



Classification and Compensation Study



Project Overview

COMPLETE

- ✓ **Data Collection:** project planning meetings, 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 and pay practice information from peer organizations.
- **Pay Plan Development:** pay plan development, grade assignments, and implementation calculations.
- **Project Completion:** final report delivered, final presentation, project documentation delivery.



Project Overview

Position Review

1. Titles: Using existing job descriptions, we reviewed all titles and make recommendations for adjustments, as necessary.
2. Job Evaluation: We conducted job evaluation using our point factor tool, called SAFE®. This process established a hierarchy of jobs within the Town 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 of Actions |
| 3. Level of Work | 8. Impact on the Organization |
| 4. Human Interaction | 9. Supervision Exercised |
| 5. Physical Demands | |

SAFE is compatible and compliant with federal Equal Pay Act.



Project Overview

Market Assessment

1. Peer Organizations (10): 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 was incorporated as a private sector comparison.
2. Benchmark Positions: We included 50 positions in the market survey as benchmark positions.
3. Market Survey: A summary of work + minimum qualifications were included for each benchmark position to assist peers in providing an appropriate match.
4. Adjustments & Quality Control: Some adjustments were made to collected data to account for differences in work week, fiscal year, and geographic labor cost. *We do not weight the data.*
 - Results are analyzed for quality control; reports demonstrating market averages and a comparison to the market was prepared.



Market Assessment: Peer Organizations

- The Town identified 10 public peer organizations to be included in the study
- Data was collected or compiled from 9 of those, **shown in bold below**.
- Data from **3 published surveys** included to represent the “private sector”

1. Belmont, North Carolina
2. **Charlotte, North Carolina**
3. **Cornelius, North Carolina**
4. **Davidson, North Carolina**
5. **Huntersville, North Carolina**
6. **Indian Trail, North Carolina**
7. **Kannapolis, North Carolina**

8. **Matthews, North Carolina**
9. **Mint Hill, North Carolina**
10. **Union County, North Carolina**
11. **Bureau of Labor Statistics**
12. **Comp Analyst**
13. **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).

Date Pulled	Client Name	Location	Geo Adjust	Client Avg Base
9/19/2024	Pineville, North Carolina	Pineville, NC	99.5	65,562
Peer #	Peer Organization	Locality Used	ERI Indicator	GeoDiff %
1	Belmont, North Carolina	Mount Holly, NC	98.8	0.7%
2	Charlotte, North Carolina	Charlotte, NC	99.8	-0.3%
3	Cornelius, North Carolina	Cornelius, NC	99.4	0.1%
4	Davidson, North Carolina	Davidson, NC	99.4	0.1%
5	Huntersville, North Carolina	Huntersville, NC	99.5	0.0%
6	Indian Trail, North Carolina	Indian Trail, NC	98.5	1.0%
7	Kannapolis, North Carolina	Kannapolis, NC	99.5	0.0%
8	Matthews, North Carolina	Matthews, NC	99.5	0.0%
9	Mint Hill, North Carolina	Mint Hill, NC	98.5	1.0%
10	Union County, North Carolina	Monroe, NC	98.5	1.0%
11	Comp Analyst	Charlotte, NC	99.8	-0.3%
12	Economic Research Institute (ERI)	Charlotte, NC	99.8	-0.3%
13	Bureau of Labor Statistics (BLS)	State of North Carolina	93.6	5.9%

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



Market Assessments: Results

- In total 50 positions were included in the market survey as benchmark positions.
 - Overall, the study yielded market values for 100% of the Town's benchmark positions.
 - 96% of the benchmarks have 5+ matches.
 - 30% of the benchmarks have 8+ matches.
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- Average minimum, midpoint, and maximum results were prepared for the 50 benchmarks with sufficient data.
 - A comparison of current midpoints vs. the market average midpoint was also prepared. Additional market thresholds demonstrating 5% above and 5% below market were also prepared for consideration.
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- On average, the Town is 13.6% **below** market at the minimum, 15.1% **below** market at the midpoint, and 16.2% **below** market at the maximum.
 - **Draft pay plans are aligned to 95% of market at the midpoints, pending approval from Council.**

