



Municipal
Resources

REPORT

TOWN OF HAMPTON, NEW HAMPSHIRE

CLASSIFICATION AND COMPENSATION STUDY

APRIL 2018

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The Position and Classification system employed in this assessment and report is the MRI/HRS Pay and Classification System. It has been developed and enhanced jointly by Municipal Resources, Inc. (MRI) of Meredith, NH, and Human Resources Services, Inc. (HRS) of Andover, MA.



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REPORT





REPORT

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INTRODUCTION

Scope of Services

The Town of Hampton, New Hampshire, engaged Municipal Resources, Inc. (MRI), to develop a Classification and Compensation Plan based on comparative analysis of approximately 32 non-bargaining positions from town departments, and to conduct a market salary and benefits analysis. This study was commissioned to re-examine the responsibilities, work performed, and market pay rates for each position included in the study, as well as to review a variety of benefits. 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, and making recommendations pertaining to the town's benefits.

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 benefits provided by the town to employees.

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 in-person interviews.
- Preparation of updated *Job Descriptions*, which were provided to the town for final review and modifications.
- A thorough *Job Evaluation Process*. Position rating and ranking utilizing MRI/HRS' Municipal Position Classification and Rating Manual, Series I.
- Development of a *Classification Plan*. Position assignment to grades based on a system of objective evaluation.
- Thorough *Market Analysis* using comparable municipalities jointly selected by town officials and MRI.

- Thorough *Benefit Analysis* review using comparable municipalities. Recommendations were made, as a total compensation package, to include both benefits and salary that is most beneficial to both the town and employees.
- 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 *Report* to the Town with explanation of recommendations and methodology.

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

- Proposed FY2018 Classification Plan
- Proposed FY2018 Compensation Plan
- Benefits Summary
- Market Data Analysis
- Position Analysis Questionnaire (PAQ)
- Updated Job Descriptions
- Position Rating Manual

MRI PROJECT TEAM

Carol M. Granfield

Project Manager and Senior Principal Consultant

Sandy Stapczynski

Senior Management Consultant

Tony Torrisi

Senior Management Consultant

The project team conducted the following analytical activities:

- The consultants met with the town officials at the onset of the study to determine the parameters of the project and expected outcomes of the study. Orientation sessions were provided. The Town of Hampton provided MRI with necessary documents to include the personnel plan, benefit material, current salary structure, and current job descriptions. The consultants were given specific directives.
- The project team immediately began the process of interviewing all employees included in the study.
- The project team supplemented this input through the use of employee position analysis questionnaires. Most employees took advantage of this opportunity to provide necessary input to the consultants regarding their positions, essential functions, and necessary qualifications
- The project team collected salary information from each of the comparable municipalities; these were used as the basis for this analysis and are provided as attachments to this report.
- The project team also reviewed initial findings and issues with the Assistant Town Manager/HR Director, and some key town personnel.

EXECUTIVE SUMMARY

Scope

The study included a review of 32 positions, salaries, and benefits. This provided analysis of the job duties of each position, as well as the current salary structure.

Classification and Compensation

Several meetings and discussions were conducted with town officials throughout the project. Orientation sessions were 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.

A thorough market analysis was conducted utilizing comparable municipalities. The 11 municipalities analyzed were: Derry, Dover, Durham, Exeter, Goffstown, Hanover, Hooksett, Londonderry, Merrimack, Portsmouth, and Rochester, New Hampshire. A comparison was made of the average minimum and maximum salaries.

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 fourteen relevant factors, by one or two consultants, and then ranked and assigned a grade. 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 Hampton.

The Plan

The Proposed Classification and Compensation Plan was developed to provide the Town of Hampton with a solid structure to equitably group similar valued positions within a grade. It provides a Compensation Plan with 14 grades. Each grade includes a minimum and maximum salary range of 35 percent, with varied percentages of 6, 9 or 12 percent between grades.

Comparative data was considered to set the grade parameters, while the classification process controlled the internal assignment of positions to compensation levels. The system proposed provides more equity and consistency to the pay plan. 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. A total of 15 employees in 15 classified positions are recommended to have salaries increased to bring their positions to the minimum salary in the grade assigned. The projected cost to implement the proposed plan for a full year is \$55,236 to bring pay rates to the new minimum. The town may desire to calculate any additional potential costs for budgetary purposes, if it deems further adjustments may be necessary.

Positions above the maximum will not be reduced, and it appears there are no employees above the maximum rate. Options for a phased in approach are discussed in the report. Those employees falling below the grade range should be brought into the entry level of the grade. A phased in approach over two fiscal years could take place for any positions with excessive increases.

