

Pay and Compensation Subcommittee Report
For
The Town of Strafford, VT

November 25, 2015
Final Report Submitted to the Town of Strafford

November 18, 2015
Presented to the Selectboard

The Pay and Compensation Subcommittee was appointed by the Town of Strafford Selectboard on April 8, 2015. Subcommittee members include Victoria Lloyd, Chair, Martha Walke, Secretary, Mark Castro, Bob Bushway, Steven Gex, and Toni Pippy, Selectboard member.

The Subcommittee wishes to thank all of the six towns asked to participate: Chelsea, Fairlee, Pomfret, Rochester, Sharon, and Tunbridge. Without their input and assistance this report would not have been possible.

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APPENDICIES (Available upon request electronically)

APPENDIX A: Nelson A. Rockefeller Center Report: *Administrative and Road Crew Salaries, A Comparative Assessment of Vermont Town's*, Rockefeller Comparative Assessment of Vermont's Towns 1415-08 May 27, 2015, Revision November 13, 2015

APPENDIX B: *Town Clerk/Treasurer and Road Crew Pay & Compensation Survey*

APPENDIX C: Numerical data collected from the *Town Clerk/Treasurer and Road Crew Pay & Compensation Survey*

APPENDIX D: Numerical and narrative data collected from the *Town Clerk/Treasurer and Road Crew Pay & Compensation survey*

APPENDIX E: Town of Chelsea documents

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APPENDIX G: Town of Pomfret documents

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APPENDIX I: Town of Sharon documents

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I Executive Summary

This report was completed as a result of concerns raised at Town Meeting 2015 about unsustainable spending on pay and compensation. This report includes analysis of data collected from other Vermont towns and offers recommendations to the Town of Strafford based on that data.

Until now, pay and other compensation (e.g., benefits) provided by the Town of Strafford to its employees and elected officials had been considered to the exclusion of the other. This prevented a clear understanding of the total compensation for each town employee and elected official. The goal of this report is to assist the Town in better understanding the totality of its current pay and compensation spending and to assist the Selectboard in its decision-making regarding pay and compensation for town employees and elected officials.

The report includes information from *A Comparative Assessment of Vermont's Towns* by the Nelson A. Rockefeller Center at Dartmouth College and the *Town Clerk/Treasurer and Road Crew Pay & Compensation Survey* results from six towns identified to be comparable to Strafford in population; tax revenue; and miles of class 2, 3, and 4 roads.

The Rockefeller *Comparative Assessment of Vermont's Towns* found that Strafford's administrative (not including the Town Clerk/Treasurer rate of pay) and road crew rates of pay were higher than expected given the population size of Strafford, the number of hours that the Town Office is open, and property tax revenue. On average, the 49 surveyed towns spent \$50,400 on administrative salaries, while Strafford spent \$86,025. The towns spent \$115,887 on road crew salaries on average, while Strafford spent \$179,774 on road crew salaries.

The Subcommittee's *Town Clerk/Treasurer and Road Crew Pay & Compensation Survey* found pay and compensation to be higher for the Town of Strafford administrative staff and road foreman, not including the Town Clerk and Treasurer position. The Town of Strafford administrative staff and road crew receive 90% of a platinum healthcare plan for single, two-person or family. Four of the six towns surveyed extend healthcare benefits only to their employees or elected town officials calculated either by a percentage or fixed amount. The two towns that offer healthcare benefits to family members do so by offering a smaller percentage of the higher two-person or family premium. No town other than Strafford paid a holiday bonus to its employees. In all towns, no employee working less than twenty-hours per was afforded any vacation or sick/personal days. The retirement benefit for the Town of Strafford was in line with the offering of those towns that provided that benefit; two towns surveyed, Fairlee and Pomfret, did not offer any retirement benefit.

II Introduction

This report was completed as a result of concerns raised at Town Meeting 2015 about unsustainable spending on pay and compensation. This report includes analysis of data collected from other Vermont towns and offers recommendations to the Town of Strafford based on that data. We did not review any individual employees, but instead reviewed compensation for different positions based on job titles and job descriptions. We did not evaluate the scope or quality of work performed by any employee and drew no conclusions nor made any recommendations concerning job performance.

