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# **CLASSIFICATION AND COMPENSATION REVIEW DUKES COUNTRY REGIONAL HOUSING AUTHORITY**

**JULY 2018**



## **EXECUTIVE SUMMARY**

The Dukes County Regional Housing Authority (DCRHA) was chartered in 1986 by the Commonwealth of Massachusetts at the request of the six Martha's Vineyard towns and Gosnold to assist the towns with creating decent, year-round housing opportunities for its residents. In 2001, the towns affirmed both the need for the DCRHA and the value of its work by agreeing to proportionately fund its administrative costs. The critical town support of DCRHA's three full time and one half time positions joins state and federal grant and loan programs, rental income and program fees allows the DCRHA to serve the residents of Martha's Vineyard.

The DCRHA engaged the services of the Edward J. Collins, Jr. Center for Public Management (Collins Center) to conduct a classification and compensation study. The objective of the DCRHA project was to create accurate position descriptions and a compensation plan that is similar to the towns served by the DCRHA as well as other regional entities on the Island. A salary survey was conducted and the Dukes County Government, Martha's Vineyard Commission, Vineyard Transit Authority, Town of Edgartown, Town of Oak Bluffs and the Town of Tisbury responded as having similar positions.

The review revealed that while no two positions are the same, the compensation structure in place is not comparable to the towns served and DCRHA salaries are below those evaluated. No mechanism exists to evaluate positions relative to the labor market and to provide for appropriate increase. The Collins Center has recommended a comprehensive classification and compensation structure that provides for fairness and a mechanism to maintain internal and external equity.

## **INTRODUCTION**

The Dukes County Regional Housing Authority (DCRHA) engaged the services of the Edward J. Collins, Jr. Center for Public Management (Collins Center) to conduct a classification and compensation study. The Collins Center was established in July 2008 with the mission of helping municipalities, governments and organizations to work better. In the ten years of existence, the Collins Center has helped hundreds of entities improve structure, policies, practices in areas including charter reviews, statistical analysis, policy reviews, executive searches and classification and compensation studies. Since 2008, the Collins Center has conducted over 60 classification and/or compensation studies, four of which have been conducted for towns on Martha's Vineyard. The Collins Center was also engaged to conduct the search for the Executive Director for the Martha's Vineyard Commission and recommend personnel policies for the Tisbury.

Working with the DCRHA Personnel Committee and Board of Directors, the project objectives were defined as:

- Evaluating and assigning the study positions to appropriate classifications to assure internal equity;
- Conducting a salary survey of comparable entities to develop appropriate compensation levels for DCRHA , and to assure the external equity;
- Developing new position descriptions for the study positions with clear definitions of essential functions and requirements; and
- Recommending the implementation of the new system and processes for movement through the salary schedule in the future.

## **POSITION DESCRIPTIONS**

To create a viable classification system for DCRHA, the Collins Center began by evaluating the state of the current systems. Information about existing position descriptions was obtained.

Comprehensive questionnaires were given to the incumbents of the study positions. The questionnaire requested information regarding the position's responsibilities related to supervision, decision-making authority, budgetary responsibilities, and other characteristics that

allowed the Collins Center to evaluate its level of difficulty, complexity and importance to the departmental and town organization. Interviews were conducted with each employee to clarify information contained in the questionnaires. The Collins Center has found that the time spent prior to drafting the descriptions improves accuracy of drafts and helps minimize the need for edits. The draft descriptions were created and were distributed to incumbents and supervisors for comments and final descriptions were created. Very few edits were requested to the drafts and of those comments received most were minor changes. None of the comments and edits warranted significant changes to the draft description. The final recommended position descriptions are provided electronically under separate cover.

#### **RATING OF POSITIONS FOR CLASSIFICATION AND INTERNAL EQUITY**

Once descriptions were drafted, the Collins Center used a point factor rating method to objectively evaluate the positions. The application of an objective position evaluation system that is consistently applied to each position is critical in assuring the internal equity of the classification plan. The evaluation system utilized by the Collins Center is one that has been applied successfully in many public organizations in Massachusetts. Each position was assigned a point factor in the categories listed below, which determined the groupings of positions.

