

## **FINAL REPORT**

### **GROTON, NH WAGE AND CLASSIFICATION STUDY**

**DECEMBER 2015**

## **INTRODUCTION**

### **Scope of Services**

The Town of Groton, NH, engaged Municipal Resources, Inc. (MRI) to develop a Classification and Compensation Plan based on comparative analysis of 14 positions that currently are a mixture of elected, appointed, full-time, part-time, and stipend positions. This study was commissioned to re-examine the responsibilities, work performed, and market pay rates for each position included in the study. In general, the study involved developing new, standardized job descriptions, classifying those positions according to a uniform point analysis standard; surveying the market of comparable municipalities to determine rates of compensation; and developing and recommending a new classification and compensation plan and system.

### **CLASSIFICATION AND COMPENSATION**

A position classification and compensation plan is an essential and vital component of a comprehensive personnel administration system. The perception that the compensation plan is objective and fair in its assignment of pay to individual positions lends credibility to the Town's entire personnel system. The plan represents a systematic, formalized procedure for developing equitable job groupings and equitable compensation levels for all positions. The plan is based upon the underlying assumption that individuals should receive "equal pay for equal work".

However, implementation of a position classification and compensation plan should not be viewed as the final step in achieving job equity. The plan must be reviewed on a regular basis to ensure that decisions regarding position requirements and compensation accurately reflect

the Town's current service needs, while continuing to maintain the integrity and relevance of the plan.

MRI has reviewed the current job duties and compensation levels for the positions studied. Recommendations for placement of positions within the new plan are made along with any potential cost impact. Job descriptions have been revised in a standardized format to reflect more accurately actual job content, and to enhance their usefulness as tools in decisions involving pay, recruitment, promotion, and evaluations. Recommendations have also been made pertaining to the various types of systems that may be implemented and incorporated into a new pay plan due to the varied components of each position, as well as movement options within the proposed pay scale.

For maximum effectiveness, the relationship between consultant and client must be a cooperative effort. While Municipal Resources, Inc. assumes responsibility for all final recommendations, client input has been sought, carefully weighed, and incorporated into the report whenever possible.

### **Study Process**

This project included the following steps:

- *Organizational Meetings* with Town officials to discuss the goals and objectives of the study.
- *Orientation Meetings* with Town officials and employees covered in the study to explain project activities, objectives, and methodology. These meetings also gave employees an opportunity to meet MRI consultants and ask questions.
- A thorough *Job Analysis Process*, which involved reviewing position duties and responsibilities (essential functions), utilizing position analysis questionnaires and on-site interviews.
- Preparation of updated *Job Descriptions* with review and comment from employees and supervisors. Employees had an opportunity to review draft job descriptions.
- A thorough *Job Evaluation Process* which involved position rating and ranking, utilizing MRI/HRS' rating manual.
- Development of a *Classification Plan*, which involved position assignment to grades, based on a system of objective evaluation.

- Thorough *Market Analysis* using comparable municipalities jointly selected by Town officials and MRI.
- Several discussions with *Town Officials* to review pay policies and draft work products (i.e., comparative data and other related materials).
- Preparation of minimum estimated *Implementation Costs*.
- Provision of guidelines for maintaining the plan.
- Final preparation of a *Report* to the Town with explanation of recommendations and methodology.

The following documents have been prepared for the Town of Groton, NH:

- Proposed Classification Plan
- Proposed Compensation Plan
- Market Data Analysis
- Position Analysis Questionnaire (PAQ)
- Updated Job Descriptions
- Position Rating Manual

## **EXECUTIVE SUMMARY**

### **Scope**

The study included a review of 14 positions that included a variety of appointed, elected, full-time, part-time, and stipend employees. This provided analysis of the job duties of each position, as well as the current salary structure. The Town desires to have a system in place that will be able to incorporate this wide range of varied positions with different types of pay systems into one similar plan.

### **Classification and Compensation**

Several meetings were conducted with Town officials throughout the project. An orientation session was provided for all employees. Interviews were conducted with at least one employee from each classification group. A thorough job analysis process of reviewing responsibilities of all positions was conducted. Job descriptions were developed and included reviews of drafts by employees and supervisors before they were finalized.

