benefits

- Competitiveness of 401(k)\*
- Local employer discounts
- Flexible work options
- Health/wellness\*
- Paid holidays



### Competitive Compensation

- “Living Wage” initiative\*
- Annual salary reviews
- Total Rewards Statement



### Consistent Employee Feedback

- Employee engagement survey
- Stay interviews
- CMO employee forums or visits to dept meetings



### Investing in Training/Develop

- Internship program
- Revising NEO
- Mandatory SOS class
- Core competencies supporting class offerings
- Leadership development\*
- SLT onboarding



### Exposure to Senior Leadership

- CMO Employee Forums
- Visits to dept meetings
- Daily purposeful rounding



### Meaningful Work Opportunities

- Performance tied to organizational success\*
- Career paths
- Talent mapping
- Succession planning

- Attract and retain a skilled and diverse workforce
- Offer competitive salaries
- Ensure internal and external equity
- Ensure fairness and equity



- Asheville
- Cary
- Charlotte
- Concord
- Cumberland County
- Durham
- Greensboro

- Greenville
- High Point
- PWC
- Raleigh
- Wilmington
- Winston-Salem



- Two different structures:
  - Pay Ranges
    - Consists of pay grades for jobs of similar internal and/or external worth.
    - Built using external compensation benchmark data, market pricing, and salary surveys.
    - Utilize mid-points.
  - Step Plans
    - The job range is discrete, independent, and no pre-determined progression between job ranges or within job families.
    - Incorporates clearly defined pay progressions within the single range.
    - Popular among law enforcement and government agencies.

# Compensation Options

- Basic Plan – Step Increase

- Police: \$2,258,740
- Telecomm: \$ 733,760
- Fire Fighter: \$ 1,196,683
- Fire Lieutenant: \$ 382,664

- Basic Plan – 4% Merit Increase

- All Others: \$3,520,712

**TOTAL 4% = \$8,092,559**





- Basic Plan (Everyone except Police Officers)
  - 1% 401(k)
  - Total cost \$630,382



- Compression may occur when we make a change in pay grades.
- Past Methodology
  - Moved a job to a higher grade.
  - If an employee is “above” the NEW minimum of the NEW pay grade, they stay where they are.
  - If an employee is “below” the NEW minimum of the NEW pay grade, they move to the new minimum.





- Employee working in Job A in grade 101 making \$15/hr.
- A 4% increase in midpoint is given to Employee and now makes \$15.77.
- Additionally, **market has changed** for Job A and we want to move Job A from PG 101 to PG 102 with a minimum of \$16.20.
- Since \$15.77 is below the minimum of the new pay grade (\$16.20), we move the Employee from \$15.77 to \$16.20.
- 6 months later, a new employee comes in with the same job and at the same minimum rate of \$16.20

- General Employees
  - Effective 7/18/2022, we made significant changes in our compensation structure as a result of the pay study.
  - We moved employees that were “compressed” into a higher position in their pay grade based on years in current position.
  - Maximum of \$10,000.
- Step Employees
  - Remained on the same step, but received a pay adjustment based on the new amount for their step.

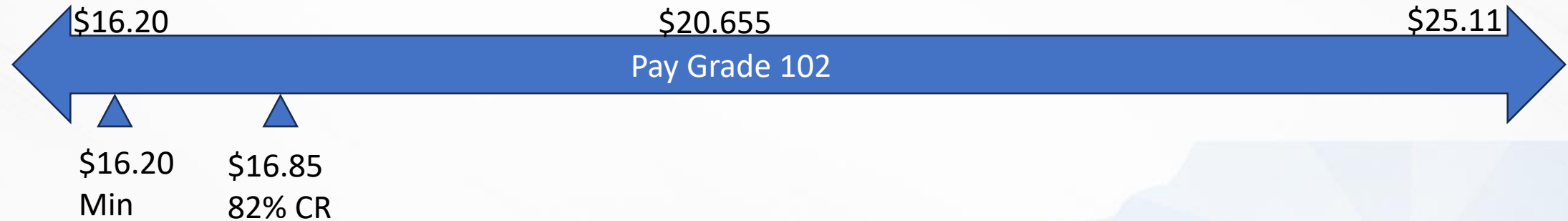
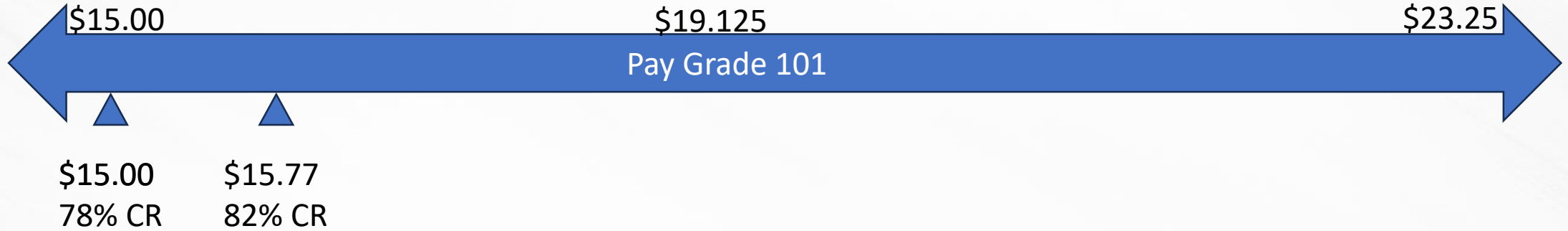


