



Human Resources Services

CITY OF ANN ARBOR, MICHIGAN

301 E. Huron, 6th floor, P.O. Box 8647 Ann Arbor, MI 48107

Phone: (734) 794-6120 Fax: (734) 994-5961

<http://www.a2gov.org>

MEMORANDUM

TO: Ann Arbor Housing Commission

FROM: Monica L. Boote, Human Resources and Labor Relations Director *MLB*

DATE: July 21, 2025

SUBJECT: Compensation Study Recommendations for Executive Director of Housing

Overview

As part of a citywide initiative to improve transparency, market competitiveness, and structural integrity within the City of Ann Arbor's compensation program for non-union employees, the City partnered with Gallagher Benefit Services, Inc. to conduct a comprehensive Classification and Compensation Study. This memo outlines the study's key outcomes as they pertain specifically to the Executive Director of Housing Commission role, for which compensation decisions rest with the Housing Commission rather than City Administration.

Study Goals & Process

The study aimed to:

- Align pay with comparable public sector employers
- Improve internal consistency and transparency
- Build a compensation structure that is scalable and sustainable

The study was conducted in two phases:

1. Classification Review – including employee questionnaires, title reviews, and FLSA assessments
2. Compensation Analysis – benchmarking 128 job titles (representing 76% of non-union staff) against regional and national data sources, adjusted to reflect the June 2025 cost of labor in Ann Arbor

City's Implementation Model

To provide broader context for the Commission, the City's implementation of the Compensation Study is proceeding in a phased and financially responsible manner. While the study identified several areas for structural and market alignment improvements, full implementation for all employees is not

immediately feasible due to fiscal constraints. The City has adopted the following approach for this first phase of implementation:

- **Structural Realignment:** Some positions have been reclassified based on job responsibilities and external market comparisons, leading to updates in grade levels and pay ranges.
- **1% Across-the-Board Increase:** All eligible non-union employees will receive a 1.0% salary increase, effective July 13, 2025.
- **Targeted Adjustments for Market and Equity:** Employees who are significantly below proposed salary ranges, or whose tenure and classification warrant additional consideration, may receive further salary adjustments.
- **No Automatic Full-Scale Adjustments:** The City is not implementing full corrections to midpoints or across-the-board adjustments to the proposed ranges at this time. Instead, it is prioritizing the most pressing equity and market misalignments while maintaining budgetary sustainability.

These implementation choices reflect the City's commitment to equity, competitiveness, and fiscal stewardship. Staff reporting to the Executive Director of Housing may be impacted by reclassifications or range adjustments based on their roles and positions within the new structure. Further communication and adjustments will occur over time as the next phases of the compensation strategy are developed and funded.

Findings Relevant to Executive Director Role

Should the Housing Commission wish to explore compensation adjustments for the Executive Director of Housing that align with the City's implementation strategy, consideration of the following would be reasonable:

1. **Reclassification Recommendation:** The Executive Director role is recommended to be reclassified from Grade 14 to Grade 15 based on job responsibilities, organizational impact, and external market comparisons.

2. **Compensation Range Updates:** Below is a comparison of the current and proposed pay ranges for both grades:

Grade	Current Min	Current Mid	Current Max	Proposed Min	Proposed Mid	Proposed Max
14	\$121,024	\$139,177	\$157,330	\$132,538	\$158,725	\$184,912
15	\$139,164	\$160,039	\$180,913	\$145,538	\$178,568	\$211,598

The Executive Director of Housing's salary range would now fall under the proposed Grade 15 range.

Employees in similar situations that fall under the City's authority would receive the following adjustments in Phase I:



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1. A 1.0% general across the board increase, effective July 13, 2025, and reflected in the August 1, 2025, paycheck.
2. An "Adjustment to Minimum" for those not meeting the minimum salary of the grade assigned. In Ms. Hall's situation, her current salary is already above the proposed minimum for Grade 15; therefore, no adjustment to the minimum would be applicable for her role.
3. A "Time in Classification Adjustment" recognizing experience and internal equity within the new structure. In Ms. Hall's situation, an additional market equity adjustment of \$18,432.67 if financially feasible could be considered for internal alignment among City employees in similar situations considering her tenure in the role as compared to others internally with similar classified roles as well as external market comparisons.

Commission Consideration

While the City of Ann Arbor, has adopted the recommendations for the relative placement of the position (Grade 15) and targeted pay range for similar roles within the City's classification and compensation structure, the Housing Commission retains the authority to determine the compensation for the Executive Director role.

Should the Commission desire to amend Ms. Hall's compensation, we respectfully request written directions be provided to the Human Resources and Labor Relations Director.

Next Steps

If directed, changes will be incorporated into the City's payroll processing as soon as administratively feasible. Should additional documentation or support be needed to facilitate the Commission's review, please do not hesitate to reach out to my office.

Respectfully,

Monica L. Boote

Human Resources and Labor Relations Director

City of Ann Arbor

mboote@a2gov.org | (734) 794-6121