Benefits

Benefits were evaluated, and a summary of the benefits requested is included in Appendix C. Overall, the Town of Hampton enjoys a very rich benefits package. When compared to the comparable communities surveyed, the town either meets or exceeds benefits of most communities. The only benefit reviewed that did not exceed or meet those provided by others was that of sick days provided. Additionally, the town does not provide a longevity benefit, whereas the majority of those surveyed do provide the benefit. The review did not indicate any major changes needed to be made with these benefits at this time.

Maintenance/Update

Hampton is provided with the tools to keep the Plan updated. The Rating Manual provided is to be used by the Assistant Town Manager/HR Director 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.

PROJECT REPORT

Details of the Methodology

In the Town of Hampton, NH, 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, interviews were held with the employees. Position descriptions were developed and updated.

Throughout this process, position rating was done by the consultant team using the MRI/HRS Municipal Position Classification and Rating Manual – Series I. A copy of this manual is provided to the town as a separate document. Initial rankings of positions were discussed with the Assistant Town Manager/HR Director. The process of the 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 and benefit data from municipalities comparable to Hampton was gathered and analyzed for as many positions as possible. Some of the factors reviewed in determining appropriate comparable communities included such items as population, form of government, equalized valuation per capita, size of budget, income per capita, location, etc. A total of 13 comparable municipalities were sent surveys and 11 were received with salary data and 10 with benefit data that had sufficient relevant information to incorporate into the survey. Not all surveys contained comparable positions; however, the range of 3 to 11 comparisons for most positions provided a good salary comparison. Data was utilized from the following 11 municipalities:

Derry	Goffstown	Merrimack
Dover	Hanover	Portsmouth
Durham	Hooksett	Rochester
Exeter	Londonderry	

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 position analysis questionnaires (PAQ) 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 PAQ 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. Fourteen rating factors were used to rate the positions. These factors, detailed in the Municipal Position Classification and Rating Manual – Series I, measured the requirements of each position in the following areas. The following are capsule descriptions of each rating factor. The manual describes each factor in great detail and by degree.

1. **PHYSICAL ENVIRONMENT**
This factor measures the totality of the surroundings and/or circumstances under which the job must be performed, the degree of difficulty which this imposes, and their representative or exceptional nature.
2. **BASIC KNOWLEDGE, TRAINING, AND EDUCATION**
This factor measures the basic knowledge or “scholastic content”; however, it may have been acquired, essential as background, or training to perform the job.
3. **PROBLEM SOLVING SKILLS AND EFFORT**
This factor measures the type and range of problem solving which the position consistently requires.
4. **PHYSICAL SKILLS AND EFFORT**
This factor measures the degree of physical effort or exertion required in the performance of essential work functions under regular conditions.

5. **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.
6. **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.
7. **CONFIDENTIALITY**
This factor measures the discretion and integrity required by those positions which have access to privileged information handled or obtained in the normal performance of duties.
8. **OCCUPATIONAL RISKS**
This factor measures the relative degree of exposure to hazards which might cause injury on the job.
9. **COMPLEXITY**
This factor considers how difficult it is to perform the essential functions of the job. Jobs are made more difficult by the range and diversity of the assignment of duties, various uses of information technology, the specificity and relevance of guidelines for performing the work, and the nature or thinking challenge required to accomplish the work.
10. **SUPERVISION RECEIVED**
This factor evaluates the nature of the instructions, direction, control, and/or monitoring which a position receives.
11. **SUPERVISION GIVEN**
In rating supervision given, a number of factors are considered: (1) type of supervision; (2) accountability; (3) for personnel actions; and (4) budget development and control through subordinates.
12. **SUPERVISION SCOPE**
This factor is used to evaluate the extent, breadth, and depth of direction, monitoring, and review given.
13. **JUDGMENT AND INITIATIVE**
This factor measures the degree of independent action required by the position and the extent to which duties are dictated by standard practice or the exercise of judgment.

14. **ACCOUNTABILITY**

In every position, there inherently exists the possibility of error, whether through omission, commission, or direction. In rating this factor, the following is considered: the likelihood of errors; the possibility of error detection; and the probably effect of errors based on the degree to which the work is checked, either by the procedures themselves, by supervision, or by succeeding operations.

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 on 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 the Town of Hampton.

Market Survey and Developing the Compensation Plan

Municipal Resources, Inc. conducted a thorough salary survey 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 distributed custom survey documents to comparable municipalities identified above. The summary and results of the survey are provided in Appendix A.