A thorough market analysis was conducted utilizing comparable municipalities. The following ten communities were reviewed, along with data from the Economic Research Institute that compiles data for the state average of several government positions:

- |           |                       |
|-----------|-----------------------|
| 1. Albany | 6. Randolph           |
| 2. Hebron | 7. Rumney             |
| 3. Lyman  | 8. Stark              |
| 4. Lyme   | 9. Sugar Hill         |
| 5. Orford | 10. Waterville Valley |

The job evaluation process establishes the relative value of jobs within an organization, whereby positions are analyzed, measured, and compared against a common set of criteria in a systematic and objective manner. A point-factor evaluation system was used that involved positions being rated on ten relevant factors, by one or two consultants, and then ranked and assigned a grade. (The factors are: Basic Knowledge, Training and Education, Experience, Complexity, Guidelines, Interactions with Others/Communication, Physical Demands of the Job, Work Environment, Independent Action, Supervisory Responsibility, and Consequence of Error). The Proposed Classification and Pay Plan includes grades that incorporate a blending of the point-factor system and the market data, along with other unique qualities that pertain to the Town of Groton.

## **The Plan**

The Proposed Classification and Compensation Plan was developed to provide the Town with a solid structure to equitably group similar valued positions within a grade. It provides a Compensation Plan with eight grades. Each grade includes a minimum, mid-point, and maximum hourly rate. The increases from minimum to maximum within each grade is approximately 44%, and there is 7% between most grade levels, thus providing growth for positions. Comparative data was considered to set the grade parameters, while the classification process controlled the internal assignment of positions to compensation levels. The new pay ranges provide Town officials with flexibility for hiring and placement levels based on education and experience, and allows for flexibility for performance achievements if desired in the future, as well as considering a wage adjustment system that recognizes the value of employee permanence and increased knowledge, perhaps in five-year increments. This would allow employees to move forward within their assigned pay grade.

There are three title changes recommended now, and an additional one in the future, when the status of the Road Agent position changes. Based on current salary data received on employees, a total of three employees are recommended to have salaries increased to bring their positions to the minimum salary in the grade assigned. (The positions are: Administrative Assistant, Custodian, and Transfer Station Attendant.) The elected position of Town Clerk/Tax Collector should be reviewed when the budget is established for any elected positions. It may warrant an increase in grade and salary, however it must be determined if the salary should reflect hours of a full time position or if the hours remain somewhat undetermined. It should be noted that the Administrative Assistant position should be classified as Exempt versus Non-Exempt. This study did not take into consideration performance, longevity, or special abilities of employees. Therefore, Town officials may determine that it is necessary to make further adjustments when placing employees within the proposed pay ranges, which could have potential additional cost that would need to be determined by the Town.

The projected cost to implement the proposed plan for a full year is a total \$5,040 to bring the hourly rates of the three employees to the minimum rate of the proposed grade, based on the number of hours they work. Options for a phased in approach, if needed, are discussed in the report. It is up to the Town to determine its ability to pay with regards to implementation of this proposed plan. Those employees falling below the grade range should be brought into the entry level of the grade which will assist with retention issues.

## **Pay-related Benefits**

This study did not review all benefits, other than looking at the possibility of having a performance evaluation system associated with merit pay increases in order for employees to progress through the new pay plan system. It is imperative that all supervisors receive appropriate training on the performance evaluation system in order to ensure equity and

consistency with evaluations. A brief review of Town benefits indicated that they are available only to full-time police and the Administrative Assistant, and also to the Road Agent and Town Clerk if they work 1600 hours.

### **Maintenance/Update**

The Town of Groton is provided with the tools to keep the Plan updated. The Rating Manual provided is to be used by the Administrative Assistant to assist with evaluating positions. Salary data should be reviewed at least every three years in order to remain competitive with the Town's salary structure.

### **Future Considerations**

In the future, the Town may consider reviewing the future responsibilities of the Administrative Assistant's position. If it expands the responsibility and authority of the position to that of a Town Administrator, the proposed Classification and Pay Plans provide additional grade levels to accommodate possible reclassification to a higher-grade level, if warranted. Additionally, during the course of this study, a full-time Police Chief was hired and incorporated into the Plan. If the status of the levels of rank within the department ultimately change as a result of this, the proposed system is able to accommodate a different structure of positions, if needed.

