

TOWN OF POWNAL COMPENSATION POLICY

(Originally adopted on March 10, 2003)

(Amended Town Meeting 2008)

(Amended Town Meeting 2011)

(Amended Town Meeting 2014)

(Amended Town Meeting 2019)

(Amended Special Town Meeting 2022)

Purpose:

The purpose of the Pownal Compensation Policy, and of subsequent amendments thereto, is to provide for:

- 1. Compliance of town employment practices with applicable laws and regulations;*
- 2. Fiscal responsibility in identifying and meeting town staffing needs;*
- 3. Competitiveness in recruiting and retaining skilled and motivated employees;*
- 4. Consistency of operations to allow for rational planning; and*
- 5. Fairness in meeting the needs of taxpayers and employees.*

Employee Classification for Benefit Eligibility

Level I

An employee who works (or is expected to work) on average at least thirty – six (36) hours per week for the town is eligible for “Level I” benefits. The term “work” means time spent on town business for which the individual receives monetary compensation. The hours worked will be based on the records of the town’s payroll system. The “average” will be based on a rolling full three (3) months average as determined at the end of each month. For this calculation, any Employee Benefit Time taken within these guidelines will be considered as “work” time.

Level II

An employee who works (or is expected to work) less than the hours needed to meet the definition of Level I but works an average of at least twenty (20) hours per week using the same method as outlined under Level I Benefits for measuring hours worked is eligible for “Level II” benefits.

Level III

An employee who works for the town and receives compensation but does not otherwise meet the criteria for Level I or Level II benefits is “Level III” and ineligible for any benefits. **Fire and rescue personnel shall be considered Level III employees regardless of number of hours worked.**

Details of Benefits

Primary Healthcare Plan

Pownal should shift from offering MMA Traditional Point of Service Health Care Plan to the MMA Point of Service POS 200 Plan as of January 1, 2014.

Benefit Eligibility

Recommended Benefit & Effective Date	Level I Employee	Level II Employee
Healthcare Insurance MMA POS Plan B (Payroll deduction to begin April 1, 2003 for implementation effective May 1, 2003)	Town pays 100% of Single Person premium. Town pays 80% of Family premium..	Town pays 75% of Single Person premium. The employee can elect to contribute to Family Plan. * in which event the cost shall be withheld weekly from the employee's pay.
Companion Plan (Effective April 1, 2003)	Retired employee can elect to contribute to employee or family plan. There is no cost to the town.	Retired employee can elect to contribute to employee or family plan. There is no cost to the town.
Dental Insurance MMA Plan A	Town is to pay no premium. Town pays 80% of Family premium.	Town is to pay no premium. Employee can elect to contribute to employee or family plan, in which case the cost shall be withheld weekly from the employee's pay.
Vision Insurance	Town is to pay no premium for Single Person. Town pays 80% of Family premium.	Town is to pay no premium. Employees can elect to contribute to employee or family plan, in which case the cost shall be withheld weekly from the employees pay.
Short Term Disability (Effective April 1, 2003)	Town is to pay no premium. Employee can elect to contribute to employee or family plan, in which case the cost shall be withheld weekly from the employee's pay.	Town is to pay no premium. Employee can elect to contribute to employees or family plan, in which event the cost shall be withheld weekly from the employee's pay.
Long Term Disability (Effective April 1, 2003)	Town is to pay no premium. Employee can elect to contribute to employee or family plan, in which event the cost shall be withheld weekly from the employee's pay.	Town is to pay no premium. Employee can elect to contribute to employee or family plan, in which event the cost shall be withheld weekly from the employee's pay.
Life Insurance Basis (1 x pay) Supplemental Dependent Life (Effective April, 1, 2003)	No charge w/ Health Insurance Employee pays 100% Employee pays 100%	No charge w/ Health Insurance Employee pays 100% Employee pays 100%
Pension Plan Contribution	Town to contribute 6% of annual Basic Gross Pay, including Overtime Pay. Town to contribute at the end of each month based on the Town's payroll records.	Employees may elect to defer pay into the pension plan but there will be no Town contribution. if the employee elects to contribute, the contribution will be withheld weekly and paid to the pension plan on a monthly basis.
Eligibility	Employee is eligible to participate after 90 days of service as a Level I employee.	Employee is eligible to participate after 90 days of service as a Level II employee.
Vesting	Employee's interest in Town contribution vests 20% for each year of service. Employee is 100% vested after 5 years of service. Applies to employees hired after 5/1/08. Any employee hired before 5/1/08 are grandfathered under earlier vesting schedule. If employee terminates, non-vested portion reverts to Town.*	Not applicable.

Paid Time Off

Only Level I employees are eligible for paid time off based on the schedule below. The time off is to be used for Vacations, Illness, Bereavement, Doctor visits, etc. If an employee terminates having taken time off prior to the accumulated accrual time, such employee will owe any such wages back to the Town.*

Time Worked for Town	# of Annual Paid Days Off	Monthly Accrual Rate
30 Days- 4 years	15	1.25 days
5-9 years	20	1.66 days
10 + years	25	2.08 days

Unused paid time off may accrue to the next fiscal year, however unused paid time off may not be "cashed in" with the employee collecting that unused paid time off while continuing to work his/her regular schedule and being paid for that time. It is the

desire of the Town of Pownal that earned paid time be used for its intended purpose of providing rest and vacation time to the employee.

