



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:	Wednesday, January 23, 2019 at 4:30 PM
Location:	City Hall (407 Grant Street) – Council Chambers – 1 st Floor
Members:	Becky McElhaney (C) Gary Gisselman, Dawn Herbst, Michael Martens, Tom Neal

AGENDA ITEMS FOR CONSIDERATION

- 1) Approval of 12/10/2018 Minutes.
- 2) Human Resources Reports for December.
- 3) Discussion and Possible Action on Implementation Options of the City of Wausau Wage Study.
- 4) Discussion and Possible Action on Implementation of a Modified Step System for Annual Increases.
- 5) Discussion and Possible Action on Wage Study Appeal Process.
- 6) Discussion and Possible Action on Addressing Future Compression Issues.
- 7) Future Agenda Items.

Becky McElhaney, HR Chair

This Notice was posted at City Hall and faxed to the Daily Herald newsroom on 01/22/19 at 2:30 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: Alderperson, Mayor, Department Heads, Union Presidents.

DRAFT

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

DATE/TIME: December 10, 2018 at 4:30 p.m.
LOCATION: City Hall (407 Grant Street) – Council Chambers
MEMBERS PRESENT: Becky McElhaney (C), Gary Gisselman, Dawn Herbst, Michael Martens, Tom Neal
MEMBERS ABSENT:
Also Present: Mayor Mielke, L. Rasmussen, S. Boers, E. Lindman, R. Mohelnitzky, T. Kujawa, B. Bliven, T. Vanderboom

Approval of 11/19/2018 Minutes.

Motion by Neal to approve the November 19, 2018 Human Resources Committee Meeting minutes. Second by Herbst. All ayes. Motion passes 5-0.

Human Resources Reports for October and November.

No questions were posed by the committee about the reports.

Update on the City of Wausau Wage Study by Arthur J. Gallagher & Co.

Vanderboom provided an overview of the wage study process thus far in timeline format, including staff involved, scope of information reviewed, updated, and received, and all meetings pertaining to the project. Vanderboom ended her update by cautioning the committee about any adjustments to the system, explaining that the ratings were evaluated and fairly assigned according to the Decision Band Method, and that any changes could undermine the structure of the system and invalidate the project results.

Neal asked Vanderboom how she would describe Department Head's satisfaction after the November HR meeting. Vanderboom said that some Department Heads were satisfied, but others were not due to not being able to implement the changes they recommended. Neal asked if the changes not implemented were ones that would undermine the structure; Vanderboom provided an example of a request that was denied.

McElhaney said that the Decision Band Method took out all factors not related to the job description, allowing all jobs to be fairly evaluated and placed in the structure appropriately.

Rasmussen spoke as a member of the steering committee of this project. Rasmussen said that a major issue with the last wage study was that internal comparisons were done and it was hard to get an objective result. Additionally, when the results of the wage study were complete, the City did not act on it quickly enough and the information was almost 2 years old by the time it was implemented, which led to providing a 2% increase to all employees which was not well received with the tax payers and council. Rasmussen said she believes the current wage study was done objectively and many of the problems of the previous wage study have been fixed with this one. Rasmussen hopes that the HR Committee will approve the wage study as soon as possible and that by doing so, many issues and requests of departments will be able to be addressed that have been held off until the completion and implementation of the wage study. Rasmussen also said that the wage study should be passed as a complete product and should not be dissected and changed by any committee or by council; Gallagher provided an objective result that treats the workers fairly and pays appropriately for the work of the position.

Gisselman questioned items 4-6 following on the agenda. Vanderboom said she broke the wage study into 3 parts to approve to allow for making simple motions on the wage study and implementation options.

Discussion and Possible Action on Proposed Pay Model.

Vanderboom said that this is to approve the salary ranges (A11 – E92) and title, band, grade and sub-grade assignments. Vanderboom said a formal appeal process will be created that can be utilized by employees once the pay model passes, and more information will be available at the next HR Committee meeting.

Gisselman said that he would be willing to listen to staff present before the vote. No staff spoke.