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:

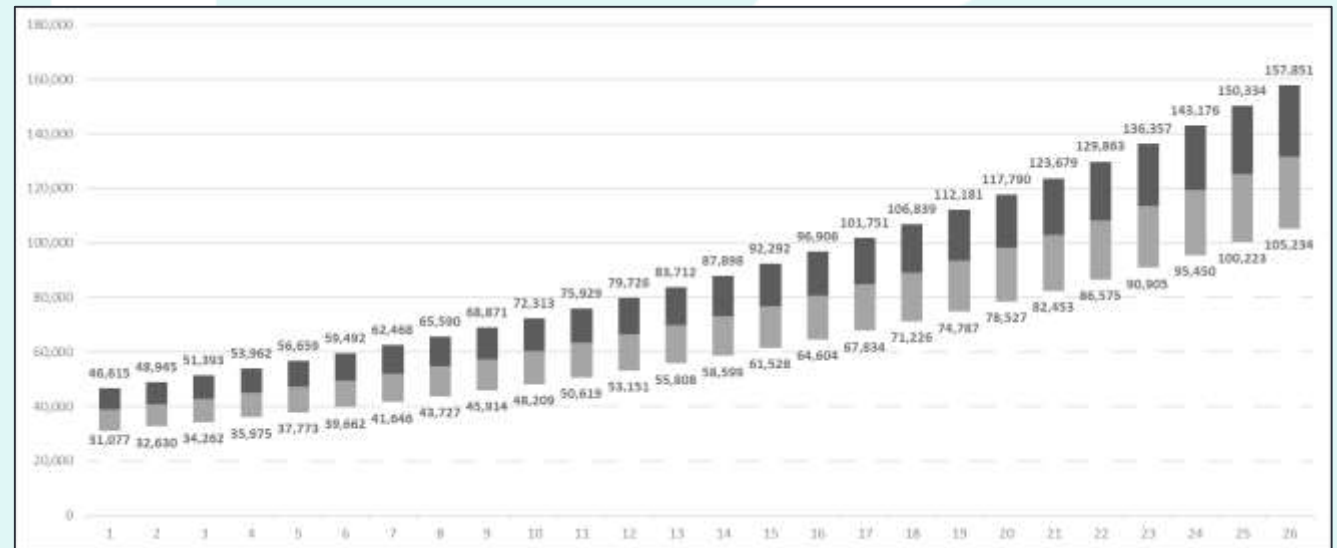
1. Pay Plans: Baker Tilly made recommendations to the existing General pay plan and developed a new pay plan for Police Sworn that were tailored to the study's results.
2. Grade assignments were determined based on internal and external results (SAFE® evaluation scores and market midpoints). We used a regression to test the relationship between this information and to identify outliers.
 - We included department heads in a preliminary review of grade assignments.
3. Implementation Cost: With finalized grade assignments, we prepared implementation calculations across 3 scenarios that will assist your organization in adopting the new classification and compensation system.



Current General Pay Plan

Town of Pineville Classification & Pay Plan					
Salary Grade	Min. 80% MP	Midpoint	Max 120% MP	Range Spread	Midpoint Differential
11	\$31,077	\$38,846	\$46,615	33%	
12	\$32,630	\$40,788	\$48,945	33%	5%
13	\$34,262	\$42,828	\$51,393	33%	5%
14	\$35,975	\$44,968	\$53,962	33%	5%
15	\$37,773	\$47,216	\$56,659	33%	5%
16	\$39,662	\$49,577	\$59,492	33%	5%
17	\$41,646	\$52,057	\$62,468	33%	5%
18	\$43,727	\$54,658	\$65,590	33%	5%
19	\$45,914	\$57,392	\$68,871	33%	5%
20	\$48,209	\$60,261	\$72,313	33%	5%
21	\$50,619	\$63,274	\$75,929	33%	5%
22	\$53,151	\$66,438	\$79,726	33%	5%
23	\$55,808	\$69,760	\$83,712	33%	5%
24	\$58,599	\$73,248	\$87,898	33%	5%
25	\$61,528	\$76,910	\$92,292	33%	5%
26	\$64,604	\$80,755	\$96,906	33%	5%
27	\$67,834	\$84,793	\$101,751	33%	5%
28	\$71,226	\$89,033	\$106,839	33%	5%
29	\$74,787	\$93,484	\$112,181	33%	5%
30	\$78,527	\$98,159	\$117,790	33%	5%
31	\$82,453	\$103,066	\$123,679	33%	5%
32	\$86,575	\$108,219	\$129,863	33%	5%
33	\$90,905	\$113,631	\$136,357	33%	5%
34	\$95,450	\$119,313	\$143,176	33%	5%
35	\$100,223	\$125,278	\$150,334	33%	5%
36	\$105,234	\$131,542	\$157,851	33%	5%