All of the comparative data is FY18 information and detailed on the survey 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 municipality did not have a comparable position; or (2) the consultants determined that the position was not comparable to the position in Hampton. MRI used professional discretionary judgment when comparing positions to the comparable data. The consultants analyzed both the market survey data 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 FY18 salary and wage information.
- Certain salary/wage data collected has been pro-rated 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 communities 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 community pays.
- The **Average** is the sum of the survey readings divided by the number of the municipalities 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 communities and highest maximum salary among the comparables.
- In an array of survey readings, sorted from low to high, this is the reading that is at the mid-point or middle of the data, indicating that 50% of survey participants pay at or below this salary rate. The **Median** shows the midpoint of the minimum salary among the comparable communities and the midpoint of the maximum salary among the comparable communities.
- The **75% Percentile** shows the 75th percentile of minimum and 75th percentile of maximum. The percentile rank looks at the array of data points and gives each data point a percentile rank, where the lowest data point is 0% and the highest data point is 100%. In an array of survey readings, sorted from low to high, this indicates that 75% of the surveyed market pays at or below this salary rate.
- In some instances: (1) the municipality 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.

Description of Compensation and Classification Plans

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 town pay level relate to the market? For what does



the 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 Hampton should take into account when reviewing the current structure along with discussing any new structures or position changes.

The proposed Classification and Compensation Plans are presented in Appendix B. Pay ranges were set for groups of positions which the consultants determined should be paid equally. There are **14** grades on the compensation plan. Each grade includes a minimum and maximum range of which each grade is *approximately 35 percent*. There are varied percentages between grades of 6, 9 or 12 percent. Comparative data was considered to set the grade parameters, while the classification process controlled the internal assignment of positions to compensation levels.

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 to be a more formalized and contemporary performance appraisal system.

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 this proposed compensation plan. At a minimum, those employees falling below the grade range should be brought into the entry level of the grade ranges within one to two years. There are many types of implementation systems the town could utilize in order to have a phased in approach. Some options to consider include implementing changes beginning six months into the adopted budget, thus only incurring the cost the first year for a six-month period. Of course, the following year a full year of salaries would need to be budgeted.

Another option is to phase in the changes immediately, budgeting a percentage that could be feasible, such as 50% the first year and 50% the second year. 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. This would alleviate possible compression issues that may be seen as a result of long-time employees having salaries at similar levels as new employees in the same classification. The Town will compute any additional cost if it desires to address possible compression issues as a result of longevity, or may consider performance or

other components. The projected cost to implement the proposed plan for a full year is \$55,236 (to bring employees to the minimum new pay rate). Based on data provided by the town, this involves 15 employees being brought to the minimum pay rate, in 15 classifications.

BENEFITS

A survey was conducted of some specific pay-related benefits/policies, to determine how comparable the town is with other municipalities. In order to determine the total compensation package, both salaries and benefits are typically considered. This is significantly important for recruitment purposes to attract qualified applicants and then retain them. The summary of specific pay-related benefits and policies surveyed is located in Appendix C. A review of the benefits indicates that no significant changes are warranted at this time. The town currently enjoys a very rich benefits package. The majority of benefits reviewed indicated that the town either provides comparable or better benefits. Some positive highlights include the employer percentage share of health insurance, and long-term disability elimination period. Areas the Town might review in the future include the number of sick days provided and a longevity benefit. The summary provides the town with information it can review in the future if additional changes in the benefit structure are desired to be further reviewed.

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 Hampton 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

Some possible title changes are recommended for a few positions. The recommended titles either better reflect the duties of the position, are more contemporary, or are gender neutral. The following are recommended:

Current Title

Proposed New Title

Recreation Parks Foreman
Administrative Assistant – Town Manager

Recreation Parks Crew Chief
Executive Assistant – Town Manager

When the Town officially adopts a new Classification Plan, the titles could be changed at that time, along with the titles on the updated job descriptions.

Title changes to be implemented by Hampton should be reviewed and incorporated in any final Compensation and Classification Plan adopted, and the new titles should be incorporated in updated job descriptions.

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 range. At the time of this study, MRI has found 15 employees that are below the minimum within the grade proposed. In cases where this increase would result in an excessive increase, it may be more practical to raise the salary over a period of two fiscal years, so additional funds that may be required could be budgeted. Another option for consideration is to establish a minimum and maximum percentage that an employee could receive the first year, such as one to three percent, and place employees within the grade with further adjustments in the coming year. These alternatives provide recognition by the town that modifications need to be made; however, also provides recognition that such increases need to be budgeted. The town should move forth to establish a plan to bring positions into the range.

