



OFFICIAL NOTICE AND AGENDA

of a meeting of a City Board, Commission, Department, Committee, Agency, Corporation, Quasi-Municipal, Corporation, or Sub-unit thereof.

Meeting of the: **Human Resources Committee**
Date/Time: **Monday, June 13, 2016 at 4:30 PM**
Location: City Hall (407 Grant Street) – Board Room 2nd Floor
Members: Romey Wagner (C), Gary Gisselman, Becky McElhane, Tom Neal, Dennis Smith

AGENDA ITEMS FOR CONSIDERATION (All items listed may be acted upon)

- 1) Approval of 04/11/16 Minutes
- 2) Administrative Items:
 - A. Select a Chairperson and Vice Chairperson for the 2016-2018 Term
 - B. Establish Regular Meeting Dates and Time for 2016-2018 Term
- 3) Discussion and Possible Action of 2017 Employee Compensation Plan – Proposed Timeline
- 4) Discussion and Possible Action of Executive Recruitment Strategy for Various Departments to Include: Assessment, Community Development, and Public Safety
- 5) HR Director's Report:
 - A. LEAN Organizational Efficiency and Effectiveness Update
- 6) Future Agenda Items for Consideration
- 7) Adjourn

This Notice was posted at City Hall and faxed to the Daily Herald newsroom on 06/08/2016 at 2:00 PM

Questions regarding this agenda may be directed to the Human Resources Office at (715) 261-6630.

It is anticipated that each item listed on the agenda may be discussed, referred, or acted upon unless it is noted in the specific agenda item that no action is contemplated. It is possible that members of, and possibly a quorum of members of other committees of the Common Council of the City of Wausau may be in attendance at the above mentioned meeting to gather information. **No action will be taken by any such group at the above mentioned meeting other than the committee specifically referred to in this notice.**

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Other Distribution: Media, Alderperson, Mayor, Department Heads, City Departments, Union Presidents.

DRAFT

**CITY OF WAUSAU HUMAN RESOURCES COMMITTEE
MINUTES OF OPEN SESSION**

DATE/TIME: April 11, 2016 at 4:30 p.m.
LOCATION: City Hall (407 Grant Street) – Board Room
MEMBERS PRESENT: R. Wagner (C), G. Gisselman, W. Nagle, D. Oberbeck, L. Rasmussen
MEMBERS ABSENT: W. Nagle
Also Present: Mayor Tipple, C. Barr, S. Boers, P. Czarapata, M. Goede, G. Hagenbucher, T. Hanson, M. Hite, E. Krohn, T. Kujawa, E. Lindman, R. Mohelnitzky, J. Ray, J. Schara, Pat Peckham (reporter).

1. Approval of 03/14/16 minutes.

Motion by Rasmussen, second by Oberbeck to approve the draft minutes from March 14, 2016. Motion passes 3-0. (*Gisselman absent from vote.*)

2. Discussion and Possible Action on Non-represented Employee Compensation.

Hite began by reviewing with the committee their decision of how they wanted to fund merit pay increases and compensation plan adjustments, and that what was approved by the committee and Council was, inclusive of benefits, \$120,000.00.

A. Compensation Plan Adjustment – Street Maintainers. Hite spoke with employees from the Department of Public Works & Utilities and their concern of retention for new employees. Hite reviewed the information contained in the staffing paper for this item, proposing to establish a floor within the pay range for the Street Maintainers of \$18.84 per hour, and renaming the “Equipment Operator” job classification to “Senior Street Maintainer – Equipment Operator”. Hite recommended that 75% of the of the workforce should beat the Senior Street Maintainer – Equipment Operator level, and 25% of the employees should be at the Street Maintainer level. The Street Maintainer level should be a base pool of workers who are able to advance into the Senior Street Maintainer – Equipment Operator level when openings occur within the department. Rasmussen believes this is a good idea; she said the committee will have to be careful that the wages between the two classifications do not become too close like with Police and Fire. Hite agreed and said that the positions are in different pay grades, and that will initially help. Hite said the total cost to the General Fund for 2016 for the recommended proposal is \$16,044.00. The total annual addition to the base General Fund budget moving forward would be \$23,176.00 (including benefits). Hite pointed to the chart on page 4 of the staffing paper, outlining cost impact, showing the use of available money. Wagner asked when the changes would take place. Hite proposed a date of April 24, 2016, but said that the committee could select a different date. Rasmussen asked if it would be more beneficial to wait until July 1st for a mid-year raise; Wagner said that he felt it defeated the purpose of finding a problem and fixing it by waiting. Rasmussen agreed. Hite said that this was an urgent concern of Public Works and that they feel they will be losing people if action is not taken in the immediate future.

Motion by Rasmussen to approve the compensation plan adjustment proposal for the Street Maintainers. Second by Oberbeck. Mohelnitzky said that it would be beneficial for action to be taken sooner than later in order to keep staff on board. Discussion about what Council meeting this could be voted on took place. Wagner felt it would be a good practice item for the new Council on April 19th; Hite said that she and Krohn will not be available for the April 19th meeting. It was decided that the item will go to Council on April 26 and be effective April 24 if passed. Motion passes 3-0.

B. Merit Pay – Introductory Period Completion. Hite said this proposal is to provide a 2% increase for new employees who satisfactorily completed their introductory review period after the first pay period in July 2014 and through the end of 2016. Hite provided a brief history to the committee, stating that the new pay for performance plan was implemented on the first pay period of July 2014 and then wages were frozen for general

employees for 2015. Hite said that it is a typically practice in an organization to offer a new candidate less than the incumbent of the position made in recognition of the learning curve. Since July 2014, no employees have received compensation adjustments for anything. Hite pointed out that Chief Kujawa was hired during that time period and has not received a compensation adjustment. Wager said this shows that not only entry-level positions have been frozen, but also all other positions within the organization. Hite said that a merit adjustment after the introductory period is truly related to performance since those who do not perform satisfactorily are released from employment during the introductory period. The cost of merit pay adjustments for those affected would be an addition of \$13,892 to the base budget. Hite said this is also a retention measure.

Motion by Rasmussen to approve the introductory period completion merit pay increases for general employees hired after the first pay period in July 2014 and through the end of 2016. Second by Oberbeck. Motion passes 3-0.

C. Merit Pay – Satisfactory Performers. Hite said that 100% of performance evaluations were completed for 2015. At this time, a complete tally has not been done on how employees were rated, and because Chapter 5 of the proposed Employee Handbook contains several provisions for rewarding exceptional performers, Hite recommends not taking additional action for exceptional performers until the handbook is adopted. Hite recommends a 1.5% increase for general employees who are rated as satisfactory performers, stating that these employees have not received a raise for 2 years, and this increase amounts to a 0.75% increase per year, for 2 years of performing satisfactorily. Wagner asked if this was for satisfactory and above performers; Hite said yes, that this would apply to all who were rated as satisfactory and exceptional, and that additional rewards for exceptional performers would be discussed when the handbook is approved. Oberbeck said that it sounds like an “across the board” raise, which they had been trying to get away from and does not believe that this is acceptable. Oberbeck went on to say that they committee hasn’t see any of the senior staff performance evaluations as requested, and that there is some work to be done before the City starts giving across the board increases. The committee agreed that they would like to see the data from the performance evaluations. Concern about employees who are at the top of the range was brought up. Hite said that her staffing paper included language that no employee will receive a raise that will take them above their salary range, and the raise will not be given to employees who are already red-lined. Discussion took place about the current pay-for-performance system and the way it was originally administered. Oberbeck felt that the idea was to not give everyone the same increase, but to base it on their individual performance. Rasmussen said she feels the system has lost some credibility because of the way it’s been handled, also mentioning concerns from employees of the perception that only a certain percentage of employees could be rated as exceptional. Hite explained the change to performance evaluations for certain positions that more easily convey to an employee how to be satisfactory in their job. Hite went on to say that she is not proposing to mature the salary ranges; she is proposing to give all general employees who were rated as at least satisfactory a 1.5% merit increase. Mohelnitzky spoke to the benefit of having the redesigned performance evaluations and using them as a tool daily to measure performance. Oberbeck reiterated that he felt that giving a 1.5% across the board increase was going backwards to what the pay-for-performance system was designed to accomplish. Rasmussen felt that giving the increase is a byproduct of stopping the pay-for-performance plan administration. (*Gisselman arrived at 5:03 p.m.*) Hite said that this was also in follow up to a motion made by Gisselman and seconded by Nagle, and passed on October 12, 2015 by the Human Resources Committee to provide non-represented employees with a salary increase, amount undetermined, in 2016, date undetermined. Hite said that this will only affect employees who had satisfactory performance appraisals and if an employee is near the top of their range, they may not receive the full 1.5% if it will take them outside of their range; periodic salary increases that add to the base are necessary to not fall behind and lose good workers in any organization. Oberbeck asked if Hite will be taking the 1.5% and adjusting the matrix. Hite said no – the matrix will not be adjusted. Wagner would like to know how many people would end of up with less and 1.5% increases if passed, and how many employees received an unsatisfactory rating. Hite said this information would need to be discussed in a closed session.

Motion by Rasmussen to approve the merit pay increase for satisfactory performers. Second by Oberbeck. Motion passes 3-0 (*Gisselman abstained from vote.*).