Neal motioned to approve the proposed pay model as presented. Second by Martens. All ayes.
Motion passes 5-0.

Discussion and Possible Action on Implementation Options of Wage Study.

Vanderboom explained the 3 options available to implement the proposed pay model, number of employees affected, and related costs. Vanderboom said that this item doesn't need to be acted upon at this meeting since the information is new.

Neal said he is in favor of option 2. Gisselman said he feels option 2 is the minimum that should be passed and would like to see a way to implement option 3 for the employees, but he would like to look at this further. Neal said that option 2 is more palatable for the City financially and doesn't know how it would fund option 3; he asked if this would go to Finance Committee. Rasmussen said it would and agreed with Neal and Gisselman that option 2 should be the minimum option considered. Rasmussen said they will need to talk with the Finance Director, but feels that money can be found for option 2.

Vanderboom said that if the committee would like to narrow down the options they would like to consider that more information could be collected and provided for the next meeting to review.

Lindman spoke to the committee and said he feels that the wage study results are fair. He said that he has about 105 employees, some who have been with the City 20-40 years, and would like to see them further in the pay scale than midpoint, and would like the committee to keep those employees in mind when making a decision. Lindman said that option 3 would move current employees to where they should be, help with retention, and also help with recruiting.

Neal briefly spoke about pay and length of service with the City.

Vanderboom said that she could bring back more information about options 2 and 3 and how length of service would impact salaries within the options. Gisselman again said that he will be in favor of option 3. Rasmussen said that the Finance Committee will work hard to find funding within the budget for whatever option is approved.

Mohelnitzky spoke to the committee, saying he feels that the employees are the City's best and most valuable asset to the City.

Motion by Neal to table this item for the next meeting. Second by Gisselman. All ayes. Motion passes 5-0.

Discussion and Possible Action on Annual Increase Procedure.

Vanderboom said that the City has been operating without an established annual increase procedure for the past several years. Three options for types of increases were provided to the committee along with pros and cons for each. Vanderboom said that she suggests a procedure that includes all 3 options and provided an overview of what that would look like. Vanderboom said that like the previous item, if a decision is made on how the committee would like to proceed, more information can be brought to the next meeting for review.

Gisselman questioned who decides if employees are performing to standards for a performance evaluation; Vanderboom said the supervisor is responsible. Neal asked if performance evaluations are currently in use.

Vanderboom said that performance evaluations have not been used in recent years were across the board increases have been granted. If performance review becomes a part of the increase process, an updated document would be brought to committee for approval.

Motion by Gisselman to approve the annual increase procedure as recommended by staff. Second by Herbst. All ayes. Motion passes 5-0.

Discussion and Possible Action on Discretionary Performance Incentive Policy.

Vanderboom explained that this is a housekeeping item. Discretionary performance incentive is currently included in the Employee Handbook. Vanderboom created a stand-alone policy using language that appears in the Handbook with additional language to clarify the program. Vanderboom said that she kept the same language pertaining to funding, but if the committee wishes to change how the program is funded, that can be changed.

Rasmussen asked how the program was previously funded. Vanderboom said her understanding is that Human Resources was to provide a recommendation during the budget process, however, she was not able to find any supporting evidence that this was ever done. Vanderboom said that if a department has requested a DPI, she has approved it if they were able to provide documentation that the department had funds available for it. Vanderboom said this method is not fair for departments who do not have extra money in their budget to provide for DPI requests and believes a general fund available to all departments would be better. Rasmussen said she likes the recommendations brought forward for increases and also DPI requests.

Gisselman asked if this was included in the 2019 budget. Vanderboom said no, but a request could be submitted or it could be added for the 2020 budget.

Motion by Martens to approve the Discretionary Performance Incentive Policy. Second by Herbst. All ayes. Motion passes 5-0.

Mayor Mielke spoke about the wage study process and thanked Vanderboom and the other Department Heads for their work on the process.

Future Agenda Items.

Implementation options for wage study.

Adjournment.

Motion by Neal to approve adjourn. Second by Herbst. All ayes. Meeting adjourned.