# Compression Options

- Whenever there is a market adjustment causing an increase in a pay grade, all those in the pay grade receive a **compa-ratio adjustment**.
- Continue to increase step plan based on market.
  - When we do so, continue to do what we did last year and include the market adjustment in their current step and then increase their step.



# Compression Options



# 5 Year Police Step History

August 5,  
2019

- Entry: \$34,489
- Max: \$60,000
- 13 Steps
- Next step

August 3,  
2020

- Entry: \$38,000
- Max: \$60,750
- 13 Steps
- Most stayed same step

August 2,  
2021

- Entry: \$38,000
- Max: \$60,750
- 13 Steps
- Next step

January 3,  
2022

- Entry: \$41,500
- Max: 63,000
- 10 Steps
- Step collapse

August 15,  
2022

- Entry: \$43,000
- Max: \$64,500
- 10 Steps
- Held step

August 14,  
2023

- Entry: \$43,860
- Max: \$65,790
- 10 Steps
- Next step

# Compression Example

## Officer A

2/2018: \$34,489 Step 0  
 8/2019: \$35,870 4% Step 1  
 8/2020: \$39,750 10.8% Step 1  
 8/2021: \$41,500 4.4% Step 2  


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 1/2022: \$43,500 4.8% Step 1  
 8/2022: \$45,000 3.4% Step 1  
 8/2023: \$47,940 6.5% Step 2

## Officer B

12/2020: \$38,000 Step 0  
 7/2021: \$39,750 4.6% Step 1  


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 1/2022: \$43,500 9.4% Step 1  
 8/2022: \$45,000 3.4% Step 1  
 8/2023: \$47,940 6.5% Step 2

## GE

2% MP  
 Bonus  
 3% MP  
 4% MP  
 4% MP







- To address compression for PD (30 employees)
  - \$1040 additional compensation per employee (base plan)
  - \$31,200 total cost

**OR**

- \$1650 additional compensation per employee (market plan)
- \$49,500 total cost



- Police Officers

- Current: \$ 43,860 to \$65,790
- Market: \$ 50,555 to \$84,649
- Option 1:\$ 45,176 to \$79,206
- Option 2:\$ 50,000 to \$83,450

- Total cost of Option 1: \$ 497,759

- Total cost of Option 2: \$2,377,749

- Fire Fighters

- Current: \$ 40,800 - \$63,954
- Market: \$ 45,541 - \$76,122
- Option: \$ 45,000 - \$76,620

- Fire Lieutenants

- Current: \$ 50,490 - \$71,910
- Market: \$ 57,239 - \$86,812
- Option: \$ 57,000 - \$86,850

- Total Cost: \$ 376,899

- BASIC PLAN (4% for all including PD, FD and 1% 401(k))
  - \$8,092,559

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- ADD COMPRESSION FIX FOR PD
  - \$ 31,200 (Basic)
  - \$ 49,500 (Market)

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- ADD MARKET PLAN
  - \$ 497,759 (PD Option 1)
  - \$2,377,749 (PD Option 2)
  - \$ 376,899 (Fire)
  - \$ 522,538 (Those above PO and FL)





 **FAYETTEVILLE** <sup>NC</sup>  
AMERICA'S CAN DO CITY

[FayettevilleNC.gov](http://FayettevilleNC.gov)

<https://livingwage.mit.edu/counties/37051>