- Open plan (no defined steps), 26 grades (17 in use, numbered 11-36)
- 33% range spreads (distance from min to max)
- 5% midpoint differential (distance between each grade at the midpoint)
- Starting minimum wage is \$14.94/hour (\$31,077 annual)



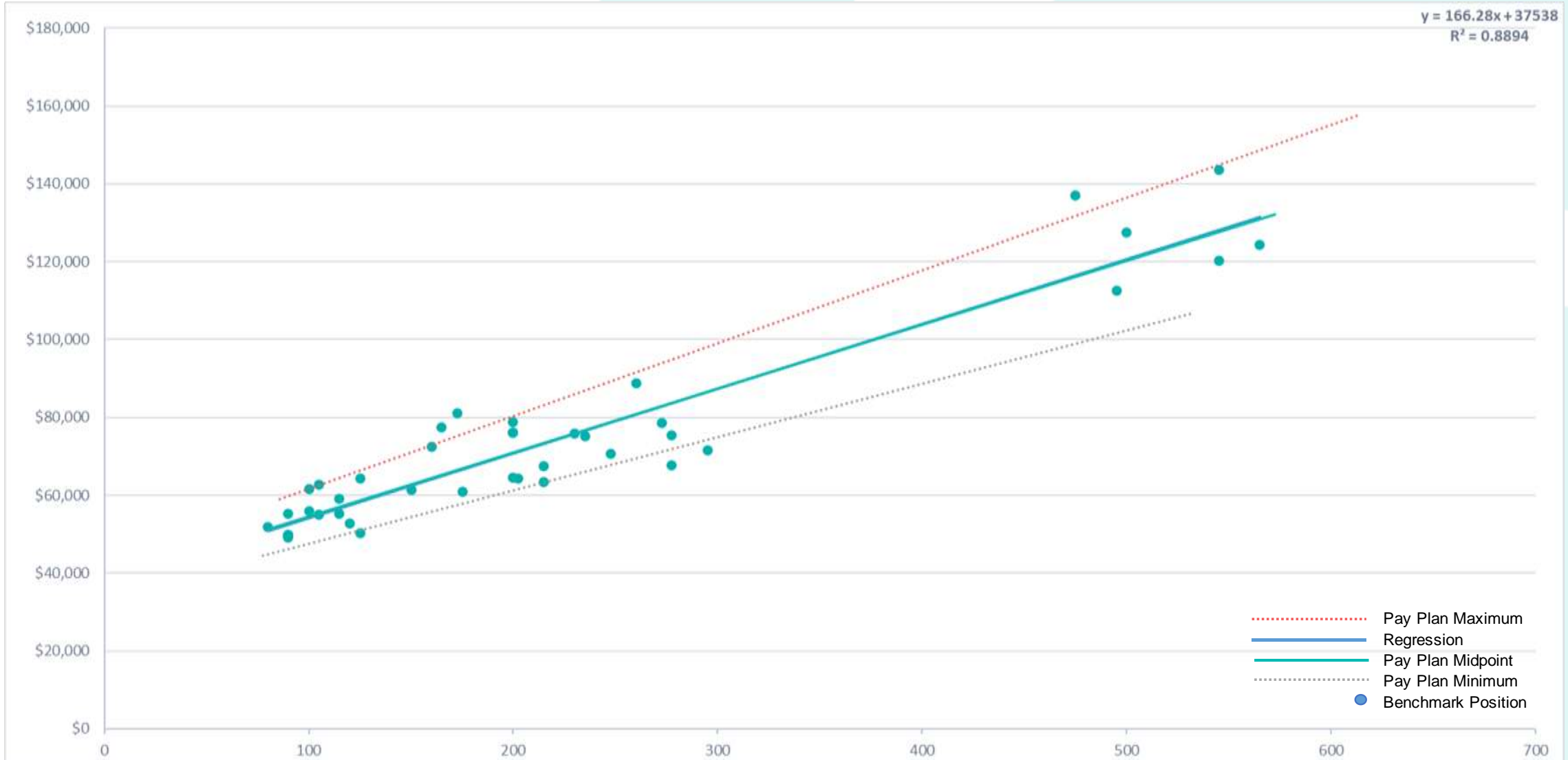
Proposed General Pay Plan

Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Differential
13	\$41,224	\$47,408	\$53,591	30%	5%
14	\$43,285	\$49,778	\$56,271	30%	5%
15	\$45,450	\$52,267	\$59,085	30%	5%
16	\$47,722	\$54,880	\$62,039	30%	5%
17	\$50,108	\$57,624	\$65,140	30%	5%
18	\$50,421	\$60,505	\$70,589	40%	5%
19	\$52,942	\$63,530	\$74,119	40%	5%
20	\$55,589	\$66,707	\$77,825	40%	5%
21	\$58,368	\$70,042	\$81,715	40%	5%
22	\$61,287	\$73,544	\$85,802	40%	5%
23	\$64,351	\$77,221	\$90,091	40%	5%
24	\$67,568	\$81,082	\$94,595	40%	5%
25	\$70,947	\$85,136	\$99,326	40%	5%
26	\$74,494	\$89,393	\$104,292	40%	5%
27	\$78,219	\$93,863	\$109,507	40%	5%
28	\$84,477	\$101,372	\$118,268	40%	8%
29	\$91,235	\$109,482	\$127,729	40%	8%
30	\$94,593	\$118,241	\$141,890	50%	8%
31	\$102,160	\$127,700	\$153,240	50%	8%
32	\$110,333	\$137,916	\$165,500	50%	8%
33	\$119,159	\$148,949	\$178,739	50%	8%
34	\$128,692	\$160,865	\$193,038	50%	8%
35	\$138,987	\$173,734	\$208,481	50%	8%
36	\$150,106	\$187,633	\$225,159	50%	8%

- Open plan (no defined steps), 24 grades (numbered 13-36)
- 30-50% range spreads
- 5-8% midpoint differential
- Aligned to 95% of market midpoints
- Starting minimum wage is \$19.82/hour (\$41,224 annual)