Paid Holidays

The Town's employees will receive the same paid holidays as Maine State Workers. In 2003, this amounted to 12 holidays. Additionally, employees who work on those Holidays will be paid time and a half for the hours worked.*

Wages, Salaries and Stipends

Wage and Salary Scales for Hired Positions

A wage/ salary scale is maintained for each active position. The scale defines the value to the town of that position and is structured to show its minimum and maximum levels of compensation. New hires are offered an amount within that range as proposed by the department supervisor and approved by the Select Board. Each employee's compensation is reviewed annually in accordance with the performance review process, but may not increase beyond the upper limit set by the scale for his or her position.

Each wage and salary scale is based on a market analysis, and is established as of the 2004 town meeting or, thereafter, when a new position is created. Each market analysis is updated every three years, beginning in 2004 and the revised scales are approved by a town vote in the same year (e.g. 2004, 2007, 2010, etc.). The market analyses are the joint responsibility of the Select Board and the Budget Committee. The result of the market analyses will be maintained in the town records and be available for inspection by the taxpayers.

Performance Evaluation and Compensation Adjustment Process

Employee	Supervisor/ Evaluator
Town Administrator, Road Commissioner & Fire Chief	Selectmen
Administrative Office Staff	Town Administrator
Public Works Crew	Road Commissioner
Public Safety	Fire Chief

The Select Board shall adopt, and supervisors shall use, a performance evaluation process that is consistent with established best practices. Because economic conditions may limit the town's ability to provide appropriate financial rewards and incentives, the evaluation process must function to provide employees with effective non-financial support and recognition for effort and achievement.

In addition to promoting employee retention and professional growth, the evaluation process shall create an objective basis for determining adjustments in employee compensation from year to year. To allow incorporation of evaluation results into the budgeting process, the process shall make use of a five point rating scale (1-5), which shall be linked to target compensation adjustments according to the following schedule:

Overall Rating from Performance Evaluation	Resulting Wage & Oversight Change
< 3.0	No wage change; Corrective Action Plan
= > 3.0 - < 3.5	Wage increase according to CPI ¹
= > 3.5 - < 4.0	Wage increase = CPI plus 1%
= > 4.0	Wage increase = CPI plus 2%

1. CPI = Consumer Price Index

Compensation adjustments may be less than these targets in response to economic conditions. The extent to which those economic conditions impose limits is based on: (1) changes in the non-compensation portion of the municipal budget or (2) the growth limit prescribed by the LD 1 formula. To determine actual compensation adjustments, the following method will be employed:

1. Supervisors conduct annual evaluations and establish an overall rating for each employee. Preparation, approval, and delivery of the performance appraisal should be completed in time to be included in the town's budget preparation process.
2. Select Board review all evaluations to determine that procedures and standards have been applied consistently across departments and levels of responsibility. Any concerns about consistency are worked out with supervisors before the evaluation results are shared with employees. Contents of individual evaluations, other than the final overall rating, are maintained confidential and are not shared with any person other than the employee, the supervisor and the Selectmen.
3. The Town Administrator computes the target compensation change for each employee and totals any individual increases to determine the Aggregate Target Increase for compensation for the coming year.
4. For purposes of computing compensation, the budget lines are divided into three categories:
 - a. Operations (non- compensation items)
 - b. Compensation (wages, salaries, & stipend)
 - c. Contingents (payroll taxes & benefits)
5. The Budget Committee and Selectmen prepare their recommendations for the non-compensation budget lines – the Operations portion of the budget and calculate the percentage change from the previous year. They also compute the increase in the Operations budget targeted under the LD1 formula.
6. The lesser of the two percentage from step #4 is applied to the previous year's Compensation budget to create an amount funds to be made available for increase in compensation – the Compensation Pool.
7. If the size of the Compensation Pool is larger than the Aggregate Target Increase, each employee receives the target adjustment.
8. If the size of the Compensation Pool is smaller than the Aggregate Target Increase, each employee's adjustment is prorated according the this formula”

$$\text{Actual Adjustment} = \text{Target Adjustment} \times \frac{(\text{Compensation Pool})}{(\text{Aggregate Target Increase})}$$
9. If the operations budget is smaller than the previous year, compensation is frozen at the previous level for all employees.
10. Contingents are calculated last

Elected Positions

Annual pay is to be recommended by the Budget Committee for each elected position and approved each year by the voters at Town Meeting.*

Other Guidelines(Effective April 1, 2003)

- There will be a 30-day waiting period before any new employee is eligible for benefits.
- If an employee falls outside the eligibility requirements, the benefit will cease unless employee falls outside of eligibility due to a Short Term Disability event, then up to 3 months of the event is excluded from the rolling average of hours worked.
- Stipends are to be paid as follows:
 - If stipend is \$1,000 or less, then paid semi-annually on June 30th and December 31st of each year
 - If stipend is more than \$1,000, then paid in 12 equal monthly payments **in the payroll week that contains the 20th of the month.**

- For eligibility purposes, hours works for stipends are calculated as follows:
Annual Stipend / \$1,000 x 2.0 = Weekly Hours Worked
Stipend - \$2,000
Weekly Hours Worked = \$2,000/\$1,000 x 2.0 = 4 Hours
 - Any recommendations that do not adhere to this policy must have justification provided at Town Meeting in the Warrant.
 - The Budget Committee ensures proper execution of the performance evaluation and compensation adjustment process.
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*Amended at Annual Town Meeting March 12, 2008