

**CHARLOTTE SELECTBOARD  
MINUTES OF MEETING  
TOWN HALL  
JULY 29, 2014**

**APPROVED**

**SELECTBOARD MEMBERS:** Lane Morrison, Chair; Charles Russell, Fritz Tegatz, Ellie Russell, Matt Krasnow

**STAFF:** Dean Bloch, Town Administrator

**OTHERS:** Frank Sadowski of Gallagher, Flynn & Co.; Vince Crockenberg, Library Trustee, Margaret Woodruff, Library Director

**ITEMS TAKEN UP:**

- Wage Classification plan and policy (*discussion only*)

**CALL TO ORDER**

Lane called the meeting to order at 4:00 PM.

Frank was introduced. He indicated that he has reviewed the work done so far; he said the Selectboard has done a very good job so far.

He described the wage rate grading system being use as a “point factor system.” He said it tries to mimic the market, though employers can decide as a matter of policy to be above the market or below the market. He said it doesn’t measure Information Technology (“IT”) jobs very well, as the skills valued by the market has been changing.

Under this system, pay for all jobs will change at the same rate. He said most towns do not use a merit-based system.

He said that in the market, pay is more fragmented than would be indicated by the point system alone. Incorporating the market into the point system is a little bit of a “fudge factor.”

He said he rarely goes beyond job titles when comparing positions in different towns. He said there are some differences between towns, but not enough to matter.

For elected positions, he recommends towns use the question: “what would we need to pay to fill the position?”

He said that for most positions, the employee’s value increases quickly during the first few years, then levels off over time. The draft pay-rate schedule is more of a straight line, but it can be recalibrated to mirror the typical “value curve.”

He thinks the next step for the Selectboard is to marry the work that has been done with the market, and determine any policies. With the state, management can push an employee up a step or hold them back, based on performance.

He doesn't like cost of living increases—he doesn't think the Selectboard should create an expectation that all jobs will increase a percentage every year. However, he said that in the public sector, increases are usually more stable, based on the fact that revenues are more stable, and also labor contracts often include built-in increases.

In response to the question “how do we fit existing employees into the new matrix? Frank answered that if an employee is “overpaid” (compared to the new matrix), it's not his/her fault. Their salary should not be cut. He also said that it can ease tensions around the process to tell employees up front that no salaries will be reduced.

He said options are (1) to freeze the salary—though this is often not appreciated and can lead to bad morale or a valued employee leaving; (2) ignore the pay-grade range, though this destroys the integrity of the system; or (3) freeze the salary, but make a lump-sum payout to account for the difference between the current salary and the matrix.

Frank said that if the Selectboard wanted him to assist them—i.e. the Selectboard would still be involved, and Frank would provide information as needed and be available for questions and explaining the system to employees, he estimated it would take about 20 to 25 hours, and would cost \$4,500--\$6,000. He estimated this could take 3-5 weeks. He said if the whole project were to be dropped in his lap, the cost would approximately double.

Dean was asked to check with Jill Muhr as to her review of the work so far and her interest and availability for working on this with the Selectboard.

#### **ADJOURNMENT**

**MOTION by Fritz, seconded by Matt, to adjourn the meeting.**

**VOTE: 3 ayes; motion carried.**

The meeting was adjourned at 6:00 PM.

Minutes respectfully submitted: Dean Bloch