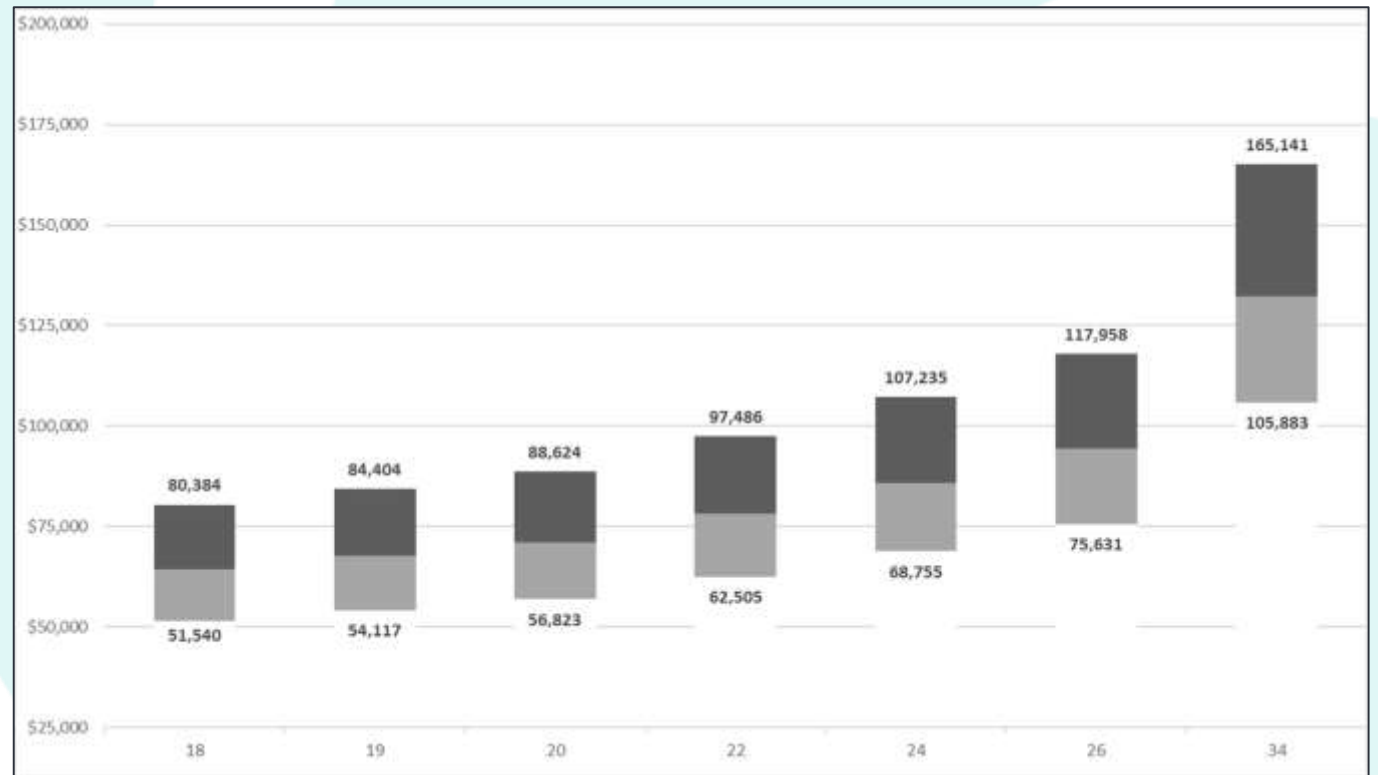
Proposed General Pay Plan



Current Police Pay Plan

Town of Pineville Classification & Pay Plan																			
Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Midpoint	Step 11	Step 12	Step 13	Step 14	Step 15	Step 16	Step 17	Step 18	Step 19
18	\$51,539.70	\$52,828.19	\$54,148.89	\$55,502.62	\$56,890.18	\$58,312.44	\$59,770.25	\$61,264.50	\$62,796.12	\$64,366.02	\$65,975.17	\$67,624.55	\$69,315.16	\$71,048.04	\$72,824.24	\$74,644.85	\$76,510.97	\$78,423.74	\$80,384.34
19	\$54,116.68	\$55,469.60	\$56,856.34	\$58,277.75	\$59,734.69	\$61,228.06	\$62,758.76	\$64,327.73	\$65,935.92	\$67,584.32	\$69,273.93	\$71,005.78	\$72,780.92	\$74,600.44	\$76,465.45	\$78,377.09	\$80,336.52	\$82,344.93	\$84,403.55
20	\$56,822.52	\$58,243.08	\$59,699.16	\$61,191.63	\$62,721.43	\$64,289.46	\$65,896.70	\$67,544.12	\$69,232.72	\$70,963.54	\$72,737.62	\$74,556.07	\$76,419.97	\$78,330.47	\$80,288.73	\$82,295.95	\$84,353.34	\$86,462.18	\$88,623.73
