

Town of Charlotte Salary Administration Policy

Approved: January 12, 2015

Revised: March 14, 2016

Revised: July 9, 2018

Revised: June 13, 2022

Revised: December 11, 2023

This document explains the logic used in creating the Town of Charlotte's competitive salary ranges and the compensation practices that are used to support these salary ranges.

The Town of Charlotte's Compensation Philosophy:

The Town's approach to compensation is to provide attractive, flexible, and market-based salary ranges that are aligned with maintaining a sound fiscal structure, and that recognize our most valuable asset, our people. The Town believes in providing competitive wages to enable us to compete for talent, but also to ensure that our employees know that we value the contributions they make to our community. Investing in our staff is critical to ensuring the long-term achievement of our organizational mission in service to our community. The Town is committed to offering a blend of compensation and benefits that are reviewed on a regular basis against local, industry-specific data to ensure the value proposition remains competitive.

Creation of the Town of Charlotte competitive salary ranges:

Determining the competitive salary range for a position is both a science and an art. The data are from salary surveys that can never represent the market perfectly, which is why a variety of sources to pull data are used. In smaller organizations, there is often greater variation between a position's responsibilities in that organization and a "standard" or more generic description typically found in salary surveys. As a result, positions with the same job titles in different organizations may have somewhat different responsibilities. Making the right comparisons is therefore crucial to the usefulness of this policy.

The competitive pay ranges for the Town positions are influenced by the following factors: pay rates for similar positions across other organizations and pay rates for comparable positions in Vermont towns and businesses of similar size and revenue, particularly the pay rates of Vermont businesses and municipalities in Chittenden County. The most important data for any analysis is from the recruiting area from which organizations recruit their employees.

Establishing quartiles and understanding the logic used to determine placement within the range:

Step 1: The quartiles were then given the following definitions.

- *First Quartile* (from the minimum up to halfway to the midpoint of the range): The first quartile of the range is usually intended for individuals who are new to the position, are in a learning situation, and/or do not have substantial experience in the new role.
- *Second Quartile:* The second quartile of the range is intended for employees who have gained experience and skills and are becoming more proficient in the job for which they were hired. They generally meet expectations in their positions.
- *Midpoint:* The midpoint usually represents the market rate for this position and represents a fully experienced employee that is meeting all expectations at that level.
- *Third Quartile:* The third quartile is typically reserved for experienced employees who frequently exceed expectations.
- *Fourth Quartile:* The fourth quartile of the range is normally reserved for individuals who are consistently exceptional performers and who have extensive experience. This is also where employees with a lot of tenure should most likely be.

Step 2: The following factors are considered when determining placement into the appropriate quartile.

- Skills and education
- Professional experience
- Tenure with the organization
- The organization's budget
- External market influences

Job Descriptions:

Every position within the Town shall have an accurate job description. A job description is a useful, plain-language tool that explains the essential job responsibilities, credentials and experience required for success in the position, competencies, physical characteristics, and environmental factors. Our job descriptions should give employees a clear and concise resource to be used as a guide for job performance. Supervisors should use the job description as a tool to ensure that the employee is meeting job expectations. A formal review of all job descriptions shall happen every 3 years.

Definitions.

1. **Essential job responsibilities:** A description of the duties and responsibilities of a particular position.
2. **Credentials and Experience:** The minimum level of education, experience, and certifications acceptable for the position.
3. **Competencies:** Inherent qualities an individual possesses; combining knowledge, skills, and ability.
4. **Physical characteristics:** The physical attributes an employee must have to perform the essential job duties with or without a reasonable accommodation.
5. **Environmental factors:** Typical working conditions (inside or outside the office, night and weekend hours).

Factors considered when creating and/or reviewing a job description.

1. Interview the incumbent to find out exactly what tasks are being performed.
2. The Supervisor observing how tasks are performed.
3. Supervisor shall provide input to ensure accuracy.
4. Have updated job descriptions reviewed by an HR Consultant and/or employment attorney to ensure legal compliance.

In addition to the 3-year review:

Re-evaluation may be appropriate for a new hire or if the content of a job has changed significantly (i.e., the responsibilities have changed by more than 15% resulting in a potential job description/title change, such as:

1. Department reorganization resulting in position restructuring
2. Addition/Deletion of areas of responsibility
3. Expanded/Reduced level of authority leading to an increased or decreased impact of decisions
4. Addition/Deletion of leadership role or supervisory duties

Information required to conduct a detailed re-evaluation or to create a new position:

1. Submit a written justification to the Town Administrator requesting a re-evaluation to include a business case for the change, and other factors that would be helpful to understand the revised position and how it relates to other positions in the Town.
2. Current and proposed revised job description.
3. Current and proposed revised organization chart, if applicable.
4. The request shall be reviewed by the Selectboard for approval.