Rebecca McElhaney
Human Resources Committee, Chair



HR PERFORMANCE REPORT

Core Services

Classification & Compensation

Open Reclassification Requests

Current Job Position	Current Salary Range	Requested Job Position	Requested Salary Range	Request Date

Completed Reclassification Requests

Original Job Position/Salary Range	Requested Job Position/Salary Range	Approved Job Position/Salary Range	Request Date	Council Approval Date

Employee Benefits

Family Medical Leave (YTD)

Requests Received	Approved	Pending	Denied
122	99	1	22

Reasons why denied under FMLA

Paperwork not returned	Insufficient years of service	Condition does not qualify
15	3	4

Workers Compensation (YTD)

Number of Claims	Lost Time	Medical Only
29	7	22



HR PERFORMANCE REPORT

Employee and Labor Relations

Grievances (YTD)

Number of Grievances	Open Grievances	Closed Grievances	ATU (Metro) Grievances	WPPA (Police) Grievances	WFA (Fire) Grievances
2	1	1	0	1	1

Open Grievances

Employee Name	Union	Issue	Date Filed	Status
Kraig Kruzan	Fire	Acting Battalion Chief Assignments	2/26/18	Step One (held in abeyance, parties are working toward a mutually agreed upon resolution)

Closed Grievances

Employee Name	Union	Issue	Date Filed	Status
Eric Lemirand	Police	Modified duty Assignment Scheduling	8/22/18	Not advanced beyond Step Two

**HR PERFORMANCE REPORT***Recruitment & Selection***New Hires**

Employee Name	Department	Job Title	Hire Date
Zachary Kempf	Public Works - Streets	Street Maintainer	02/26/18
Scott Edwards	Public Works - Streets	Street Maintainer	04/02/18
Aaron Karlen	Police	Police Officer	04/09/18
Jacob DeClerc	Fire	Firefighter/Paramedic	04/27/18
Christopher Berndt	Fire	Firefighter/Paramedic	04/27/18
Troy Venus	Fire	Firefighter/Paramedic	04/27/18
James Marchel	Metro Ride	Bus Operator I	05/07/18
Kylie Abel	Police	Police Officer	06/25/18
Tanor Allen	Fire	Firefighter/Paramedic	08/03/18
Nathan Zellner	Fire	Firefighter/Paramedic	08/03/18
Thomas Niksich	Engineering	Project Engineer	08/13/18
Erick Guzman	Police	Police Officer	08/23/18
Bradley Weeks	Police	Police Officer	08/23/18
Dennis Kurszewski	Inspections	Plumbing Inspector	10/01/18
Juli Hollobaugh	Assessment	Property Appraiser	10/15/18
Renee Kremsreiter	Municipal Court	Administrative Assistant II	10/18/18
Derrick Rothmeyer	Metro Ride	Bus Operator I	10/23/18
William Olsen	Sewer	Sewer Maintainer	12/10/18
Aaron Moss	Public Works – Motor Pool	Equipment Services Mechanic	12/31/18

Seasonal Hires: (1) Community Communications Specialist, (9) Community Service Officers, (2) Engineering Aides, (2) Water Dept. Aides, (2) Yard Waste Site Attendants, (1) Maintenance Aide, (5) DPW Aides.