Salaries Above Pay Range

To maintain morale and a sense of fairness, MRI recommends not to 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, it appears that no employees have a salary above the maximum salary rates. 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. However, most communities will not grant an increase to an employee's base salary once he or she has reached the maximum level of the salary range, only a COLA adjustment. Most communities adhere to the range maximums and do not permit employee salaries to extend beyond the maximums. Hampton should also continue to grant cost-of-living increases to those employees who have reached maximum level within the grade range.

Decompression of Salaries

Salary compression is an internal problem initiated by external market conditions and exacerbated by other factors. It can occur when (1) there are differences in pay between employees with differing skill sets and/or experience levels; (2) current employee pay raises don't keep up with increases in the market; (3) new hires are hired in levels similar to employees with several years' in the town; or (4) in order to meet the supply and demand of some positions, individuals may be hired at a higher rate of pay than current employees. Any or all of these factors can be a part of the reason why compression is experienced in the town.

Impact of Salary Compression

Turnover and low morale are two major results that may occur due to the compression that exists in some pay rates of employees. Employees are the most important asset the town has, and it would not function as effectively as it does if dissatisfaction, turnover, and low morale occurs. Some of the factors that can be addressed to develop a decompression of salaries include: performance, longevity, education and experience. If, in the future the town determines there are compression issues with some positions, it may want to address this and provide additional compensation to those positions affected.

Classification vs. 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 and 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. 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 town classifications.
- Conduct periodic salary surveys (every three years) to ensure market competitiveness.

Implementation of Pay Plan

Our study results indicate that for the town 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 in order to move forward through the range within the grade. The new system provides more consistency for all employees.

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 should be implemented in accordance with the town's funding implementation. The town may desire to make additional modifications with titles or other changes before it proceeds with a final adoption of the plan.

Cost-of-Living

If a cost-of-living percentage increase is granted annually, in the future 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.

Benefits

A review of survey results indicates that at this time modification to various benefits surveyed are not necessary. However, Hampton should continue to review these in the future when considering the total compensation package for the town. There are one or two benefits the town may desire to enhance in the future, as mentioned in this report.

CONCLUSION

The Town of Hampton's compensation program had fallen somewhat behind the municipal labor market for some positions, particularly with the entry salary, while others fall within the target average of 10% of the market. This is evident in the data and analysis included in this report.

MRI received sufficient and extensive data for this analysis and is confident in the market results.

The Municipal Classification and Rating Manual will provide 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. The 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 of Hampton 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. It does, however, provide a framework within which most salary matters can be handled.

Municipal Resources, Inc. has provided the Town of Hampton with the methodology, guidelines, and tools to maintain the classification and compensation plans. Used together, job evaluation and salary surveys equip Hampton 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.