## PROJECT REPORT

### Details of the Methodology

In the Town of Groton, the evaluation of job descriptions, position classification, and compensation levels was undertaken for all employees included in the study. Employees were asked to complete position analysis questionnaires (PAQs) describing their duties, working conditions, physical requirements, supervision, required education, training and experience, tools, equipment, and technology requirements of the job. Following an analysis of these completed PAQs, on-site interviews were held with the employees. Position descriptions were drafted throughout the duration of the study and forwarded to the Town for employee and supervisor review and comment. Final position descriptions will then be updated by the Town and modified in the future as needed.

Throughout this process, position rating was done by the consultant team using the MRI/HRS Position Classification and Rating Manual. A copy of this manual is provided to the Town as a separate document. Initial rankings of positions were discussed with the Administrative Assistant and Board of Selectmen. The process of job rating is based solely on the duties and responsibilities of the position, and has no relationship to the abilities, performance, or longevity of the employee currently holding the job.

At the same time, salary data from Towns comparable to Groton was gathered and analyzed for as many positions as possible. Some of the factors reviewed in determining appropriate comparable Towns included items such as population, form of government, size of budget, income per capita, location, etc. A total of ten comparable municipalities were included in the salary market review, as well as the Economic Research Institute (ERI) which provides data on the state average for several municipal positions. Not all data contained comparable positions; however, the range received for most positions provided a good salary comparison. Data is being utilized from the following 10 municipalities, along with data from the Economic Research Institute:

- |           |                       |
|-----------|-----------------------|
| 1. Albany | 6. Randolph           |
| 2. Hebron | 7. Rumney             |
| 3. Lyman  | 8. Stark              |
| 4. Lyme   | 9. Sugar Hill         |
| 5. Orford | 10. Waterville Valley |

## CLASSIFYING AND COMPENSATING POSITIONS

### The Classification Plan

It is important to consider the objectives of (1) **Job Analysis** and (2) **Job Evaluation** when reviewing the proposed classification plan. Building the classification plan to incorporate it within the current plan involved both job analysis and job evaluation.

Of critical importance in the process of reviewing jobs are the inherent job factors and the particular skills or quality of work required of the position. A thorough **Job Analysis** produces, in general, five kinds of basic information to aid in this process:

1. Information about the *nature of work* (e.g., essential functions and purpose/objective of the position)
2. The *level of work* (e.g., degree of complexity and accountability)
3. *Job requirements* (e.g., the knowledge, skills, abilities, and other special requirements/characteristics needed to perform the job)
4. *Job qualifications* (e.g., minimum education, training, and experience needed to qualify)
5. *Working conditions* (e.g., the psychological, emotional, and physical demands placed on employees by the work environment)

As stated earlier, information about each position studied was obtained through detailed position analysis questionnaires (PAQs) and employee interviews. Employees were asked to describe their positions in detail on the PAQ form. New job descriptions have been developed from the information obtained from the PAQs and interviews.

**Job Evaluation** is a process that establishes the relative value of jobs within an organization. There may be several reasons for carrying out this process. The main ones are: (1) to establish the correct rank order or groupings of jobs, (2) to establish the relative distance between jobs within the ranking, and (3) to provide an objective measurement of job size for comparison with other jobs and enable salary comparisons to be made.

Job evaluation is the process whereby positions are analyzed, measured, and compared against a common set of criteria in a systematic and objective manner. Job evaluation does not produce a rate of pay. Rather, it produces a ranking of jobs in terms of “job content” around which a salary structure can be established. Similarly, the evaluation process does not measure an individual’s performance. The evaluation looks at the job, not the job holder; it assumes

that the job is being performed to a fully acceptable standard, and that all the identified requirements of a job are being met.

Using a point-factor evaluation system, positions were rated by the consultants, and then ranked and assigned a grade. Ten rating factors were used to rate all of the positions. These factors, detailed in MRI/HRS' Position Classification and Rating Manual, measured the requirements of each position in the following areas. While the following are capsule descriptions of each rating factor, the manual describes each factor in greater detail and by degree.