3. HR Director Report.

A. ATU Grievance Advancement – Employee Insurance Grievance (Flegner). Hite provided an update on the grievance that the committee denied at the last meeting. It has been advanced by the ATU.

B. Organizational Efficiency and Effectiveness Update. Hite met with the LEAN Blackbelt to start the organizational efficiency and effectiveness. Hite and the Blackbelt will be meeting with the Assessment Department on April 26th. Hite said that she did ask the Blackbelt to come and talk to the committee at the May meeting to provide an overview of the vision and talk about the work he and Hite will be doing with the pilot.

C. Employee Handbook Update. Hite reminded the committee that the next session for employees to talk about the handbook updates is April 13th at 2:00 p.m.

10. Future Agenda Items for Consideration (Administrative Items for New Council). Hite brought the agenda from the last time Council was elected for consideration of items for the May Human Resources Committee agenda. Wagner agreed to the items on the 2014 agenda and said the Blackbelt would be added at the end of the meeting. Rasmussen asked if the handbook would appear on the June agenda. Hite said June would be a good time.

11. Adjourn. Motion by Rasmussen to adjourn. Wagner thanked Oberbeck for his interest and input on the committee. Second by Oberbeck. All ayes. Motion passes 4-0. Meeting adjourned.

Romey Wagner
Human Resources Committee, Chair



Memorandum

From: Myla Hite, Human Resource Director
To: Romey Wagner, Human Resources Committee Chair
Date: June 13, 2016
Subject: Recommendations for Non-Represented Staff Salary Survey

Purpose: To obtain the Committee's direction regarding the process for determining compensation levels for non-represented employees for future.

Background: In April of 2012 the City of Wausau Human Resources Committee directed the Human Resources Department to conduct a salary study and to design a pay for performance system for management and supervisory staff. This project was divided into two phases. The first phase was to collect salary data for all general city employees and the second phase was to design a pay for performance system for supervisory and management staff.

The intent of the compensation study was to assist the City in alignment with its strategic compensation philosophy as follows:

- (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 controlling labor costs to ensure living in Wausau remains affordable for 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 if one has better performance and/or experience with the City. These systems are not currently in place but will be actively examined.
- (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 model, and how our labor costs compare to the overall labor market.

As part of this effort, the City's current pay ranges were established, with the intent that external competitiveness would be reviewed every 5 years. 2017 marks the 5 year point for reviewing external competitiveness.

Recommendations: That the Committee approve soliciting requests for proposal to obtain a compensation study for determining if the City's current non-represented employee salary ranges need to be matured to maintain external competitiveness. The proposed timeline is provided as follows:

- a) RFP Release: June 24, 2016
- b) Proposals Due: July 15, 2016
- c) Consultant Selected: July 18, 2016
- d) Study Completed: September 1, 2016
- e) Salary Input into the 2017 Budget Process: October 2016

Supporting Data. In February and in April of 2016, the Human Resources Committee reviewed information that indicates reason to evaluate market data (See Attachment A and B).

Cost Impact: Unknown until consultant proposals are received:

Encl: Attachment A – February 2015 HR Committee Agenda, Materials and Minutes
Attachment B – April 2016 HR Committee Agenda, Materials and Minutes
Attachment C – Current City of Wausau Salary Ranges

Cc: Mayor
Department Directors



****All present are expected to conduct themselves in accordance with our City's Core Values****

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*** REVISED ***

Meeting of the: **Human Resources Committee**
Date/Time: **Monday, February 9, 2015 at 4:30 p.m.**
Location: **City Hall (407 Grant Street) - Board Room 2nd Floor**
Members: **Romey Wagner (C), Gary Gisselman, Bill Nagle, David Oberbeck, Lisa Rasmussen**

AGENDA ITEMS FOR CONSIDERATION (All items listed may be acted upon)

- 1) Approval of 01/12/15 Minutes
- 2) Public Comment on Matters Appearing on the Agenda
- 3) Discussion and Possible Action of In-Training Recruitments
 - a) Plumbing Inspector
- 4) Discussion and Possible Action of Public Safety Leave Accrual
- 5) Discussion and Possible Action of Organizational Efficiency & Effectiveness RFP to Send to Finance Committee
- 6) Future Agenda Items for Consideration
- 7) Adjourn

This Notice was posted at City Hall and faxed to the Daily Herald newsroom on 02/05/2015 at 12:00 p.m.

Questions regarding this agenda may be directed to the Human Resources Office (715) 261-6630.

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POLICY MEMORANDUM

TO: Human Resources Committee
Jim Tipple, Mayor

FROM: Myla D. Hite, Director of Human Resources

DATE: February 3, 2015

RE: In-Training Employment

Purpose: To initiate a policy discussion and possible change to the Employee Handbook allowing for the recruitment and appointment of candidate's as "in-training" for hard to fill positions.

Background:

1. Of the top five expected HR challenges for 2015, 152 Wisconsin organizations rated attracting the right talent as number one, listing it as a moderate-to-significant challenge. The survey of 152 Wisconsin employers with over 188,000 employees reported difficulty in attracting skilled trades applicants with shifting labor trends. Reasons for the difficulty cited include:
 - a. Rare or unique skills needed for job(s)
 - b. Under-qualified labor market
 - c. Lack of experience in labor market
 - d. Internal pay/start rates don't match market
 - e. Shift preferences
 - f. Over-qualified labor market

2. Within the City of Wausau, we recruited for the position of Plumbing Inspector in the fall of 2014 with dismal results – only 3 people applied for the position, none of which met the minimum qualifications for the position, as follows:
 - a. Minimum qualifications:
 - i. Associates degree in Construction; and
 - ii. 4 – 6 years journeyman plumbing experience

 - b. Preferred experience, licensure and credentialing, with the ability to obtain within 12 months of hire include certifications in UDC Construction, HVAC, Electrical, DNR pump installer and Cross Connection Control Tester.

Request:

Prior to conducting a second recruitment, to obtain approval to use in-training programs to place candidates who are close to meeting minimum qualifications. This would necessitate adding in-training language to the Employee Handbook. Proposal attached.

Resource Impact:

None.

Chapter 4 – Employment Categories and Classification

4.01 - Employment Categories

4.01a – In-Training

4.02 – Introductory Period

NEW LANGUAGE PROPOSED

In-Training:

In-training employment is designed to provide a means to recruit and develop employees for hard to fill positions. In-training employee(s) are hired without fully possessing all of the minimum qualifications required for the position and are then placed on a program to attain all qualifications criteria. Depending upon the skill level gap, the salary may be pro-rated by the Human Resources Director until position qualifications are met.

1. Human Resources may designate specific positions or job classifications as in-training. Department Director's, working in conjunction with Human Resources, will determine and document the in-training program, which will include a description and length of the program. The in-training plan must include:
 - a. The title of the goal job classification of the in-training plan.
 - b. The duties and responsibilities of the goal class.
 - c. The skills and abilities that must be acquired by the employee while in-training.
 - d. The compensation level for each stage of completion of the various components of the in-training plan.
 - e. Post in-training time commitment and payback plan for breeches.

The training plan may include any of the following components:

- f. On-the job training;
- g. Classroom or field instruction;
- h. Courses conducted by an educational institution, vocational school, or professional training organization; or
- i. Written, oral and/or practical examinations(s).

Unless other staffing methods have been exhausted, positions with primary responsibility for supervision will not be designated as in-training positions.

2. A candidate who is initially hired into an in-training position must successfully complete the job requirements of the appointment. The City may separate from service any employee who has not successfully completed any portion of the in-training plan, or subsequent licensure or certification requirements.

DRAFT

**CITY OF WAUSAU HUMAN RESOURCES COMMITTEE
MINUTES OF OPEN SESSION**

DATE/TIME: February 9, 2015 at 4:30 p.m.
LOCATION: City Hall (407 Grant Street) – Board Room
MEMBERS PRESENT: R. Wagner (C), G. Gisselman, W. Nagle, D. Oberbeck, L. Rasmussen
MEMBERS ABSENT:
Also Present: Mayor Tipple, P. Czarapata, N. Giese, M. Groat, W. Hebert, M. Hite, A. Jacobson,
J. Kannenberg, E. Krohn, T. Kujawa, T. Neal, K. Winters

Approval of 01/12/2015 minutes.

Motion by Gisselman, second by Nagle to approve the draft minutes from January 12, 2015. All ayes. Motion passes 5-0.

Public Comment on Matters Appearing on the Agenda.

No public comment made.

Discussion and Possible Action of In-Training Recruitments (Plumbing Inspector).