Supervision Required	Supervisory Responsibility
Accountability	Judgment
Complexity	Nature and Purpose of Personal Contacts
Confidentiality	Education
Experience	Occupational Risks
Work Environment	Physical Requirements

#### **RECOMMENDED CLASSIFICATION STRUCTURE**

The recommended classification system is comprised 4 grades as detailed in Table 1.

<b>PROPOSED GRADE</b>	<b>TITLE</b>
1	Administrative Assistant
2	Operations Coordinator
3	Finance Manager
4	Executive Director

## **SURVEY OF COMPARABLE ENTITIES**

Once the positions were classified, a salary survey was conducted to determine the ranges within which other, similar entities compensate employees. Finding truly comparable entities is difficult due to the geography and the uniqueness of the DCRHA. The DCHRA Personnel Committee assisted in strategizing on how to approach finding comparable positions. An effort was made to obtain information from island-wide entities and other public sector employers. The entities that responded to the survey are: Dukes County Government, Martha's Vineyard Commission, Vineyard Transit Authority, Town of Edgartown, Town of Oak Bluffs and the Town of Tisbury. A summary of the results is attached to this report.

## **DISCUSSION OF SURVEY**

DCRHA does not have a compensation plan; this report proposes a plan for DCRHA which more closely mirrors the towns' classifications and grades for internal and external equity. Each position is compensated at a flat rate, without a range. The current pay of each employee is based on the starting rate and periodic cost of living increases. Other than the Administrative Assistant, a relatively recent hire, the compensation of DCRHA positions is below the average of the survey entities, particularly the Finance Manager and the Executive Director. The fact that DCRHA does not have a range and only grants small cost of living increases has exacerbated the problem of lagging behind the market. Each of the responding entities have a compensation system that uses ranges.

## **DEVELOPMENT OF THE SALARY SCHEDULE**

When evaluating classification, it is important to remember that each organization is different and the internal comparability within the organization is just as important, if not more so, than external comparability. In developing the recommended salary schedule for the DCRHA, the Collins Center coalesced the position classification with the results of the salary survey to establish salary ranges for each of the grades.

The Collins Center recommends a classification schedule with 4 grades, with each grade having a range with 12 steps of 2.5% which is typical in the public sector the following table represents the recommended compensation schedule.

GRADE	MINIMUM	MAXIMUM
1	\$23.00	\$30.18
3	\$26.00	\$34.11
5	\$35.00	\$45.94
7	\$50.00	\$65.60

The Collins Center recommends the above grade numbers for the existing DCRHA positions. To accommodate adjustments in the future, either a new position or a change in position, odd grade numbers are used which will allow for the flexibility for grades to be added between grades without having to alter the entire structure.

#### **IMPLEMENTATION OF AND PROGRESSING THROUGH THE PAY SCALE**

In establishing the initial placement on the scale, the Collins Center took into consideration the current compensation and years of service of each incumbent. The Collins Center recommends placing the incumbents on the step that provides an increase and then adding a step based on longevity. For example, if employed under five years, one step should be granted, if six to fifteen years, two steps should be granted and if more than fifteen years, three steps should be granted. It is recommended the scale be implemented in FY20. Moving forward, annual step increase should be granted based on a satisfactory performance review.

#### **FUTURE ADJUSTMENTS TO THE SALARY SCHEDULE**

The recommended classification plan provides for a sufficient range of salaries and will not need to be adjusted on an annual basis. It is recommended that a market survey be conducted by DCRHA every 3 to 5 years and an appropriate across the board increase be applied. to the entire scale.

## **OTHER BENEFITS**

The Collins Center did not specifically evaluate the entire compensation package provided employees, which includes holiday pay, vacation time, health insurance and various other insurances and benefits. However, the Collins Center does recommend the DCRHA consider providing a health insurance “Opt-Out” stipend for employees who have health insurance through another plan and choose not to enroll in the DCRHA health insurance program.

