

# **CITY OF WALHALLA**

***"MAIN STREET to the MOUNTAINS"***

Mr. Danny Woodward, Mayor Pro Tem  
Ms. Sarai Melendez, Councilwoman  
Mr. Keith Pace, Councilman  
Mr. Tyler Jordan, Councilman

Mr. Danny Edwards, Mayor

Mr. Grant Keehn, Councilman  
Mr. David Underwood, Councilman  
Mr. Michael Kozlarek, City Attorney  
Mr. Timothy B. Burton, City Administrator

**AGENDA**  
**WALHALLA CITY COMMITTEE MEETING**  
**May 2, 2023**  
**5:30 PM**  
**Walhalla City Hall**  
**206 N Church St, Walhalla, SC 29691**

**CALL TO ORDER & WELCOME**

**Mayor Edwards**

**MOMENT OF SILENCE**

**PLEDGE OF ALLEGIANCE**

**APPROVAL OF AGENDA**

**PUBLIC INPUT** (Public Comment is limited to 5 minutes and must be directed to Council, per City Ordinance 2022-8)

**Ms. Lyndley Lou, Walhalla High School**

**STAFF REPORTS**

**PARKS & RECREATION- Director John Galbreath**

**PUBLIC WORKS -Director Russ Price**

**POLICE DEPARTMENT- Chief Tim Rice**

**UTILITIES DEPARTMENT- Director Scott Parris**

**FIRE DEPARTMENT - Chief Will Bates**

**COMMUNITY DEVELOPMENT**

**-Main Street- Catie Fisher**

**- Planning/Zoning- - Manager Celia Myers, AICP**

**GENERAL GOVERNMENT-Administrator Brandon Burton**

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**ACTION/DISCUSSION ITEMS** (to include Vote and/or Action on matters brought up for discussion, if required)

*(none proposed)*

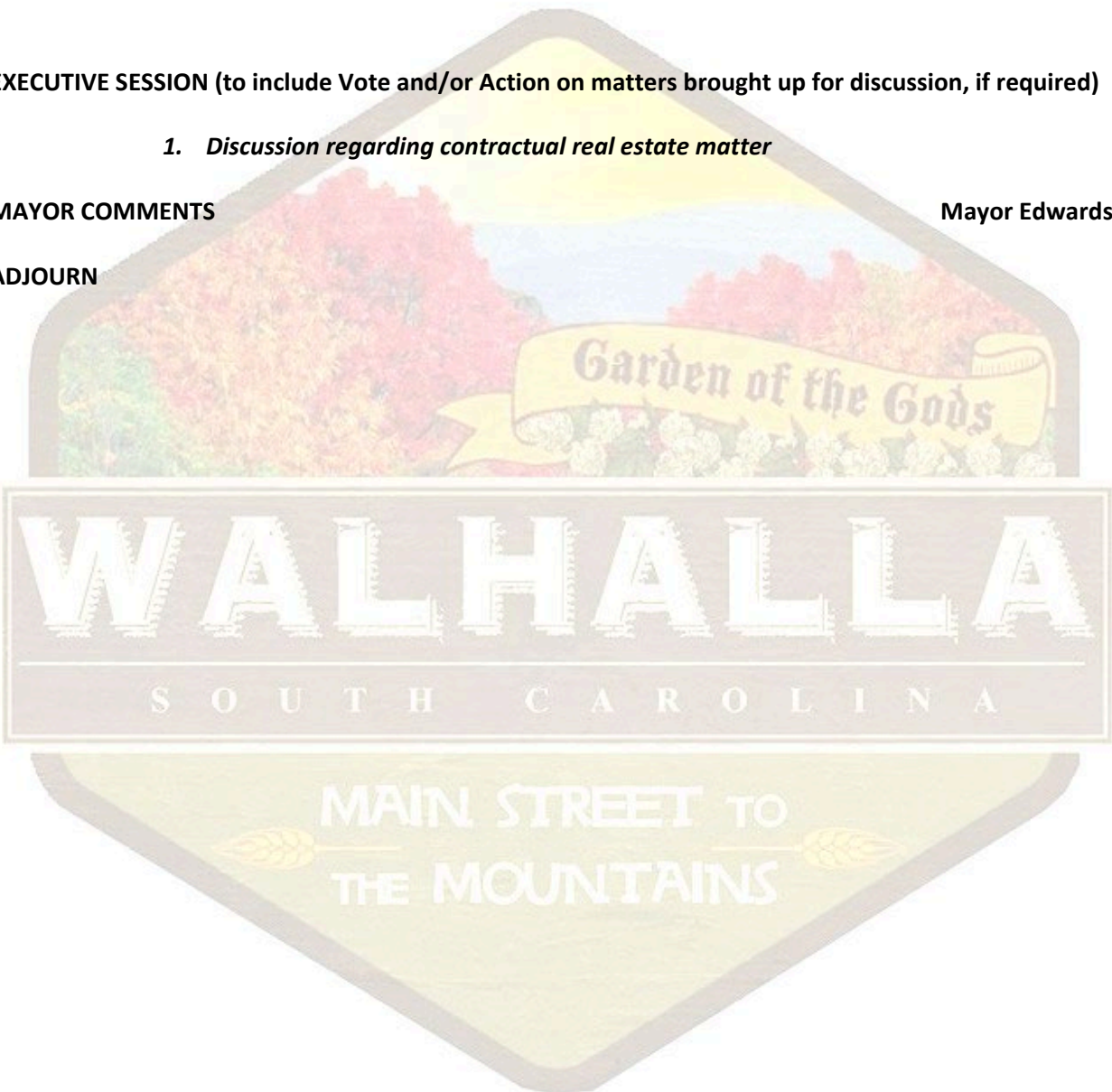
**EXECUTIVE SESSION** (to include Vote and/or Action on matters brought up for discussion, if required)

*1. Discussion regarding contractual real estate matter*

**MAYOR COMMENTS**

**Mayor Edwards**

**ADJOURN**



## **City Council Meeting 5/02/23**

### **BASEBALL & SOFTBALL**

**Baseball and softball teams are entering their third week of games. City tournament will be May 19<sup>th</sup> and 20<sup>th</sup>.**

## WALHALLA PUBLIC WORKS 5-2-2023

The Public Works Department

April 1 thru 31, 2023 the City of Walhalla picked up:

215-ton of residential garbage

104-ton of commercial garbage

28 -ton of recyclable brush

1-ton Mattress

Roll Carts for April

Delivered 27

Picked up 4

Repair/Replace 6

During the month of March our department continued picking up brush, leaves, trash, cleaning storm drains, trimming trees, cutting grass and other routine maintenance tasks. The leaf truck is back up and running. We have completed replacing the boards on the Depot deck. We continue having issues with the hydraulics and Def system on the knuckleboom.

Thanks,

Russ Price



Walhalla Police Department  
101 E. Main St.  
Walhalla, SC 29691

Chief of Police Timothy J. Rice

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## Walhalla City Council - Committee Meeting

Tuesday May 2, 2023

### **April Events and Completed Training:**

- Officers attended James M Brown Family Festival
- Officers assisted with Isaqueena's Last Ride
- Officers attended The Block Party at Memorial Field

<b>TOTAL CALLS FOR SERVICE</b>	<b>1137</b>
<b>TRAINING HOURS</b>	<b>75 HOURS</b>
<b>Total Arrests</b>	<b>22 (Adult) 0 (Juvenile)</b>
<b>Extra Patrol / Business Checks</b>	<b>504</b>

### **BREAKDOWN OF OVERTIME BY TYPE:**

Shift Coverage	15.0 Hours
Training	4.8 Hours
Court	10.0 Hours
Special Event Coverage	8.0 Hours
<b>TOTAL OVERTIME</b>	<b>37.8 HOURS (previous month – 79 hours)</b>

### **Upcoming Events and Training and News:**

- 2023 National Police Week we plan to recognize our officers with a low country boil dinner.
- Quarterly Department Meeting
- Main Street to the Mountains Festival 5/6/2023
- Southeast Gravel – Race to Valhalla 5/6/2023



Walhalla Police Department  
101 E. Main St.  
Walhalla, SC 29691

*Chief of Police Timothy J. Rice*

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**Monthly Reference Material**

**April 2023 – Month End Stats**

**Total Calls for Service:** 1155

**Total Traffic Stops:** 276

**Total Traffic Collisions:** 22

**Reports Filed:**

Collision Reports: 11

Pursuit After-Action: 0

Incident Reports: 44

Response to Resistance: 0

**TOTAL: 55**

**Citations/Warnings Issued:**

Warnings: 223

Traffic Related: 39

Non-Traffic Related: 19

**TOTAL: 281**

**Arrests:**

Adults: 22

Juvenile Referrals: 0

**TOTAL: 22**

**Extra Patrols:** **TOTAL: 504**

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## UTILITIES COMMITTEE MEETING MAY 2023

### MONTHLY REPORT:

#### APRIL 2023

##### **New Water Taps – 14**

New Sewer Taps - 3

New water contracts - 14

Emergency Locates – 5

Meter box change outs - 3

##### **Meter change outs – 24**

Water Service Work Orders – 52

Sewer Work Orders - 7

##### **New development service inquiries – 2**

- A new 6” Kamstrup meter was installed on April 13<sup>th</sup>. The new meter is a part of our meter system upgrades, and provides hourly readings. The readings for this meter are available from the front desk of the Water Department office. As data is collected, I will provide updates on potential revenue increases. This allows for greater accuracy, and no entry into a pit is required for reading. We have several additional larger meters on order, ranging from 2” to 4”, to replace aging or failing meters within the system. The improved accuracy of the new meters will provide increased revenue, with less labor cost for reading.
- The City has been notified of the approval of a \$10 million SCIIP grant. The grant will be used to perform sewer rehabilitation on the remainder of the Cane Creek trunkline, rehab of the Flat Rock trunkline, and the Rimrodt Rd. trunkline. Also, water mains will be replaced in the northwestern portion of the system, from Main St. to W. North Broad Streets, along with the replacement of the Rocky Knoll Booster Pump Station. These upgrades will improve service to customers while providing more reliable water supply. Preliminary work is already under way.

# City of Walhalla Fire Department

Home of the Mountaineer Engine Co. Est. 1871

## Fire Chiefs Monthly Report

April 2023

### FIRE-EMS

#### Incident Response-

We responded to 147 calls for service. 68 were fire calls and 79 were medical/rescue calls. During the month we were on multiple calls 30% of the time. We provided 27 instances of mutual aid. 68 calls were inside the City and 79 calls were either in the unincorporated area or another district. The average on scene time was 32 minutes. Both career and volunteer staff spent 276 hours on incidents.