APPENDIX A



HAMPTON NH MARKET DATA REPORT

Position Title	FY2018 Hampton	FY2018 Derry	FY2018 Dover	FY2018 Durham	FY2018 Exeter	FY2018 Goffstown	FY2018 Hanover	FY2018 Hooksett	FY2018 Londonderry	FY2018 Merrimack	FY2018 Portsmouth	FY2018 Rochester	Comp Data Points	75th Percent of Market	Comp Lo-Hi Range	Comp Median	Comp Average
POLICE																	
1 Chief of Police	55.14	47.77	38.83	41.53	40.90	40.44	42.62	30.87	39.88	40.25	53.88	45.70	11	44.16	30.87	40.90	42.06
	55.14	62.11	55.00	49.73	54.48	58.56	64.60	53.85	62.50	56.20	68.64	61.41	11	62.31	68.64	58.56	58.83
2 Deputy Chief of Police	47.34	42.99	33.57	37.38	35.51	33.01		25.19	39.66			39.19	8	39.31	25.19	36.45	35.81
	47.34	55.90	47.51	44.75	47.31	47.83		45.66	55.29			52.66	8	53.32	55.90	47.67	49.61
3 Lieutenant	40.94	41.51	28.98			30.85	33.30	22.52	33.41	38.68	40.73	31.11	9	38.68	22.52	33.30	33.45
	40.94	44.90	41.01			44.67	50.47	41.45	47.84	38.68	43.23	41.79	9	44.90	50.47	43.23	43.78
4 Admin Asst -Police Chief	24.34	23.04	18.69	21.11	20.72	19.99	23.22	18.75	19.23	22.93	26.09	21.18	11	22.99	18.69	21.11	21.36
	24.34	29.93	26.45	25.27	27.60	28.96	35.17	34.60	28.61	27.72	32.50	28.46	11	31.22	35.17	28.61	29.57
FIRE																	
5 Fire Chief	47.43	47.77	38.83	39.04	40.90	37.79	40.57	30.87	39.88	40.25	51.31	45.70	11	43.30	30.87	40.25	41.17
	47.43	62.11	55.00	46.74	54.48	54.72	61.49	53.85	62.50	56.20	65.37	61.41	11	61.80	65.37	56.20	57.62
PUBLIC WORKS																	
6 Director of Public Works	47.10	47.77	38.83	40.28	40.90	37.79	42.62	30.87	39.88	40.25	52.13	45.70	11	44.16	30.87	40.28	41.55
	47.10	62.11	55.00	48.23	54.48	54.72	64.60	53.85	62.50	56.20	66.41	61.41	11	62.31	66.41	56.20	58.14
7 Deputy Public Works Director	39.10	42.99	33.57	32.43		33.01	38.61	27.02	36.47	36.33	48.41		9	38.61	27.02	36.33	36.54
	39.10	55.90	47.51	38.83		47.83	58.52	50.27	46.21	50.88	60.26		9	55.90	60.26	50.27	50.69
8 Waste Water Treatment Facility Operations Manager	36.22	27.60	27.59	36.23	35.51		28.71			31.16	30.28	29.17	8	32.25	27.59	29.73	30.78
	36.22	34.93	39.09	36.23	47.31		43.51			43.83	38.82	39.10	8	43.59	47.31	39.09	40.35
9 Engineering Technical	22.69	25.08			24.21	21.99			32.52				4	26.94	21.99	24.65	25.95
	22.69	32.58			32.26	31.85			41.63				4	34.84	41.63	32.42	34.58
ASSESSING																	
10 Assessor	42.42	contract	contract	34.89		30.85	40.57	23.04	34.37	contract	47.39	35.01	7	37.79	23.04	34.89	35.16
	42.42			41.77		44.67	61.49	42.40	45.57		60.26	46.92	7	53.59	61.49	45.57	49.01
11 Assessing Clerk	17.11	20.99	14.63	21.11	17.86	16.52	25.63	14.95	19.59	17.75	20.91	15.47	11	20.95	14.63	17.86	18.67
	17.11	28.68	20.74	25.27	23.79	23.92	38.83	27.52	25.83	25.36	26.56	20.72	11	27.04	38.83	25.36	26.11
12 Deputy Assessor	NA	NA	23.84		27.71			16.76	26.11	24.13	30.65	27.77	7	27.74	16.76	26.11	25.28
	NA	contract	33.76		36.91			30.84	35.87	34.18	38.95	37.21	7	37.06	38.95	35.87	35.39
RECREATION																	
13 Recreation Director	30.99	32.96	27.59	25.39	35.51	26.94	40.57		seasonal	26.73	37.19	32.14	9	35.51	25.39	32.14	31.67
	30.99	42.78	39.09	30.40	47.31	39.01	61.49		\$24,643	37.75	47.28	43.10	9	47.28	61.49	42.78	43.13
14 Program Coordinator	20.73	22.02	23.84		20.72		20.02			17.75	26.19	18.79	7	22.93	17.75	20.72	21.33
	20.73	28.65	33.76		27.60		30.38			25.36	33.55	25.19	7	31.97	33.76	28.65	29.21
15 Recreation Operations Assistant	16.50	18.79	17.79		27.71								3	23.25	17.79	18.79	21.43
	17.76	25.61	25.20		36.91								3	31.26	36.91	25.61	29.24
16 Recreation Parks Foreman	16.30	24.77	23.84		21.99						27.49		4	25.45	21.99	24.31	24.52
	16.30	31.29	33.76		31.85						35.22		4	34.12	35.22	32.80	33.03
LEGAL																	
17 Town Attorney	57.23		38.83		contract					contract	46.65	45.70	3	46.17	38.83	45.70	43.73
	57.23		55.00								59.43	61.41	3	60.42	61.41	59.43	58.61
18 Legal Assistant	16.57		19.62								25.27	18.16	3	22.45	18.16	19.62	21.02
	16.57		27.77								32.10	24.43	3	29.94	32.10	27.77	28.10
FINANCE																	
19 Finance Director	45.38	45.51	37.00	37.69	38.74	37.79	44.78	23.27	35.90	38.24	52.13	42.32	11	43.55	23.27	38.24	39.40

