

## **Chapter 5 – Compensation**

### **5.01 – General Provisions**

### **5.02 – Compensation Plan Administration**

### **5.02 – Time Keeping**

### **5.04 – Payroll**

### **5.05 – Overtime**

### **5.06 – Compensatory Pay**

### **5.07 – Call-in Pay**

### **5.08 – Shift Differential**

### **5.09 – Jury Duty**

### **5.10 – Mechanic Incentive Pay (Water Utilities)**

### **5.11 – Firearm Certification Pay**

### **5.12 – Expense Reimbursement**

### **5.13 – Clothing and Equipment**

### **5.14 – Attendance at Training Sessions and Other Meetings**

#### **5.01 – General Provisions**

The compensation for general City employees in an allocated position not covered by a labor contract shall be established by the Director of Human Resources within the budget approved by the Common Council.

Where applicable, overtime, compensatory time, call-in pay, shift differential and court appearances for Police Lieutenants shall be paid in accordance with the provisions of the collective bargaining agreement between the City of Wausau and the Wausau Professional Police Association.

We believe that it is in the best interest of the City of Wausau, our employees, and the community in which we serve, to competitively and fairly compensate employees for their work. The compensation for general City employees in an allocated position not covered by a labor contract will be established by the Human Resources Director within the budget approved by the Common Council.

The City's compensation philosophy is to maintain position classifications and compensation levels that are internally consistent and responsive to changes in local economic conditions and strategic priorities. The City's compensation priorities include:

- (1) Internal alignment: Employee's jobs and skills will be compared in terms of their relative contributions to the City's objectives. Pay rates both for employees doing equal work and those doing dissimilar work will continually be evaluated.
- (2) External competitiveness: To be an effective organization the City must attract and retain high caliber employees while at the same time controlling labor costs to ensure living in Wausau provides value to our citizens. The City will gauge our compensation against both private and public markets to ensure that we are capable of employing a quality work force at market costs.
- (3) Employee contributions to pay: Employee contributions to pay refer to the relative emphasis placed on performance. The City will evaluate employee performance and determine whether one employee should be paid differently from another depending on relative performance.
- (4) Administration: The City will continually evaluate our compensation plan and pay model to determine that we are meeting our strategic goals with our human resources. This review will focus on whether we are attracting and retaining skilled workers, perceived fairness and understanding of the pay plan, and how our labor costs compare to the overall labor market.

Our total compensation system is comprised of both Base Compensation and Employee Benefits. Our compensation system will be objective and non-discriminatory in theory, application, and practice. Base compensation is designed to provide competitive and fair compensation to employees for fulfilling the full scope of responsibilities and accountabilities as outlined in our job descriptions. Base compensation salary ranges for each position are established by researching industry and local salary survey data. Base compensation levels within the established range for the position are determined on the basis of an employee's ability to execute the full responsibilities of the position at an acceptable proficiency level. Generally, the City will administer base compensation to reflect our pay-for-performance culture.

City employee benefits will be reviewed on an annual basis to ensure they remain competitive within the marketplace and reflect those benefits valued by our employees. Targeted levels for benefits will be positioned at or slightly above the market median as derived by review of industry and local survey data and discussion with City insurance representatives and other advisors.

## **5.02 – Compensation Plan Administration**

- (1) Job Documentation:** Job documentation refers to the collection and maintenance of job content information. Formal job descriptions are used to describe duties and responsibilities required for each job at the City. The description focuses on the job, not the employee assigned to the job. Appraisal of the employee's performance is treated as a separate issue.

City job descriptions generally contain the following information: job title; reporting relationships; exemption status; purpose; essential duties and responsibilities; additional duties and responsibilities; job requirements; performance specifications; and work environment conditions. A copy of the approved job description is available for each employee on the City's website, through their manager, or the Human Resources Director. A job description is used to describe every job. It is intended to document the minimum requirements of the job as it exists at the present time. The formal job description is used as the basis for assigning a pay range. Accurate and complete job descriptions will be prepared and maintained.

Salary adjustments for current employees or hiring rates for new employees are authorized only with a current job description.

Current job documentation is the responsibility of the Human Resources Director in coordination with department managers. The Human Resources Director is responsible for ensuring the consistency and accuracy of the information and keeping formal copies and background information on file for all jobs. The Human Resources Director is also responsible for writing new and revised job descriptions and determining the salary range for new or changed jobs.

If a manager wants to hire for a new job, a position description questionnaire must be completed listing the minimum requirements and responsibilities for the job. A job description will then be developed and a pay grade and salary range assigned to the job.