In a letter dated April 11, 2015 the Selectboard stated, “the purpose of the Pay and Compensation Subcommittee was to review Strafford’s current pay and classification and compensation plan for our town employees, compare what is offered with other towns of our size and circumstances, and make recommendations for pay and compensation of town’s employees to the Selectboard.”

Until now, pay and other compensation (e.g., benefits) provided by the Town of Strafford to its employees and elected officials had been considered to the exclusion of the other. This prevented a clear understanding of the total compensation for each town employee and elected official. The goal of this report is to assist the Town in better understanding the totality of its current pay and compensation spending and to assist the Selectboard in its decision-making regarding pay and compensation.

The information contained in this report came from three sources: *A Comparative Assessment of Vermont’s Towns* by the Nelson A. Rockefeller Center at Dartmouth College (referred to as Rockefeller *Comparative Assessment of Vermont’s Towns* within the report); *Town Clerk/Treasurer and Road Crew Pay & Compensation Survey* (referred to as the Survey), and the Vermont League of Cities and Towns Handbooks on pay and compensation.

A Comparative Assessment of Vermont’s Towns by the Nelson A. Rockefeller Center at Dartmouth College was presented on May 27, 2015 to the Selectboard. The data in this publication reviewed annual salaries in 49 Vermont towns. When the Pay and Compensation Subcommittee carefully reviewed the report, we noted that the Town of Strafford’s administrative assistant’s and one road crew member’s compensation had been omitted in both the total for administrative and road-crew salaries. The Subcommittee requested corrections to the data and figures in the report, and we received a corrected document on November 12, 2015 (Appendix A).

The Pay and Compensation Subcommittee created a *Town Clerk/Treasurer and Road Crew Pay & Compensation Survey* (Appendix B) that was distributed to six towns with similar population size; tax base; and mileage of Class 2, 3, and 4 roads (Table 1). The Subcommittee used the Vermont League of Cities and Towns Handbooks to choose towns for comparison. Criteria considered included taxes collected; population size; and miles of class 2, 3 and 4 roads.

Table 1. Towns used as a reference in evaluating pay and compensation for town employees and elected officials in Strafford, and their population size, grand list value, annual tax collections, and road mileages by road class. Information is from the Vermont League of Cities and Town Handbooks and reflect 2013 values.

Town	Population	Grand List	Taxes	Road Class and Miles		
				Class 2	Class 3	Class 4
Chelsea	1,241	\$115,802,000	\$607,171	8.76	51.54	10.96
Fairlee	980	\$199,340,000	\$870,561	5.56	11.47	6.66
Pomfret	898	\$217,000,000	\$886,922	14.65	47.75	6.11
Rochester	1,126	\$150,803,000	\$764,835	12.24	38.67	8.61
Sharon	1,497	\$149,799,000	\$926,863	14.52	33.14	6.62
Strafford	1,102	\$159,904,000	\$990,452	15.74	51.85	12.85
Tunbridge	1,288	\$155,580,000	\$1,056,656	4.84	65.92	12.85

The Subcommittee circulated the *Town Clerk/Treasurer and Road Crew Pay & Compensation Survey* via email to the six towns chosen. The Survey ensured that the same information was collected from each town. When necessary for clarification, town officials were consulted by phone and additional information was requested. The Survey was compiled in a spreadsheet and reviewed for completeness by the Subcommittee. The numerical data collected from the *Town Clerk/Treasurer and Road Crew Pay & Compensation Survey* allowed the Subcommittee to easily see trends (Appendix C). When numerical values were not available, narrative was collected and included with the numerical information (Appendix D).