Hite stated that skilled trades workers are in high demand and difficult to recruit. The last recruitment for Plumbing Inspector yielded 3 applicants who did not meet the minimum qualifications. Hite would like to implement the ability to hire a candidate who may be close to meeting the minimum qualifications and place them on an in-training program that would provide a plan and timeline of when the person would need to meet the qualifications they are lacking. The person would not be hired at the full rate of pay, but would receive higher pay as qualifications were met. In-training recruitments would only be utilized for hard to recruit positions, and would not be considered if fully qualified candidates applied. Hite will make necessary changes to the Employee Handbook regarding in-training employees if the committee approves of this plan. Wagner asked Hebert for his thoughts; Hebert approved of using an in-training program if needed. Oberbeck questioned how this would work with a Plumbing Inspector if they don't have a Master Plumber license and they're being asked to inspect a Master Plumber's work. Hebert said that state requirement is a Journeyman Plumber certification and Commercial Plumber license. Oberbeck asked about plans that need to be approved; Hebert said the department does not currently approve plans, they are approved at the state level. Hebert also stated that the person hired to the position would need to get a Master Plumber license within 6 months of hire if they don't already possess one. Further questions about the position followed. Hite clarified that a new recruitment will be done and this will be applied to the new pool of candidates if needed. Nagle expressed his concern about the position in terms of water quality control. Oberbeck asked where the position was listed for the recruitment. Hebert and Hite said that mailings were sent out to qualified plumbers and groups, and targeted recruiting was done as well as general recruitment sites. Mayor Tipple said that the tech schools in the area should be notified of this issue so that they can possibly make changes to their programs that would help with produce qualified candidates. Motion by Gisselman to approve the utilization of in-training recruitments, second by Rasmussen. Motion passes 5-0.

Discussion and Possible Action of Public Safety Leave Accrual.

Hite spoke to section 8.01 in the Employee Handbook regarding leave accrual that includes "Police Lieutenant and Battalion Chief" in the language. Hite would like to modify this to say "sworn public safety personnel". This will result in internal alignment and will allow anyone promoted to receive the higher rate of accrual. Motion by Gisselman to approve language modification for public safety leave accrual, second by Rasmussen. Motion passes 5-0.

Discussion and Possible Action of Organizational Efficiency & Effectiveness RFP to Send to Finance Committee.

Wagner said this item was tabled at the Coordinating Committee and therefore no discussion is needed. When the Coordinating Committee is ready to revisit this item, it will be done and then sent on to the Finance Committee.

Future Agenda Items for Consideration.

- Hite will be bringing updates to the General Employee's Handbook to the committee 1-2 chapters at a time over the next year as she makes changes/updates.
- Review compensation plan for School Crossing Guards
- Pay for Performance Compensation system, evaluation process, and examples of exceptional performance. These items will be brought to the committee in the future, before the 2016 budget season begins.
- Revisit idea of HR Committee chair or committee members being involved in department head performance evaluations.
- Discussion of decision matrix and pay philosophy for compensation system.

Any other items that members may want on the agenda should be brought to Wagner or Hite.

Adjourn.

Motion by Nagle to adjourn. Second by Gisselman. All ayes. Motion passes 5-0. Meeting adjourned.

Romey Wagner
Human Resources Committee, Chair



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OFFICIAL NOTICE AND AGENDA

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Meeting of the: **Human Resources Committee**
Date/Time: **Monday, April 11, 2016 at 4:30 p.m.**
Location: City Hall (407 Grant Street) - Board Room 2nd Floor
Members: Romey Wagner (C), Gary Gisselman, Bill Nagle, David Oberbeck, Lisa Rasmussen

AGENDA ITEMS FOR CONSIDERATION (All items listed may be acted upon)

- 1) Approval of 3/14/16 Minutes
- 2) Discussion and Possible Action of Non-represented Employee Compensation
 - A. Compensation Plan Adjustment - Street Maintainers
 - B. Merit Pay - Introductory Period Completion
 - C. Merit Pay - Satisfactory Performers
- 3) HR Director Report
 - A. ATU Grievance Advancement - Employee Insurance Grievance (Flegner)
 - B. Organizational Efficiency and Effectiveness Update
 - C. Employee Handbook Update
- 4) Future Meeting Agenda Items (Administrative Items for New Council)
- 5) Adjourn

This Notice was posted at City Hall and faxed to the Daily Herald newsroom on 04/07/2016

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Other Distribution: Media, Alderpersons, Mayor, Department Heads, City Departments, Union Presidents.



Memorandum

From: Myla Hite, Human Resource Director
To: Romey Wagner, Human Resources Committee Chair
Date: April 11, 2016
Subject: Recommendations for Non-Represented Staff Salary Increases

Purpose: To provide an analysis and favorable recommendation for Committee consideration and approval of compensation for non-represented staff for 2016.

Background:

A. Human Resources Committee Direction:

1. In August of 2015, the Human Resources Committee provided direction to plan on \$100,000 to fund both Compensation Plan Administration as well as Merit Pay. (See Attachment A). To ensure coverage for fringe and employee benefit costs, ultimately \$120,000 General Fund dollars were included in the Contingency portion of the General Fund budget earmarked for this purpose.
2. Also, at the October 2015, the Committee unanimously approved a motion that provided direction to find funding for a salary increase for all non-represented employees in 2016, amount undetermined (See Attachment B).
3. In December 2015, Public Works urged the Committee to provide additional compensation to Street Maintainers as a recruitment and retention issue to maintain salaries current with rising cost and benefit levels (See Attachment C).

B. Other Considerations:

1. Employees not represented under the terms of a collective bargaining agreement last received salary increases via the City's Pay-for-Performance Plan and compensation study in July 2014.
2. Salaries for non-represented staff were frozen for 2015 by the Common Council.
3. Public safety staff, represented under the terms of a collective bargaining agreement, have received negotiated salary increases of 2% in April 2015, April 2016 and January of 2017. Represented Transit employees received 1.5% in January 2016 with a negotiated increase of 2% in January 2017.

Recommendations: This proposal is respectfully submitted in follow-up to staff direction received from the Human Resources Committee. The following salary actions and adjustments

are recommended for your consideration for employees not covered under the terms of a negotiated collective bargaining agreement. Also please note that in no circumstance will an employee receive an increase that will take them above their salary range and that any “red-lined” employee (currently compensated at the maximum or above the salary range) will receive an increase. Also please note future proposal will be submitted for review and consideration for employees who have received exceptional ratings on their performance appraisals.

1. Compensation Plan Adjustment – Public Works Street Maintenance.

Proposal: This proposal contains 2 parts. The first is establishing a floor within the pay range for Street Maintainers and the second is to rename the Equipment Operator Job Classification to Senior Street Maintainer – Equipment Operator and allocate 75% of the street Maintainers into the Senior Street Maintainer – Equipment Operator classification. The proposed effective date is April 24, 2016. Total cost to the General Fund for 2016 is \$16,044, with a total annual addition to the base General Fund budget moving forward of \$23,176, benefits included.

- (1) This request is for Human Resources Committee approval to establish \$18.84 per hour (25% into the pay range) as the minimum pay rate for the Street Maintainers. If adopted, 6 employees will be impacted with an hourly pay adjustment ranging between 1.10 per hour and 2.84 per hour, with the average at and increase of \$1.59 per hour. Total cost to the General Fund for 2016 is \$16,044, with a total annual addition to the base General Fund budget moving forward of \$23,176, benefits included.
 - (2) The second part of the request is to rename the Equipment Operator classification to Senior Street Maintainer – Equipment Operator and allocate 25% of the Street Maintainer workforce into the higher level position, thereby allowing for recognition of expertise and skills as well as employee growth within the position. This action would result in the movement of 3 staff members at no immediate cost. (Higher Pay Range Maximum is \$25.12) The Street Maintainer position becomes the base pool for workers to advance into this classification. Selection criteria for the higher classification would include a weighted matrix factoring in years of experience, performance test on equipment, safety record and performance appraisal scores.
- A. **Supporting Data.** Attachments C and D to this proposal contain supporting information. In December, DPWU Street Maintenance Superintendent provided anecdotal information to bring to the City’s attention that upon hire, Street Maintainers receive a significant amount of training which is costly to the employer. Once trained, they become marketable to other employers and DPWU is concerned about retention. The HR Committee discussed the importance of retention.

This discussion was consistent with data provided to the Committee in February of 2015 to support in-training recruitments which revealed that of the top five expected HR challenges for 2015, 152 Wisconsin organizations rated attracting the right talent as number one, listing it as a moderate-to-significant challenge. The survey of Wisconsin

employers with over 188,000 employees, reported difficulty in attracting skilled trades (blue collar) applicants due to shifting labor trends. Reasons for the difficulty cited include:

- i. Rare or unique skills needed for job(s)
- ii. Under-qualified labor market
- iii. Lack of experience in labor market
- iv. Internal pay/start rates don't match market
- v. Shift preferences
- vi. Over-qualified labor market

The Keeping Pace Article at Attachment D has as its premise that “Wages aren’t keeping pace with the cost of living, and benefits costs are continuing to rise faster than pay levels”. The article acknowledges that while “Many state and local governments are beginning to recover from an incredibly deep and prolonged recession, their employees are still reeling from cost-cutting measures – pay cuts, salary freezes and reconfigured benefits packages that increase paycheck deductions and out-of-pocket expenses – enacted to offset lost revenue and health insurance inflation.” This perception is magnified within the City of Wausau workforce; employee wages remained flat in 2015, and while health care premiums have only increased 2% since 2015, the perception is much greater as the result of unanticipated impacts resulting from a “premium waiver” in 2015 designed to incentivize employees to elect a less expensive narrow network plan to minimize overall cost increases. This premium waiver had the effect in 2015 of offsetting the salary freeze. Although employees were fully briefed that the premium waiver would not be carried into 2016, the impact of premium reinstatement in January 2016 led to the perception that costs were rising at a significantly higher rate.