<u>Incident Type</u>	<u># Incidents</u>	<u>% of Total</u>
Fires	10	6.80%
Overpressure rupture, explosion- no fire	0	0.00%
Rescue & EMS	79	53.74%
Hazardous Conditions	13	8.84%
Service Call	27	18.37%
Good Intent Call	9	6.12%
False Alarm and False Call	6	4.08%
Severe Weather & Natural Disaster	3	2.04%
Special Incident	0	0.00%
<b>Total</b>	<b>147</b>	<b>100.00%</b>

#### Operations/Training-

Staff, both career and volunteer, trained for a total of 222 hours during the month. Staff completed training on hazardous materials decontamination techniques and scenarios.

The department has 2 full time firefighter openings. These positions are posted on the City webpage and the department's Facebook page.

Currently going through the process of credentialing for the department to be certified to respond to calls for service as a SC DHEC BLS agency. Setting up inspection from SC DHEC.

Firefighter Dean Fritz has joined the department as a full-time firefighter.

### COMMUNITY RISK REDUCTION



# City of Walhalla Fire Department

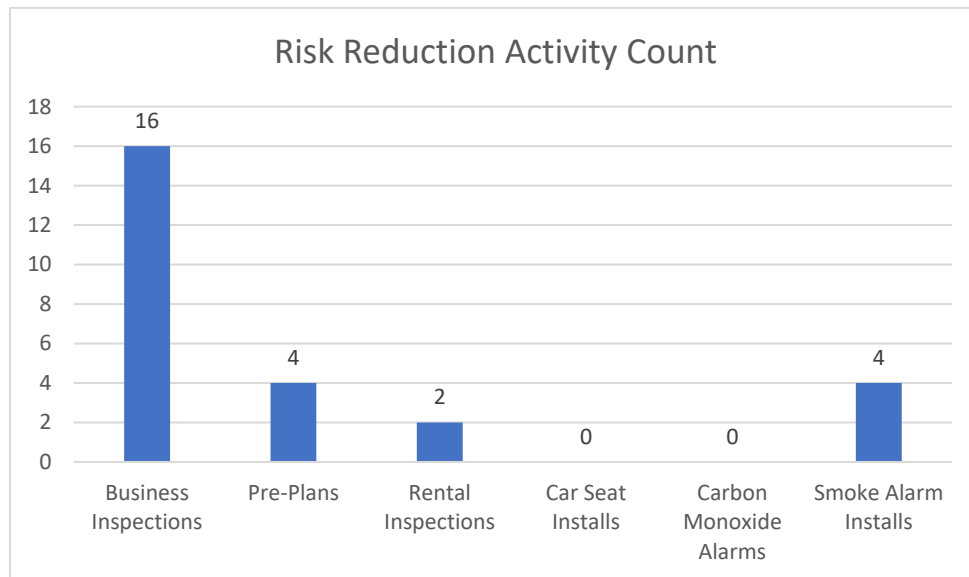
Home of the Mountaineer Engine Co. Est. 1871

## Fire Marshal-

Continuing to complete pre fire plans and business inspections. Completing re-inspections as needed.

## Fire Prevention/Life Safety-

Working with Main Street Walhalla, Oconee County Veterans Council, and others for several upcoming events. Completed JMB KidsFest event and had great turnout. Also completed the Issaquena's Last Ride Bike Race the same day. Actively preparing for several upcoming events and community outreach opportunities.



## EMERGENCY MANAGEMENT

The following grants have been awarded:

- SC Municipal Association- \$2,000
- SC Forestry Commission- \$5,000
- FM Global- \$5,243
- V-SAFE- \$13,350

Please contact me should you have any questions.

Respectfully Submitted,

*/s/ Will Bates*

Will Bates, Fire Chief

**Subject:** Report

**Date:** Monday, May 1, 2023 at 7:02:00 PM Eastern Daylight Time

**From:** Catie Fisher, Walhalla SC

**To:** Brandon Burton, Walhalla SC

5.2.23

Main Street Walhalla

Directors Report

Walhalla United 2023

-Met on April 24th 6-8pm

-about 30 people in attendance

-Presentors included:

>Mark Thompson: With a brief review of group marketing with Salem Media.

>Celia Meyers: With a review of the new vacant building ordinance, new business packet and grant opportunities for businesses downtown.

>Catie Fisher: with a review of the upcoming events, volunteer opportunities, the free WeShopSC profile for downtown businesses and presented the examples of "I wish I was..." signs for vacant buildings and signs for parking, shops, restaurants etc...

>Brandon Burton: City wide updates and reviewed the gap analysis.

-After the presentations we broke everyone up into 3 different groups to brainstorm about how to increase visitation in Walhalla.

-This was a very productive evening with lots of great ideas.

Main Street to the Mountains Festival

-This Saturday May 6th

-The Race to Valhalla takes off at 9am from Brown Square.

-Festival is 10am - 3pm

-We have 79 vendors

-Horse Carriage rides \$2per person (3 & under are free)

Farmers Market

-Begins next Saturday, May 13th

-Every Saturday till Aug. 26th

-8am-11am

-location at the Walhalla Performing Arts Center

Cruise In

-4th Saturday of each month

-Next one scheduled for May 26th 4-8pm

Historic Preservation Conference

-Friday April 28th

-I attended the Historic Preservation Conference in Columbia, SC, sponsored by the SC Department of Archives and History Center.

-I attended the following continuing education classes:

1)The Value of Incentives in Downtown Revitalization

2)Good Maintenance Turns Preservation Challenge: Stabalizing the Iconic Tower of Hightower Hall

3)Preservation Blunders and How to Avoid Them

4)Unlocking Access to Federal Funds: The Secrets Behind Good Grant Applications

5) History Preservation: The Art of Making a Difference in South Carolina's Smaller Communities

6)Reconsidering Modernism in Historic Charleston

**Catie Fisher**

Main Street Walhalla, Director

105 W. S. Broad St.

Walhalla, SC

(864) 977-0222

[mainstreetwalhalla.com](http://mainstreetwalhalla.com)





# CITY OF WALHALLA

## Community Development

206 N Church St. • P.O. Box 1099 • Walhalla, SC 29691 • (864)-723-4141 • Fax (864) 638-4357 • [www.CityofWalhalla.com](http://www.CityofWalhalla.com)

### April 2023 Monthly Report

1. Developing inventory and forms/process for historic designation after ordinance adoption
2. Continued drafting the Building Official/Code ordinance
3. Continued outreach of the new vacant building registration process
4. Received a request for special exception and variance; public hearing set for May 15<sup>th</sup> before the Board of Zoning Appeals (BZA)
5. Staffed both the Planning Commission and Board of Zoning Appeals meetings in May
6. Attended the APA SC Chapter Planning Conference
7. Continued outreach for “Uniquely Walhalla” economic development grant and other economic development and community vibrancy opportunities
8. Worked with potential new businesses, conducted Community Development Walk-Throughs with CD Team (6 on Main St & 1 on Booker Dr)
9. Conducted IPMC inspections
10. Resolution of two outstanding code violations
11. Working with Main Street Walhalla on various topics, such as downtown property owner/real estate informational meeting, directional banners for Main St., “I wish I was...” posters for unoccupied buildings, maps, small business week, measures to increase economic development/tourism, grant opportunities, sponsorship packets, etc.
12. Attended the United Walhalla event April 24<sup>th</sup> and a portion of the MSW training
13. Received CPAT report; will present before the MSW Board in May
14. Permit administration (see totals below)
15. Fielded additional calls/emails/walk-ins regarding signs regulations, new business process, historic preservation designation, set-backs, land use allowances, parking downtown, food trucks, code violations, business licenses, Downtown Design Guidelines, mobile homes, variances.
16. General office management; website updates



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### Applications/Violations Processed, March 2023

Request	Monthly Totals
Zoning Permits	8
Violations (IPMC, Sign, Zoning, etc.)	4
Variances	1
Subdivision Permits (Preliminary/Final)	0
Special Exceptions	1
Sign Permits	1
Rezoning Requests	0
Food Truck Permits	0
Fence Permits	0
Demolition Permits	0
Appeals	0

### City Administrators Report

April 2023

#### Administration

Received \$10 million grant from RIA via SCIIP. Will be attending a training in Columbia later this month for grant management. ACOG will be assisting in the management.

Have a new online problem reporting tool for Public Works and Utilities. It is available on the City's website.

Will begin new fee envelope system next month at Stumphouse.

#### Budget

Sent out email regarding 3/5% COLA

Working on budget document

#### Finance/Procurement/City Clerk

Budget reports have been sent out. Fund balance sheet is attached.

Spending is now cut off for the FY except for emergencies.

Auditor will be present at the next council meeting.

