

TOWN CLERK'S OFFICE, GRAFTON, VERMONT
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Attest Kim Record
Town Clerk

Town of Grafton Compensation Policy
Adopted by Select Board, November 28, 2022

Employee compensation and benefits are key to attracting and retaining good employees who serve the Town of Grafton well. With this in mind, the compensation policy will balance needs of the employees and the Town.

The Town of Grafton will pay employees' wages, salaries and benefits that are motivational, fair, and competitive with other municipalities/businesses. They will reflect the different abilities necessary to perform the requirements of each of the Town's jobs.

The process for setting wage and salary increases is as follows:

1. Each year, the Select Board will ask employees to set performance goals for that fiscal year.
2. Percentage increases – if any – will be set in accordance the Town's budget process in December and apply as a cap to the total increase amount for that fiscal year.
3. Quarterly, the Select Board (or, Personnel Committee on its behalf) will discuss with the Town Administrator and Highway Foreman performance toward those goals. The Highway Foreman will conduct performance reviews with the Highway team.
4. As part of the budget process, the Select Board will take into consideration 3 factors in setting a percentage increase or not: affordability by the Town, cost-of-living increases, and overall performance toward goals.
5. All communication about possible wage increase percentage will be stated in open meetings, with the exception protecting the privacy of employee performance evaluations, as provided in Title 1, S. 313. If applicable, wage increases will be applied to employees by the Select Board according to its judgment consistent with the values stated in this policy.
6. Each fiscal year, the Select Board has the option to grant, or not, wage increases in the form of an hourly wage increase, a lump sum compensation check, or a combination of the two, depending on affordability for the Town. The lump sum compensation checks will be dispersed no sooner than August 15, but before September 15 of the current fiscal year.

FY23-24 Budget is a special situation:

1. The Select Board agrees the time is right to set wages from calendar year to fiscal year.
2. The Town's employees have recently received wage increases making each of their current compensation fair and competitive. (Per Town and local benchmarking)
 - a. To date, two of the Town's employees, the Town Administrator and the Town Highway Equipment Operator, are new hires, who were offered and accepted competitive hourly wages for their respective jobs.
 - b. Two of our employees, Interim Highway Foreman and Interim Assistant Highway Foreman, were promoted with raises commensurate with their new set of responsibilities.
3. For FY23-24 budget, the Select Board approved for each employee to receive a lump sum compensation check, calculated as 3% percent of each of their base annual pay (that is, current hourly wage multiplied by regular hours worked per week for one year). All federal and state withholdings will be held from this lump sum compensation check and the gross amount will be reported on each employee's W2 for tax year 2023.

4. Lump sum compensation payments payable to employees in FY23/24 will have the effect of flattening the Town's wage curve from FY23-24 to FY24-25 - at a time when their wages have been increased. Benchmarking with municipalities/businesses indicates that current pay for Town employees is \geq the pay for comparable jobs.
5. This approach balances the need to reward and appreciate our employees for their hard work and service to Grafton, with an eye toward future affordable wages for our Town.