22	\$62,504.77	\$64,067.39	\$65,669.07	\$67,310.80	\$68,993.57	\$70,718.41	\$72,486.37	\$74,298.53	\$76,155.99	\$78,059.89	\$80,011.39	\$82,011.67	\$84,061.96	\$86,163.51	\$88,317.60	\$90,525.54	\$92,788.68	\$95,108.40	\$97,486.11
24	\$68,755.24	\$70,474.13	\$72,235.98	\$74,041.88	\$75,892.93	\$77,790.25	\$79,735.00	\$81,728.38	\$83,771.59	\$85,865.88	\$88,012.53	\$90,212.84	\$92,468.16	\$94,779.86	\$97,149.36	\$99,578.09	\$102,067.55	\$104,619.24	\$107,234.72
26	\$75,630.77	\$77,521.54	\$79,459.58	\$81,446.07	\$83,482.22	\$85,569.27	\$87,708.50	\$89,901.22	\$92,148.75	\$94,452.47	\$96,813.78	\$99,234.12	\$101,714.98	\$104,257.85	\$106,864.30	\$109,535.90	\$112,274.30	\$115,081.16	\$117,958.19
34	\$105,883.08	\$108,530.15	\$111,243.41	\$114,024.49	\$116,875.10	\$119,796.98	\$122,791.91	\$125,861.70	\$129,008.25	\$132,233.45	\$135,539.29	\$138,927.77	\$142,400.97	\$145,960.99	\$149,610.02	\$153,350.27	\$157,184.02	\$161,113.62	\$165,141.46