#### Projects

**Stumphouse-** Contractor is still making good progress.

**Walhalla Wanderweg Greenway-** Friday is a pre-construction conference.

**Waterline Improvement-** Working on 60% drawings. Project is moving along. No pay requests have been processed.

**Depot Decking-** decking project completed.

**Ross Mountain Parking-** Received 3 bids. Less than \$200k. Will have contract approval at next council meeting.

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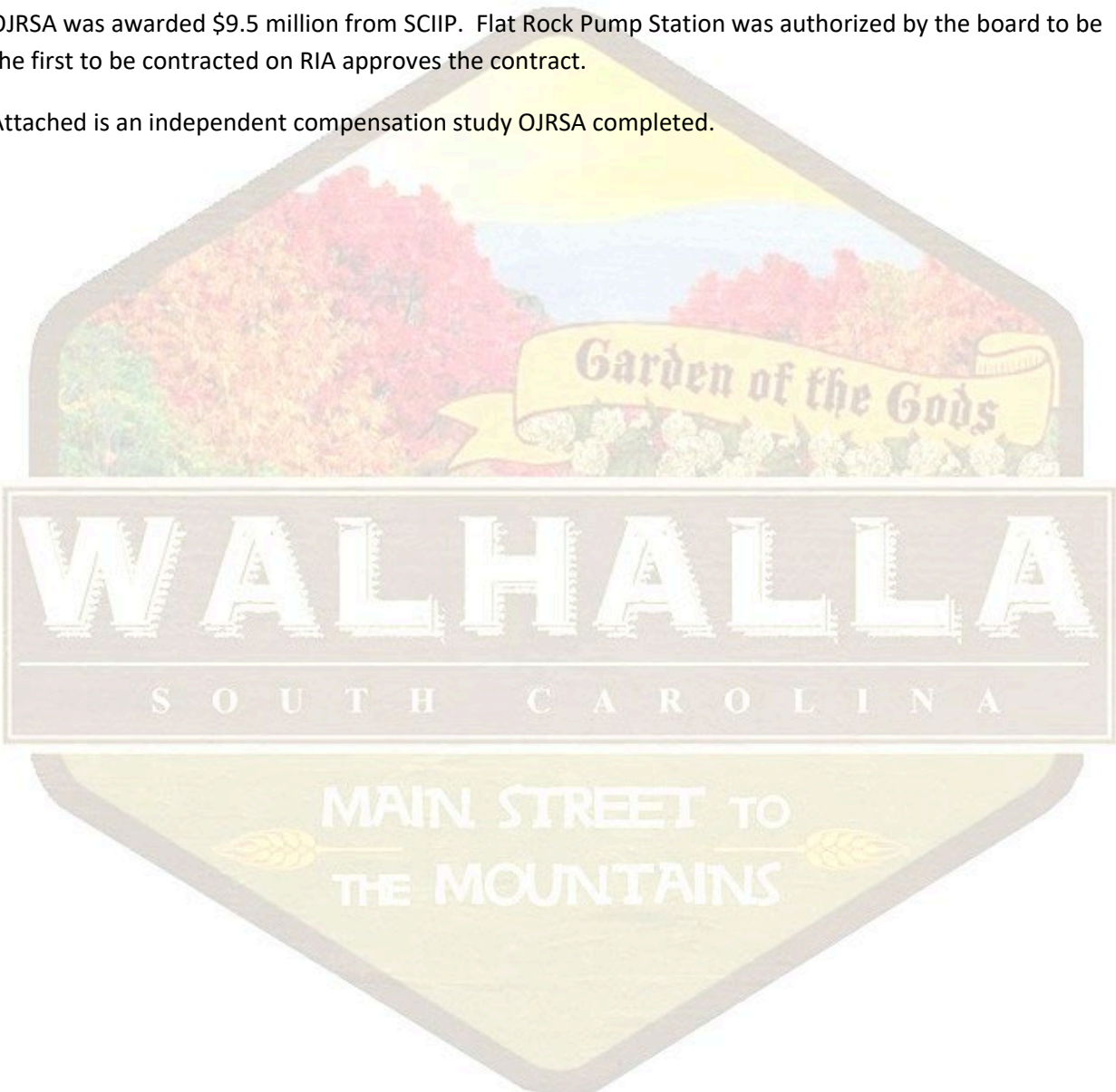
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**C Funds-** Haven't made progress on this, will try again for this month.

## **Sewer**

OJRSA was awarded \$9.5 million from SCIIP. Flat Rock Pump Station was authorized by the board to be the first to be contracted on RIA approves the contract.

Attached is an independent compensation study OJRSA completed.



ACCOUNT and FUND BALANCES AS OF 5/2/2023

First Citizens Bank:	Cash Balance
Main Operating #5001	\$ 646,684.65
Credit/Debit Card #5401	\$ 3,426,751.38
Westminster Line #4561	\$ 598,103.15
Hospitality #7601	\$ 660,085.03
Greenway #9425	\$ 574,939.57
ARP #9053	\$ 775,315.25
Stumphouse #9046	\$ -
CD West View Cemetary #1586	\$ 3,993.27
CD #9586	\$ 13,336.14
CD #1386	\$ 17,299.59
CD #0986	\$ 8,984.44
Oconee Federal Savings & Loan:	
Savings (UDAG) #0620	\$ 257,597.74
CD #2910	\$ 33,321.02
Local Gov't Investment Pool:	
Acct #1874	\$ 160,495.06
Acct #1109 (UDAG)	\$ 1,431,991.88
Total Cash	\$ 8,608,898.17
Assigned/Restricted Funds (Table 1)	\$ 6,079,658.39
Operating Contingency (180 days cash)	\$ 1,800,000.00
Total Unassigned Balance	\$ 729,239.78

Table 1. Assigned/Restricted Funds

General Fund Reserve	\$ 100,000.00	fuel contingency
Capitol Improvement Fund	\$ 262,091.52	
Stumphouse Park Fund	\$ 821,333.75	
Cemetary Fund	\$ 3,393.27	
ARP Fund	\$ 775,315.25	
Hospitality Fund	\$ 660,085.03	
Greenway Fund	\$ 574,939.57	
Water Sewer	XXXXXXXXXXXXXXXXXXXX	
a) Depreciation	\$ 637,500.00	
b) Contingency	\$ 1,045,000.00	
c) O&M	\$ -	annual budget
d) Revenue	\$ -	Credit debit acct
e) Debt Service	\$ 1,200,000.00	insurance policy
f) Sewer I&I	\$ -	
TOTAL	\$ 6,079,658.39	



# Rearview-Mirror Hanging Envelope Consecutively Numbered

Proof #87980

IMPRINT  
COLOR(S):



NUMBERING  
COLOR:



NOTE: colors other than black in proof do not represent actual printed color(s). Refer to Uncoated PANTONE Swatch book for match (we guarantee a commercial match). Likewise, the Consecutive Numbering color shown is for illustrative purposes only.

FACE/OUTSIDE

City of Walhalla  
Proof of Fee  
Payment  
Hang on Rearview Mirror With  
This Side Facing Windshield  
Day Parking Pass  
Receipt # 00000001

**Stumphouse Mountain Park**  
(Issaquena Falls, Bike Park, Tunnel)  
**\$ 5.00 PER VEHICLE PER DAY**  
Daily Park Fee (Good on Day of Purchase)  
Date: \_\_\_\_\_  
Receipt # 00000001

BACK/INSIDE

City of Walhalla  
Stumphouse Mountain Park  
Thank you for Visiting!  
NO OVERNIGHT PARKING OR CAMPING  
SEAL GUM

Enjoy Stumphouse Tunnel, Issaquena Falls,  
Hiking and Biking



## Compensation Benchmarking Study Submitted to:



April 12, 2023

Prepared by:  
Carrie Cavanaugh, SPHR, SHRM- SCP, CCP  
Senior Human Resources Consultant  
FGP HR Consulting  
864.630.1549  
[ccavanaugh@fgp.com](mailto:ccavanaugh@fgp.com)

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## **PROJECT OVERVIEW AND SCOPE**

FGP HR Consulting was retained by Oconee Joint Regional Sewer Authority (OJRSA) to benchmark positions and provide market compensation data for positions within the organization. The approach used by FGP HR Consulting to conduct this review involved:

- The collection of data relating to the present job functions within the current organization.
- A review of the current compensation program
- A review of market data for the preferred geographic area where positions exist using the following sources:
  - ERI (Economic Research Institute)
  - American Water Works Association 2022 Compensation Study- Medium Sized Utilities

## **COMPENSATION INFORMATION**

### **IDENTIFYING AND RESOLVING INTERNAL COMPENSATION INEQUITIES WITHIN A POSITION**

With the passing of the Lilly Ledbetter Fair Pay Act and the greater availability of market rate salary data online, it is essential to establish pay equity within your organization. Employees have more capacity than ever to discover pay inequity and greater opportunity to take legal action to correct it. That said eliminating all pay inequities between employees in the same position should not be your goal. Pay inequities can be appropriate and your goal should not be for every employee in the same position to be paid the exact same. Rather, the goal is to understand why each employee receives the pay they do and whether that compensation decision supports what your organization wants to achieve.

### **REASONS WHY SALARY RATES CAN VARY**

Between employees in the same position, there can be many justifiable reasons for pay differences. Each employee offers a unique combination of personality, leadership styles and abilities, some of which are going to be more valuable to your organization than others. However, the goal is not to create complete conformity in pay across a position. It is to make sure that where pay inequities exist, they are intentional and support the objectives of the organization.

## **FAIR LABOR STANDARDS ACT**

### **CLASSIFICATION & EXEMPTION**

Just because someone is titled an "assistant manager," or "manager" does not mean that the position is exempt from the FLSA. Furthermore, the employer must act in good faith and show a reasonable basis for arriving at an exemption status. When managers and supervisors have been determined to be exempt, it is normally through the "executive" white collar exemption, and the focus is upon the individual's primary duties including "managing" and "exercising discretion and independent judgment."

While it is not unreasonable to have some supervisors classified as exempt and some as non-exempt, it is recommended that the Organization review all managers and supervisor roles to ensure proper classification.

## AVERAGE SALARY INCREASES

Salary budgets for U.S. employees are projected to increase in 2023, mainly influenced by a labor market with more open jobs than people to fill them and inflation's impact on employees' pay expectations, despite signs that the economy is slowing.

Consultancy WTW's July *Salary Budget Planning Report* found that companies are budgeting an overall average increase of 4.1 percent for 2023, compared with the average actual 4 percent increase in 2022.

These are the largest increases since 2008 but significantly lower than the inflation rate, which was up 9.1 percent year over year in June. The survey was conducted in April and May 2022. In the U.S., 1,430 organizations responded.

According to the report:

- **Nearly 2 in 3 U.S. employers (64 percent) have budgeted for higher employee pay raises last year**, while two-fifths (41 percent) have increased their budgets since original projections were made earlier this year.
- **Less than half of companies (45 percent) are sticking with the pay budgets they set at the start of the year.** Some companies are also making more-frequent salary increase adjustments. More than one-third (36 percent) have already increased or plan to increase how often they raise salaries. Among those respondents, the vast majority (92 percent) have or will adjust salaries twice per year.

### Demand for Labor Still High, for Now

U.S. gross domestic product contracted by 1.6 percent in the first quarter of 2022 and by 0.9 percent in the second quarter, as the U.S. Federal Reserve raised interest rates to fight inflation. Two consecutive quarters of slower economic activity is the technical definition of a recession.

Although some economic sectors, such as technology, have seen lower labor demand and even workforce reductions this year, as of mid-2022 the U.S. labor market overall remained tight for many employers and concern about hiring and retaining talent is a key driver of higher pay budgets, cited by 73 percent of respondents as their top factor in the WTW survey.

While attraction and retention challenges continue to plague organizations, fewer respondents expect those difficulties to be at the same level next year:

- 94 percent of respondents are experiencing difficulties attracting talent this year, but only 40 percent expect difficulty in 2023.

Similarly, 89 percent of companies reported difficulty keeping workers this year, but 60 percent expect those pressures to be lower next year.

Despite concerns of an economic slowdown, however, 46 percent of respondents cited employee expectations for higher increases driven by inflation as pushing pay budgets higher for 2023.

"Compounding economic conditions and new ways of working are leading organizations to continually reassess their salary budgets to remain competitive," said Hatti Johansson, research director for Rewards Data Intelligence at WTW, referring to both inflation and the rise in remote work and hybrid work arrangements.

In addition to raising pay, many companies are taking nonmonetary actions to attract talent. For example, 69 percent of respondents have increased workplace flexibility and 19 percent are planning to do so or considering doing so in the next couple of years.