2. Merit Increase -- Introductory Period Completion. This proposal is to provide a 2% increase for new employees who completed their review period after the first pay period in July of 2014 through December 31, 2016 with an implementation date of the first pay period in May 2016 (April 24 effective date)

As a result of the July 2014 pay plan implementation and subsequent salary freeze for non-represented staff, employees who were hired after March 2014 and have completed their introductory period have received no salary adjustments. Pay increases after successful introductory period completion (1 year) are common to recognize a successful integration into the organization. It is not unusual for new employees to be offered a lower salary rate as a result of the learning curve new employees’ face and this measure rewards successful completion of the learning curve. It also serves as a retention measure by conveying recognition and value to the affected employee by providing a monetary reward.

3. Merit Increases for Satisfactory Performers. This proposal is to provide 1.5% salary increase to employees who have received satisfactory marks on their performance appraisals for work performed in 2015, to take effect the first pay period in June 2016 (June5). The total cost impact to the General Fund Budget \$59,593.48, with a total cost of 88,701.37 with the difference of \$29,107.89 being absorbed by revenue generating entities to include Water, Sewer, Metro, Animal Control, etc.. or supplemented by State and/or Federal funds.

(Example: Within MetroRide only 25% of salaries are charged to the General Fund with the remaining 75% paid via State of Federal Funds).

4. Merit Increases for Exceptional Performers. Chapter 5 of the proposed Employee Handbook contains several provisions for rewarding exceptional performers, both monetarily and non-monetarily. Because the handbook is still in draft form, I am recommending no action until the final version of the handbook has been adopted. Recommendations for Discretionary Performance Recognition for Exceptional Performers will be proposed at a later date, once the handbook has been finalized and funds from the unexpended monies in 2015 will be identified as a source.
5. Compensation Plan Administration. While the cost impact chart below indicates a remainder of \$19,176, the recommendation is to reserve this amount for any other compensation plan needs that may surface over the remainder of the budget/calendar year.

Cost Impact: The Common Council included \$120,000 in the contingency fund of the 2016 General Fund budget for additional employee compensation. The total increase in the base General Fund Budget would be impacted moving forward as follows:

General Fund Impact (\$120,000 budget in the 2016 budget):

Employee Group	General Fund Impact (Addition to Base Budget)		2016 GF Comp Budget
	Approved	Amount	
	Approved	Amount	\$120,000
SR HR Consultant	January16	(\$8,655)	\$111,345
Fire Management	February	(\$2,639)	\$108,706
Comp Plan Adj – Street Maintainers	Proposed	(\$16,045)	\$ 92,661
Merit Pay – Introductory Period Completion	Proposed	(\$13,892)	\$ 78,769
Merit Pay – 1.5% Satisfactory Performers	Proposed	(\$59,593)	<u>\$ 19,176</u>

Coordination: The figures contained herein have been coordinated with the City of Wausau Payroll Office and Finance Department.

Cc: Mayor
Finance Director
Public Works Director

**Attachment A
CITY OF WAUSAU HUMAN RESOURCES COMMITTEE
MINUTES OF OPEN SESSION**

DATE/TIME: October 12, 2015, 2015 at 4:30 p.m.
 LOCATION: City Hall (407 Grant Street) – Board Room
 MEMBERS PRESENT: R. Wagner (C), G. Gisselman, W. Nagle, D. Oberbeck, L. Rasmussen
 MEMBERS ABSENT: L. Rasmussen
 Also Present: Mayor Tipple, M. Groat, M. Hite (by telephone), J. Kannenberg, E. Krohn, G. Seubert, J. Schara, P. Peckham, A. Werth, B.C. Kowalski (The City Pages), J. Berry (AFG), A. Koehl (AFG), N. Hertel (Wausau Daily Herald)

Discussion and Possible Action Related to Compensation for the following: Non-Represented Employees, Elected Officials – Common Council, and Elected Officials - Mayor.

Wagner stated the Committee of the Whole directed all committees to take back their recommendations for the budget and review in the committee setting. Mayor Tipple said that it is premature to rule one way or another on these compensation items due to the budget numbers consistently changing right now. Oberbeck said that the items could be voted on at any time before the budget is approved, and it is likely that all line items will be reviewed before the budget is approved. **The committee focused their discussion on compensation for non-represented employees. Wagner said this becomes a question of fairness to the employees whose wages were frozen last year, and believes that these employees need to be taken care of or they will go elsewhere. Nagle said that the City is only as good as the services it provides to the citizens; these services are provided by the employees. Buses can't drive themselves and streets can't fix themselves, but employees can choose to drive busses or fix streets for other jurisdictions. Nagle said the City cannot balance the budget on the backs of its employees. He went on to say that he would still like department heads to review processes to see if work can be streamlined. Wagner said that he wanted this item to come back to the Human Resources Committee rather than the Finance Committee because it is truly a personnel issue, not a financial issue. Oberbeck said that he would still like the City to look for more revenue sources for the next 10 years so that the budget process isn't delayed each time money is lacking. Gisselman said that the City is beginning to lose non-represented employees to other municipalities. Tipple said he believes that discussion of this topic is good, however, the committee should not feel pressed to make any decisions at this time. Oberbeck asked if there was any money set aside for raises in the 2016 budget. Groat said that the 2016 preliminary budget includes 1%, a \$100,000 lump sum for raises. Hite clarified that when the Committee approved this money is was not for general raise increases, rather the committee approved \$40,000 for compensation plan administration and another \$60,000 to fund pay for performance.**

Motion by Gisselman to provide non-represented employees with a salary increase, amount undetermined, in 2016, date undetermined. Second by Nagle. All ayes. Motion passes 4-0.

Motion by Nagle to defer compensation for common council and mayor to the common council. Second by Oberbeck. All ayes. Motion passes 4-0.

Attachment B
CITY OF WAUSAU HUMAN RESOURCES COMMITTEE
MINUTES OF OPEN SESSION

DATE/TIME: August 10, 2015, 2015 at 4:30 p.m.
 LOCATION: City Hall (407 Grant Street) – Board Room
 MEMBERS PRESENT: R. Wagner (C), G. Gisselman, D. Oberbeck, L. Rasmussen
 MEMBERS ABSENT: W. Nagle
 Also Present: Mayor Tipple, P. Czarapata, M. Groat, M. Hite, A. Jacobson, E. Krohn, G. Seubert, J. Schara, P. Peckham, C. Branson, R. Sem.

Discussion and Possible Action, Non-represented Employee Compensation Planning.

Hite said in May 2015, she received direction to proceed with the compensation concept that she provided to the HR committee. Hite provided a handout that further broke down the compensation concept as a starting point to obtain direction from the Committee so a recommendation could be formulated for budget development for the 2016 budget. Hite reviewed the handout, explaining that cost-of-living increases are typically driven by economic conditions which would include the consumer price index (CPI), and she referenced the 2015 salary survey conducted by Carlson-Dettmann Consultants. This survey revealed the average cost-of-living increase given to exempt non-union employees in central Wisconsin was 1.81% with a 1.78% average increase for all non-exempt, non-union employees. Hite reminded the Committee members that last year's budget proposal initially contained 3% for City employees beginning in July of 2015 which was frozen in January 2015. Hite researched the CPI projections for 2016 through the WI Public Employment Relations Commission and discovered less than a 1% increase is anticipated through 2016. Hite provided this information to the Committee for them to decide if they wanted to consider cost-of-living increases for non-union City employees. Hite also briefed that the Police and Fire contracts contain a 2% increase for represented employees beginning in April 2016; whereas the Transit contract is still under negotiation. Hite also provided that for each 1% increase for general government, non-union employees cost out at approximately \$100,000.

Next, Hite explained compensation plan administration warrant certain actions that are driven by the work along with the compensation philosophy. Hite provided several examples. One is for new hires; Hite said it is common to set salary for new employees at a lower level of pay due to them having a learning curve. Once the review period is completed, it is common practice to recognize the employee's increased productivity and adjustment to the workplace by providing an increase if they are functioning at an acceptable level. Hite said the City has not done this since January of 2014. Wagner asked if these employees were started at the bottom of a pay scale or lower than what they should have been. Hite said that in each instance the initial offer of salary is unique to each hire and is based on the position, the employee's experience, qualifications and the market. Under the old pay system, an employee would get an increase after their six month review period and then receive a step increase each year on the scale; and this old system no longer exists. However, Hite still recommends recognizing new employee's once the review period has been completed.

The discussion returned to the first concept introduced by Hite, cost-of-living increases, when Oberbeck questioned why the new system of pay-for-performance was put in place if Hite is looking to move back to a step system by making exceptions that would give raises to everyone. Rasmussen agreed with Oberbeck, saying that when they looked at the pay-for-performance in May, part of their concern was that there was so much addition to base, which created more employees being above where they should've been in the first place; she would like to see an analysis of where everyone is located in the ranges currently. Rasmussen said that the State's system froze the base for life; they no longer have cost-of-living increases, and the only way to increase their wage is through performance. Rasmussen also said that because the wage study was current, there is no reason to make pay adjustments; she feels the City should move to a true merit-based system, and when the time comes for a performance appraisal, anyone receiving a 3 or under on a 1-5 scale, their rate should stay the same. If they receive an average of 4 or 5, then there should be elevation. Rasmussen said continually adding to the base will dilute incentive of the merit-based system.

