Town of Charlotte Salary Administration Policy
Approved: January 12, 2015
Revised: March 14, 2016
Revised: July 9, 2018

I. Goals

The goals of the Town of Charlotte Salary Administration policy are:

1. to provide a salary program that is fair, internally equitable and pays employees according to the value of their position and
2. to maintain competitiveness in the market.

II. Overview of the Process

The Salary Administration Policy is based on a job evaluation process that ranks each position in the Town based on the following factors:

- Qualification required for the position, as defined in each job description
- On-the-job orientation and training needed for the position
- The complexity of the work
- The degree of independent judgment that the position requires
- The amount of supervision received
- The number and nature of contacts with others
- The supervisory responsibilities exercised
- Financial and material accountability
- Accountability for information
- Responsibility for the health and safety of others
- The physical effort and stress
- The physical working conditions
- Demands on personal time

The positions are ranked by the Selectboard using the *Palmer and Associates, Inc.* Job Evaluation Manual. The ranking is done by determining a numerical score (point) for each factor listed above, based on the job description and input from supervisors and employees. The point scores for each factor are then totaled to establish the total point value for each position which becomes the "job factor score". The point score for each factor is also compared with the scores for other Town positions and adjusted if necessary to ensure that equitable ratings have been determined between positions. In this way, each position is evaluated as both the sum of its parts and in relation to other positions in the Town before a final job factor score is determined. The final job factor score is then applied to a Pay Grade Placement Grid to determine the pay grade for each position.

The Pay Grade Placement Grid consists of 16 pay grades (vertical axis); the Vermont minimum wage is noted below pay grade 5, since two town positions pay at the state minimum wage. Each pay grade (5-20) represents a 25 point final job factor score range, and pay rates differ by 5% difference between each pay grade. Pay grades 5-20 are decoupled from minimum wage, meaning pay grades 5-20 will not necessarily change in accordance with every change to the state minimum wage. Naturally, if the minimum wage ever surpasses the pay rate of pay grade 5 step 0, the pay rates for pay grades 5-20 will be re-evaluated.

There are 15 step increases (horizontal axis) within each pay grade beginning with the MIN step and ending with the MAX step. Each step represents one year of service/experience, thus employees advance one step annually until reaching the MAX step. Placement on the grid for each employee is determined by the final job factor score of the position and the employee's years of relevant experience.

III. Annual increases

An employee who is engaged in disciplinary action will not be eligible for any salary increase until such action is resolved.

For those employees eligible for a salary increase, the annual increase on July 1 of each year will be determined using two factors;

1. Cost of Living (**COL**) adjustments as describe below; and
2. A **Step** increase as described in Table 1 'Salary Increase Schedule' below.

Cost of Living (COL) Adjustments:
The COL will be determined annually in January by the Selectboard during budget preparation for the subsequent fiscal year beginning July 1. The index used will be the Consumer Price Index for Urban Wage Earners and Clerical Workers for the Northeast Region, using the percent change between the average of the most recent 12 months compared to the average of the prior 12 months. Data is available each January from the Bureau of Labor Statistics web-site. All employees will receive an annual COL adjustment, unless the COL is 0%. COL adjustments will never be less than 0%

Step Increases:
It is recognized that employees become more valuable to the organization as their experience increases. This value increases most quickly during the first five years of experience as the employee learns and grows in his or her job. After five years, although this growth continues, it has been shown to grow at a slower pace. Step increases are designed to reflect this growth pattern.

Step and COL Combined Increases:
For the first five step increases of a pay grade an employee will receive a 2.5% step increase plus a COL adjustment. For advancement through steps 6 through 10 the employee will receive a 2.25% step increase plus a COL adjustment and for advancement through steps 11 through 15 the step increase is 2.0% plus a COL adjustment. An employee will receive only COL adjustment upon reaching step 15 (MAX) except that after completing 20 years of full-time employment with the Town (including all positions held), an employee will receive a one-time 2.0% pay increase.

Table 1
Salary Increase Schedule

Step Change	Increase on July 1
MIN-1, 1-2, 2-3, 3-4, 4-5	2.5% Step + COL
5-6, 6-7, 7-8, 8-9, 9-10	2.25% Step + COL
10-11, 11-12, 12-13, 13-14, 14-15(MAX)	2.0% Step + COL
No step change at MAX	COL
After 20 years of employment with the Town	One-time 2.0% pay increase + COL

A new employee whose start date is prior to January 1 will be eligible to receive a step increase and a COL adjustment at the beginning of the next fiscal year. A new employee whose start date between January 1 and June 30 will not be eligible to receive a step increase or COL adjustment until July 1 of the following fiscal year.