**KNOWLEDGE REQUIRED BY THE POSITION**

*This factor measures the basic knowledge or “scholastic content”; however, it may have been acquired, essential as background, or training to perform the job.*

**EXPERIENCE**

*Experience measures the length of time usually or typically required for the position, with the specified “basic knowledge, training and education,” to perform the essential work functions effectively under normal supervision.*

**COMPLEXITY**

*This factor covers the nature, number, variety, and intricacy of tasks, steps, processes, or methods in the work performed; the difficulty in identifying what needs to be done; and the difficulty and uniqueness in performing the work.*

**GUIDELINES**

*This covers the nature of guidelines and the judgment needed to apply them. Guides used may include desk manuals, procedures and policies, reference materials, and legal resources such as law books and codes.*

**INTERACTIONS WITH OTHERS/COMMUNICATION**

*This factor measures the relative level of human interaction and the responsibility which goes with the job for meeting, dealing with, and influencing other persons.*

**PHYSICAL DEMANDS OF THE JOB**

*This factor measures the degree of physical effort or exertion required in the performance of essential work functions under regular conditions. Physical activities include manual labor, standing, walking, etc., as well as the exertion of physical force for short periods.*

**WORK ENVIRONMENT**

*This factor considers the risks and discomforts in the physical surrounding, or the nature of the work assigned and the safety regulations required.*

**INDEPENDENT ACTION**

*This factor evaluates the nature of the instructions, direction, control, and/or monitoring which a position receives, and the supervision received.*

**SUPERVISORY RESPONSIBILITY**

*A number of factors should be considered in addition to the number of people supervised to include; type of supervision, accountability of responsibility for results, responsibility for personnel actions; and budget development and control through subordinates.*

**CONSEQUENCE OF ERROR**

*This factor measures the impact of errors made in the course of work to include error detection and the probable effect of errors based on the degree to which the work is checked.*

As mentioned previously, job rating is not synonymous with performance evaluation. The position, not the incumbent, is evaluated, assigned points, and a grade derived. The process described in the MRI/HRS Rating Manual, submitted as a separate document, increases the uniformity and objectivity in the application of judgments about positions and the groupings of positions. This process can be used to update the classification plan, to determine how to place new positions in the plan, and to re-grade a current position with adjusted duties to a different grade. Samples of the *Position Rating Summary Sheet* are included in the Manual along with the *Points Assigned to Factor Degrees*. A custom *Grade Determination and Conversion Scale* was developed for Town of Groton.

**Market Survey and Developing the Compensation Plan**

Municipal Resources, Inc. conducted a thorough salary review and market analysis to determine the market competitiveness for positions included in this study. To measure the pay rates among competitors for these positions, MRI reviewed salary data from the ten municipalities for as many positions as possible. The summary and results of the review are provided in Appendix A.

All of the comparative data is FY-16 information and detailed on the charts. For each position analyzed, data points were collected from the labor market. The data points indicate the amount of salary information for each position surveyed. In some instances: (1) the Town did not have a comparable position; or (2) the consultants determined that the position was not comparable to the position in Groton. MRI used professional discretionary judgment when comparing positions to the comparable data. The consultants analyzed both the market data (hourly and stipend rates) and the position ratings when placing the position on the compensation/classification plan. While this market analysis and information provides the Town with benchmark salary data to set the parameters for compensation decisions, the client

must also consider the “uniqueness” of certain positions in the organization, as well as the Town’s ability to pay. The following is the analysis definitions for the data collected and presented in the charts.

- All comparative market data collected is FY-16 salary and wage information.
- Certain salary/wage data collected has been pro-rated to hourly for comparative purposes only. Certain salary/wage data collected has been annualized for comparative purposes only.
- For each position analyzed, data points are collected from the labor market. The **Data Points** indicate the amount of salary information for each position surveyed. In other words, the number of Towns that reported data for a particular position.
- In each cell, the top number indicates the minimum salary the community pays and the bottom number indicates the maximum salary the Town pays.
- The **Average** is the sum of the survey readings divided by the number of the Towns reporting. The **Average** shows the average minimum salary among the comparables over the average maximum salary/wage among the comparables.
- The **Range** shows the lowest minimum salary among the comparable Towns and highest maximum salary among the comparables.
- In some instances: (1) the Town did not have a comparable position; (2) the consultants determined that the position was not comparable; or (3) the information was not made available to the consultants.
- Due to the uniqueness of the mixture of stipends and hourly rates for some positions, a chart is also included that evaluates the Annual Pay/Allowance and displays the average for each position included.

