

Compensation Philosophy

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1.0 POLICY

The Town of Carolina Beach's intent is to administer a total compensation program of employee salaries and benefits that maintains competitiveness within the scope of the Town's recruitment marketplace.

2.0 PURPOSE

The purpose of the Town's compensation philosophy is to recruit, retain, motivate and reward employees to fulfill the mission of the Town in providing service to its citizens. The Town bases its market for salaries on the typical recruitment markets for given positions. Thus, different positions have different salary markets. The Town's benefit programs are based on the needs and nature of the Town's workforce population and are developed and offered as part of the total compensation program for benefit-eligible employees.

3.0 SCOPE

This policy applies to all benefit-eligible positions of the Town of Carolina Beach.

4.0 DEFINITIONS

- 4.1 Benefit-Eligible - Full time and part-time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage. See **Policy on Position Types**.
- 4.2 Total Compensation - Total compensation is the concept of considering all compensation provided by the Town to employees and includes both salaries (cash) and benefits (non-cash).
- 4.3 Compensation Market - The group of other employers the Town uses to compare salaries. Generally these are the employers who are competing for similar kinds of employees. Depending on the scope of recruitment for the position, the compensation market may be defined as statewide, regional or national.

5.0 ORGANIZATIONAL RULES

- 5.1 The Town's pay program consists of the development of salary structures, salary administration programs, and other rewards programs that contribute to successful employee recruitment and retention.
- 5.2 The Town's salary administration program is performance-based.
 - A. The salary advancement of an individual employee is strictly dependent upon his job performance, professional development and personal behaviors resulting in the accomplishment of work plan objectives and positive contribution to the fulfillment of the Town's mission.
 - B. The salary administration program provides managers an effective means of recognizing outstanding employee job performance, professional development and personal behaviors resulting in accomplishment of work plan objectives and positive contributions to the fulfillment of the Town's mission as well as the ability to apply corrective measures when necessary.
- 5.3 The Town's compensation market includes both public and private sector competitor employer organizations in the statewide, regional and national recruitment marketplace.

- A. The compensation market for pay typically coincides with the respective scope of recruitment for specific jobs (statewide, regional or national).
- B. The compensation market for benefits normally includes public and private sector employers in North Carolina.
- 5.4 The Human Resources Department develops strategies to maintain the Town's competitive position in the market.
- 5.5 The Town maintains its competitive compensation position by including funds in its annual operating budget to provide:
 - A. Employee performance-based salary increases (i.e. the merit budget)
 - B. A competitive package of employee benefits providing benefits generally similar to those offered by other North Carolina public sector employers.

6.0 PROCEDURES

- 6.1 The Human Resources Department acquires salary and benefits data through a combination of participation in compensation surveys, purchase of published salary market data, ongoing participation with other organizations in gathering and analyzing salary and benefits data and other relevant information.
- 6.2 The Human Resources Department analyzes salary and benefits market data to determine the Town's relationship to the compensation market.
- 6.3 The Human Resources Department recommends to the Town Manager reasonable compensation and benefit program offerings and/or adjustments that support the effective delivery of the Town's Compensation Philosophy.

7.0 APPENDIX, APPENDICES

None