In light of both a potentially slower economy and continued high inflation and talent supply challenges, "organizations need to get more creative to address attraction and retention challenges," said Catherine Hartmann, WTW's global practice leader for work, rewards, and careers.

### **Another View of 2023 Salary Budgets**

According to pay data and software firm PayScale's 2022–2023 Salary Budget Survey, U.S. respondents report, on average, a planned base salary increases of 3.8 percent in 2023. Among some industries, however, base salary increases reported by respondents may surpass 4.5 or even 5 percent for their employees.

These 2023 projections follow similar increase trends from 2022, where the average overall increase came in at 3.6 percent and surpassed 5 percent in some segments.

The survey was conducted May-June of 2022 with responses from 2,021 employers. The data "shows a clear response to the labor market conditions of the last year," according to PayScale's analysts. "The top reason given for higher budget increases in 2023, by 85 percent of respondents, is competition for labor."

### **Have Pay Pressures Peaked?**

New data suggests that wage growth has remained strong through the first half of 2022. On July 29, the U.S. Bureau of Labor Statistics reported that wages and salaries for private-sector workers rose 5.7 percent for the 12-month period ending in June, up from a 3.5 percent increase a year earlier. At the end of the first quarter, the annual increase had been 5 percent.

For full-time hourly employees, the Federal Reserve Bank of Atlanta tracked 5.4 percent hourly wage growth for the 12 months through June.

Relief on rising labor costs may be in sight, however, according to Joseph Briggs, an economist at investment bank Goldman Sachs. He wrote in a July 28 brief that "we expect wage growth to slow going forward," while remaining higher than in recent years.

The firm forecasts that wage growth will slow to 4.5 percent year over year by the end of 2022 and to under 4 percent by end of 2023.

"The firmness in wage growth in 2021 and early 2022 likely partially reflected one-off factors related to the pandemic that are no longer relevant," Briggs noted. Also, the breadth of wage increases has fallen in recent months, and forward-looking wage growth expectations have started to moderate.

### **Struggling to Make Ends Meet**

Other survey data shows that nearly 6 in 10 U.S. workers are concerned their paycheck is not enough to support themselves or their families as employees look to keep up with the rise of inflation.

In an American Staffing Association (ASA) Workplace Monitor survey, conducted June 2-6 among a total of 2,027 U.S. adults aged 18 and older, 58 percent of employed U.S. adults said their paycheck was no longer enough to support themselves or their families. The number was higher for Hispanic workers (69 percent) and for parents with children under 18 (66 percent).

As the cost-of-living increases, workers are looking to change their circumstances. Twenty-eight percent of employed U.S. adults plan to search for a new job in the next six months, while 27 percent plan to start a second job to supplement their income and 20 percent plan to ask for a raise from their current employer.

"Workers are concerned about the effects of inflation, and they're planning on taking action," said Richard Wahlquist, ASA president and chief executive officer. "Employers need to provide competitive compensation and work flexibility, and invest in employees' professional development, if they want to keep and recruit quality talent in this labor market."

## CURRENT COMPENSATION PROGRAM

The purpose of the market analysis was to provide an overall assessment of the compensation structure. This market data was reviewed and compiled in April of 2023 and can be considered a snapshot in time.

The current compensation program is set up with 13 bands. The current structure is as follows:

Non- Exempt Ranges				Exempt Ranges			
	<i>Minimum</i>	<i>Midpoint</i>	<i>Maximum</i>		<i>Minimum</i>	<i>Midpoint</i>	<i>Maximum</i>
NE 1	\$15.84	\$19.80	\$23.76	EX 1	\$45,022	\$56,278	\$67,534
NE 2	\$17.33	\$21.67	\$26.00	EX 2	\$54,858	\$68,572	\$82,286
NE 3	\$19.14	\$23.93	\$28.71	EX 3	\$65,124	\$81,405	\$97,686
NE 4	\$20.95	\$26.19	\$31.42	EX 4	\$77,150	\$96,438	\$115,726
NE 5	\$22.76	\$28.45	\$34.14	EX 5	\$88,297	\$110,371	\$132,445
NE 6	\$24.57	\$30.71	\$36.85	EX 6	\$99,443	\$124,304	\$149,165
NE 7	\$26.37	\$34.55	\$42.72				

Compa ratios were not calculated for the purposes of this report. However, it is recommended that an employee's compa ratio be considered before making any changes.

Compa-ratios are calculated as the employee's current salary divided by the current market rate as defined by the market. Generally, we consider compa ratios between 95% and 115% to be competitive. Ratios below 95% can be an indicator that the organization is not competitive in that market, with the lower the compa ratio the less competitive the organization may be. Ratios greater than 115% can often be an indicator that the organization is paying more than necessary to fill the position.

However, the decision on where an employee should fall are also dependent upon an employee's skill, abilities, tenure, etc. There are many valid reasons than an employee may be UNDER 95% or OVER 115%. Each employee offers a unique combination of personality, leadership styles and abilities, some of which are going to be more valuable to your organization than others. However, the goal is not to create complete conformity in pay across a position.

There are usually five zones of compa-ratio, each associated with a pre-defined level of performance. A commonly accepted range for compa-ratios is 95% to 115%, which divided into 5 zones are:

- Tier 1 Less than 85% – new, inexperienced, or unsatisfactorily-performing incumbents.
- Tier 2 85-94% – those gaining experience but not yet fully competent in the job.
- Tier 3 95-105% – fully competent performers performing the job as defined.
- Tier 4 106-115% – those consistently performing the job at a level higher than what the job definition requires.
- Tier 5 Greater than 115% – those universally recognized as outstanding, both inside and outside the organization

## **MARKET SUMMARY**

### **OUR APPROACH TO SECURING MARKET DATA**

FGP HR Consulting partners with the Economic Research Institute (ERI). ERI collects survey data for jobs and cost of living and evaluates each source for validity and reliability. Compensation data is compiled in terms of mean and median salaries for positions of similar duties, responsibilities, skills, and functions. Cost-of-living data is provided by geographic location. ERI produces surveys and software analyses by which managers, advisors, and Boards of Directors may make recommendations and/or decisions.

The software and databases that would be used for this survey/study provide detailed pay analysis for over 5,000 position titles in the U.S. and Canada. This data aids with market pricing of jobs, the assessment of an organization's wage/salary competitiveness, along with internal equity, the assessment of pay for jobs as they uniquely relate to each other within the particular organization. The software database assists with precise up-to-date evaluations of market pay. It is the only source of its kind that reports data compiled from all available sources.

The online survey data that will be used is compiled through surveys, compensation data from publicly filed government records, data available via web services, job boards and other technologies, leased data from other survey vendors. Job data is matched and reported according to the Survey Description.

### **SURVEY MEANS AND MEDIANS**

The salary calculations available from the Salary Assessor & Survey software and databases are the result of salary surveys collected and analyzed by ERI. ERI has over twenty-five years of experience in this field. National average data is carefully constructed. It is noted that individual wage surveys may or may not represent a true weighted average or mean.

ERI defines "mean" as the weighted average wage resulting from ERI's analysis of all survey data available for the particular job, industry, company size, and geographic area. Since salary surveys have different effective dates, ERI selects a calendar year's quarter beginning date as a common benchmark and updates all salary survey data to that date, so that "apples are compared to apples." ERI defines the "median" as the value at which half of all incumbents earn more and half earn less than the calculated salary. Our experience is that, because of the skewed nature of salary data, those that pay "average wages" really pay "above average," as weighted means almost always exceed medians.

ERI Economic Research Institute's data is used by expert witnesses, attorneys, CPA firms, consultants, researchers, government entities, businesses, and corporations. ERI's team of PhD's provides data analysis once performed by corporate statisticians, operations researchers, industrial engineers, compensation and job analysts, and similar midlevel management support jobs which have largely disappeared from corporate offices.

All data are employer provided and come from a variety of sources. Survey data are collected through internally conducted salary surveys and the purchase of third-party salary surveys. Additional data are gathered through the digitization of Proxy and 10-K data and Freedom of Information Requests in the US. Compensation data are compiled in terms of mean and median salaries for jobs of similar duties, responsibilities, skills, and functions through an extensive job matching process. ERI produces surveys and software analyses by which managers, advisors, and Boards of Directors may make recommendations and/or decisions. ERI does not provide fee-for-service consulting; their sole focus is providing valid and reliable information to subscribers.

### **MARKET DATA – HOW TO READ TABLES BELOW**

The Salaries by Experience/Size table profiles the base salary, total cash, and incentive data of a specific position. The years listed begin at either one (1) or two (2) and go up to the maturity maximum (the highest number of years that an employee typically works in this job, based on census data), and the mid-point of entry and maximum.



## DEFINITION OF PERCENTILES

The general definition of a percentile is a point on a rank-ordered scale, found by dividing a group of observations into parts in order of magnitude from lowest to highest. The first percentile approximates the very lowest/bottom number found, while the 100th percentile is the very highest reported. The nth percentile is the point exceeding n percent of the observations. For example, in test taking, a score equal to or greater than 55 percent of those earned on an exam is said to be at the 55th percentile.

Percentile wage amounts shown in the data are a measurement of how much variation there is in the wages paid to employees in comparison to the mean or median wage for the job. The more variation in the wages paid to employees, the larger the dollar difference will be between the mean/median and the 25th, and 75th percentile values. The more uniform the wages are for employees in a job, the smaller the dollar difference between the percentile measurements and the mean/median.

"Quartile" is a statistical term that describes three points, or intervals, which divide a group of ordered data points, or observations, into four parts. Each quartile includes 25% of the total number of data points. Depending on how the data points are distributed, the quartile intervals could be close together or very far apart.

The salaries displayed for the percentiles are statistically determined from the wage data of salaries paid for the job in question. Wage data is non-parametric in nature, and therefore does not follow a normal distribution, a bell-shaped curve, above and below the mean. The percentiles shown are as close as can be statistically determined given the nature of non-parametric data.