### **Description of Compensation and Classification Plan**

Setting the rates of pay for jobs on the position hierarchy results in what is called a “pay structure”. When reviewing or developing pay rates, a number of major policy decisions need to be made. For example: How should the pay level relate to the market? For what does Town want to pay (i.e. job content, seniority, performance, cost of living, etc.)? How does the Town currently pay its employees? The resulting compensation plan should reflect the Town’s pay policies, the market place, internal job values, and the financial ability of the Town to pay at a given level. These are all questions that the Town of Groton should take into account when reviewing the current structure, along with discussing any new structures or position changes.

The proposed Classification and Compensation Plan is presented in Appendix B. Pay ranges were set for groups of positions that the consultants determined should be paid equally. There are **8 grades** on the compensation plan. Each grade includes a minimum, mid-point, and maximum. The total increase from minimum to maximum within each grade is *approximately 44%*. Overall, there is **7%** between most grade levels. Comparative data was considered to set the grade parameters, while the classification process controlled the internal assignment of positions to compensation levels. Currently, the Town of Groton does not have any formalized consistent system in place. After an employee is hired, there is currently no system for employees to progress through a salary range, other than varied increases approved by the Board of Selectmen.

Ideally, when salaries of positions fall within 10% of the average range of comparable communities, it is an indication that pay ranges are fairly equitable. This is a factor that was evaluated by the consultants when preparing a new system.

Pay ranges are in place in order to provide Town officials with more flexibility for hiring and placement levels based on education and experience, and also allows for flexibility for performance achievements if desired. In general, the pay ranges on the new proposed salary schedule were developed utilizing the average market salaries and blended with the point factor rating system. The schedule shows the hourly rates for employees. Additionally, in the future, the Town may want to consider tying the proposed compensation plan with a more formalized and contemporary performance appraisal system, as well as implement a wage adjustment system that recognizes the value of employee permanence and increased knowledge. Such a wage adjustment could be implemented in five-year increments. These options allow the staff to move further within their grade level. For staff at the top of the scale, a bonus system for recognizing merit is recommended.

This is a base salary plan and does not include compensation for longevity, special pay, benefits, or other compensation. It is up to the Town to determine its ability to pay with regards to implementation of the proposed compensation plan. At a minimum, those employees falling below the grade range should be brought into the entry level of the grade ranges. This study did not take into consideration performance, longevity, or special abilities/talents of employees. Therefore, Town officials may determine that it is necessary to make further adjustments when placing employees within the proposed pay ranges. Based on salary data provided, it appears that a total of three employees fall below the entry grade level, and it is recommended to have salaries increased to bring their positions to the minimum salary in the grade assigned. (The positions are: Administrative Assistant, Custodian, and Transfer Station Attendant.) The Administrative Assistant's position should be classified as an Exempt salaried position.

The projected cost to implement the proposed plan for a full year is a total of \$5,040 to bring the hourly rates of the three employees to the minimum rate of the proposed grade, based on the number of hours they work. Options for a phased in approach, if needed, are discussed in the report. It is up to the Town to determine its ability to pay with regards to implementation of this proposed plan. Those employees falling below the grade range should be brought into the entry level of the grade, which will assist with retention issues.

A general benchmark for reaching the mid-point within a pay range is five years; however, this can vary. The Town may desire to increase specific salaries of employees based on factors discussed, and if this is done, there would be an additional cost that would need to be determined by the Town for implementation.

### **PAY-RELATED BENEFITS**

While this study did not review all benefits, it reviewed briefly the structure of benefits and determined that benefits are available only to full-time police and the Administrative Assistant, and also to the Road Agent and Town Clerk, if they work 1600 hours. The study did look at the possibility of having a performance evaluation system associated with merit pay increases in order for employees to progress through the new pay plan system. It is imperative that all supervisors receive appropriate training on the performance evaluation system in order to ensure equity and consistency with evaluations. The option of implementing a wage adjustment system that recognizes the value of employee permanence and increased knowledge, perhaps in five-year increments, should also be explored as a system for employees to progress through the salary range.