## **CONCLUSION**

Thank you for allowing the Collins Center to work with DCRHA on this project. We believe the recommended position descriptions and classification plan will serve the organization well for many years to come.

## FISCAL YEAR 2018 SURVEY SUMMARY

TITLE	HOURS PER WEEK	DCRHA FY2018 Hourly Rate	FY 2018 ANNUAL PAY	Average Minimum	Median Minimum	Difference DCRHA- AVE Min	Difference DCRHA Med Min	Average Maximum	Median Maximum	DCHRA - Ave Max	DCHRA - Med Max
<b>Administrative Assistant</b>	20	\$25.00	\$26,000	\$21.63	\$22.16	\$3.37	\$2.84	\$28.74	\$28.55	(\$3.74)	(\$3.55)
<b>Operations Coordinator</b>	40	\$26.86	\$55,869	\$26.97	\$27.50	(\$0.11)	(\$0.64)	\$28.82	\$33.10	(\$1.96)	(\$6.24)
<b>Finance Manager</b>	Salary	\$33.74	\$70,181	\$36.28	\$35.46	(\$2.54)	(\$1.72)	\$47.03	\$48.52	(\$13.29)	(\$14.78)
<b>Executive Director</b>	Salary	\$40.87	\$85,010	\$58.48	\$63.16	(\$17.61)	(\$22.29)	\$71.33	\$71.08	(\$30.46)	(\$30.21)

**Notes:**

The data provided is the result of analyzing data submitted by the participating entities including Dukes County Government, Martha's Vineyard Commission, Vineyard Transit Authority, Town of Edgartown, Town of Oak Bluffs and the Town of Tisbury.

The hourly rate is used because the number of hours for each position varies across the entities

52 weeks was used to calculate the annual pay

Average represents the total salaries surveyed divided by the number of respondents

Median represents the middle of the rates reported which has the purpose of discounting the high and low of the data points



## RECOMMENDED SALARY SCHEDULE

Grade*	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12
1	\$23.00	\$23.58	\$24.17	\$24.77	\$25.39	\$26.02	\$26.67	\$27.34	\$28.02	\$28.72	\$29.44	\$30.18
3	\$26.00	\$26.65	\$27.32	\$28.00	\$28.70	\$29.42	\$30.16	\$30.91	\$31.68	\$32.47	\$33.28	\$34.11
5	\$35.00	\$35.88	\$36.78	\$37.70	\$38.64	\$39.61	\$40.60	\$41.62	\$42.66	\$43.73	\$44.82	\$45.94
7	\$50.00	\$51.25	\$52.53	\$53.84	\$55.19	\$56.57	\$57.98	\$59.43	\$60.92	\$62.44	\$64.00	\$65.60

\* At present, the classification structure is comprised of 4 grades. By spreading out the grade numbers, the DCRHA maintains the flexibility to make adjustments to the system

## RECOMMENDED SALARY ADJUSTMENTS – FY2020\*

TITLE	DCRHA FY2019	FY2019 ANNUAL	FY2020 GRADE	FY2020 STEP	FY2020 RATE	FY2020 ANNUAL	COST/HOUR	COST/YEAR
<b>Administrative Assistant</b>	\$25.50	\$26,520	1	6	\$26.02	\$27,061	\$.52	\$541
<b>Operations Coordinator</b>	\$28.35	\$58,968	2	5	\$28.70	\$59,696	\$.35	\$728
<b>Finance Manager</b>	\$35.85	\$74,379	3	4	\$37.70	\$78,416	\$1.94	\$4,035
<b>Executive Director</b>	\$42.17	\$87,714	4	3	\$52.53	\$109,262	\$10.36	\$21,549

(\*) The listed salaries do not include any cost of living adjustment that may be granted for FY2020

Note:

Placement on the compensation schedule is based on the current rate of pay relative to the salary survey data and years of service at DCRHA

Years of Service - Steps
Less than 5 years = 1 step
6 - 15 years = 2 steps
15+ years = 3 steps