Hite explained that it's not uncommon for an organization to make changes to the base salaries due to cost-of-living increases. Oberbeck believes that is a decision for Council, not the Committee. Rasmussen said maturing ranges would be a topic for the Committee. Gisselman said that he would be fine with making adjustments here and there as needed for employees and would like to see an update of where employees are. Oberbeck asked if they were talking about individuals or adjustments to the whole matrix. Hite said that she broke down the compensation plan into three parts, and spoke to the Non-Represented Employee Compensation Plan handout provided in the Committee packet. Hite said that with the budget for salaries frozen, there is no money in the current budget for cost-of-living increases or for any individual compensation increases. Hite stated she thinks the Council thought that the new pay-for-performance system was the same as discretionary performance recognition, and it is not; she pointed out that an organization cannot use discretionary performance recognition alone and expect to retain employees. Further discussion of this topic took place. Oberbeck asked if our salary data is already outdated. Gisselman said it's the Committee's job to properly align the salaries. Rasmussen said she has no issue with providing funding for compensation plan administration and discretionary performance recognition, but does not want to provide funding for cost-of-living increases. Oberbeck questioned where the money for funding any increases will come from. Rasmussen asked if part of the \$2 million deficit that the City is facing includes funding for employee salary increases. Hite suggested to the Committee that while exceptional employees may not all be able to increase revenue stream, many are able to prevent significant revenue drain. Hite cited the example of she and Krohn working creatively on insurance plan design which ultimately saved the City over \$500,000 – based on the actual costs planned by the broker/agent. Hite went on to say that if the City decides not to fund any salary increases under compensation plan administration, the City will fall behind the market salaries and valued staff will be recruited elsewhere. She emphasized that it is critical to retention to compensate employees for exceptional contributions.

Gisselman asked what Hite is asking for from the Committee. Hite said that she wanted to have the conversation to better understand their thoughts and direction and that ultimately she is seeking guidance for what the Committee would support to include in the budget process. Hite believes the City cannot effectively (in the long run) administer a compensation system if the City doesn't have any money set

aside to administer it. Another example provided by Hite was recruitment for 5 skilled trades worker; she stated that we currently pay street maintainers \$17.50 per hour and the market rate is \$19.00 which is what applicants for employment are seeking. She stated that if we bring new employees in at a higher salary level, it creates internal equity issues. Hite suggested a time will come that the market will require higher entry salaries and when that occurs, employee retention would warrant increasing internal salaries to be in alignment with salaries required to attract new staff. She recommended the Committee support earmarking some funds for both compensation plan administration as well as funding the newly implemented pay-for-performance system.

Wagner said he feels at this time that the City is closer to freezing wages for 2016 than being able to fund the compensation system. Rasmussen said it would be better to freeze wages than to have lay-offs, but they will need to determine what is available during the budget process.

Motion made by Rasmussen to direct Hite to plan on having 1% (\$100,000) to work with, and then direct Hite to determine the amount of money needed in each bucket (compensation plan administration and discretionary performance recognition). Second by Gisselman. Groat said 1% equates to .85% with FICA and WR taken out. Rasmussen changed her motion to 1.2%. Second by Gisselman. Tipple said that if the City removes cost-of-living increases, they face possibly losing people and having a problem attracting talent. All ayes. Motion passes 4-0.

**Attachment C
CITY OF WAUSAU HUMAN RESOURCES COMMITTEE
MINUTES OF OPEN SESSION**

DATE/TIME: December 14, 2015, 2015 at 4:30 p.m.
 LOCATION: City Hall (407 Grant Street) – Board Room
 MEMBERS PRESENT: R. Wagner (C), G. Gisselman, W. Nagle, D. Oberbeck, L. Rasmussen
 MEMBERS ABSENT:
 Also Present: Mayor Tipple, T. Alfonso, P. Czarapata, K. Dubore, M. Hite, E. Krohn, T. Kujawa, E. Lindman, R. Mohelnitzky, J. Schara, B. Schmidt

Input from DPWU regarding Competitive Wage – Street Maintainer (Lindman).

Lindman gave Mohelnitzky the floor to begin the discussion. Mohelnitzky began by saying he was happy to see that money will possibly be earmarked for possible wage increases. He went on to explain that when employees are hired, they receive a large amount of training to make them valuable employees. At this time, he feels that he is unable to retain new employees because once they receive training, they are finding better paying jobs elsewhere. Mohelnitzky said that recruitment has been difficult because good candidates are not willing to accept the starting pay for vacant positions. Wagner asked if Mohelnitzky thinks the entry level (pay) is not market (rate) and that's the issue. Mohelnitzky said yes, but that even the employees who have been with the City for a few years and are close to market (rate) need an adjustment in order to maintain them. Oberbeck said he was concerned because he thought that everyone had been brought into the matrix. Tipple said they were brought in 3 years ago when the study was done. Oberbeck continued, asking if there had been adjustments to bring those employees up in the matrix, and if employees are asked to sign a commitment when they are hired. Adjustments have not been made, and Hite said that some employees are asked to sign a commitment for a period of time and language has been added to the Employee Handbook regarding training and employees reimbursing the cost of training if they leave within a certain period of time. Gisselman asked what the beginning pay is at this time. Hite said it depends on which position you look at, but the Street Maintainer, Sewer Maintainer and Water Maintainer positions begin at \$15.57 per hour. The mid-point of the salary range is \$19.46 per hour, and the hourly maximum rate is \$23.36. Hite shared the rates that maintainers are currently being paid. Gisselman asked what the current market rate is for this position. Hite said that she has not looked into current market rates because the City decided they would conduct a market study every 5 years. She went on to explain that there are more businesses in the area than a few years ago and less workers for these positions. Hite shared the starting salary rates for companies with entry-level jobs. The committee asked if Hite would research comparable jobs at Marathon County. Nagle said he would go on record that operators who are trained and doing a good job need to be paid more than \$24.45 an hour (the top salary of an Equipment Operator at this time). Rasmussen asked if employees can be brought in at higher levels of the matrix if they have more experience. Hite said yes, every starting salary is determined by HR on a variety of factors. Oberbeck asked if a market study could be done sooner. Further discussion on this subject and challenges of future hiring took place. No action was taken on this item.



KEEPING PACE

Public works professionals are finally receiving raises. Yet many say the increases don't make up for paychecks weakened by multiyear salary freezes and rising benefits costs.

On paper, the numbers look promising. The unemployment rate has dropped to pre-recession levels. Gas prices are lower than they've been in more than a decade. For the second consecutive year, more cities are hiring rather than firing. According to the National League of Cities, 83% increased employee wages and 71% increased infrastructure spending in 2015.

Almost three-quarters (73%) of the 520 PUBLIC WORKS readers who completed our Salary & Benefits Survey in February got a raise in the last 12 months. The results reflect an upward trend that began when the Great Recession loosened its stranglehold on public budgets (see sidebar on page 21).

And yet, many say a raise in and of itself simply isn't enough.

"Wages aren't keeping pace with the cost of living, and benefits costs are continuing to rise faster than pay levels," says an operator from a Colorado grounds/parks (urban forestry)/road maintenance department who makes \$40,000 annually.

It's a familiar story that's being told with increased frequency by our annual survey participants.

Many state and local governments are beginning to recover from an incredibly deep and prolonged recession, but their employees are still reeling from cost-cutting measures — pay cuts,

salary freezes, and reconfigured benefits packages that increase paycheck deductions and out-of-pocket expenses — enacted to offset lost revenue and health insurance inflation.

For example, a New Jersey public works superintendent who earns \$80,000 is concerned about increased employee contributions to health insurance: "The annual raise (2%) isn't covering the increase in insurance."

"There have been little to no pay increases for years, yet health care costs rise slightly annually while the coverage lessens," adds a manager/supervisor in the Southeast making \$58,000. It's a top-of-mind concern for many in the public sector.

A 2015 Center for State & Local Government Excellence survey of human resource managers found that more than half (53%) changed health benefits within the last year, with the most common changes shifting costs from employer to employees through higher premiums, copays, and deductibles. And 29% made changes to pension plans, with the most common modification being increased employee contributions.

These adjustments surpass broad-based pay increases (reported by 36% of HR managers) and position-specific pay increases (reported by 21%).

(continued)

BY THE NUMBERS

15%

of respondents are female. When we conducted our first salary survey in 2006, 9% of respondents were female.

\$51M

Combined annual wages reported by respondents.

\$80K

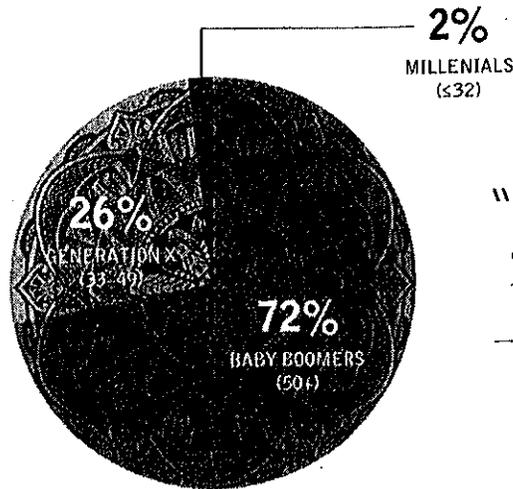
The median salary

\$98K

The average salary

AGE DEMOGRAPHICS OF 2015 SALARY & BENEFITS SURVEY PARTICIPANTS

Percentages rounded to nearest whole numbers.
Source: PUBLIC WORKS



"My pay is less than a male's pay within the same pay grade."