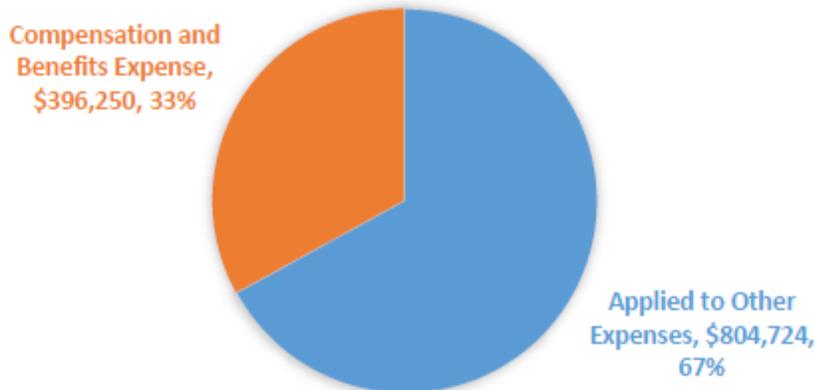
The *Town Clerk/Treasurer and Road Crew Pay & Compensation Survey* pay data was requested in the form of an hourly rate for each position, in contrast to the *Rockefeller Comparative Assessment of Vermont’s Towns* that was collected in the form of annual salaries.

The Subcommittee met between April 30, 2015 and November 12, 2015. The resulting analysis and recommendations are a result of review of the Subcommittee Survey results and the *Rockefeller Comparative Assessment of Vermont’s Towns*.

III Town of Strafford

The Town of Strafford will spend 33% of the taxes approved by voters on compensation in 2015. The amount of \$396,250 accounts for pay and benefit compensation for six full-time and one part-time position. Two full-time and one-part-time positions are in the town office. The road crew comprises four full-time positions, including one full-time road foreman position.

AMOUNT APPROVED BY THE VOTERS AT THE 2015 TOWN MEETING \$1,200,974



1. Town of Strafford –Town Office and Administrative Staff

The Strafford town office is open 36 hours per week. The Rockefeller *Comparative Assessment of Vermont's Towns* found that the surveyed towns with an average population of 1,091 were open 27 hours per week. Other offices were found to be open between 10 to 49 hours per week, with Barre open 50 hours and Brattleboro open 43 hours per week (Appendix A, page 4).

The Town of Strafford has 90 hours of staffing per week between the Town Clerk/Treasurer, Assistant Town Clerk/ Treasurer, and an administrative assistant. The Subcommittee Survey found that Chelsea staffed their office for 62 hours per week. Fairlee staffed their office for 82 hours per week. Pomfret staffed their office for 42 hours per week. Rochester staffed their office for 72 hours per week. Sharon staffed their office for 105 hours per week. Tunbridge staffed their office for 54 hours per week.

The Town of Strafford combines the Town Clerk and Town Treasurer position. The Rockefeller *Comparative Assessment of Vermont's Towns* found that of 49 surveyed towns, 19 (39%), have combined offices for Town Clerk and Town Treasurer while 30 towns (61%), have separate offices for Town Clerk and Town Treasurer. Although the Town Clerk/Treasurer is an elected position, the Town Clerk/Treasurer has chosen to follow the Town of Strafford Personnel Policy and be compensated within the town employee structure and received benefits accordingly. For a town clerk and treasurer position to follow a town's personnel policy is strictly at his or her discretion.

When assessing the comparative administrative salaries for Strafford and the 48 other surveyed towns, the Rockefeller *Comparative Assessment of Vermont's Towns* calculated the salaries for combined town clerk and town treasurer positions and their respective assistants with regard to town

population, hours town offices are open per week, and property tax revenue. The 49 towns surveyed have average annual property tax revenue of \$1,216,732 and median property tax revenue of \$1,078,175. Strafford's property tax revenue is \$927,000. On average, the surveyed towns spent \$50,400 on administrative salaries, while Strafford spent \$86,025. The median of combined administrative salaries was \$47,888. With regard to combined town clerk and town treasurer positions, the surveyed towns averaged a salary of \$45,528 with a median salary of \$39,795. The Strafford Town Clerk/Treasurer earns \$42,806. For combined assistant clerks and treasurers, the surveyed towns paid an average of \$14,998 in salaries with a median of \$10,140. The Strafford Assistant Town Clerk/Treasurer and Administrative Assistant earn a combined \$43,219.

When comparing the combined salaries of Town Clerks, Treasurers, and their assistants in surveyed towns, Strafford's compensation appears significantly higher than would be predicted for the number of hours its office is open each week, and the correlation between administrative salaries and town office hours open per week is strong according to the Rockefeller *Comparative Assessment of Vermont's Towns*.