HR PERFORMANCE REPORT

Separations YTD

Total Number of Separations	Resignations	Retirements	Terminations
24	16	7	1

Promotions/Transfers

Employee Name	Old Job Position	New Job Position	Previous Incumbent	Effective Date
Michael Becker	Firefighter/Paramedic	Fire Lieutenant	Gary Lech	01/01/18
Nathan Pauls	Detective	Patrol Lieutenant	Mark Pankow	01/03/18
Edward Hintz	Bus Operator I	Bus Operator II	Andrew Klaschus	01/08/18
Benjamin Bliven	Deputy Chief	Police Chief	Jeffrey Hardel	02/26/18
Matthew Barnes	Detective Captain	Deputy Chief	Benjamin Bliven	02/26/18
Benjamin Graham	Patrol Lieutenant	Detective Captain	Matthew Barnes	02/26/18
John Phillips	Police Officer	Patrol Lieutenant	Benjamin Graham	02/25/18
Quinn Ambrosius	Firefighter/Paramedic	Fire Lieutenant	Mike Tuilsaari	03/11/18
Daniel Hampson	Property Appraiser	Senior Property Appraiser	Open	06/20/18
Kevin Hertel	Sewer Maintainer	Water Distribution Maintainer	Chad Marten	08/06/18
Kevin Koester	Equipment Operator	Senior Equipment Operator	New Position	08/13/18
Zachary Kempf	Street Maintainer	Equipment Operator	Kevin Koester	10/08/18
Jillian Kurtzhals	Detective	Patrol Lieutenant	Dwayne Dachel	12/13/18
Richard Grefe	Property Inspector	Building Inspector	Phil Borchardt	12/17/18
Nathanial Stetzer	Police Officer	Detective	Jillian Kurtzhals	12/19/18



HR PERFORMANCE REPORT

Active Recruitments

Job Title	Number of Vacancies	Date Vacant	Status
Bus Operator I	3	01/08/18	Collecting Applications
School Crossing Guard	1 reg. + substitutes	11/21/18	Collecting Applications
Police Officer	3	1/1/19, 1/2/19, 1/2/19	Collecting Applications
Battalion Chief	2	2019	Fire Dept. Conducting Process
Property Appraiser	2	10/26/18, 12/2018	Candidates in Process
EMS Division Chief	1	8/03/18	Candidates in Process
Deputy Fire Chief	1	5/18/18	Collecting Applications

Vacant Positions (Not Being Recruited)

Job Title	Number of Vacancies	Date Vacant	Status

Human Resource Committee Packet

January 23, 2019

Agenda Item
Discussion and Possible Action on Implementation Options of the City of Wausau Wage Study
Background
<p>At the December Human Resources Committee meeting, additional information and fiscal impact projects on two implementation options were requested:</p> <p>Option 2: Bring to Midpoint Employees would be placed in the salary range where Gallagher has determined they should fall according to their job seniority. However, no employee would be advanced beyond the midpoint of the salary range.</p> <p>Option 3: Bring to Step Employees would be placed in the salary range where Gallagher has determined they should fall according to their job seniority.</p> <p>One item I wish to clarify: Previously, it had been explained that Gallagher would place employees where they would exist in the salary range if the progression philosophy had been utilized throughout their time with the City. This was an oversimplification. Gallagher uses a complex formula to determine a fixed annual increase amount for each salary grade, and uses that amount to calculate where an employee should be placed in the salary range. An employee who is calculating a compounded 3% increase per year will not reach the correct estimated salary amount.</p> <p>Option 2 Analysis</p> <ul style="list-style-type: none">• Seventy-three (73) employees would receive salary adjustments totaling \$218,116.60 under this option.• If positions funded by a source other than the levy are removed, fifty-one (51) employees would receive salary adjustments totaling \$129,468.20.• One (1) employee will be adjusted to the maximum salary grade and therefore be redlined for future annual increases. Depending upon the annual increase option selected, a total of up to three (3) employees would be redlined after receiving their 2019 increase.• Under this option, individual salary adjustments will range in cost from \$24 to \$12,762.00. <p>Option 3 Analysis</p> <ul style="list-style-type: none">• One hundred and three (103) employees would receive salary adjustments totaling \$469,917.40 under this option.• If positions funded by a source other than the levy are removed, sixty-six (66) employees would receive salary adjustments totaling \$297,245.20 (Option 3 costs the levy \$167,777 more than Option 2).• 30 total employees receive an increase under this option who would not receive an increase under option 2 (15 of which are funded by the levy).• Twenty (20) employees will be adjusted to the maximum salary grade and therefore be redlined for future annual increases. Depending upon the annual increase option selected, a

Human Resource Committee Packet

January 23, 2019

total of up to twenty-six (26) employees would be redlined after receiving their 2019 increase.

- Under this option, individual salary adjustments will range in cost from \$218 to \$31,814.80.