—City engineer in the Northwest earning \$87,000.



THE TYPICAL RESPONDENT:

- Is a 55- to 60-year-old man
- Is a manager/supervisor working in a public works department
- Works for a Midwestern municipality, with a population between 10,000 and 25,000
- Has a bachelor's degree and is possibly a professional engineer (PE)
- Supervises one to five people
- Has more than 20 years of experience in his present position.

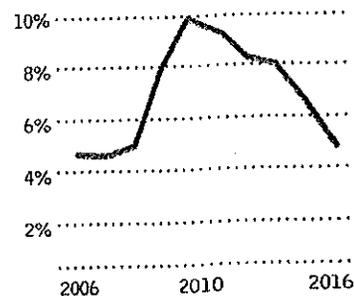


RELATIVE IMPORTANCE OF EMPLOYER COSTS FOR EMPLOYEE COMPENSATION, SEPTEMBER 2015

According to the most recent reports from the Bureau of Labor Statistics, state and local governments pay workers an average of \$44.66 per hour in compensation, with salary accounting for about 64% of that sum and benefits accounting for 36%. This translates to \$28.45 in salary and \$16.21 in benefits. Employees in private industry receive an average of \$31.53 per hour in total compensation, which includes \$21.98 in salary (about 70% of compensation costs) and \$9.55 in benefits (30%).

COMPENSATION COMPONENT	CIVILIAN WORKERS	PRIVATE INDUSTRY	STATE & LOCAL GOV.
Wages and salaries	68.6%	69.7%	63.7%
Benefits	31.4%	30.3%	36.3%
Paid Leave	7.0%	6.9%	7.3%
Supplimental Pay	2.8%	3.3%	0.8%
Insurance	8.9%	8.2%	12.0%
Health Benefits	8.5%	7.7%	11.6%
Retirement and savings	5.2%	4.0%	10.4%
Defined benefit	3.2%	1.7%	9.5%
Defined contribution	2.0%	2.2%	0.8%
Legally required	7.6%	7.9%	5.9%

JANUARY UNEMPLOYMENT RATES



Source: U.S. BUREAU OF LABOR STATISTICS



2016

It's important to note how far public sector salaries have come in terms of economic recovery.

Before the recession eight years ago, at least 85% expected to receive a raise; 20% looked forward to a 4% to 6% increase. By 2010, the percentage expecting a pay increase dropped by more than 50 points and those expecting pay cuts increased by 13.

This year, we're closer than ever to pre-recession expectations: 69% of respondents anticipate a raise and only 1% expect a pay cut. But only 9% foresee a pay increase greater than 3%, and 31% say their wages will stay the same.

Benefit plans outpace raises

"[I'm] paying more and getting less," says an engineering department employee in Ohio who earns \$62,000 annually. This was the general sentiment of respondents who commented on their benefits.

Paid vacation days, sick leave, holidays, and health insurance are still part of the overall package. Other benefits that most receive include dental and life insurance. Almost three-quarters still plan to receive a pension.

But these and other perks come at increasingly higher prices.

"While benefits haven't changed, many were fully funded by the employer. Now they're funded by both the employee and the employer (copay system)," says a public works director for a Midwestern county making \$90,000. "This has resulted in substantially less take-home pay."

Despite this trend, 47% say their benefits are better than those in the private sector. Almost three-quarters are somewhat (35%) to very (37%) satisfied with their benefits packages, compared with 12% who are somewhat satisfied and 4% who are not at all satisfied. For more on public- and private-sector benefits packages, see the "Public vs. private compensation costs" table on page 19.

SALARIES BY:

TITLE	AVERAGE	MEDIAN
Administrative (support personnel)	\$45,000	\$43,000
Assistant/deputy director	\$100,000	\$100,000
Department head	\$180,000	\$83,000
Developer/planner	\$75,000	\$73,000
Director of public works	\$106,000	\$100,000
Director, other	\$123,000	\$103,000
Engineer	\$98,000	\$95,000
Foreman	\$65,000	\$59,000
Inspector	\$70,000	\$72,000
Manager/supervisor	\$90,000	\$80,000
Operator	\$51,000	\$54,000
Specialist	\$60,000	\$54,000
Superintendent	\$72,000	\$72,000
Technician	\$59,000	\$61,000

DEPARTMENT OR PRACTICE AREA	AVERAGE	MEDIAN
Building maintenance	\$81,000	\$80,000
Engineering	\$102,000	\$102,000
Environment/pollution control/conservation	\$352,000	\$67,000
Fleet services	\$79,000	\$79,000
GIS/surveying/mapping	\$147,000	\$54,000
Grounds, parks (urban forestry)/roadside maintenance	\$64,000	\$60,000
Highways, streets, roads, bridges, traffic control/lighting, transportation, etc.	\$85,000	\$85,000
Planning/zoning/inspection/permitting	\$77,000	\$69,000
Public works, general	\$92,000	\$83,000
Solid waste/recycling	\$73,000	\$70,000
Wastewater/stormwater	\$82,000	\$76,000
Water	\$91,000	\$88,000

"Pay increase last year was just over 1%; expect about the same this year. Cost of benefits continues to increase, thus, no real pay increase."

--- Director of county engineering department in Virginia making \$169,000.

**Prepping for the future:
retirements and recession**

Of the 520 public works professionals who took our survey this year, 27% are 55 to 60 years old and 20% are older than 60. Only 10% are 40 or younger.

This illustrates an ongoing professionwide problem: Baby boomers are ready to retire and, if public-sector compensation doesn't improve, will be increasingly difficult to replace.

According to the Center for State & Local Government Excellence, more

employees retire each year. As a result, the three issues of greatest importance to their organizations are:

- Recruiting and retaining qualified personnel
- Staff development
- Workforce succession planning.

Even though 74% of HR managers say their total compensation package is competitive with the labor market, our salary survey respondents beg to differ.

"The technical skills and engineering disciplines needed for more complex issues in the water and wastewa-

ter utility I run demand more pay in the open market than our pay plan can provide. I can barely afford inexperienced college graduates," says a water/wastewater utility director in the Southeast making \$116,000.

"Salaries in our municipal government aren't very competitive with the private sector, particularly in professions related to engineering and construction," adds a South Carolina public works director earning \$118,000.

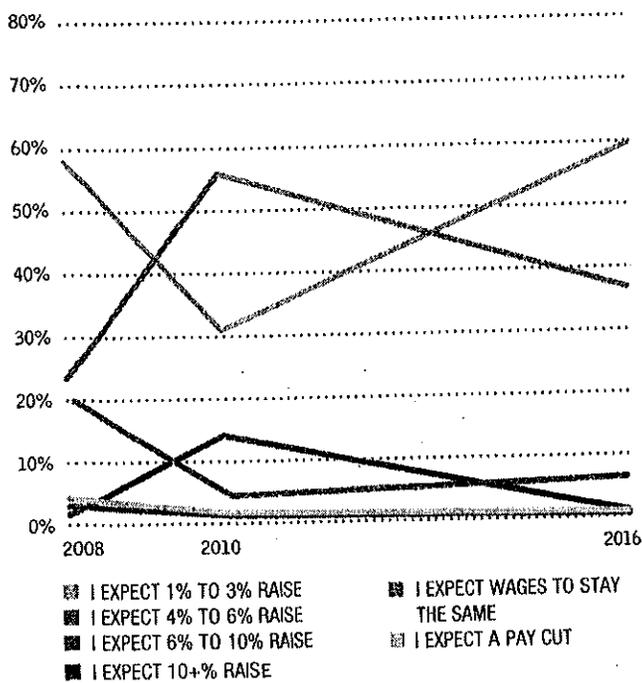
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RAISES INCREASE, PAY CUTS/SALARY FREEZES DECREASE

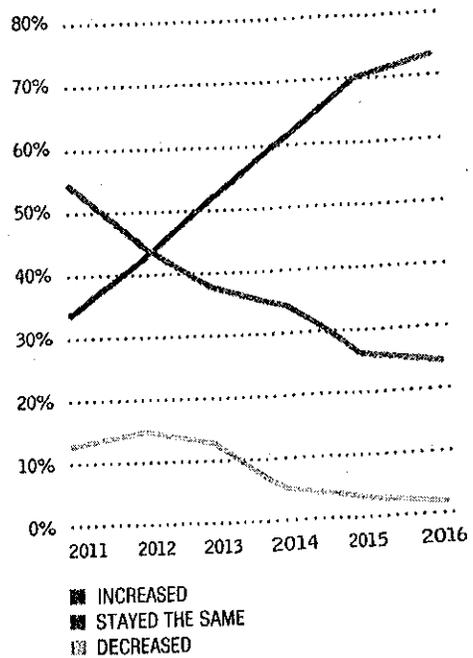
To assess the impact of the Great Recession, five years ago we began asking respondents if their pay had increased, decreased, or stayed the same. More than half reported salary freezes. Since then, we've seen steady improvement.

When compared with 2011 responses, the current percentage reporting salary freezes dropped by more than one-half. The number of respondents who say they've received a raise increased by 40%, and the number reporting pay cuts dropped by 10%.

DO YOU EXPECT YOUR PAY TO INCREASE, DECREASE, OR STAY THE SAME WITHIN THE NEXT TWELVE MONTHS?