Note: An employee's position within the steps of the pay grade will not necessarily be equivalent to the years of relevant experience due to market adjustments.

Pay grade salaries and ranges will be adjusted each year based on the annually determined COL.

IV. Relevant experience for new hires and internal job changes
Relevant experience is defined as experience in the same or very similar job.

A. New Hires
In the hiring of new employees an employee will be placed at the pay grade that has been determined by the final job factor score for that position and at the step determined based prior relevant experience and market adjustments (if any). The new employee will then advance one step annually as described in **Section III. Annual Increases.** A new hire with no relevant experience will be placed on the MIN step of the pay grade. If the job requires two years of experience and the new hire has the necessary experience, the employee also starts at the MIN step because credit for that required experience has been applied in the job rating process. However, if the employee for the same job is hired with four years of prior relevant experience, the employee will start at a step that recognizes the additional two years of experience (Step 2). New hires will not be placed any higher than a step that recognizes up to five years of prior relevant experience (Step 5), unless there are unusual circumstances which must be detailed in a written and filed justification. Selectboard approval is required for all salary decisions.

B. Rules for determining prior relevant experience:

Rule 1.
Years of prior experience are prorated based on a 40 hour week and the full time equivalent (FTE) hours worked in the prior position.

Rule 2.
A maximum of five years of non-Town of Charlotte prior relevant experience, as determined in Rule 3, will be credited.

Rule 3.
Prior relevant experience will be determined as noted below.

1. 100% of years of experience will be credited for years in an identical job as the position being filled for the Town of Charlotte.

2. 75% of years of experience will be credited for years in the same field of work, in a job that is very similar to the position being filled.

3. 50% of years of experience will be credited for years worked in a job that is not identical to

the position being filled, but is in the same field of work and requires similar knowledge and background.

4. 25% of years of experience will be credited for years worked in a job that is not identical to the position being filled and is in a different field of work, but requires similar knowledge and background.

5. 12.5% of years of experience will be credited for experience in an unrelated job. The experience must include some skills or knowledge that are relevant to the position being filled.

6. No prior relevant experience will be credited for an unrelated job which provided experience that offers few of the skills and knowledge required for the position being filled.

C. Internal promotions or job changes

In the case of internal promotions or job changes, prior relevant experience will be determined in the same way as for new hires and will include the employee's prior internal experience. The employee will be placed at the appropriate pay grade for the position and at a step consistent with the determined years of prior relevant experience. The step may recognize all of an employee's years of experience as described in B. above. A written justification and Selectboard approval is required for internal promotion or job change salary decisions.

V. Equivalency for experience vs. formal education.

When using experience to offset the required level of education, two years of prior relevant experience are considered equivalent to one year of formal education.

VI. Salary Program Administration

The Town Administrator will be responsible for the maintenance of this compensation program. All salary decisions should maintain internal equity. Any exceptions, such as market adjustments or other well-substantiated reasons, must be fully documented with a written justification and approved by the Selectboard.

A. New positions

When a new position is created the Town Administrator and the Selectboard will review the job description and determine the final job factor score required to place the position in the appropriate pay grade.

B. Pay Grade Changes

The Town Administrator will review all job descriptions with the appropriate supervisor or employee as necessary and at least once every five years. If there are significant changes that could affect a final job factor score, the job will be re-evaluated to determine if a pay grade change is required. When a pay grade change appears to be appropriate as a result of the job description review, the Town Administrator will recommend the change to the Selectboard for approval. The request will include an updated job description, the proposed job evaluation ranking and a recommended date for implementation of the change for approval by the Selectboard. Any change must be documented and filed.

C. Market Adjustments

The Town of Charlotte market is defined as Vermont Towns with a population of 3,000 to 5,000. If market data indicates a position is no longer in line with the current market data, market adjustments may be necessary in order to assure the ability to recruit and hire qualified candidates.

Positions with approved market adjustments will be placed on the pay grade chart at the pay grade level for the position and at the step for the position that has been determined to be market competitive. A market adjustment will be documented and flagged as such in the employee salary record.

All market adjustments must be justified by market data supporting the change and approved by the Selectboard.

Revision approved by the Selectboard on July 9, 2018.

Signed:

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