



City of Durham
City Council Retreat
Virtual Zoom Meeting
Thursday, February 25, 2021
9:00 am – 1:00 pm

AGENDA

| | | |
|---|--------------------------------------|---------------------|
| Welcome/Agendas Overview | Bertha Johnson | 9:00 am – 9:15 am |
| Opening Remarks | Wanda Page | 9:15 am – 9:30 am |
| Employee Compensation | JJ Scott | 9:30 am – 10:30 am |
| City Infrastructure | Bo Ferguson | 10:30 am – 11:30 am |
| | Break | 11:30 am – 11:45 am |
| Council Budget Requests Follow-up (if necessary) | Bertha Johnson | 11:45 am – 12:45 pm |
| Closing Remarks | Wanda Page Mayor and City Council | 12:45 pm – 1:00 pm |

Interpretación en español disponible

**CITY OF DURHAM
COMPENSATION SCENARIOS**

FY 2022

WHY ADJUST COMPENSATION?

- Reward employee performance
- Retain employees
- Attract employees
- Correct inequities

Following a plan helps ensure consistency.

A BRIEF HISTORY OF EMPLOYEE COMPENSATION

- 2008-2017 – Compensation plan developed, never fully implemented, not adequately maintained
- 2017 – Police and Fire step plans
 - Structures to be adjusted every other year
- 2019 – General employee step and open range plans
 - Open range structure to be adjusted every year
 - Step plan structure to be adjusted every other year

CITY OF DURHAM PAY STRUCTURES

Different structures for different types of jobs:

- Police – A step plan for sworn police employees
- Fire – A step plan for sworn fire employees
- General Employees have two pay plans
 - Step Plan – Employees move up a step annually
 - Open Range – Salaries vary within a range

We adjust structures to maintain market competitiveness

FY 21 PROPOSED PAY PLAN — PRE COVID

- FY21 proposed:
 - Police structures move 8%, 8.5%, or 9%
 - Fire structures move 7%, 7.5%, or 7%
 - General open range move 3%
 - Police and Fire step moves 5%
 - General employee pay for performance average 4.8%
 - Part-time plan adjustments



FY 21 PAY PLAN — POST COVID

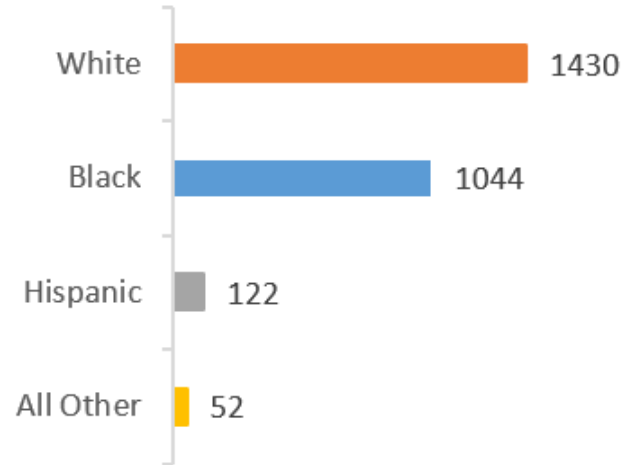
WHERE ARE WE NOW?

All pay structures are due for adjustment.

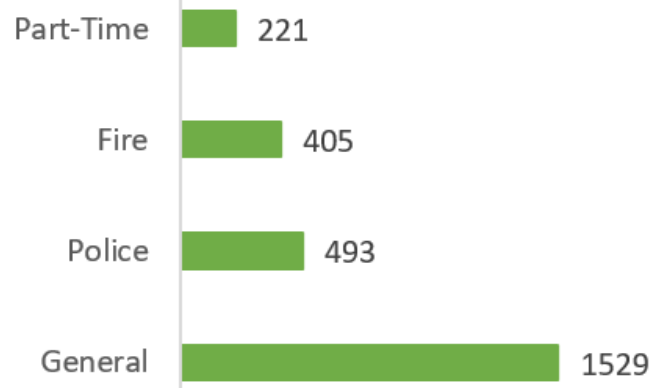
- Police pay structure lags behind the market by at least 9%
- Fire pay structure lags behind the market by at least 8%
- Open range structure estimated to lag 3-5%
- Fire recruits require DMLW adjustment