### **IMPLEMENTATION AND OTHER RECOMMENDATIONS**

The following sections are intended to assist and guide the Town in implementing the proposed classification and compensation plan. Successful implementation will require a concerted effort by Town officials and employees to make equitable judgments in a consistent and objective manner.

#### **Initial Placements for Current Employees**

The placement of two or more positions on a certain grade represents a judgment that those positions should be compensated comparably within the range provided. The range is similar to a scale providing Groton with the opportunity to make distinctions between employees (not positions) based upon established criteria, applied consistently. These criteria might include special abilities, experience, longevity, and/or any other factors determined by the Town.

## **Title Change**

At this time, it is recommended to change the following titles, which have been incorporated in the Proposed Classification Plan:

<b><u>Current Title</u></b>	<b><u>Proposed Title</u></b>
Janitorial	Custodian
Road Agent Assistant	Laborer
Road Agent Assistant	Equipment Operator

(Note: there are currently two types of positions functioning with the same title of Road Agent and it is recommended there be two different positions, i.e., Laborer and Equipment Operator.)

These changes better reflect the current titles utilized in the majority of municipalities. Additionally, as the Road Agent position will become an appointed position effective in March, at that time, it is recommended to change the title to either Highway Superintendent or Public Works Director. The Road Agent title is one utilized primarily for elected positions.

## **Salaries Below Pay Range**

If the salary of an employee is below the minimum of the grade range at the time of implementation, every effort should be made to bring it into the grade range. At the time of this study, MRI found that three employees are below the minimum of the grade proposed based on the salary data provided. It is recommended the Town bring these positions at minimum to the entry-level rate within the proposed grade. The projected annual cost to do this is \$5,040 annually. If this cannot be accomplished immediately, a phased in approach could be considered with a possible delay of implementation date of July, or to implement one-half of the costs over two fiscal years.

## **Salaries Above Pay Range**

To maintain morale and a sense of fairness, MRI recommends Groton not reduce the compensation level of any current employee. If an employee's current salary falls above the upper limit of the recommended grade range, the Town should maintain the employee's salary above the maximum for the grade until the employee retires or separates from the Town. This is called "red-lining" a position. New employees can be hired at the appropriate lower pay. Currently, no employees appear to fall within this category. MRI recommends a single administrative policy be adopted and subsequently applied in all cases. There may be other reasons specific employees fall above the pay range, such as having additional responsibilities they were compensated for or possess unique additional qualifications the Town believes is necessary. Most communities adhere to the range maximums and do not permit employee

salaries to extend beyond the maximums. Groton should also continue to grant cost-of-living increases to those employees who have reached maximum level within the grade range if a COLA is granted.

### **Classification versus Market-Based Systems**

The most common method for valuing jobs and placing them within a grading structure is a market-driven approach. However, today many municipalities are becoming concerned about the internal equity of positions and are looking at classification systems to assist in correcting this problem of “internal pay equity”. The combination of reviewing the market study, along with the point factor system, provides an opportunity to address this.

### **Vacancies**

When a vacancy develops, it is a good time to automatically review the position. This may involve a job analysis, updating the job description, and reviewing the market for the particular position.

### **Update and Maintain the Classification and Compensation Plan**

The Town should maintain and update the classification and compensation plan on a regular basis. This would include the following tasks:

- Conduct regular position reviews to assure positions have current functional job descriptions that are based on job content.
- Conduct job analysis of new positions to assure these positions are properly assigned to a grade.
- Review positions to ensure internal equity in relationship to other municipal classifications.
- Conduct periodic salary surveys (every three years) to ensure market competitiveness.

### **Implementation of Pay Plan**

Our study results indicate that for the Town of Groton to maintain a competitive edge with the market and retain qualified employees, the proposed salary schedule should be implemented. MRI received sufficient and extensive data for this analysis and the findings are valid. It is recommended that the new system be implemented as soon as possible. The Town may want to consider some type of new merit evaluation system and/or wage adjustment, recognizing

the value of employee permanence and increased knowledge, in order for employees to move forward through the new pay range within their assigned grade level.