Common misconceptions:

- *Misconception: 49% of the work force for the City of Wausau is misaligned or partially misaligned with the current market rate for wages.*

Response: This number varies depending upon the market to which the City is being compared, but it is important to understand that this number includes employees who are being paid *above* market wages as well, not only those employees who are below market wages. For example, 42% of employees are currently earning higher wages than Gallagher determined they should earn according to job seniority. No employee's current salary is being reduced as part of the wage study implementation.

- *Misconception: Another frequent complaint is that employees feel that it is taking them too long to advance through the pay scale.*

Response: Under the current proposed step system, employees who start at the minimum pay will be maxed out after 16 or 20 years. Market is currently aligned at the midpoint, with salary ranges within 20-25% of midpoint. Employees who remain employed in the same position have the opportunity to advance above market rates (between 20-25% above market).

Another item that must be considered is that the City of Wausau froze wages for several years; during those years, no one advanced within the pay scale because no increases were granted.

Finally, if a position is reclassified employees within that position are aligned according to their current salaries. Future earning potential is increased, but an employee's current salary is not altered. An employee receiving a reclassification must work his/her way up the salary range from their current salary.

- *Misconception: Option 3 is the only fair option.*

Response: During the last two wage studies, employee salaries were only adjusted to the midpoint; no alignments within the range were granted. If the City chooses to implement Options 2 or 3, this will be more than has previously been granted in a wage study.

- *Misconception: Employees should be hired at market wages/all currently employees should be making market wages.*

Response: Under the City's current pay philosophy, midpoint (i.e. market) is intended for employees who are fully qualified and performing at a proficient level over a period of time. It frequently takes employees several years to learn the ins and outs of a new position, even if they came to the City with previous experience. For this reason, it is a common pay practice to require years of service before earning market rates.

- *Misconception: Option 2 will create internal equity or pay compression issues.*

Response: Neither option creates internal equity issues, because the pay system is applied universally across the organization. All employees are treated the same, so no internal

Human Resource Committee Packet

January 23, 2019

inequities are created because of these options. Option 2 creates minimal compression at the midpoint, mostly within DBM grades B22 and B23, because employees will be artificially raised to that point but not beyond. Option 3 creates some compression at the maximum salary range, but this compression would exist under pay plan.

Fiscal Impact

Fiscal Impact calculations do not represent recent hiring decisions, which could slightly raise the estimated costs. Based upon my calculations, the City of Wausau budgeted approximately \$152,000 for annual increases in the 2019 Budget and \$30,000 for implementation of the wage study, for a total of \$182,000.

Option 2: Bring to Midpoint - \$129,468.20

Option 3: Bring to Step - \$297,245.20

The selected implementation option will also affect the subsequent annual increase costs.

- Option 2 annual increases and implementation can be fully funded within the current 2019 budgeted amounts, and an increase from \$31,000 to \$56,000 will need to be included in the 2020 budget.
- Option 3 annual increases and implementation cannot be fully funded without adjustment to the current 2019 budget. The City will need an additional \$139,245.43 to \$161,719.04 in the 2019 budget (and all future budgets), and an additional increase from \$240,000 to \$242,000 will need to be included in the 2020 budget.

Staff Recommendation

Either Implementation Option is structurally sound from a Human Resources perspective. My main concerns lie with the funding of the implementation and the annual wage increase. I have had preliminary discussions with the Finance Manager, and we have found no viable funding source for additional costs at this time. Also, this Committee's desire to return the City to a step system for annual increases brings an additional fiscal burden as well.

For this reason, I would recommend that the Committee approve Implementation Option 2 for 2019. This option is fully funded within the 2019 budget (if the annual increases are returned to an anniversary date for implementation), although some funding set aside for annual increases will be applied to implementation expenses.

During the 2020 budget planning process, the City Council could reconsider funding for Implementation Option 3. If sufficient funding was secured, individuals could be brought to step above midpoint at that time. I would not want to see the City over-extend fiscally to implement a generous one-time salary adjustment and be unable to fund step increases in future years.