As a job changes, a revised job description may be needed. Managers are required to review job descriptions with their employees on an annual basis in conjunction with the performance appraisal process. If changes are minor, the manager and employee should note the changes on the current job description and forward it to the Human Resources Director. The Human Resources Director will make the changes and prepare and distribute an official revised description.

If a job becomes vacant, the manager is required to review the current job description to determine if there should be any changes prior to the position being posted. Revisions should be made before any action is taken to fill the position.

**(2) Salary Range Structures:** The City is committed to providing a salary range structure that is responsive to the external market and is internally equitable. Data will be collected and analyzed on a regular basis to determine market movement of jobs and current salary trends.

Job pricing is the process of matching our jobs at the City to jobs of the external market. Pay grades are determined through a process of evaluating jobs based upon internal and external conditions and grouping similarly valued jobs together (job groups). The market value for jobs within a job group is used as a factor when computing the pay for the salary range structure.

The salary range structure consists of a series of overlapping salary ranges. Each salary range has a minimum, midpoint, and maximum salary amount. To reflect the City of Wausau's pay for performance philosophy, the minimum and maximum of each pay grade will be within 20% of the midpoint. The City of Wausau will review the Consumer Price Index for All Urban Consumers (CPI-U) data as well as data from local and national compensation surveys in order to maintain competitive salary ranges.

Each salary range is identified through a minimum, midpoint, and maximum salary amount.

**(a) Minimum** –The lowest amount the City will pay an individual for a job assigned to the salary range.

**(b) Minimum to midpoint area (the first and second quintiles)** – Is intended for employees who:

- Are continuing to learn job responsibilities while meeting performance standards.
- Are fully trained but perform at a level that is less than proficient.
- Have not acquired sufficient time in the job to warrant pay at the midpoint level.

**(c) Midpoint area (the third quintile)** – Intended to represent the salary level for employees who are fully qualified and performing at a proficient level over a period of time (the direct midpoint of the range is intended to reflect the market rate).

**(d) Midpoint area to maximum (the fourth and fifth quintiles)** – Intended for employees whose performance is continuously excellent or outstanding and exceeds performance objectives over a period of time.

The Human Resources Director will conduct a comparative ratio analysis on an annual basis to determine where each employee's pay falls relative to his or her current salary range. As a policy, the Common Council requires the overall pay plan to maintain a comparative ratio analysis within the third quintile.

The Human Resources Director is responsible for gathering, analyzing, and recommending changes to the salary range structure based on market data and salary trend information. Final approval of these recommendations will be made by the Common Council. A full review of market data for all City jobs will be conducted approximately once every five (5) years. The Human Resources Director will review market data and develop a comparison of market data to current midpoints and current pay practices.

**(3) Pay Adjustments:** A pay adjustment occurs when the City adjusts an employee's rate of pay to fall within the parameters of established pay ranges. These adjustments may occur for various reasons. To ensure credibility and achievement of City objectives, an effective pay adjustment system must be developed and maintained with guidelines and procedures communicated to users on a timely basis. The guidelines and procedures of the base compensation plan are intended to ensure that each employee will be rewarded on the basis of demonstrated performance.

Department managers are responsible for initiating appropriate pay adjustments for their employees through the performance management system with the oversight of the Human Resources Director. Managers will communicate all approved pay adjustments to employees.

- (a) **Market Adjustments:** Market rates (mid-points of salary ranges) are the rate of pay with which the City compares itself in local, regional or even national markets for our jobs. When necessary and appropriate, salary adjustments not related to performance, but intended to correct market or equity disparities may be proposed for individual jobs, groups of jobs, or the overall pay plan to maintain the City’s relative position to the market. All market adjustments will be approved by the Common Council.
- (b) **Merit Increases:** Merit increases are intended to ensure that performance is recognized and that equity is achieved and maintained. The Human Resources Director will review market conditions and trends to recommend a merit increase budget on an annual basis that will be approved by the Common Council. Recommendations for individual merit increases will be determined by Department Directors within the budget provided and should be on the basis of performance. Merit increases are not permitted if the increase would move the compensation of an employee past the maximum established for the salary range. A merit increase is applied by taking the employee’s current rate of pay, identifying which quintile that rate of pay is in, and then multiplying the current rate by the percentage increase established in the annual merit increase decision worksheet based on the employee’s level of performance. The following table is an example of an annual merit increase decision worksheet. The merit increase worksheet will be determined within the budget approved by the Common Council, employee performance, and both overall and individual comparative ratio analysis on an annual basis.