HAMPTON NH MARKET DATA REPORT

Position Title	FY2018 Hampton	FY2018 Derry	FY2018 Dover	FY2018 Durham	FY2018 Exeter	FY2018 Goffstown	FY2018 Hanover	FY2018 Hooksett	FY2018 Londonderry	FY2018 Merrimack	FY2018 Portsmouth	FY2018 Rochester	Comp Data Points	75th Percent of Market	Comp Lo-Hi Range	Comp Median	Comp Average
20 Record Archive Clerk	45.38 18.41 18.41	59.14	52.38	45.13	51.61	54.72	67.87	42.83	47.60	53.47	66.41	56.89	11	58.02	67.87	53.47	54.37
MIS																	
21 Network Systems Engineer	31.44 31.44	30.29 39.37	22.72 32.16	31.87 38.16	35.51 47.31	28.83 41.78	40.57 61.49		contracted out	31.18 43.83			7 7	33.69 45.57	22.72 61.49	31.18 41.78	31.57 43.44
22 Computer Technician	24.13 24.13	20.99 28.68	18.69 26.45		22.33 29.75	19.99 28.96	28.29 42.87			19.66 28.01		18.79 25.19	7 7	21.66 29.36	18.69 42.87	19.99 28.68	21.25 29.99
BUILDING/CODE																	
23 Building Inspector	39.20 39.20	23.41 31.97	30.42 43.10	34.76 41.62	35.51 47.31	23.53 34.07	32.81 49.73	19.34 35.60	34.37 45.57	26.73 37.75	30.65 41.00	22.87 30.65	11 11	33.59 44.33	19.34 49.73	30.42 41.00	28.58 39.85
24 Housing Inspector	18.05 18.05		22.72 32.16										3 3	25.35 33.76	22.72 35.36	22.87 30.65	24.47 32.72
25 Secretary – Building	16.75 16.75	15.41 21.03	15.38 21.75	21.11 25.27	17.22 22.94		23.22 35.17	14.95 27.52		16.87 24.13	19.25 24.64	17.04 22.87	9 9	19.25 25.27	14.95 35.17	17.04 24.13	17.83 25.04
26 Conservation Coordinator	19.78 19.78				25.83 34.41								1 1	25.83 34.41	25.83 34.41	25.83 34.41	25.83 34.41
27 Planner	35.18 35.18	38.03 49.46	28.98 41.04	34.76 41.62	37.13 49.46	33.01 47.83		23.04 42.40	33.44 43.74	29.61 41.76	32.17 40.88		9 9	34.76 47.83	23.04 49.46	33.01 42.40	32.24 44.24
28 Planning Coordinator	22.37 22.37	22.20 30.33	25.04 35.45			21.99 31.85			23.77 34.78	24.13 34.18	29.22 37.22	18.79 25.20	7 7	24.59 35.12	18.79 37.22	23.77 34.18	23.59 32.72
EXECUTIVE																	
29 Town Manager	55.95 55.95	68.09 68.09	54.65 77.38	48.38 57.93	44.12 58.78	43.27 62.66		31.44 70.26	55.29 55.29	contract	88.21	68.10	9 9	68.09 70.26	31.44 88.21	54.65 68.09	55.73 67.41
30 Asst Town Manager/ HR Director	51.75 51.75	42.76 56.58	31.95 52.38		29.86 39.78		40.57 61.49		37.98 37.98	31.16 43.83	40.98 52.10		7 7	40.77 54.48	29.86 61.49	37.98 52.10	36.47 49.16
31 Admin Assistant – Town Manager	29.76 29.75	24.66 32.06	19.62 27.77	21.11 25.27	22.33 29.75	19.99 28.96	28.29 42.87	18.75 34.60	21.39 21.39	19.68 28.01	27.83 34.66	24.70 33.18	11 11	24.68 33.89	18.75 42.87	21.39 29.75	22.58 30.77

APPENDIX B



HAMPTON, NH PROPOSED FY2018 PAY PLAN

\$18.25 Starting Hourly Wage
35 Percent between MIN - MAX

Grade	MIN	MAX
1	\$18.25	\$24.64
2	\$20.44	\$27.59
3	\$21.67	\$29.25
4	\$22.97	\$31.01
5	\$24.35	\$32.87
6	\$25.81	\$34.84
7	\$27.36	\$36.94
8	\$29.82	\$40.26
9	\$32.50	\$43.88
10	\$36.40	\$49.14
11	\$38.58	\$52.08
12	\$43.21	\$58.33
13	\$45.80	\$61.83
14	\$49.92	\$67.39