Staff contact: Toni Vanderboom 715-261-6634

Human Resource Committee Packet

January 23, 2019

Agenda Item
Discussion and Possible Action on Implementation of a Modified Step System for Annual Increases
Background
<p data-bbox="186 478 1380 615">At the last Human Resources Committee Meeting, the Committee requested additional information on implementing a modified Step System to govern annual increases. That system would include regular step increases, a regular cost-of-living review conducted by Human Resources, and a minimum standard that must be met in order to qualify for a step increase.</p> <p data-bbox="186 655 1380 758">While conducting the Wage Study, Gallagher & Co. recommended that after implementation employees progress through a salary scale with 3% increases per year until reaching the midpoint of the salary scale, then with a 3% increase every other year.</p> <p data-bbox="186 798 1404 934">In order to return the City to a modified step system, employee salaries would need to be aligned with a step. This will result in varied increases being granted in 2019. The annual costs related to aligning all employees with a step were investigated, and are included below in Fiscal Impact. In order to calculate fiscal impact and establish steps, the following model was used:</p> <p data-bbox="186 974 1404 1220">Annual increase steps were set up according to Gallagher & Co. recommendations, with the minor adjustment of granting a 1.5% increase annually after midpoint (instead of a 3% increase every other year). This is a minimal cost increase, but will help mitigate initial implementation costs and ensure that employees continue to receive annual increases after midpoint. Also, should annual increases be withheld due to a salary freeze, every employee at midpoint will be equally affected (under Gallagher’s model, if a freeze occurs on an employee’s 3% increase year they will have gone 2 years with no increase while other employees would not have been affected by the freeze).</p> <p data-bbox="186 1260 1404 1396">Attached is a draft of the salary steps used. Positions in the A and B bands would have sixteen total steps, and positions in bands C-E would have twenty steps in total. Step increase would be applied on the employee’s annual job anniversary (i.e. the anniversary of when they began employment in their current job).</p> <p data-bbox="186 1436 527 1472">Option 2: Bring to Midpoint</p> <p data-bbox="186 1472 1356 1608">Placing employees on an established step would result in one (1) employee reaching the maximum salary and being redlined for future salary increases. The percentage of increase ranged from .1% increase for seven (7) employees to a 2.9% increase for three (3) employees. No additional employees would be redlined after the step increase was granted.</p> <p data-bbox="186 1648 1396 1860">Because some employees would receive minimal increases by being placed on the next highest salary step, Human Resources calculated how many employees would receive a step increase of less than 1.5%. Seventy-four (74) employees would receive an increase of less than 1.5%. If the City wished to guarantee a minimum step increase of 1.5% in 2019, those employees could be moved to the next step. This would result in an estimated additional levy impact of \$69,829.22, and a total of three (3) employees reaching the maximum salary and being redlined for future salary increases.</p>

Human Resource Committee Packet

January 23, 2019

Option 3: Bring to Step

Placing employees on an established step would result in twenty (20) employees reaching the maximum salary and being redlined for future salary increases. The percentage of increase for non-redlined employees ranged from .03% for four (4) employees to a 2.9% increase for two (2) employees. No additional employees would be redlined after the step increase was granted.

Because some employees would receive minimal increases by being placed on the next highest salary step, Human Resources calculated how many employees would receive a step increase of less than 1.5%. Eighty-one (81) employees would receive an increase of less than 1.5%. If the City wished to guarantee a minimum step increase of 1.5% in 2019, those employees could be moved to the next step. This would result in an estimated additional levy impact of \$72,524.90, and a total of twenty-six (26) employees reaching the maximum salary and being redlined for future salary increases.

Fiscal Impact

Fiscal Impact will depend upon the Implementation Option selected by the City. Grant-funded positions and other non-levy funded positions have been removed from the tentative numbers below.

Based upon my calculations, the City of Wausau budgeted approximately \$152,000 for annual increases in the 2019 Budget and \$30,000 for implementation of the wage study, for a total of \$182,000.

Conservatively, the City should plan for an estimated 3% increase to salary funding each year to fund annual step increase.