- 19-step pay plan, 7 grades
- Midpoint aligns at Step 10
- 2.44% between steps, 36% range spreads (distance from min to max)
- 5-40% midpoint differential (distance between each grade at the midpoint)
- Starting minimum wage is \$23.60/hour (\$51,539.70 annual)



Proposed Police Pay Plan

Grade	Position	1	2	3	4	5	6	7	8	9	10	11	Midpoint Differential	Step Diff	Range Spread
PO1	Police Officer	\$58,334	\$59,793	\$61,288	\$62,820	\$64,390	\$66,000	\$67,650	\$69,341	\$71,075	\$72,852	\$74,673		2.50%	28%
PO2	Detective	\$60,668	\$62,184	\$63,739	\$65,333	\$66,966	\$68,640	\$70,356	\$72,115	\$73,918	\$75,766	\$77,660	4.00%	2.50%	28%
PO3	Corporal	\$64,915	\$66,537	\$68,201	\$69,906	\$71,653	\$73,445	\$75,281	\$77,163	\$79,092	\$81,069	\$83,096	7.00%	2.50%	28%
PO4	Sergeant	\$72,704	\$74,522	\$76,385	\$78,295	\$80,252	\$82,258	\$84,315	\$86,422	\$88,583	\$90,798	\$93,068	12.00%	2.50%	28%
PO5	Lieutenant	\$82,156	\$84,210	\$86,315	\$88,473	\$90,685	\$92,952	\$95,276	\$97,657	\$100,099	\$102,601	\$105,166	13.00%	2.50%	28%
PO6	Police Captain	\$94,068	\$96,420	\$98,831	\$101,301	\$103,834	\$106,430	\$109,090	\$111,818	\$114,613	\$117,479	\$120,415	14.50%	2.50%	28%
PO7	Police Chief	\$122,104	\$125,767	\$129,540	\$133,426	\$137,429	\$141,552	\$145,798	\$150,172	\$154,677	\$159,318	\$164,097	33.00%	3.00%	34%

- 11-step, 7 Grades (Numbered PO1-PO7)
- 2.5-3% between steps, 28-34% range spreads
- Tailored 4-33% midpoint differential
- Aligned to 95% of market midpoints
- Starting minimum wage is \$26.71/hour (\$58,334 annual)



Pay Grade Assignments

Determined based on internal and external results (SAFE® evaluation scores and market midpoints). We used a regression to test the relationship between this information and to identify outliers.

In total, 51 unique positions were classified to a grade in the proposed pay plan based on market midpoints. From there, grade assignments were adjusted, as necessary, to account for:

• Existing equity (current midpoints & grade groupings)	• Job Evaluation (SAFE scores based on Job Descriptions)
• Career progressions	• Supervisor-subordinate separation
• Grade compression	

The following information was NOT considered when assigning positions to a grade:

• The person in the position	• Performance
• Length of service	• Employee existing salary





Implementation Scenarios

Baker Tilly prepared 3 scenarios for Pineville to consider in its adoption of the new General classification and compensation plan.