HAMPTON NH PROPOSED CLASSIFICATIONS/GRADES

POSITION/GRADE
1
Assessing Clerk Recreation/Parks Maintenance Secretary – Building
2
Legal Assistant Record Archive Clerk Recreation Operations Assistant
3
Administrative Assistant -Police Chief Computer Technician Conservation Coordinator Program Coordinator Recreation Parks Foreman
4
Administrative Assistant -Town Manager
5
Engineering Technician Housing Inspector Planning Coordinator
6
Deputy Assessor
7
No Positions Assigned
8
Building Inspector Waste Water Treatment Manager
9
Recreation Director Network Systems Engineer Planner Lieutenant
10
Assessor Deputy Chief of Police Deputy Public Works Director
11
Assistant Town Manager/HR Director Finance Director
12
Director of Public Works Fire Chief Police Chief Town Attorney
13
No Positions Assigned
14
Town Manager

APPENDIX C



Municipal
Resources
Inc.

HAMPTON, NH BENEFITS SURVEY

INSURANCES											
GROUP LIFE INSURANCE	Hampton	Derry	Dover	Durham	Exeter	Goffstown	Hooksett	Londonderry	Merrimack	Portsmouth	Rochester
Employer contribution	100%	100%	100%	100%	100%	100%	100%		100%	100%	
Amount of insurance	1 X base pay	base pay Max \$125K	1 X base pay	\$50,000	\$25,000	base pay Max \$100K	1 X base pay		1 X base pay	1 X base pay	1 X base pay
SHORT TERM DISABILITY INSURANCE											
Benefit Amount	NA	66.6% max 26 wks	66.6% max 26 wks	60 % pay, \$1,500/wk	N	66.6% max 26 wks	66.6% max 26 wks	66.6% max 26 wks	60 % pay, \$700/wk	N	66.6% max 26 wks
Elimination Period		8 days	8 days	8 days	N	29 days	14 days	15 days	7 days	N	15 days
Employer Contribution %		100%	100%	100%	N	100%	100%	100%	100%	N	100%
LONG TERM DISABILITY INSURANCE											
Benefit Amount	60%	60%	60%	N	N	60%	67%	67%	60%	67%	60%
Elimination Period	90	180 days	180 days	N	N	180 days	180 days	180 days	180 days	60 days	180 days
Employer Contribution %	0%	100%	100%	N	N	100%	100%	100%	0%	100%	100%
HEALTH INSURANCE (highest employer contribution per month)											
Individual- Employer	\$ 771.17	\$ 671.84	\$ 797.68		\$	\$ 710.25	\$ 815.18	\$ 768.57	\$ 752.17	\$ 789.43	
Individual- Employee	\$ 85.69	\$ 109.36	\$ 41.98		\$	\$ 78.92	\$ 143.84	\$ -	\$ -	\$ 87.71	
Individual Plan - Employer % Share	90.0%		95.0%	85%	87%	90.0%	85.0%	100.0%	100.0%	90.0%	
HEALTH INSURANCE (highest employer contribution per month)											
Two Person- Employer	\$ 1,542.36	\$ 1,443.92	\$ 1,595.35		\$	\$ 1,421.00	\$ 1,650.24	\$ 1,537.13	\$ 1,504.42	\$ 1,578.85	
Two Person- Employee	\$ 171.37	\$ 235.08	\$ 83.97		\$	\$ 157.03	\$ 287.68	\$ -	\$ -	\$ 175.43	
Two Person Plan - Employer % Share	90.0%		95.0%	85%	87%	90.0%	85.0%	100.0%	100.0%	90.0%	
HEALTH INSURANCE (highest employer contribution per month)											
Family- Employer	\$ 2,082.18	\$ 1,758.68	\$ 2,153.73		\$	\$ 1,918.00	\$ 2,200.80	\$ 2,075.13	\$ 2,030.92	\$ 2,131.44	
Family- Employee	\$ 231.35	\$ 286.32	\$ 113.35		\$	\$ 213.08	\$ 388.40	\$ -	\$ -	\$ 236.83	
Family Plan - Employer % Share	90.0%		95.0%	85%	87%	90.0%	85.0%	100.0%	100.0%	90.0%	
DENTAL INSURANCE											
Individual- Employer	\$ 36.33	\$ 44.00	\$ 31.39		\$	\$ 35.49	\$ 15.73	\$ 10.48	\$ 37.13	\$ 44.16	flat \$250/yr
Individual- Employee	\$ 4.04	\$ -	\$ -		\$	\$ 3.94	\$ -	\$ 0.70	\$ 4.13	\$ -	
Individual Plan - Employer % Share	90.0%	100.0%	100.0%	85%	100%	90.0%	100.0%	94.0%	90.0%	100.0%	
DENTAL INSURANCE											
Two Person- Employer	\$ 70.33	\$ 44.00	\$ 61.44		\$	\$ 68.26	\$ 30.75	\$ 20.15	\$ 71.85	\$ 84.81	flat \$250/yr
Two Person- Employee	\$ 7.81	\$ 42.00	\$ -		\$	\$ 7.58	\$ -	\$ 1.47	\$ 7.98	\$ -	
Two Person Plan - Employer % Share	90.0%		100.0%	85%	100%	90.0%	100.0%	93.0%	90.0%	100.0%	
DENTAL INSURANCE											
Family- Employer	\$ 127.94	\$ 44.00	\$ 61.44		\$	\$ 119.67	\$ 60.52	\$ 35.34	\$ 130.38	\$ 146.87	flat \$250/yr
Family- Employee	\$ 14.22	\$ 11.00	\$ 62.43		\$	\$ 13.30	\$ -	\$ 4.04	\$ 14.53	\$ -	
Family Plan - Employer % Share	90.0%			85%	100%	90.0%	100.0%	90.0%	90.0%	100.0%	
VISION INSURANCE											
Individual- Employer	inc in	inc in	N	inc in	N	N	N	N	N	N	N
Individual- Employee	health ins	health ins	N	health ins	N	N	N	N	N	N	N
Individual Plan - Employer % Share			N		N	N	N	N	N	N	N
VISION INSURANCE											
Two Person- Employer	inc in	inc in	N	inc in	N	N	N	N	N	N	N
Two Person- Employee	health ins	health ins	N	health ins	N	N	N	N	N	N	N
Two Person Plan - Employer % Share			N		N	N	N	N	N	N	N
VISION INSURANCE											
Family- Employer	inc in	inc in	N	inc in	N	N	N	N	N	N	N
Family- Employee	health ins	health ins	N	health ins	N	N	N	N	N	N	N
Family Plan - Employer % Share			N		N	N	N	N	N	N	N