## MARKET DATA

### RECORDS CLERK

Years of Experience	2021			2023			Difference		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
10	\$20.60	\$21.96	\$23.79	\$22.19	\$23.31	\$25.40	7.69%	6.15%	6.77%
8	\$19.68	\$20.97	\$22.71	\$21.13	\$22.18	\$24.16	7.39%	5.77%	6.38%
6	\$18.65	\$19.87	\$21.51	\$19.96	\$21.14	\$23.00	7.03%	6.39%	6.92%
4	\$17.43	\$18.56	\$20.09	\$18.56	\$19.85	\$21.36	6.51%	6.95%	6.33%
2	\$16.03	\$17.09	\$18.50	\$17.12	\$18.15	\$19.71	6.81%	6.18%	6.52%

### COLLECTIONS & WRO TRAINEE

Years of Experience	2021			2023			Difference		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
4	\$17.92	\$19.54	\$21.69	\$19.42	\$20.71	\$22.44	8.33%	6.02%	3.46%
2	\$16.14	\$17.57	\$19.49	\$18.17	\$19.37	\$20.97	12.59%	10.22%	7.59%
1	\$15.09	\$16.43	\$18.21	\$16.85	\$17.94	\$19.41	11.65%	9.20%	6.58%

### COLLECTIONS TECHNICIAN I

Years of Experience	2021			2023			Difference		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
10	\$22.19	\$24.40	\$27.32	\$24.42	\$26.88	\$30.15	10.04%	10.18%	10.36%
8	\$21.04	\$23.11	\$25.86	\$23.08	\$25.37	\$28.43	9.70%	9.80%	9.94%
6	\$19.77	\$21.69	\$24.27	\$21.63	\$23.75	\$26.59	9.42%	9.47%	9.55%
4	\$18.31	\$20.09	\$22.46	\$20.03	\$21.96	\$24.55	9.43%	9.35%	9.34%
2	\$16.69	\$18.30	\$20.44	\$18.30	\$20.02	\$22.36	9.68%	9.43%	9.36%

### COLLECTIONS TECHNICIAN II (was new in 2021)

Years of Experience	2021			2023			Difference		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
10	\$22.88	\$25.15	\$28.17	\$25.70	\$28.28	\$31.74	12.34%	12.47%	12.69%
8	\$21.68	\$23.82	\$26.66	\$24.26	\$26.68	\$29.90	11.90%	12.01%	12.14%
6	\$20.37	\$22.36	\$25.02	\$22.73	\$24.96	\$27.95	11.56%	11.60%	11.69%
4	\$18.87	\$20.70	\$23.15	\$21.03	\$23.06	\$25.79	11.43%	11.36%	11.40%
2	\$17.20	\$18.86	\$21.07	\$19.20	\$21.00	\$23.45	11.59%	11.33%	11.29%

COLLECTIONS TECHNICIAN III (was new in 2021)									
Years of Experience	2021			2023			Difference		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
10	\$23.54	\$25.88	\$28.98	\$26.02	\$28.66	\$32.19	10.52%	10.75%	11.05%
8	\$22.31	\$24.51	\$27.44	\$24.67	\$27.15	\$30.47	10.56%	10.77%	11.05%
6	\$20.97	\$23.01	\$25.75	\$23.06	\$25.36	\$28.42	9.99%	10.19%	10.36%
4	\$19.42	\$21.31	\$23.82	\$21.60	\$23.72	\$26.56	11.25%	11.33%	11.50%
2	\$17.70	\$19.41	\$21.69	\$19.98	\$21.91	\$24.51	12.90%	12.91%	13.03%

MAINTENANCE TECHNICIAN I									
Years of Experience	2021			2023			Difference		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
12	\$21.73	\$23.24	\$25.23	\$23.45	\$25.03	\$27.13	7.92%	7.70%	7.53%
10	\$20.88	\$22.32	\$24.23	\$22.53	\$24.04	\$26.05	7.90%	7.71%	7.51%
8	\$19.98	\$21.35	\$23.17	\$21.57	\$23.00	\$24.91	7.96%	7.73%	7.51%
6	\$18.99	\$20.29	\$22.01	\$20.53	\$21.88	\$23.68	8.11%	7.84%	7.59%
4	\$17.88	\$19.12	\$20.73	\$19.40	\$20.65	\$22.35	8.50%	8.00%	7.81%
2	\$16.67	\$17.85	\$19.37	\$18.20	\$19.37	\$20.94	9.18%	8.52%	8.11%

MAINTENANCE TECHNICIAN II									
Years of Experience	2021			2023			Difference		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
12	\$24.97	\$26.66	\$28.90	\$26.91	\$28.77	\$31.22	7.79%	7.90%	8.02%
10	\$23.88	\$25.48	\$27.61	\$25.65	\$27.41	\$29.72	7.41%	7.58%	7.64%
8	\$22.73	\$24.24	\$26.26	\$24.36	\$26.01	\$28.20	7.19%	7.32%	7.39%
6	\$21.46	\$22.87	\$24.76	\$23.01	\$24.55	\$26.60	7.21%	7.33%	7.43%
4	\$19.98	\$21.27	\$23.01	\$21.53	\$22.95	\$24.85	7.76%	7.88%	8.00%
2	\$18.30	\$19.47	\$21.05	\$19.95	\$21.25	\$22.99	9.02%	9.12%	9.20%

WATER RECLAMATION OPERATOR I									
Years of Experience	2021			2023			Difference		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
8	\$23.37	\$25.52	\$28.38	\$25.40	\$27.76	\$30.46	8.67%	8.79%	7.35%
6	\$21.63	\$23.60	\$26.23	\$23.57	\$25.74	\$28.55	8.97%	9.05%	8.85%
4	\$19.76	\$21.54	\$23.92	\$21.70	\$23.61	\$26.29	9.78%	9.57%	9.91%
2	\$17.80	\$19.38	\$21.49	\$19.48	\$21.28	\$23.55	9.46%	9.79%	9.57%
1	\$16.64	\$18.11	\$20.08	\$18.27	\$19.58	\$22.02	9.79%	8.12%	9.66%

WATER RECLAMATION OPERATOR II									
Years of Experience	2021			2023			Difference		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
10	\$26.08	\$28.53	\$31.76	\$28.40	\$31.08	\$34.62	8.87%	8.93%	9.01%
8	\$24.94	\$27.25	\$30.33	\$27.00	\$29.52	\$32.87	8.24%	8.32%	8.40%
6	\$23.74	\$25.93	\$28.83	\$25.53	\$27.90	\$31.04	7.55%	7.61%	7.64%
4	\$22.42	\$24.47	\$27.20	\$24.00	\$26.19	\$29.12	7.01%	7.02%	7.07%
2	\$20.91	\$22.79	\$25.30	\$22.41	\$24.43	\$27.14	7.19%	7.18%	7.24%
1	\$19.21	\$20.92	\$23.20	\$20.78	\$22.63	\$25.12	8.14%	8.19%	8.27%

WATER RECLAMATION OPERATOR III									
Years of Experience	2021			2023			Difference		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
12	\$27.59	\$30.18	\$33.60	\$29.32	\$32.14	\$35.87	6.26%	6.48%	6.76%
10	\$26.38	\$28.83	\$32.08	\$28.05	\$30.72	\$34.26	6.31%	6.55%	6.79%
8	\$25.11	\$27.43	\$30.50	\$26.77	\$29.30	\$32.64	6.59%	6.83%	7.01%
6	\$23.72	\$25.89	\$28.77	\$25.45	\$27.83	\$30.99	7.29%	7.50%	7.72%
4	\$22.12	\$24.11	\$26.77	\$24.07	\$26.30	\$29.26	8.81%	9.07%	9.32%
2	\$20.33	\$22.13	\$24.55	\$22.17	\$24.20	\$26.90	9.07%	9.33%	9.59%

LABORATORY ANALYST									
Years of Experience	2021			2023			Difference		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
14	\$29.06	\$31.83	\$35.46	\$31.73	\$34.70	\$37.74	9.20%	9.02%	6.43%
12	\$27.91	\$30.55	\$34.03	\$30.35	\$33.18	\$36.07	8.74%	8.61%	5.99%
10	\$26.62	\$29.12	\$32.43	\$28.96	\$31.64	\$34.39	8.79%	8.65%	6.04%
8	\$25.14	\$27.49	\$30.60	\$27.51	\$30.03	\$32.63	9.42%	9.24%	6.63%
6	\$23.49	\$25.66	\$28.55	\$25.69	\$28.04	\$30.74	9.37%	9.26%	7.67%
4	\$21.68	\$23.69	\$26.33	\$24.03	\$25.93	\$28.71	10.85%	9.46%	9.04%
2	\$19.78	\$21.61	\$24.01	\$21.62	\$23.56	\$26.06	9.31%	9.03%	8.54%

COMMERCIAL PRETREATMENT AND UTILITY CONSTRUCTION INSPECTOR									
Years of Experience	2021			2023			Difference		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
12				\$27.94	\$30.38	\$33.69	N/A	N/A	N/A
10				\$26.85	\$29.16	\$32.31	N/A	N/A	N/A
8				\$25.69	\$27.87	\$30.86	N/A	N/A	N/A
6				\$24.42	\$26.45	\$29.26	N/A	N/A	N/A
4				\$23.01	\$24.89	\$27.49	N/A	N/A	N/A
2				\$21.51	\$23.23	\$25.62	N/A	N/A	N/A

### COLLECTION SYSTEM SUPERVISOR

Years of Experience	2021			2023			Difference		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
14	\$39.46	\$43.12	\$47.83	\$42.16	\$46.06	\$51.06	6.84%	6.82%	6.75%
12	\$37.78	\$41.27	\$45.79	\$40.28	\$44.00	\$48.80	6.61%	6.61%	6.56%
10	\$36.08	\$39.40	\$43.71	\$38.38	\$41.91	\$46.49	6.38%	6.38%	6.36%
8	\$34.31	\$37.44	\$41.53	\$36.43	\$39.76	\$44.10	6.17%	6.18%	6.18%
6	\$32.44	\$35.36	\$39.20	\$34.39	\$37.50	\$41.58	6.03%	6.05%	6.06%
4	\$30.43	\$33.14	\$36.71	\$32.26	\$35.13	\$38.92	5.99%	6.00%	6.02%
2	\$28.34	\$30.82	\$34.11	\$30.06	\$32.69	\$36.17	6.05%	6.04%	6.05%

### MAINTENANCE SUPERVISOR

Years of Experience	2021			2023			Difference		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
12	\$36.17	\$39.48	\$43.79	\$38.95	\$42.55	\$47.19	7.69%	7.77%	7.76%
10	\$34.36	\$37.49	\$41.57	\$36.97	\$40.37	\$44.79	7.59%	7.68%	7.74%
8	\$32.47	\$35.40	\$39.24	\$34.89	\$38.10	\$42.26	7.46%	7.63%	7.70%
6	\$30.44	\$33.15	\$36.72	\$32.67	\$35.65	\$39.54	7.34%	7.54%	7.69%
4	\$28.24	\$30.71	\$33.99	\$30.28	\$33.01	\$36.59	7.23%	7.49%	7.64%
2	\$25.92	\$28.15	\$31.12	\$27.78	\$30.24	\$33.49	7.16%	7.42%	7.62%