5. On occasion, a job re-evaluation could result in the restructuring of the competitive salary range. If the Selectboard agrees that a new competitive salary range might be needed, the request shall be reviewed by the HR Consultant. Selectboard shall have final approval.

Process if an employee disagrees with where they fall within their competitive salary range:

1. Discuss with your Supervisor and provide a business case supported with data. If the Supervisor agrees, the issue should then be raised to the Town Administrator.
2. The Supervisor shall meet with the Town Administrator to discuss the business case. The Town Administrator shall then present the business case to the Selectboard; if warranted, the Selectboard shall have the HR Consultant review. Selectboard shall make the final decision.

Annual salary increases

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

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

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

1. Cost of Living Adjustment (**COLA**) as described below;
2. A **salary increase percentage** as described in Table 1 ‘Salary Increase Eligibility Schedule’ below.

Cost of Living Adjustment (COLA):

A COLA may be determined annually by the Selectboard during budget preparation for the subsequent fiscal year beginning on July 1. The Selectboard may use any indexes it deems relevant. The Selectboard may use a variety of processes to determine any COLA adjustment. The COLA shall never be less than 0%.

Determining salary increase percentage:

The logic behind any disparity of salary increase percentage is an attempt to maintain equity and prevent broad salary gaps between higher compensated employees with longer tenure when compared to recent hires. As per this policy, an annual salary increase is not mandatory and any decision to increase a salary by any percentage will first and foremost be guided by the fiscal health of the town and the fiduciary responsibility of the Selectboard. Additional guiding factors considered for any salary increase percentage include, but are not limited to: employee performance, organization success, tenure, economic conditions, and the salary quartile the incumbent falls into. Guidelines in determining any salary increase may depend on an employee’s quartile. Any percentage increase will be set by the Selectboard and will be made on a case-by-case basis.

Salary Increase Eligibility Schedule

Salary Increase	Increase on July 1
1 st Quartile	Up to 3% + COLA
2 nd Quartile	Up to 2.5% + COLA
3 rd Quartile	Up to 2% + COLA
4 th Quartile	Up to 2% + COLA

(Ref. Town of Charlotte Data V22)

Recommendations for the next year's fiscal year shall be presented to the Town Administrator between the months of October and December by their respective Supervisors. Included with the recommendation should be a business case explaining their logic. These recommendations shall be presented to the Selectboard for review.

Relevant experience for new hires and internal job changes:

Relevant experience is defined as experience in the same or very similar job.

New Hires:

New employees with less than 10 years of relevant experience shall be placed within the 1st quartile of their competitive salary range based on prior relevant experience and applicable market conditions. The new employee shall then advance annually as described in the earlier section. A new hire with no relevant experience shall most likely be placed on the MIN of the first quartile of that position's competitive salary range. Such new hires may be placed higher than the 1st quartile if there are unusual circumstances, which must be detailed in a written justification memo.

New employees with more than 10 years of relevant experience may be placed within the 2nd quartile of their competitive salary range based on prior relevant experience and applicable market conditions. Such new hires may be placed higher than the 2nd quartile if there are unusual circumstances, which must be detailed in a written justification memo.

Selectboard approval is required for all salary decisions.

Internal promotions or job changes

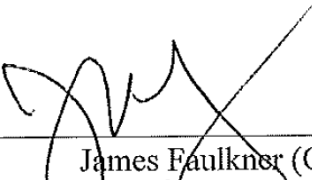
In the case of internal promotions or job changes, prior relevant experience shall be determined in the same way as for new hires and shall include the employee's prior internal experience. The employee shall be placed within the appropriate salary quartile consistent with the determined years of prior relevant experience. A written justification memo and Selectboard approval is required for internal promotion or job change salary decisions.

Salary Program Administration

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 representative of the Board of Trustees from the Library may be invited to participate.

Revision approved by the Selectboard on December 11, 2023.

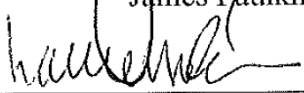
Signed:



James Faulkner (Chair)



Frank Tenney (Vice Chair)



Louise McCarren

Lewis Mudge

Kelly Devine