

Town of Belmont, Massachusetts

Compensation and Classification Studies

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Project Goal

The major goal of this project was to develop, support, and maintain a fair and equitable Compensation and Classification Plans all Belmont Non-Union and SEIU. Includes approximately 100 employees in Belmont.



Executive Summary of Belmont's

Compensation and Classification Study

- This was a professionally developed organization-wide pay and classification plan(s) using data from (1) comparable benchmark municipalities; (2) municipal sector utilities data from MEAM; and (3) data for additional industry benchmarking from ERI (MA). Some of the benchmark organizations recently completed comp/class studies too.
- Based on this market driven analysis, the study recommends that the pay and class plans be adjusted for both groups studied to be competitive with the hiring market; assisting Belmont to hire and retain talented employees.
- It also provides graded classification plans that support structured internal equity (ranking system) and will aid in pay equity and comparable worth of jobs.
- The entire compensation and classification plans together will provide Belmont with a total system forming the basis of an effective and defensible base salary administration program, that may also aid in succession planning for the future.



Specific Belmont Objectives: For both employee groups HRS was charged with the task to:

- Develop job descriptions for positions; utilize PAQ and interviews.
- Conduct competitive market analysis for positions included in the study.
- Develop recommended pay structure based on base wage market data.
- Conduct job evaluation to reconcile internal/external equity; point factor system.
- Develop draft and final compensation and classification plan.
- Review and consider input from employees, management, and HR staff.
- Generate estimated cost impact analysis. (Unions subject to collective bargaining.)
- Develop recommended guidelines and procedures to maintain the pay and classification system.
- Develop final reports; proposed recommendations. All documents and reports submitted to Belmont; developed web-portal for HR use.
- Present results and recommendations to the Belmont Select Board.

CRITERIA FOR COMPARABLES

- Location #1– Immediate Labor Market
- Location #2– Outside labor market with similar socioeconomics, large metropolitan area standards
- Municipal Population
- Form of Government
- Organizations with like positions in immediate labor market area



OBJECTIVE OF MARKET SALARY COMPARISONS

- Determine relative standing of overall compensation.
- Determine relative standing of compensation by rank/position.
- Determine relative standing of compensation by discipline/specialization.
- Determine areas for salary increases.
- Identify expected salary costs.



Project Overview for Select Board:

- Looked at Municipal Market for salaries and wages 100 position titles
- Organizational Meetings with Human Resources, Town Administration, Finance, and key project staff to discuss issues and requirements of the study.
- Orientation sessions with employees; several orientations were conducted to include employees, managers, department heads.
- Discussions with Department Heads to discuss positions and how they relate to each other in the organization.
- Validation of current pay plan/wages to the market.
- Final Analysis of Market Data; used market average as a guide.
- Development of updated compensation plans.

New Pay/Class Plan Developed

- The new Classification Plan incorporates all non-union positions (Department Heads, Management, and Staff).
- Plan allows flexibility for hiring at competitive rates; allows necessary room for job growth.
- For the Non-Union Scale there are 25 Grades with an approximate 42% spread from min to max for each Grade.
- For the Union Scale, there are 18 Grades with an approximate 20% spread from min to max for each Grade.
- The total *estimated* cost for implementation of both plans is approximately \$55,000.
- COLAs in Massachusetts have been approximately 3 - 4% for FY-23.
- Develop a comp/class administration policy for non-union.

Action Plan For Executives

Recommendation
Implement the proposed compensation and classification plan immediately. For those requiring significant increases, consider implementation over two fiscal years.
Maintain a commitment to remain at the Average of Market at the very least.
Market Surveys should be done regularly and the entire salary schedule should be adjusted yearly to reflect cost-of-living.
Employees should move through the ranges based on performance and at a minimum based on satisfactory achievements.

Action Plan For Executives

Recommendation

Ensure that job descriptions are continuously and regularly updated and maintained by the human resource department. HRS has developed job descriptions for positions as needed; will be provided to HR through web portal.

Review classification of positions when duties change significantly. Regularly review positions to ensure internal equity in relationship to other classifications.

Ensure that sound policies for compensation administration program are in place. Ensure consistency throughout the organization.

Maintain the pay grade ranges when hiring new employees.

Action Plan For Executives

Recommendation

Remedy internal compensation inequities among employees when comparing non-union positions to union positions. Bring the compensation of the non-union aligned employees in ranges comparable to their counterparts in union positions.

When a vacancy develops, review the position through job analysis, job description, and market pricing.

Keep abreast of the changing FLSA laws and how they may affect positions.

HRS will remain available to answer any procedural questions Belmont may have.



Questions?