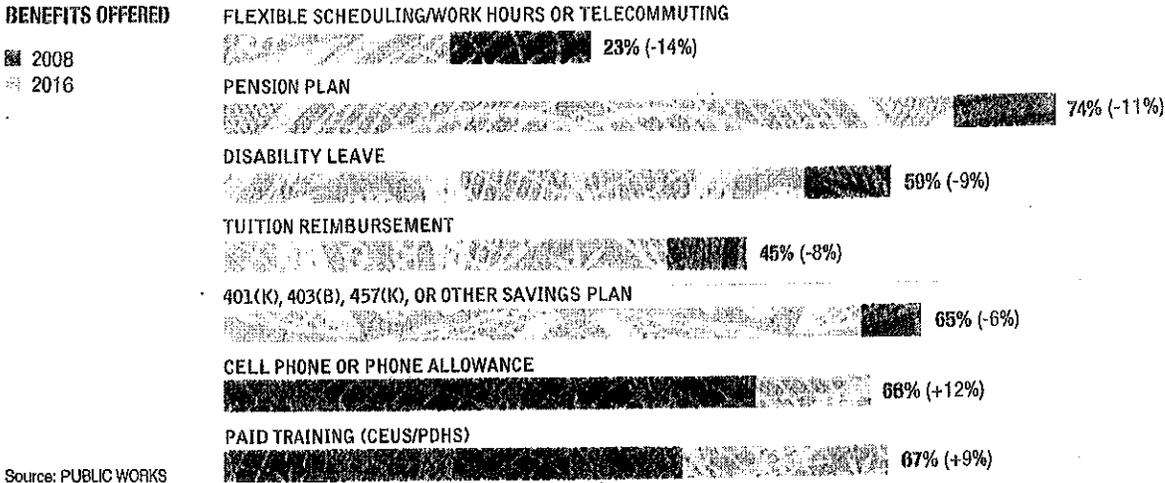
HAS YOUR PAY INCREASED, DECREASED, OR STAYED THE SAME WITHIN THE LAST



Percentages rounded to nearest whole numbers. Source: PUBLIC WORKS

PAY DEDUCTIONS OUTPACE RAISES

This chart shows a sampling of the biggest changes in benefits offered by public employers since 2008. Although most changes indicate decreased offerings, advances in technology and prioritization on workplace succession may have motivated more employers to provide mobile devices as well as paid training, which often can be done online.



Source: PUBLIC WORKS



AMERICAN HIGHWAY PRODUCTS LTD.

RAISING AMERICA, ONE INCH AT A TIME

the PIVOTED TURNBUCKLE Manhole Riser

The Most Efficient and Powerful Expanding Riser on the Market.

Riser heights 3/4" and up in all diameters.

1" diametric variance and DOT approved in most states.

Made in the USA 

PIVOTED TURNBUCKLE
For Easy Adjustment!

◀ **INCLINED RISER** also available.
RAISE & TILT the manhole cover.

SAFETY RAMPS

ELIMINATE

- Vehicle Damage Claims
- Material Cost for Cold Patch
- Labor and Disposal Costs



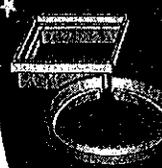
MANHOLE SAFETY RAMP



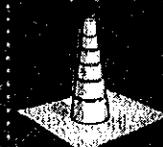
ROAD SURFACE

MILLED SURFACE SAFETY RAMP

Catch Basin & Valve Box Risers reduce costs and streamline adjustments.



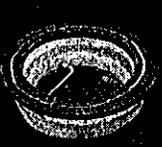
I.D. Locator allows for easy location of common utilities and aids in identifying striping.



Sewer Lid Seal Kit eliminates lid vibration and reduces moisture penetration.



Rubber Adjusting Ring protects sub-structure, eliminates noise and vibration.

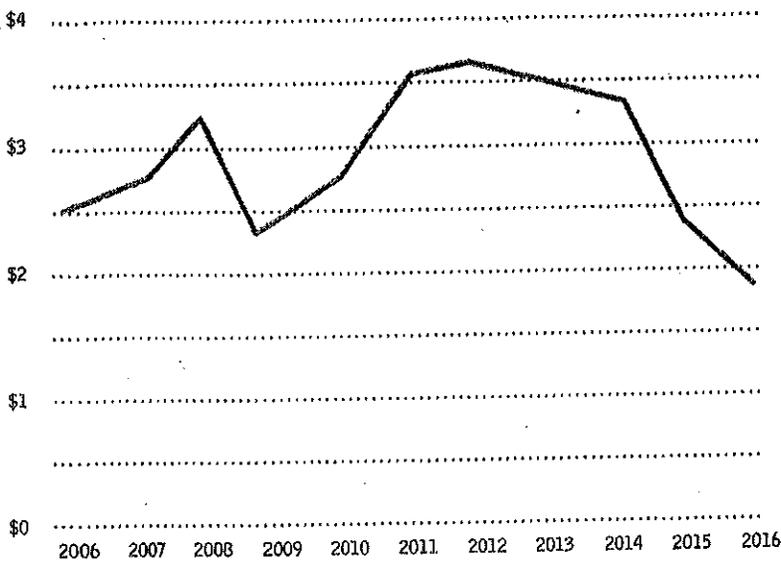


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"It's difficult to fill positions and retain qualified employees."

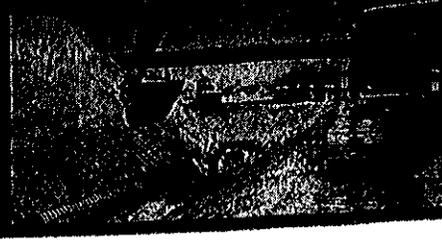
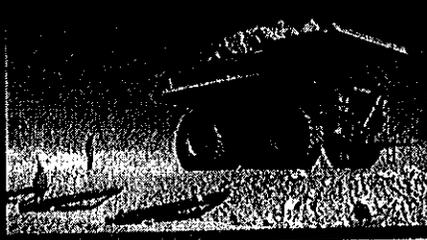
The National League of Cities warns that municipal revenues may not fully recover before the next recession, which economists say could happen by 2018, hits. Somehow, state and local governments must find a way to offer compensation that attracts, and retains, a new generation of public works leaders.

Which makes us wonder: Are salary levels are as good as they'll ever get? Only time will tell. *rw*

Victoria K. Sicaras is a freelance writer based in Countryside, Ill. E-mail vsicaras@yahoo.com.

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DRAFT

**CITY OF WAUSAU HUMAN RESOURCES COMMITTEE
MINUTES OF OPEN SESSION**

DATE/TIME: April 11, 2016 at 4:30 p.m.
LOCATION: City Hall (407 Grant Street) – Board Room
MEMBERS PRESENT: R. Wagner (C), G. Gisselman, W. Nagle, D. Oberbeck, L. Rasmussen
MEMBERS ABSENT: W. Nagle
Also Present: Mayor Tipple, C. Barr, S. Boers, P. Czarapata, M. Goede, G. Hagenbucher, T. Hanson, M. Hite, E. Krohn, T. Kujawa, E. Lindman, R. Mohelnitzky, J. Ray, J. Schara, Pat Peckham (reporter).

1. Approval of 03/14/16 minutes.

Motion by Rasmussen, second by Oberbeck to approve the draft minutes from March 14, 2016. Motion passes 3-0. (*Gisselman absent from vote.*)

2. Discussion and Possible Action on Non-represented Employee Compensation.

Hite began by reviewing with the committee their decision of how they wanted to fund merit pay increases and compensation plan adjustments, and that what was approved by the committee and Council was, inclusive of benefits, \$120,000.00.

A. Compensation Plan Adjustment – Street Maintainers. Hite spoke with employees from the Department of Public Works & Utilities and their concern of retention for new employees. Hite reviewed the information contained in the staffing paper for this item, proposing to establish a floor within the pay range for the Street Maintainers of \$18.84 per hour, and renaming the “Equipment Operator” job classification to “Senior Street Maintainer – Equipment Operator”. Hite recommended that 75% of the of the workforce should beat the Senior Street Maintainer – Equipment Operator level, and 25% of the employees should be at the Street Maintainer level. The Street Maintainer level should be a base pool of workers who are able to advance into the Senior Street Maintainer – Equipment Operator level when openings occur within the department. Rasmussen believes this is a good idea; she said the committee will have to be careful that the wages between the two classifications do not become too close like with Police and Fire. Hite agreed and said that the positions are in different pay grades, and that will initially help. Hite said the total cost to the General Fund for 2016 for the recommended proposal is \$16,044.00. The total annual addition to the base General Fund budget moving forward would be \$23,176.00 (including benefits). Hite pointed to the chart on page 4 of the staffing paper, outlining cost impact, showing the use of available money. Wagner asked when the changes would take place. Hite proposed a date of April 24, 2016, but said that the committee could select a different date. Rasmussen asked if it would be more beneficial to wait until July 1st for a mid-year raise; Wagner said that he felt it defeated the purpose of finding a problem and fixing it by waiting. Rasmussen agreed. Hite said that this was an urgent concern of Public Works and that they feel they will be losing people if action is not taken in the immediate future.

