Re: Request to freeze step increases for new hires, effective July 1, 2012

As Town staff gears up to begin studying the potential of implementing an altered or new compensation plan, we believe it is appropriate to place a moratorium on step increases for new employees who are hired on or after July 1, 2012. Under this proposal, employees hired on or after July 1, 2012, will be given a starting salary and will be entitled to any cost of living increases that are granted to all employees, but they will not be eligible to receive step increases while compensation programs are being studied. Whether the Town ultimately decides to keep the present step increase system or implement a different compensation plan, employees hired during the moratorium would then be fully eligible to receive applicable increases under the Town's compensation program.

All employees hired prior to July 1, 2012, would be grandfathered into the present step increase program. Eligible employees would continue to receive all applicable step increases and cost of living allowances while compensation programs are being studied.

We believe this is an effective means of continuing to meet the obligations that have been made to current employees without further obligating ourselves to future employees while we determine the best course of action related to employee compensation. This will provide an opportunity to thoroughly and objectively evaluate the pros and cons of our present system, as well as the potential benefits and costs associated with converting to an alternative compensation program.

Thank you in advance for your consideration of this request.