

Compensation Study

Cost & Implementation Options

September 25, 2018

Goals for the Compensation Study

- ▶ Ensure the Town's salary ranges are competitive with the market to facilitate recruitment & retention;
- ▶ Pay employees competitively within their salary ranges based on their qualifications & performance;
- ▶ Adjust employee salaries who are being paid below the midpoint so they will be paid competitively with the market.

Compensation Recommendations

- ▶ Move the Pay Plan (most salary ranges) up by 5%;
- ▶ Adjust some ranges by 10% based on market data;
- ▶ Make market adjustments for employees whose salaries are more than 5% below the midpoint;
- ▶ Increase hourly rate for part-time Fire positions;
- ▶ Adjust Police salary ranges and provide flexibility to Police Chief to hire at higher minimum salary for Police Officers;
- ▶ Reclassify the PIO & Recreation Program Manager positions.

Costing Assumptions

- ▶ Most salary ranges will increase by 5%; some will increase by 10% based on market data;
- ▶ Assume budgeted merit increase for eligible employees;
- ▶ Adjust employee salaries by 5% if their salaries are above the minimum but more than 5% below the midpoint of their range;
- ▶ Employees with salaries within 5% of the midpoint are competitive with the market;
- ▶ Employees with salaries above the midpoint will not receive an increase;
- ▶ Increase PT Fire positions by \$1.50 per hour.

Cost for Recommendations

- ▶ Market Adjustments w/benefits \$143,183 (12 months)
- ▶ Total FY 19 cost w/benefits \$95,456 (8 months)

Source of Funds

- ▶ Unused Merit fund \$12,469
- ▶ FY 19 budgeted for salary study \$43,037
- ▶ Additional funds needed for FY19 \$39,949

How do we stay competitive?

Recommendations:

- ▶ Establish a hiring rate for Police Officers above the minimum;
- ▶ Budget adequately for Police positions so the Chief can consider lateral entry candidates with experience;
- ▶ Provide a 5% increase after 12 month probationary period for Police Officers;
- ▶ Provide a regular hourly pay increase for part-time Fire;
- ▶ Review pay plan annually as part of the budget process;
- ▶ Adjust pay plan more frequently & fund market + merit increases
- ▶ Conduct market studies every 2-3 years.

Recruitment & Retention Policies

- ▶ Develop a program to move employees who meet performance and career development goals to the midpoint of their pay range within three years of hiring.
- ▶ Consider sign-on/referral bonuses for hard-to-recruit positions.

Potential Board Action

- ▶ Consider approval of study recommendations and implementation option for November 2018