HAMPTON, NH BENEFITS SURVEY

COMPENSATION PRACTICES	Hampton	Derry	Dover	Durham	Exeter	Goffstown	Hookett	Londonderry	Merrimack	Portsmouth	Rochester
OTHER COMP											
Merit Pay	N	UP TO 3%	UP TO 5%	N	N	pool amount	N	UP TO 5%	pool of \$5K	N	UP TO 2%
Sign On Bonus	N	N	N	N	N	N	N	N	N	N	N
Clothing Allowance	N	N	N	N	N	N	N	N	N	N	N
Employee Referral Bonus	N	N	N	N	N	N	N	N	N	N	N
TYPE OF PAY SYSTEM											
Step System- Yes or No	NA	N	N	N	Y	Y	N	N	N	Y	N
Number of Steps in Grade	NA	NA	NA	NA	14	16	NA	NA	NA	7	NA
Frequency of Steps	NA	NA	NA	NA	annual	annual	NA	NA	NA	annual	NA
DIFFERENTIALS											
Weekend	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Evening	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Night	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Holiday	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Call	NA	NA	NA	NA	\$140/wk	NA	NA	NA	NA	4 hrs	NA
COMPENSATORY TIME											
	N	N	Y	N	N	Y	Y	Y	Y	Y	Y

HAMPTON, NH BENEFITS SURVEY

TIME OFF PROGRAMS	Hampton	Derry	Dover	Durham	Exeter	Goffstown	Hookett	Londonderry	Merrimack	Portsmouth	Rochester
Holidays/PL /SL days per year											
Holidays	11	12	11	11	11.0	10	11	12	10	11.5	11.0
Personal days	2	3	3	3	3	1	2	1	2	2	2
Sick Days	8	in vacation	10	12	15	15	10	12	10	15	12
Vacation days per year											
0-5 years	10	25	10	12	10	10	10	5	10	10-13	10
6-10 years	15	30	15	18	15	16	15	10	15	14-16	15
11-15 years	20	36	15+1 day/yr	21	20	20	20	12.5	20	17-20	20
16-20 years	20	36	20+1 day/yr	21	20	20	20	30	25	20	20
21+ years	20	41	25+1 day/yr max of 35	21	21-25	25	20	30	25	20	20

after 8/7/2011