DEMOGRAPHICS: 2,648 EMPLOYEES

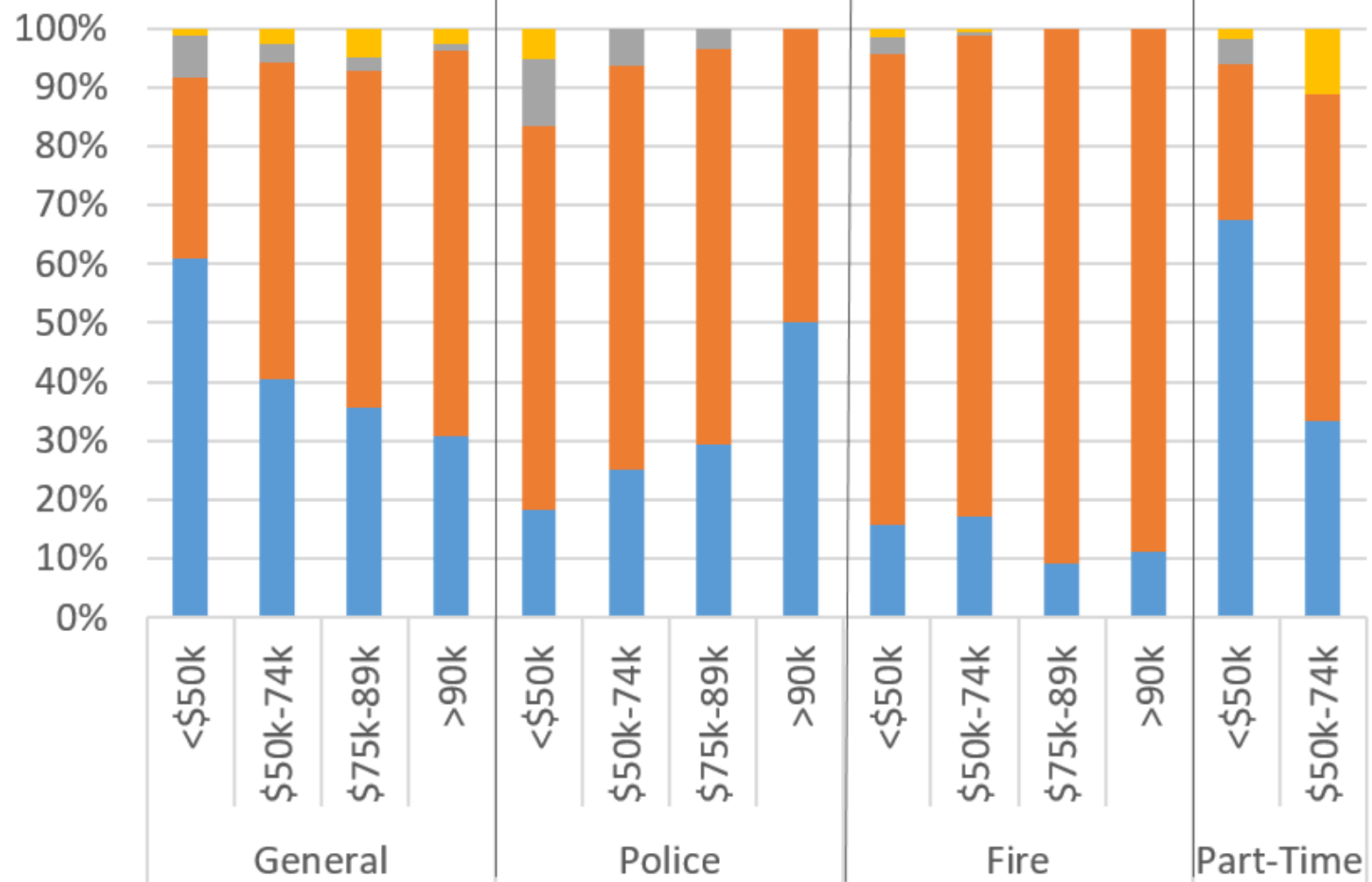
By Racial Grouping



By Pay Structure



By Pay Structure, Salary Group, and Racial Grouping



VARIABLES CONSIDERED

- Alignment with compensation plan
- Market position
- Bonus vs. Raise
- Amount of bonus and / or raise
- Selective application of bonus and / or raise
 - Merit
 - Salary
 - Pay plan
 - Job type
- Equity
- Available funding

BONUSES VS BASE SALARY INCREASE

Bonuses:

- High immediate impact
- Rewarding and motivating
- Maintain flexibility

Raises:

- Org investing in employees - retention
- Maintain market position
- Compound over time

SCENARIO 1

| | Notes | Cost |
|--|------------------------|--------------------|
| Raise & Structure – General Employees | 2% added to base | \$2,051,271 |
| Raise & Structure – Police | 4% added to base | \$1,401,190 |
| Raise & Structure – Fire | 3.5% added to base | \$811,038 |
| Bonus – General Employees | \$1,000 | \$1,521,000 |
| Bonus – Police | \$1,000 | \$490,000 |
| Bonus – Fire | \$1,000 | \$404,000 |
| Bonus – PT Employees | \$500 (avg, 17 hrs/wk) | \$77,000 |
| Total | | \$6,755,499 |

SCENARIO 2

| | Notes | Cost |
|--|--|--------------------|
| Raise & Structure – General Employees | 2% added to base | \$2,023,709 |
| Raise & Structure – Police | 4% added to base | \$1,401,190 |
| Raise & Structure – Fire | 3.5% added to base | \$811,038 |
| Bonus – General Employees | \$1k < \$50k; \$750 < \$90k; \$500 > 90k | 1,247,000 |
| Bonus – Police | \$1k < \$50k; \$750 < \$90k; \$500 > 90k | 405,750 |
| Bonus – Fire | \$1k < \$50k; \$750 < \$90k; \$500 > 90k | 351,250 |
| Bonus – PT Employees | \$500 (avg, 17 hrs/wk) | \$77,000 |
| Total | | \$6,316,937 |

SCENARIO 3

| | Notes | Cost |
|--|--|--------------------|
| Raise & Structure – General Employees | 2% added to base | \$2,023,709 |
| Raise & Structure – Police | 4% added to base | \$1,401,190 |
| Raise & Structure – Fire | 3.5% added to base | \$811,038 |
| Bonus – General Employees | \$1k < \$50k; \$750 < \$90k; \$500 > 90k | \$1,247,000 |
| Bonus – PT Employees | \$500 (avg, 17 hrs/wk) | \$77,000 |
| Total | | \$5,559,937 |



QUESTIONS?