The Subcommittee Survey corroborated the findings of the Rockefeller *Comparative Assessment of Vermont's Towns* and also found that no town employed an administrative assistant and rarely employed an Assistant Town Clerk/Treasure unless coverage was needed during vacation or on an as needed basis.

2. Town of Strafford –Road Crew and Road Foreman

The Town of Strafford road crew consists of three full-time road crew members and a full-time road foreman. The road crew works a total of 160 hours per week, which the Subcommittee found to be consistent with the other six towns surveyed. The Subcommittee did not collect any information on the road crew for the Town of Fairlee because road work is entirely contracted out for the 17.03 miles of Class 2 and 3 roads and was determined not to be appropriate for comparison.

The Rockefeller *Comparative Assessment of Vermont's Towns* assessed the comparative road crew salaries for Strafford and the 48 other surveyed towns with towns similar in town population, property tax revenue, total miles of road, and miles of Class 2, 3 and 4 road. The 48 towns averaged 62 total miles of road, with an average of 11 miles of Class 2 road, 33 miles of Class 3 road, and nine miles of Class 4 road. Strafford has 80 total miles of road, 16 miles of Class 2 road, 52 miles of Class 3 road and 12 miles of Class 4 road. On average, the surveyed towns spent \$115,887 on road crew salaries, with a median of \$110,444. Strafford spent \$179,774 on road crew salaries.

The Subcommittee Survey found that Town of Strafford road-crew salaries were in line with the five towns surveyed; however, the road foreman salary was significantly higher than in comparable towns. This is likely explained by a Selectboard decision in 2012/2013 to make the road foreman position a

straight salaried position, and not subject to overtime compensation. The Subcommittee found no other town with a salaried road foreman position. All road crew members and supervisory positions were paid for hours worked as well as paid overtime.

Of the five towns surveyed for road-crew positions, all but one provided a clothing allowance or uniform service to all road-crew positions. This is consistent with the \$700 per employee annual clothing allowance reimbursement for the Town of Strafford road crew and road foreman positions.

The Town of Strafford Selectboard had tasked the Subcommittee with creating a graded pay scale for road crew members based on years of experience, education, and continuing education. However, there was insufficient information available gathered through the Survey and insufficient time to complete the necessary research. The Subcommittee found no town comparable to Strafford that had a graded pay scale in place.

IV Trends from the Subcommittee Survey

Four of the six towns surveyed extend healthcare benefits only to their employees or elected town officials calculated either by a percentage or a fixed amount. The two towns that offered healthcare benefits to family members do so by paying a smaller portion of a higher premium for two-person or a family.

Dental and vision benefits are not universally provided. Two out of the six towns surveyed offered dental and vision benefits. The two towns offering these benefits pay them at 100% of the premium.

A retirement benefit was not universally provided among the six towns, but the Town of Strafford was in line with their contribution with the towns that offered that benefit.

No town offered an employee working twenty hours or less any benefits, including compensation for vacation and personal and sick days.

No town surveyed paid a holiday bonus to town employees or elected officials.

The survey and follow-up found that all employees and elected officials were paid an hourly rate based on the hours worked regardless of budgeted amounts.

V Recommendations

We recommend that the Town limit healthcare benefits offered beyond employees and elected officials. In addition, we recommend that each town employee and elected official position receive a dollar amount to be applied towards the health-insurance premium of their choice. Currently the Town of Strafford pays 90% of the platinum plan for either a single, two-person, or family premium.

We recommend that dental coverage be provided exclusively for town employees or elected official position and paid 100% by the Town of Strafford. Of the six towns surveyed, four towns provided no dental coverage paid by the town and two towns provided it at 100% for employees only.

We recommend eliminating the vision coverage for employees and elected officials. The cost of vision coverage is the least expensive of healthcare, dental, and vision and more easily absorbed by an employee or elected official. Of the six towns surveyed, four towns provided no vision coverage paid by the town and two provided it at 100% for employees only.

We recommend retaining the current payment for retirement. All but two of the six towns surveyed provided a retirement benefit and the amount of the benefit was consistent with the benefit the town employee and elected-official positions receive. The one caveat is that the assistant town clerk and assisted town treasurer position did not receive retirement in any of the six towns surveyed.

We recommend eliminating the holiday bonus. No town employee or elected position received a holiday bonus in the six towns surveyed.