### OFFICE MANAGER / ADMINISTRATOR

Years of Experience	2021			2023			Difference		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
10	\$57,151	\$62,518	\$69,642	\$60,649	\$66,468	\$74,146	6.12%	6.32%	6.47%
8	\$54,546	\$59,629	\$66,381	\$57,925	\$63,435	\$70,719	6.19%	6.38%	6.54%
6	\$51,849	\$56,642	\$63,016	\$55,052	\$60,242	\$67,110	6.18%	6.36%	6.50%
4	\$49,042	\$53,535	\$59,521	\$52,005	\$56,859	\$63,292	6.04%	6.21%	6.34%
2	\$46,154	\$50,343	\$55,935	\$48,844	\$53,351	\$59,339	5.83%	5.98%	6.09%

### REGULATORY SERVICES COORDINATOR

Years of Experience	2021			2023			Difference		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
12	\$83,089	\$91,060	\$101,327	\$90,146	\$98,999	\$110,272	8.49%	8.72%	8.83%
10	\$79,197	\$86,799	\$96,616	\$85,604	\$94,071	\$104,880	8.09%	8.38%	8.55%
8	\$74,894	\$82,064	\$91,373	\$80,423	\$88,411	\$98,668	7.38%	7.73%	7.98%
6	\$70,034	\$76,689	\$85,390	\$75,444	\$82,939	\$92,625	7.73%	8.15%	8.47%
4	\$64,708	\$70,769	\$78,761	\$69,233	\$76,073	\$84,973	6.99%	7.49%	7.89%
2	\$59,130	\$64,549	\$71,755	\$62,828	\$68,951	\$76,987	6.25%	6.82%	7.29%

### WATER RECLAMATION OPERATIONS SUPERVISOR

Years of Experience	2021			2023			Difference		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
14	\$41.09	\$45.15	\$50.44	\$43.70	\$47.12	\$52.24	6.36%	4.38%	3.56%
12	\$39.15	\$43.01	\$48.04	\$41.72	\$45.61	\$49.92	6.56%	6.04%	3.91%
10	\$36.71	\$40.32	\$45.03	\$39.27	\$43.41	\$47.56	6.97%	7.67%	5.63%
8	\$34.67	\$38.07	\$42.51	\$37.27	\$40.68	\$45.71	7.50%	6.85%	7.52%
6	\$33.35	\$36.60	\$40.87	\$35.19	\$38.37	\$43.06	5.51%	4.82%	5.37%
4	\$31.06	\$34.07	\$38.03	\$33.00	\$36.41	\$39.82	6.24%	6.86%	4.69%
2	\$28.73	\$31.48	\$35.12	\$30.75	\$33.85	\$37.01	7.04%	7.52%	5.36%

#### Annual

Years of Experience	2021			2023			Difference		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
14	\$85,470	\$93,909	\$104,926	\$90,905	\$98,019	\$108,657	6.36%	4.38%	3.56%
12	\$81,432	\$89,461	\$99,929	\$86,775	\$94,866	\$103,841	6.56%	6.04%	3.91%
10	\$76,349	\$83,860	\$93,659	\$81,674	\$90,288	\$98,930	6.97%	7.67%	5.63%
8	\$72,116	\$79,186	\$88,429	\$77,525	\$84,610	\$95,077	7.50%	6.85%	7.52%
6	\$69,368	\$76,133	\$85,005	\$73,190	\$79,805	\$89,571	5.51%	4.82%	5.37%
4	\$64,615	\$70,871	\$79,103	\$68,644	\$75,731	\$82,816	6.24%	6.86%	4.69%
2	\$59,757	\$65,487	\$73,057	\$63,967	\$70,413	\$76,971	7.04%	7.52%	5.36%

### OPERATIONS DIRECTOR

Revenue	2021			2023			Difference		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
\$15,000,000	\$97,605	\$113,442	\$134,589	\$106,478	\$124,572	\$141,695	9.09%	9.81%	5.28%
\$12,500,000	\$95,246	\$110,575	\$131,335	\$103,625	\$119,873	\$135,920	8.80%	8.41%	3.49%
\$10,000,000	\$92,462	\$107,238	\$127,440	\$101,228	\$114,745	\$133,937	9.48%	7.00%	5.10%
\$7,500,000	\$89,055	\$103,189	\$122,533	\$96,026	\$108,868	\$126,960	7.83%	5.50%	3.61%
\$5,000,000	\$84,567	\$97,891	\$115,808	\$91,688	\$101,924	\$118,840	8.42%	4.12%	2.62%

### ASSISTANT DIRECTOR

Revenue	2021			2023			Difference		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
\$15,000,000	N/A Not included in prior survey			\$117,785	\$136,555	\$161,021	N/A	N/A	N/A
\$12,500,000				\$114,917	\$132,919	\$157,096	N/A	N/A	N/A
\$10,000,000				\$111,492	\$128,743	\$152,369	N/A	N/A	N/A
\$7,500,000				\$107,227	\$123,707	\$146,390	N/A	N/A	N/A
\$5,000,000				\$101,486	\$117,044	\$138,029	N/A	N/A	N/A

**EXECUTIVE DIRECTOR**

Revenue	1/25/2022			2023			Difference		
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
\$12,500,000	\$120,487	\$139,878	\$166,141	\$124,331	\$143,321	\$170,452	3.19%	2.46%	2.59%
\$10,000,000	\$116,965	\$135,657	\$161,213	\$119,785	\$138,555	\$166,355	2.41%	2.14%	3.19%
\$7,500,000	\$112,655	\$130,535	\$155,005	\$115,003	\$135,026	\$159,214	2.08%	3.44%	2.72%
\$5,000,000	\$106,979	\$123,832	\$146,498	\$112,124	\$129,500	\$153,245	4.81%	4.58%	4.61%



## CURRENT SALARY BANDS RELATIVE TO MARKET

### NON-EXEMPT ROLES

Position Title		Median Rates - All Years			Band Range			Difference from Current Band		
	Range	Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
Records Clerk	NE 1	\$18.15	\$20.73	\$23.31	\$15.84	\$19.80	\$23.76	14.55%	4.70%	-1.88%
Coll. & WRO Trainee	NE 1	\$17.94	\$19.33	\$20.71	\$15.84	\$19.80	\$23.76	13.24%	-2.40%	-12.82%
Collections Tech I	NE 2	\$20.02	\$23.45	\$26.88	\$17.33	\$21.67	\$26.00	15.54%	8.24%	3.38%
Maintenance Tech	NE 2	\$19.37	\$22.20	\$25.03	\$17.33	\$21.67	\$26.00	11.77%	2.47%	-3.73%
WRO I	NE 2	\$19.58	\$23.67	\$27.76	\$17.33	\$21.67	\$26.00	13.01%	9.27%	6.78%
Inspector	NE 2	\$19.16	\$22.02	\$24.87	\$17.33	\$21.67	\$26.00	10.56%	1.62%	-4.35%
Collections Tech II	NE 3	\$21.00	\$24.64	\$28.28	\$19.14	\$23.93	\$28.71	9.71%	2.99%	-1.48%
Maintenance Tech II	NE 3	\$21.25	\$25.01	\$28.77	\$19.14	\$23.93	\$28.71	11.00%	4.52%	0.20%
WRO II	NE 4	\$22.63	\$26.86	\$31.08	\$20.95	\$26.19	\$31.42	8.04%	2.57%	-1.08%
Lab Analyst	NE 5	\$23.56	\$29.13	\$34.70	\$22.76	\$28.45	\$34.14	3.52%	2.39%	1.64%
WRO III	NE 5	\$24.20	\$28.17	\$32.14	\$22.76	\$28.45	\$34.14	6.31%	-0.99%	-5.86%
Coll. Systems Tech III	NE 5	\$21.91	\$25.29	\$28.66	\$22.76	\$28.45	\$34.14	-3.72%	-11.12%	-16.05%
Coll. Systems Sup.	NE 6	\$32.69	\$39.37	\$46.06	\$24.57	\$30.71	\$36.85	33.03%	28.21%	24.99%
WRO Supervisor	NE 7	\$33.85	\$40.49	\$47.12	\$26.37	\$34.55	\$42.72	28.37%	17.20%	10.30%
Maintenance Sup.	NE 7	\$30.24	\$36.39	\$42.55	\$26.37	\$34.55	\$42.72	14.68%	5.35%	-0.41%

### EXEMPT ROLES

Position Title		Median Rates - All Years			Band Range			Difference from Current Band		
	Range	Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
Office Manager	EX 1	\$53,351	\$59,910	\$66,468	\$45,022	\$56,278	\$67,534	18.50%	6.45%	-1.58%
Regulatory Svc Coord.	EX3	\$68,951	\$83,975	\$98,999	\$65,124	\$81,405	\$97,686	5.88%	3.16%	1.34%
Operations Director	EX 5	\$91,688	\$116,692	\$141,695	\$88,297	\$110,371	\$132,445	3.84%	5.73%	6.98%
Assistant Director	EX 6	\$101,486	\$131,254	\$161,021	\$99,443	\$124,304	\$149,165	2.05%	5.59%	7.95%
Executive Director	EX 7	\$112,124	\$141,288	\$170,452	N/A	N/A	N/A	N/A	N/A	N/A

# RECOMMENDATIONS

## BAND ADJUSTMENTS

The market has seen shifts since the last survey (spring of 2021). As such it is recommended that the bands be adjusted as follow.

