

**Town of Needham
Management Compensation Policy
Benefits Administration #512**

1. PURPOSE AND SCOPE

The purpose of this policy is to set forth guidelines for the implementation of the Town's Management compensation system.

2. APPLICABILITY

This policy applies to all General Government department managers.

3. DEFINITIONS

Department Managers – those employees classified and paid on the “K” schedule.

4. POLICY

It is the policy of the Town of Needham that management compensation should be based primarily on individual and/or team performance. Decisions concerning management pay shall be governed by the procedures outlined below.

5. PROCEDURES

- 5.1 The “K” schedule shall consist of nine grades each having a salary range from minimum to maximum of 24%. On an annual basis, the Town Manager will review the compensation schedule and make recommendations to the Personnel Board and Board of Selectmen relative to any adjustment to the schedule.
- 5.2 Upon receipt of a written request from the supervising department manager which includes a completed performance evaluation, the Town Manager may approve a compensation increase commensurate with the manager's performance.
- 5.3 Performance evaluations and compensation reviews will be effective as of October 1st of each year.
- 5.4 Compensation Increases may be granted only to the level of the range maximum. No compensation may be paid beyond the range maximum except in accordance with the provisions of the Rates of Compensation policy (#423).
- 5.5 Merit Bonus The Town Manager may approve a lump sum merit payment in an amount not to exceed \$5,000 per fiscal year if the manager has demonstrated exceptional performance. In determining whether the manager meets the standard of exceptional performance, the Town Manager shall consider: 1. how he or she performed the basic requirements of the position

and met specific objectives; 2. the manager's demonstrated initiative in helping other departments or employees in meeting their responsibilities; 3. the successful completion of a project or program; and 4. the nature of the employee's extraordinary service.

- 5.6 Other Personnel Actions The Town Manager may adjust the compensation for managers who have been promoted, reclassified, or accepted a lateral transfer, where such adjustment is deemed necessary or fair.
- 5.7 Management Contracts Notwithstanding the foregoing, the Town Manager is authorized subject to approval of the Board of Selectmen to enter into compensation agreements with management employees at the K-28 and K-29 level based on years of service, performance, and other mitigating factors.
- 5.8 Special Circumstances This policy is intended to provide a basic framework governing the management compensation system and may not contain procedures governing every situation that might arise. The Town Manager may authorize exceptions to the policy under mitigating circumstances.