We recommend reducing town-office hours based on the Rockefeller *Comparative Assessment of Vermont's Towns* findings.

We recommend that an assistant town clerk and treasurer positions be used only on an as-needed basis.

We recommend that the Selectboard include pay and compensation in the town clerk and treasurer budget. This could be one mechanism to clearly budget for all administrative costs.

We recommend that the road foreman position return to being paid as an hourly rate based on the number of hours worked, and be eligible for overtime compensation. This would be consistent with all six towns' method of compensation.

We recommend engaging a human-resources consultant to review the current organizational pay and compensation structure and offer advice on implementing recommendations. Town employees and elected officials should participate in this process of adopting any recommendations.

We recommend hiring a part-time Town Administrator, as has been done by the Town of Fairlee. One of the key findings of the research undertaken by the Subcommittee is that the operations of local government have become exceedingly complex, demanding administrative and human-resource skills that are not typically available on a volunteer Selectboard. A Town Administrator with appropriate skills and experience would relieve the Selectboard of the burden of acting both as policymakers and as town managers of a one million dollar budget, and would allow them to focus more closely on developing and executing policies that address citizen concerns. A Town Administrator would also reduce the burden on the Town Clerk and Treasurer, who currently must provide significant assistance to the Selectboard and to the road crew.

VI Conclusion

The Rockefeller *Comparative Assessment of Vermont's Towns* found Strafford's administrative and road crew salaries appear higher than might be expected for a town of its hours open per week and property tax revenue.

When looking at the salaries for the primary office of Town Clerk and Treasurer, however, Strafford's salary is in line with what would be predicted for towns of a similar size and tax revenue.

The Subcommittee's Survey results confirm the Rockefeller *Comparative Assessment of Vermont's Towns* findings (Appendix A). In addition, the Subcommittee found that the six towns surveyed did not offer comparable benefits (Appendices C and D). Stafford's benefits exceeded those offered in the six towns surveyed. However, retirement benefits were in line with other towns surveyed.

The results suggest that the current pay and compensation structure for employees and elected town officials could be reorganized to better reflected the pay and compensation in comparable towns and recognize the finite tax base of the Town of Strafford.

April 11, 2015

Dear Tori,

The Selectboard would like to thank you for volunteering to serve on a Pay and Classification and Compensation Committee. At our April 8 meeting the Selectboard appointed to the Committee the following citizens: Bob Bushway, Mark Castro, Steven Gex, Tori Lloyd, and Martha Walke and Selectboard member John Freitag. The purpose of this Committee is to review our current pay and classification and compensation plan for our town employees, compare what we offer with other towns of our size and circumstances, and make recommendations to the Selectboard.

It is important to note that the Committee will only deal with the structure of our pay and classification system and compensation and will not involve discussion or evaluation of individual town employees.

The Committee will function as an independent sub-committee of the Board. At the first meeting it will elect a Chair and Secretary. The Committee will be subject to the Vermont Open Meeting Laws and all meetings will be warned, minutes kept and published within 5 days of a meeting. All meetings will open to the public and make some allowance for public participation. All email communication should be shared among all members of the Committee, and any emails made by Committee members on Committee work will be considered part of the public record and available upon request by the public.

The first meeting will be on April 15 @ 6p.m. At the Town Office. Please let me know if you will be able to attend.

No later than Tuesday morning I will leave for each of the members of the Committee at Coburns Store a current pay and compensation spread sheet for Town Office and Highway Department employees (final corrections are still being made). Also enclosed

will be the job descriptions for these employees. Finally enclosed will be a copy of the scope of work that was originally planned to be done by the Vermont League of Cities and Towns but due to cuts has been canceled.

The agenda for the first meeting will include:

- 1.) Introduction of the members and a chance for members to say why are volunteering to serve on the Committee and a review of why the Selectboard has set up this sub-committee and its goals.
- 2.) Election of a Committee Chair
- 3.) Election of a Committee Secretary
- 4.) An update on the Rockefeller Policy Shop research project now being done on behalf of the Town and how it may fit into the Committee's work
- 5.) Setting a schedule and meeting dates for Committee work.

Thank you again for your willingness to work on this project.

John Freitag, Chair, Strafford Selectboard