Position Title	Range	Median Rates - All Years			Band Range			Recommended New Range				Difference in \$		
		Min	Mid	Max	Min	Mid	Max	Min	Mid	Max	Spread	Min	Mid	Max
Records Clerk	NE 1	\$18.15	\$20.73	\$23.31	\$15.84	\$19.80	\$23.76	\$17.25	\$20.51	\$23.76	\$6.51	\$1.41	\$0.71	\$0.00
Coll & WRO Trainee	NE 1	\$17.94	\$19.33	\$20.71	\$15.84	\$19.80	\$23.76	\$17.25	\$20.51	\$23.76	\$6.51	\$1.41	\$0.71	\$0.00
Collections Tech I	NE 2	\$20.02	\$23.45	\$26.88	\$17.33	\$21.67	\$26.00	\$19.37	\$22.81	\$26.25	\$6.88	\$2.04	\$1.15	\$0.25
Maintenance Tech	NE 2	\$19.37	\$22.20	\$25.03	\$17.33	\$21.67	\$26.00	\$19.37	\$22.81	\$26.25	\$6.88	\$2.04	\$1.15	\$0.25
WRO I	NE 2	\$19.58	\$23.67	\$27.76	\$17.33	\$21.67	\$26.00	\$19.37	\$22.81	\$26.25	\$6.88	\$2.04	\$1.15	\$0.25
Inspector	NE 2	\$19.16	\$22.02	\$24.87	\$17.33	\$21.67	\$26.00	\$19.37	\$22.81	\$26.25	\$6.88	\$2.04	\$1.15	\$0.25
Collections Tech II	NE 3	\$21.00	\$24.64	\$28.28	\$19.14	\$23.93	\$28.71	\$21.12	\$24.92	\$28.71	\$7.59	\$1.98	\$0.99	\$0.00
Maintenance Tech II	NE 3	\$21.25	\$25.01	\$28.77	\$19.14	\$23.93	\$28.71	\$21.12	\$24.92	\$28.71	\$7.59	\$1.98	\$0.99	\$0.00
WROII	NE 4	\$22.63	\$26.86	\$31.08	\$20.95	\$26.19	\$31.42	\$22.26	\$26.84	\$31.42	\$9.16	\$1.31	\$0.66	\$0.00
Lab Analyst	NE 5	\$23.56	\$29.13	\$34.70	\$22.76	\$28.45	\$34.14	\$23.22	\$28.68	\$34.14	\$10.92	\$0.46	\$0.23	\$0.00
WRO III	NE 5	\$24.20	\$28.17	\$32.14	\$22.76	\$28.45	\$34.14	\$23.22	\$28.68	\$34.14	\$10.92	\$0.46	\$0.23	\$0.00
Coll. Systems Tech III	NE 5	\$21.91	\$25.29	\$28.66	\$22.76	\$28.45	\$34.14	\$23.22	\$28.68	\$34.14	\$10.92	\$0.46	\$0.23	\$0.00
Coll. Systems Sup.	NE 6	\$32.69	\$39.37	\$46.06	\$24.57	\$30.71	\$36.85	\$29.57	\$36.16	\$42.75	\$13.18	\$5.00	\$5.45	\$5.90
WRO Supervisor*	NE 7	\$33.85	\$40.49	\$47.12	\$26.37	\$34.55	\$42.72	\$31.76	\$39.01	\$46.25	\$14.49	\$5.39	\$4.46	\$3.53
Maintenance Sup.	NE 7	\$30.24	\$36.39	\$42.55	\$26.37	\$34.55	\$42.72	\$31.76	\$39.01	\$46.25	\$14.49	\$5.39	\$4.46	\$3.53

\*this position qualifies to be exempt

Position Title	Range	Median Rates - All Years			Band Range			Recommended New Range				Difference in \$		
		Min	Mid	Max	Min	Mid	Max	Min	Mid	Max	Spread	Min	Mid	Max
Office Manager	EX 1	\$53,351	\$59,910	\$66,468	\$45,022	\$56,278	\$67,534	\$49,525	\$58,530	\$67,534	\$18,009	\$4,503	\$2,251	\$0
Regulatory Svc Coord.	EX3	\$68,951	\$83,975	\$98,999	\$65,124	\$81,405	\$97,686	\$67,252	\$82,469	\$97,686	\$30,434	\$2,128	\$1,064	\$0
Operations Director	EX 5	\$91,688	\$116,692	\$141,695	\$88,297	\$110,371	\$132,445	\$90,688	\$113,470	\$136,251	\$45,563	\$2,391	\$3,099	\$3,806
Assistant Director	EX 6	\$101,486	\$131,254	\$161,021	\$99,443	\$124,304	\$149,165	\$99,443	\$124,304	\$149,165	\$49,722	\$0.00	\$0.00	\$0.00
Executive Director	EX 7	\$112,124	\$141,288	\$170,452	N/A	N/A	N/A	\$110,577	\$137,908	\$165,239	\$54,662	N/A	N/A	N/A

Making changes to the bands as outlined above results in the following changes to salary penetration within the organization's existing bands.

Title	Grade	Pay Range			Wage Calculator -- Salary/Hourly			
		Min	M/P	Max	Annual	Hourly	% of Pay Grade Range	Location Within Pay Grade
Regulatory Svcs Coord	EX-3	\$67,252.00	\$82,469.00	\$97,686.00	\$73,253.42	\$35.22	19.72%	\$73,253.42
Executive Director	EX-6	\$110,557.00	\$137,898.00	\$165,239.00	\$119,386.00	\$57.40	16.15%	\$119,386.00
Operations Director	EX-5	\$90,688.00	\$113,469.50	\$136,251.00	\$108,701.25	\$52.26	39.53%	\$108,701.25
Office Manager	EX-1	\$49,525.00	\$58,529.50	\$67,534.00	\$53,673.64	\$25.80	23.04%	\$53,673.64
Records Clerk	NE-1	\$17.25	\$20.51	\$23.76	\$40,352.00	\$19.40	33.03%	\$19.40
Conv Tech I	NE-2	\$19.37	\$22.81	\$26.25	\$38,480.00	\$18.50	-12.65%	\$18.50
Conv Tech I	NE-2	\$19.37	\$22.81	\$26.25	\$48,380.80	\$23.26	56.54%	\$23.26
Maint Supervisor	NE-7	\$31.76	\$39.01	\$46.25	\$72,737.60	\$34.97	22.15%	\$34.97
Maint Tech I	NE-2	\$19.37	\$22.81	\$26.25	\$37,897.60	\$18.22	-16.72%	\$18.22
Maint Tech I	NE-2	\$19.37	\$22.81	\$26.25	\$42,057.60	\$20.22	12.35%	\$20.22
Maint Tech I	NE-2	\$19.37	\$22.81	\$26.25	\$48,796.80	\$23.46	59.45%	\$23.46
Maint Tech I	NE-2	\$19.37	\$22.81	\$26.25	\$47,216.00	\$22.70	48.40%	\$22.70
WRO Supervisor	NE-7	\$31.76	\$39.01	\$46.25	\$73,278.40	\$35.23	23.95%	\$35.23
WRO III (Senior Op)	NE-5	\$23.22	\$28.77	\$34.32	\$50,564.80	\$24.31	9.82%	\$24.31
WRO III (Senior Op)	NE-5	\$23.22	\$28.77	\$34.32	\$52,852.80	\$25.41	19.73%	\$25.41
WRO II	NE-3	\$22.26	\$26.92	\$31.58	\$51,334.40	\$24.68	25.97%	\$24.68
WRO I	NE-2	\$19.37	\$22.81	\$26.25	\$48,776.00	\$23.45	59.30%	\$23.45

The difference between the current and proposed is as follows:

Title	Grade	Current			Proposed			Notes	Difference
		Annual	Hourly	% of Pay Grade Range	Annual	Hourly	% of Pay Grade Range		
Reg. Svcs Coord	EX-3	\$73,253	\$35.22	24.97%	\$73,253.4	\$35.22	19.72%	range penetration drops	5.25%
Executive Director	EX-6	\$119,386	\$57.40	40.11%	\$119,386.0	\$57.40	16.15%	range penetration drops	23.96%
Operations Director	EX-5	\$108,701	\$52.26	46.22%	\$108,701.3	\$52.26	39.53%	range penetration drops	6.68%
Office Manager	EX-1	\$53,674	\$25.80	45.58%	\$53,673.6	\$25.80	23.04%	range penetration drops	22.55%
Records Clerk	NE-1	\$40,352	\$19.40	49.04%	\$40,352.0	\$19.40	33.03%	range penetration drops	16.01%
Conv Tech I	NE-2	\$38,480	\$18.50	12.53%	\$38,480.0	\$18.50	-12.65%	Below minimum salary	\$1,809.60
Conv Tech I	NE-2	\$48,381	\$23.26	67.24%	\$48,380.8	\$23.26	56.54%	range penetration drops	10.70%
Maint Supervisor	NE-7	\$72,738	\$34.97	63.65%	\$72,737.6	\$34.97	22.15%	range penetration drops	41.50%
Maint Tech I	NE-2	\$37,898	\$18.22	9.31%	\$37,897.6	\$18.22	-16.72%	Below minimum salary	\$2,392.00
Maint Tech I	NE-2	\$42,058	\$20.22	32.30%	\$42,057.6	\$20.22	12.35%	range penetration drops	19.94%
Maint Tech I	NE-2	\$48,797	\$23.46	69.54%	\$48,796.8	\$23.46	59.45%	range penetration drops	10.09%
Maint Tech I	NE-2	\$47,216	\$22.70	60.80%	\$47,216.0	\$22.70	48.40%	range penetration drops	12.40%
WRO Supervisor	NE-7	\$73,278	\$35.23	65.61%	\$73,278.4	\$35.23	23.95%	range penetration drops	41.66%
WRO III (Senior Op)	NE-5	\$50,565	\$24.31	12.50%	\$50,564.8	\$24.31	9.82%	range penetration drops	2.68%
WRO III (Senior Op)	NE-5	\$52,853	\$25.41	22.12%	\$52,852.8	\$25.41	19.73%	range penetration drops	2.39%
WRO II	NE-3	\$51,334	\$24.68	34.41%	\$51,334.4	\$24.68	25.97%	range penetration drops	8.44%
WRO I	NE-2	\$48,776	\$23.45	69.43%	\$48,776.0	\$23.45	59.30%	range penetration drops	10.12%

The first area of concern is the two individuals who, based on the new structure, would be below the new minimum for their role. The second is the significant drop that occurs for each individual within their range. The organization should take steps to move the range penetration upwards to align more closely with the original structure to account for market changes. Such an impact would be as follows:

Title	Grade	Current	Annual to keep same range penetration	Difference
Regulatory Svcs Coord	EX-3	\$73,253	\$74,852	\$1,599
Executive Director	EX-6	\$119,386	\$132,488	\$13,102
Operations Director	EX-5	\$108,701	\$111,748	\$3,047
Office Manager	EX-1	\$53,674	\$57,733	\$4,059
Records Clerk	NE-1	\$40,352	\$42,519	\$2,167
Conv Tech I	NE-2	\$38,480	\$42,078	\$3,598
Conv Tech I	NE-2	\$48,381	\$49,912	\$1,531
Maint Supervisor	NE-7	\$72,738	\$85,245	\$12,507
Maint Tech I	NE-2	\$37,898	\$41,622	\$3,724
Maint Tech I	NE-2	\$42,058	\$44,911	\$2,854
Maint Tech I	NE-2	\$48,797	\$50,241	\$1,444
Maint Tech I	NE-2	\$47,216	\$48,990	\$1,774
WRO Supervisor	NE-7	\$73,278	\$85,835	\$12,557
WRO III (Senior Op)	NE-5	\$50,565	\$51,185	\$620
WRO III (Senior Op)	NE-5	\$52,853	\$53,404	\$551
WRO II	NE-3	\$51,334	\$52,971	\$1,637
WRO I	NE-2	\$48,776	\$50,226	\$1,450
Annual Amount to Maintain Range Penetration				\$68,222

Additionally, the organization could consider multiple options to begin this adjustment.