**Example Annual Merit Increase Considerations**

LEVEL OF PERFORMANCE	QUINTILES				
	1 <sup>st</sup> (80-87%)	2 <sup>nd</sup> (88-95%)	3 <sup>rd</sup> (96-104%)	4 <sup>th</sup> (105-112%)	5 <sup>th</sup> (113-120%)
Exceptional Performance	4.0%	3.5%	3.0%	2.5%	2.0%
Proficient Performance	3.5%	3.0%	2.5%	2.0%	1.5%
Marginal Performance	0.0%	0.0%	0.0%	0.0%	0.0%

- (c) **New Hires:** The hiring rate is normally the minimum of the salary range for entry-level individuals. If an individual with prior experience is hired, the hiring rate should reflect the level of experience the individual brings to the City. The proposed rate should not create inequities with current staff. The proposed hiring rate will be determined and approved by the Human Resources Director. Any hiring rate that exceeds the market rate (mid-point) for a position must be presented to and approved by the Mayor.
- (d) **Promotional Increases:** Promotional increases are provided to recognize an increase in the scope and responsibility of a job and should be given at the time the new responsibilities are assumed. The amount of the increase should be consistent with the objectives of the base compensation plan, take into consideration the employee's pay level prior to the promotion, and internal equity issues.
- (e) **Job Reclassification:** As the organization continues to grow, jobs and responsibilities will evolve and change over time. Therefore, as job descriptions change, they will be evaluated to determine if the job needs to be reclassified into a different pay grade. The Human Resources Director will have the responsibility to recommend the reclassification of positions. All position reclassification requests will require submission of a position description questionnaire, internal equity analysis, and relevant market data prior to consideration. Employees can make reclassification requests to their respective Department Head who will request that Human Resources aid in the analysis and collection of market

data. Reclassification requests can be made beginning the first working day in April and all requests must be submitted to Human Resources no later than the last working day in June. All reclassification requests will be evaluated thereafter and subject to the approval by the Human Resources Director within the compensation plan's administrative guidelines and philosophy.

- (f) **Transfer:** A transfer is the reassignment of an employee from one job to another job in the same pay grade and salary range which normally does not involve a change in pay. Lateral transfers provide employees with the opportunity to acquire new work experience and provide exposure to a different work environment.
  - (g) **Temporary Appointments:** Employees temporarily appointed to positions of a higher classification may be eligible for a pay increase during the temporary appointment period. The Human Resources Director will take into consideration the employee's pay level at the time of the appointment, change in scope of duties and responsibilities, duration of the appointment, internal equity issues, and other factors when making the compensation determination.
  - (h) **Demotion:** A demotion is the reassignment of an employee from one job to another job in a lower pay grade and salary range with a resulting decrease in the scope and responsibility. Demotions may occur for unsatisfactory job performance, in response to an employee request, and for various organizational reasons. The determination of whether the employee should have their pay reduced will be based on the current pay level of the employee relative to the salary range as well as internal equity considerations.
  - (i) **Redlining:** Employees whose salary is determined to be above the maximum pay rate in the pay grade established for their job will have their pay rates redlined until such time that the market adjustments bring their current salary within established salary ranges. The redlining procedure does not allow for an employee's base rate to be adjusted above the salary range maximum rate. Once adjusted to the maximum salary rate, employees remain eligible to receive any portion of any pay increase that exceeds the salary range maximum rate as a lump sum payment to be paid at the time of the adjustment. The lump sum payment will be calculated by taking the hourly rate that exceeds the salary range maximum rate and multiplying it by the annual hours for the position (usually 2,080 hours). Before an employee is redlined they must be notified in writing prior to and given adequate time to appeal the decision to the Human Resources Director.
  - (j) **Exceptions:** In order to make the base compensation plan an effective management tool, exceptions from to base compensation administration guidelines may be considered when extenuating circumstance exist. Exceptions to policy should be discussed with the Human Resources Director prior to the preparation of any recommendation. Exceptions must be reviewed and approved by the Human Resources Director.
- (4) **Confidentiality:** The City will treat all pay and salary range information confidentially. As a general rule, City will not discuss individual compensation information with other employees unless extenuating circumstances exist. When discussing compensation with an employee, we will remain focused on that employee's specific pay situation. Employees will be provided their individual pay and salary range only. If an employee is considering a job change to a vacant position, the salary range information will be discussed at that time.

City of Wausau compensation data is public record. Therefore, any party wishing to acquire specific compensation information may be entitled to receive it provided they make the request in the appropriate manner.