- **Implementation cost reflects base pay in US dollars. Benefits and pay differentials are not included.**

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

Implementation Scenarios for the General Pay Plan:

1. Employees move to the minimum of their assigned pay grade if their current salary is below. All other employees retain their existing salary. This is to get all employees onto the pay plan.
2. Employees below the minimum would move to the minimum or receive a 3% adjustment (whichever is greater), capped at the maximum of their pay range. If any employee's current salary is higher than that calculation, they would retain their existing salary.
3. Starts by moving employees to the minimum of their assigned pay grade then calculating 2% x years in position, capped at 11 years. For example: if an employee has been in their position with Pineville for 3 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.



Pay Plan Development

Implementation Scenarios- General Plan

	Option 1 - Move to Minimum				
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	64	\$3,951,911.39	\$4,023,317.01	\$71,405.61	1.8%
Employees Below Minimum	17	\$827,409.39	\$898,815.00	\$71,405.61	8.6%
Employees Within Range	46	\$3,030,077.08	\$3,030,077.08	\$0.00	0.0%
Employees Above Maximum	1	\$94,424.93	\$94,424.93	\$0.00	0.0%
	Option 2 - Greater of Minimum or 3%				
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	64	\$3,951,911.39	\$4,115,341.93	\$163,430.54	4.1%
Employees Below Minimum	17	\$827,409.39	\$899,937.61	\$72,528.23	8.8%
Employees Within Range	46	\$3,030,077.08	\$3,120,979.39	\$90,902.31	3.0%
Employees Above Maximum	1	\$94,424.93	\$94,424.93	\$0.00	0.0%
	Option 3 - Move to Minimum + 2% per Years in Position (Capped)				
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	64	\$3,951,911.39	\$4,168,083.24	\$216,171.85	5.5%
Employees Below Minimum	17	\$827,409.39	\$920,784.54	\$93,375.15	11.3%
Employees Within Range	46	\$3,030,077.08	\$3,152,873.77	\$122,796.69	4.1%
Employees Above Maximum	1	\$94,424.93	\$94,424.93	\$0.00	0.0%



Implementation Scenarios

Baker Tilly prepared 2 scenarios for Pineville to consider in its adoption of the new Police Sworn classification and compensation plan.

- **Implementation cost reflects base pay in US dollars. Benefits and pay differentials are not included.**

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

Implementation Scenarios for the Police Pay Plan:

1. Employees move to the closest step without a decrease.
This is to get all employees onto the pay plan.
2. Employees move to the step based on years in position, unless it would result in a decrease then employees would move to the closest step without a decrease.
For example: if an employee has been in their position with Pineville for 3 years, the employee's new salary would be Step 3 of their newly assigned pay grade.



Pay Plan Development

Implementation Scenarios- Police Plan

	Option 1 - Closest Step, without Decrease				
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	39	\$2,764,318.48	\$2,849,680.31	\$85,361.83	3.1%
Employees Below Minimum	16	\$872,625.24	\$946,510.36	\$73,885.13	8.5%
Employees Within Range	19	\$1,534,428.98	\$1,545,905.68	\$11,476.70	0.7%
Employees Above Maximum	4	\$357,264.27	\$357,264.27	\$0.00	0.0%
	Option 2: Steps based on Years in Position				
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	39	\$2,764,318.48	\$2,862,305.52	\$97,987.03	3.5%
Employees Below Minimum	16	\$872,625.24	\$956,865.63	\$84,240.39	9.7%
Employees Within Range	19	\$1,534,428.98	\$1,548,175.62	\$13,746.64	0.9%
Employees Above Maximum	4	\$357,264.27	\$357,264.27	\$0.00	0.0%

Project Overview

Project Completion

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



Recommendations

We urge the Town of Pineville, NC to:

- Approve the continued use of Baker Tilly’s SAFE® methodology to maintain internal equity.
- Approve the use of the open plan for General positions and the proposed step plan for Police sworn positions.
- Approve the position grade assignments which were reviewed by Town leadership and confirmed by the Town’s project team.
- Approve an implementation scenario that addresses the Town’s compensation philosophy, business goals, and that is fiscally sustainable.
- Continue efforts to maintain the classification and compensation system:
 - Routinely review positions, job descriptions, and market conditions.
 - Adjust the pay structure and salaries, annually, to keep pace with the market.
 - Adopt general increases, annually, to reward employees and ensure advancement through assigned pay ranges.