Title	Grade	Current	Annual to keep same range penetration	100% of difference	Option A: 25% of difference	Option A: New Rate	Option B: 50% of difference	Option B: New Rate	Option C: 75% of difference	Option C: New Rate
Reg. Svcs Coord	EX-3	\$73,253	\$74,852	\$1,599	\$399.75	\$73,653.17	\$799.50	\$74,052.92	\$1,199.25	\$74,452.67
Executive Director	EX-6	\$119,386	\$132,488	\$13,102	\$3,275.50	\$122,661.50	\$6,551.00	\$125,937.00	\$9,826.50	\$129,212.50
Operations Director	EX-5	\$108,701	\$111,748	\$3,047	\$761.69	\$109,462.94	\$1,523.38	\$110,224.63	\$2,285.06	\$110,986.31
Office Manager	EX-1	\$53,674	\$57,733	\$4,059	\$1,014.84	\$54,688.48	\$2,029.68	\$55,703.32	\$3,044.52	\$56,718.16
Records Clerk	NE-1	\$40,352	\$42,519	\$2,167	\$541.84	\$40,893.84	\$1,083.68	\$41,435.68	\$1,625.52	\$41,977.52
Conv Tech I	NE-2	\$38,480	\$42,078	\$3,598	\$899.60	\$39,379.60	\$1,799.20	\$40,279.20	\$2,698.80	\$41,178.80
Conv Tech I	NE-2	\$48,381	\$49,912	\$1,531	\$382.72	\$48,763.52	\$765.44	\$49,146.24	\$1,148.16	\$49,528.96
Maint Supervisor	NE-7	\$72,738	\$85,245	\$12,507	\$3,126.76	\$75,864.36	\$6,253.52	\$78,991.12	\$9,380.28	\$82,117.88
Maint Tech I	NE-2	\$37,898	\$41,622	\$3,724	\$931.06	\$38,828.66	\$1,862.12	\$39,759.72	\$2,793.18	\$40,690.78
Maint Tech I	NE-2	\$42,058	\$44,911	\$2,854	\$713.39	\$42,770.99	\$1,426.78	\$43,484.38	\$2,140.16	\$44,197.76
Maint Tech I	NE-2	\$48,797	\$50,241	\$1,444	\$361.09	\$49,157.89	\$722.18	\$49,518.98	\$1,083.26	\$49,880.06
Maint Tech I	NE-2	\$47,216	\$48,990	\$1,774	\$443.56	\$47,659.56	\$887.12	\$48,103.12	\$1,330.68	\$48,546.68
WRO Supervisor	NE-7	\$73,278	\$85,835	\$12,557	\$3,139.24	\$76,417.64	\$6,278.48	\$79,556.88	\$9,417.72	\$82,696.12
WRO III (Senior Op)	NE-5	\$50,565	\$51,185	\$620	\$154.96	\$50,719.76	\$309.92	\$50,874.72	\$464.88	\$51,029.68
WRO III (Senior Op)	NE-5	\$52,853	\$53,404	\$551	\$137.80	\$52,990.60	\$275.60	\$53,128.40	\$413.40	\$53,266.20
WRO II	NE-3	\$51,334	\$52,971	\$1,637	\$409.24	\$51,743.64	\$818.48	\$52,152.88	\$1,227.72	\$52,562.12
WRO I	NE-2	\$48,776	\$50,226	\$1,450	\$362.44	\$49,138.44	\$724.88	\$49,500.88	\$1,087.32	\$49,863.32
Annual Cost				\$68,222	\$17,055.47		\$34,110.95		\$51,166.42	

## DEVELOPMENT OF COMPENSATION PHILOSOPHY

Ultimately the organization's ability to pay should drive all compensation decisions. However, the development of a compensation philosophy can greatly assist the organization in establishing a compensation structure.

A compensation philosophy is simply a formal statement documenting the company's position about employee compensation. It explains the "why" behind employee pay and creates a framework for consistency. Employers use their compensation philosophy to attract, retain and motivate employees.

Compensation philosophies are typically developed by the human resources department in collaboration with the executive team. The philosophy is based on many factors, including the company's financial position, the size of the organization, the industry, business objectives, market salary information, the level of difficulty in finding qualified talent, and the unique circumstances of the business.

The compensation philosophy should be reviewed periodically and updated based on current factors affecting the business. For example, market conditions may make it difficult to find qualified talent in a particular specialization, and an employer may need to pay a premium for these candidates. If the employer's current compensation philosophy does not support this value, then the organization may need to change its philosophy to meet its current needs.

A well-designed compensation philosophy supports the organization's strategic plan and initiatives, business goals, competitive outlook, operating objectives, and compensation and total reward strategies.

Most compensation philosophies seek to:

- Identify the organization's pay programs and total reward strategies.
- Identify how the pay programs and strategies support the organization's business strategy, competitive outlook, operating objectives, and human capital needs.
- Attract people to join the organization.
- Motivate employees to perform at the best of their competencies, abilities, and skill sets.
- Retain key talent and reward high-performing employees.
- Define the competitive market position of the organization in relation to base pay, variable compensation, and benefits opportunities.
- Define how the organization plans to pay and reward competitively, based on business conditions, competition, and ability to pay.
- Ensure equal pay for equal work, with allowable pay differences based on factors not prohibited by law.

An effective compensation philosophy should pass the following quality test:

- Is the overall program equitable?
- Is the overall program defensible and perceived by employees as fair?
- Is the overall program fiscally sensitive?
- Are the programs included in the compensation philosophy and policy legally compliant?
- Can the organization effectively communicate the philosophy, policy, and overall programs to employees?
- Are the programs the organization offers fair, competitive and in line with the compensation philosophy and policies?

While HR is clearly in the lead in developing an organization's compensation philosophy and policy, success lies in collaboration with the leadership team to obtain valuable input, direction, and buy-in.



## **CLOSING**

While compensation is an important part of the total rewards package, it is important to remember that an organization's total reward strategy also includes the following elements:

- Benefits
- Work Life Balance
- Performance and Recognition
- Developmental & Career Opportunities

FGP HR recommends that the above elements also be reviewed when changes may be made to compensation programs.

FGP HR Consulting wants to thank OJRSA for the opportunity to complete this survey and analysis. Please do not hesitate to reach out to our team if you have any questions about this survey.

## APPENDIX

### WHY SALARY INCREASES DO NOT KEEP PACE WITH INFLATION

John Bremen

Despite severe talent shortages and the ongoing impact of the Great Resignation, corporate salary increases budgets trail inflation in 2022, surprising many leaders.

For example, in the U.S., the Bureau of Labor Statistics (BLS) recently reported a 7.9% increase in the Consumer Price Index (CPI) before seasonal adjustment over the last 12 months. BLS also reported the U.S. national unemployment rate dropped in March to 3.6%, nearing pre-pandemic levels.

Yet a survey of U.S. companies found employers now are budgeting an overall average salary increase of 3.4% in 2022, which is less than half the current inflation rate (though notably it represents a substantial rise from the average 2021 salary increase of 2.8% - a 21% difference).

With thanks to a recent analysis published by WTW's Lori Wisper, several factors account for the difference:

- 1. Inflation and salary increases are not the same** – While inflation and salary increases generally move in the same direction, they are driven by different inputs. Inflation represents changes in the cost of a market basket of goods (such as groceries and fuel). Wages, on the other hand, are driven by changes to supply/demand for labor which can be caused by demographic trends, labor participation rates, technological advances, and growth in productivity. For example, in 1979 – the year of the highest peacetime inflation on record – U.S. inflation was 13.3% but wage increases were a much lower 8.7%. Conversely, U.S. inflation was 1.9% in 2001, but salary increase budgets were much higher - near 4% - in 2001 and 2002. In 2020, inflation was a low 1.4% but salary increase budgets in 2020 and 2021 were higher (between 2.5% and 2.8%). This reality tends to advantage employees in terms of real spending during low-inflation years (such as 2001 or 2020) and work against them during high-inflation years (such as 1979 or 2022).
- 2. Wages are sticky** – A basic principle of labor economics is that wage increases are “sticky,” meaning they tend not to go down unless significant structural issues are present. Because wages are difficult to reduce if markets deteriorate, companies are slow to raise wages before determining long-term implications. When the U.S. unemployment rate spiked at the outset of the COVID-19 pandemic from 3.5% in February 2020 to 14.8% in April 2020, employers generally did not reduce individual salaries. While layoffs and lower annual bonuses reduced aggregate compensation levels, the salaries of remaining employees did not decrease (in fact, pay increased for many jobs due to demand for essential workers and skills). Similarly, now that unemployment is back to pre-pandemic levels (partially offset by lower labor participation rates), employers are evaluating long-term trends before ratcheting salaries far beyond pre-pandemic levels across the board. While many employers opt to increase salaries for the highest demand jobs and individuals, they also seek to keep overall pay levels stable.
- 3. Pre-pandemic salary budgets already began to reflect labor market demographic changes** – Even before the pandemic, a demographic “perfect storm” was brewing in developed labor markets, reducing talent availability at both the leadership and entry levels of organizations. For example, in the U.S., despite overall population and labor force growth, the labor force actually *shrank* from 2010 to 2019 in age groups 16-24, the historical entry-level talent pool, and 45-54, the historical leadership talent pool, demonstrating this problem originated before the pandemic and became further exasperated by reduced labor participation rates.
- 4. Job changes, the rise in starting salaries and benefits do not appear in annual salary budgets** – Much of the rise in individual pay levels has been due to a combination of increased starting salaries to attract new workers at entry levels (especially in industries such as healthcare, life sciences, technology, and distribution) coupled with significant salary increases for individuals who have changed jobs either through promotions or by changing employers during

the Great Resignation. In addition, employee benefit costs went up materially in the aggregate in 2020 and 2021. None of these are captured in salary increase budgets but nonetheless reflect real increases in employer spending.

5. **Companies are investing in flexible employee programs and culture to supplement fixed pay** – Leaders who have managed through multiple volatile business cycles (including the Great Recession of 2008 to 2010) keep an eye on increasing fixed costs that could leave them no choice but to lay off valued employees during downturns. These leaders know what it takes to survive with extremely scarce resources and strive to be prepared and agile when faced with unpredicted events; they offer more flexible bonus, stock and employee benefit plans and work to create strong culture and employee experiences in place of driving up fixed pay costs. These costs also are not captured in salary increase budgets.

Future-seeking leaders understand the difference between consumer inflation and labor market growth. They aim to balance short- and long-term requirements, and work to respond to employees' needs and wants, as well as create great places to work in an increasingly complex environment.