Motion by Rasmussen to approve the compensation plan adjustment proposal for the Street Maintainers. Second by Oberbeck. Mohelnitzky said that it would be beneficial for action to be taken sooner than later in order to keep staff on board. Discussion about what Council meeting this could be voted on took place. Wagner felt it would be a good practice item for the new Council on April 19th; Hite said that she and Krohn will not be available for the April 19th meeting. It was decided that the item will go to Council on April 26 and be effective April 24 if passed. Motion passes 3-0.

B. Merit Pay – Introductory Period Completion. Hite said this proposal is to provide a 2% increase for new employees who satisfactorily completed their introductory review period after the first pay period in July 2014 and through the end of 2016. Hite provided a brief history to the committee, stating that the new pay for performance plan was implemented on the first pay period of July 2014 and then wages were frozen for general

employees for 2015. Hite said that it is a typically practice in an organization to offer a new candidate less than the incumbent of the position made in recognition of the learning curve. Since July 2014, no employees have received compensation adjustments for anything. Hite pointed out that Chief Kujawa was hired during that time period and has not received a compensation adjustment. Wager said this shows that not only entry-level positions have been frozen, but also all other positions within the organization. Hite said that a merit adjustment after the introductory period is completed is truly related to performance since those who do not perform satisfactorily are released from employment during the introductory period. The cost of merit pay adjustments for those affected would be an addition of \$13,892 to the base budget. Hite said this is also a retention measure.

Motion by Rasmussen to approve the introductory period completion merit pay increases for general employees hired after the first pay period in July 2014 and through the end of 2016. Second by Oberbeck. Motion passes 3-0.

C. Merit Pay – Satisfactory Performers. Hite said that 100% of performance evaluations were completed for 2015. At this time, a complete tally has not been done on how employees were rated, and because Chapter 5 of the proposed Employee Handbook contains several provisions for rewarding exceptional performers, Hite recommends not taking additional action for exceptional performers until the handbook is adopted. Hite recommends a 1.5% increase for general employees who are rated as satisfactory performers, stating that these employees have not received a raise for 2 years, and this increase amounts to a 0.75% increase per year, for 2 years of performing satisfactorily. Wagner asked if this was for satisfactory and above performers; Hite said yes, that this would apply to all who were rated as satisfactory and exceptional, and that additional rewards for exceptional performers would be discussed when the handbook is approved. Oberbeck said that it sounds like an “across the board” raise, which they had been trying to get away from and does not believe that this is acceptable. Oberbeck went on to say that they committee hasn’t see any of the senior staff performance evaluations as requested, and that there is some work to be done before the City starts giving across the board increases. The committee agreed that they would like to see the data from the performance evaluations. Concern about employees who are at the top of the range was brought up. Hite said that her staffing paper included language that no employee will receive a raise that will take them above their salary range, and the raise will not be given to employees who are already red-lined. Discussion took place about the current pay-for-performance system and the way it was originally administered. Oberbeck felt that the idea was to not give everyone the same increase, but to base it on their individual performance. Rasmussen said she feels the system has lost some credibility because of the way it’s been handled, also mentioning concerns from employees of the perception that only a certain percentage of employees could be rated as exceptional. Hite explained the change to performance evaluations for certain positions that more easily convey to an employee how to be satisfactory in their job. Hite went on to say that she is not proposing to mature the salary ranges; she is proposing to give all general employees who were rated as at least satisfactory a 1.5% merit increase. Mohelnitzky spoke to the benefit of having the redesigned performance evaluations and using them as a tool daily to measure performance. Oberbeck reiterated that he felt that giving a 1.5% across the board increase was going backwards to what the pay-for-performance system was designed to accomplish. Rasmussen felt that giving the increase is a byproduct of stopping the pay-for-performance plan administration. (*Gisselman arrived at 5:03 p.m.*) Hite said that this was also in follow up to a motion made by Gisselman and seconded by Nagle, and passed on October 12, 2015 by the Human Resources Committee to provide non-represented employees with a salary increase, amount undetermined, in 2016, date undetermined. Hite said that this will only affect employees who had satisfactory performance appraisals and if an employee is near the top of their range, they may not receive the full 1.5% if it will take them outside of their range; periodic salary increases that add to the base are necessary to not fall behind and lose good workers in any organization. Oberbeck asked if Hite will be taking the 1.5% and adjusting the matrix. Hite said no – the matrix will not be adjusted. Wagner would like to know how many people would end of up with less and 1.5% increases if passed, and how many employees received an unsatisfactory rating. Hite said this information would need to be discussed in a closed session.

Motion by Rasmussen to approve the merit pay increase for satisfactory performers. Second by Oberbeck. Motion passes 3-0 (*Gisselman abstained from vote.*).

3. HR Director Report.

A. ATU Grievance Advancement – Employee Insurance Grievance (Flegner). Hite provided an update on the grievance that the committee denied at the last meeting. It has been advanced by the ATU.

B. Organizational Efficiency and Effectiveness Update. Hite met with the LEAN Blackbelt to start the organizational efficiency and effectiveness. Hite and the Blackbelt will be meeting with the Assessment Department on April 26th. Hite said that she did ask the Blackbelt to come and talk to the committee at the May meeting to provide an overview of the vision and talk about the work he and Hite will be doing with the pilot.

C. Employee Handbook Update. Hite reminded the committee that the next session for employees to talk about the handbook updates is April 13th at 2:00 p.m.

10. Future Agenda Items for Consideration (Administrative Items for New Council). Hite brought the agenda from the last time Council was elected for consideration of items for the May Human Resources Committee agenda. Wagner agreed to the items on the 2014 agenda and said the Blackbelt would be added at the end of the meeting. Rasmussen asked if the handbook would appear on the June agenda. Hite said June would be a good time.

11. Adjourn. Motion by Rasmussen to adjourn. Wagner thanked Oberbeck for his interest and input on the committee. Second by Oberbeck. All ayes. Motion passes 4-0. Meeting adjourned.

Romey Wagner
Human Resources Committee, Chair

PAY FOR PERFORMANCE SALARY RANGES

GRADE	Annual			Hourly		
	Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
1	\$83,200	\$104,000	\$124,800	\$40.00	\$50.00	\$60.00
2	\$77,376	\$96,720	\$116,064	\$37.20	\$46.50	\$55.80
3	\$71,960	\$89,950	\$107,940	\$34.60	\$43.25	\$51.89
4	\$66,922	\$83,653	\$100,384	\$32.17	\$40.22	\$48.26
5	\$62,238	\$77,797	\$93,356	\$29.92	\$37.40	\$44.88
6	\$57,882	\$72,352	\$86,822	\$27.83	\$34.78	\$41.74
7	\$53,830	\$67,287	\$80,744	\$25.88	\$32.35	\$38.82
8	\$50,062	\$62,577	\$75,092	\$24.07	\$30.09	\$36.10
9	\$46,558	\$58,197	\$69,836	\$22.38	\$27.98	\$33.58
10	\$43,298	\$54,123	\$64,948	\$20.82	\$26.02	\$31.22
11	\$40,267	\$50,334	\$60,401	\$19.36	\$24.20	\$29.04
12	\$37,449	\$46,811	\$56,173	\$18.00	\$22.51	\$27.01
13	\$34,827	\$43,534	\$52,241	\$16.74	\$20.93	\$25.12
14	\$32,390	\$40,487	\$48,584	\$15.57	\$19.46	\$23.36
15	\$30,122	\$37,653	\$45,184	\$14.48	\$18.10	\$21.72
16	\$28,014	\$35,017	\$42,020	\$13.47	\$16.84	\$20.20
17	\$26,053	\$32,566	\$39,079	\$12.53	\$15.66	\$18.79
18	\$24,229	\$30,286	\$36,343	\$11.65	\$14.56	\$17.47
19	\$22,533	\$28,166	\$33,799	\$10.83	\$13.54	\$16.25
20	\$20,955	\$26,194	\$31,433	\$10.07	\$12.59	\$15.11
6	\$57,882	\$72,352	\$86,822	\$27.83	\$34.78	\$41.74



Memorandum

From: Myla Hite, Human Resource Director
To: Romey Wagner, Human Resources Committee Chair
Date: June 13, 2016
Subject: Executive Recruitments

Purpose: To obtain the Committee's direction regarding executive recruitments.

Background: The Human Resources Department has a limited budget for conducting recruitments (\$5,000). The number of recruitments being conducted is on the rise as our workforce ages and as employees retire.

Three executive recruitments are anticipated over the next 6 months and include:

VACANCY DATE	POSITION
03/01/2016	City Assessor
07/06/2016	Community Development Director
01/31/2018	Police Chief

At various times Human Resources has recruited for executive position vacancies (2014 Human Resources Director and 2015 Economic Development Director) while at others the City has contracted the services of an external search firm.

POSITION	Type	COST \$	# OF APP	TIME
Fire Chief	External	\$16,237.50	50	62 days
Human Resources Director	Internal	Absorbed	17	27 days
Public Works Director	External	\$14,692.11	32	59 days
Economic Development Manager	Internal	Absorbed	20	25 days

Recommendations: That the Committee discuss options and provide direction to staff as to whether or not to conduct internal or external recruitments for the executive positions. If the decision is to conduct external recruitments, staff would request a motion be made to:

- a) Solicit Requests for Proposal
- b) Seek funding to conduct the recruitments

Cost Impact: Unknown until proposals are received:

Cc: Mayor