If the Town desires to continue to pay some of the positions that work limited hours each year a stipend, it can continue to do so. However, it will have a valid Classification Plan that can be utilized to place the position within a grade level in the future, should the volume of hours and work expand that could warrant considering an hourly rate of pay.

### **Implementation of Classification Plan**

The Town should implement MRI's proposed Classification Plan in order to have a valid structured system that complements the salary schedule. The attached Classification Plan includes positions and/or re-titled positions, and should be implemented in accordance with the Town's funding implementation.

### **Cost-of-Living**

If a cost-of-living percentage increase is granted annually, it should be applied to the entire salary schedule and updated. This raises the compensation rates for the entire compensation schedule equal to changes in the cost-of-living. This COLA can be determined by the CPI (Consumer Price Index) or what surrounding communities are implementing for an annual cost-of-living.

### **Pay related Benefits**

This study did not review all benefits, other than looking at the possibility of having a performance evaluation system associated with merit pay increases in order for employees to progress through the new pay plan system. This is one option to consider. If plans are to implement this type of system, all supervisors responsible for evaluations, should first be trained on how to conduct proper evaluations in order to ensure consistency and an equitable system. The Town should also consider the addition of recognizing the value of employee permanence and increased knowledge for all positions as previously discussed.

### **Future Considerations**

In the future, the Town may desire to consider reviewing the responsibilities of the Administrative Assistant's position. If it ultimately desires to provide more authority and responsibility than that of a Town Administrator's position, the proposed Classification and Pay Plans provide additional grade levels that would allow reclassification to a higher level grade if warranted, that could reflect the expanded responsibilities. The status of the levels of positions in the Police Department may also warrant additional review in the future. During the course of this study, the Town hired a full-time Police Chief's position which is reflected in the

proposed Classification and Pay Plan. The new system allows for future modification if the rank structure of positions within the Police Department changes.

### **CONCLUSION**

The Town of Groton's compensation program had fallen somewhat behind the labor market for some positions, which is evident in the data and analysis included in this report. Some of this is due to Groton not having any type of structured Classification and Compensation system in place that provides for the progression of salaries for employees, which results in the retention of qualified employees. There has been high turnover in several positions. The implementation and maintenance of the recommended Classification and Compensation System will significantly assist the Town with both the recruitment and retention of a qualified work force. MRI received sufficient and extensive data for this analysis and is confident in the market results. The positions can be placed on the new pay scale with updated classifications and job descriptions, and salary changes implemented pending funding.

The Municipal Classification and Rating Manual will provide the Town of Groton with further assistance in evaluating both current positions and newly established positions. It should be utilized in addition to market data when determining the appropriate grade levels for positions.

Market surveys should be conducted every three years. This proposed Classification and Compensation Plan should be viewed as only one step in the development of a total compensation program. The methodology will be of assistance in furnishing improved tools and guidance to management personnel. Ensuring that job descriptions, salary, and classification plans are regularly reviewed, and have valid methodologies, will ultimately improve the management of compensation for all positions.

Since both the Town and the labor market are active and subject to constant change, it should not be expected that this plan will provide solutions to all salary problems, nor will it eliminate the need for mature judgment in the administration of salaries. However, it does provide a framework within which most salary matters can be handled.

Municipal Resources, Inc. has provided the Town of Groton with the methodology, guidelines, and tools to maintain the Classification and Compensation Plan. Used together, job evaluation and salary surveys equip the Town with the information needed to maintain a sound and consistent pay structure. Thus, the employees are assured of being compensated on an equitable basis compared with their internal colleagues in the organization, and are assured that their compensation is on par with external competitors too. While both job evaluation and salary surveys attempt to achieve consistency in the wage structure, they use different criteria to evaluate consistency (i.e. internal vs. external comparison). This methodology works at striking a balance between internal and external pay equity.

Please review the attached key documents to this report.

**DISCLAIMER**

Although every effort has been made to ensure the accuracy and completeness of this report, Municipal Resources, Inc. cannot be responsible for any errors of positions, salaries, and wages of other organizations as positions and salaries are always changing. Nor can we be responsible for the changes in any laws or regulations that may affect the positions studied.