Implementation Option #2 (Fiscal Impact of \$129,468.20):

- Step Increase
 - Cost if effective 1/1/19: \$110,735.26
 - Cost if effective on job anniversary date (recommended): \$29,345.28
 - 2020 step increase expense (estimating a 3% increase for levy salary expenses): \$236,000
 - SUMMARY: If step increases are granted on the employee's job anniversary date, the City can fund this annual increase and implementation option within the currently approved budget, and will need to plan for an estimated additional \$212,813.48 in the 2020 budget)

- Ensuring all employees receive a minimum 1.5% increase after implementation (additional levy impact of \$69,829.22)
 - Cost if effective on 1/1/19: \$180,564.48
 - Cost if effective on job anniversary date (recommended): \$51,791.57
 - 2020 conservative step increase expense (estimating a 3% increase for levy salary expenses): \$238,000
 - SUMMARY: If step increases are granted on the employee's job anniversary date, the City can fund this annual increase and implementation option within the currently approved budget, and will need to plan for an estimated additional \$237,259.77 in

Human Resource Committee Packet

January 23, 2019

the 2020 budget.

Implementation Option #3 (Fiscal Impact of \$297,245.20):

- Step Increase
 - Cost if effective 1/1/19: \$89,025.35
 - Cost if effective on job anniversary date (recommended): \$24,001.23
 - 2020 step increase expense (estimating a 3% increase for levy salary expenses): \$240,000
 - SUMMARY: If step increases are granted on the employee's job anniversary date, the City cannot fund this annual increase and implementation option without adjustment to the current 2019 budget. The City will need an additional \$139,246.43 in the 2019 budget (and all future budgets), and will need to plan for an estimated additional \$240,000 in the 2020 budget.

- Ensuring all employees receive a minimum 1.5% increase after implementation (additional levy impact of \$72,524.90)
 - Cost if effective 1/1/19: \$161,550.25
 - Cost if effective on job anniversary date (recommended): \$46,473.84
 - 2020 step increase expense (estimating a 3% increase for levy salary expenses): \$242,000
 - SUMMARY: If step increases are granted on the employee's job anniversary date, the City cannot fund this annual increase and implementation option without adjustment to the current 2019 budget. The City will need an additional \$161,719.04 in the 2019 budget (an all future budgets), and will need to plan for an estimated additional \$242,000 in the 2020 budget.

Staff Recommendation

Set up annual increase steps according to Gallagher & Co. recommendations to be effective on the employee's job anniversary date, with the minor adjustment of granting a 1.5% increase annually after midpoint (instead of a 3% increase every other year).

Attached is a draft of the proposed salary steps. Positions in the A and B bands would have sixteen total steps, and positions in bands C-E would have twenty steps in total. Step increase would be applied on the employee's annual job anniversary (i.e. the anniversary of when they began employment in their current job).

In order to qualify for an annual step increase, and employee:

- An employee must have successfully completed their probationary period.
- Must not be on a Performance Improvement Plan. If an employee has been on a Performance Improvement Plan for any portion of the year prior to their job anniversary, they will be ineligible for an annual increase.
- May not have received a suspension in the previous year, or have received three or more Written Warnings.
- Must have a current Employee Review Form completed and on file with the Human

Human Resource Committee Packet

January 23, 2019

Resources Department.

- Employee Review Form should not reflect that an employee is consistently not meeting performance standards. This determination will be made by Human Resources and consistently applied; this threshold shall be kept confidential to ensure accurate evaluations and discourage manipulation of reviews to ensure increases.

Staff contact: Toni Vanderboom 715-261-6634

Grade	Minimum	2.00%	total 3%	3.00%	3.00%	3.00%	3%	3%	3.0%	1.5%	1.5%
	Start	6 months	1 st step	2nd step	3rd step	4th step	5th step	6th step	7th step	8th step	9th step
A11	\$29,663.00	\$30,256.26	\$30,552.89	\$31,469.48	\$32,413.56	\$33,385.97	\$34,387.55	\$35,419.17	\$36,481.75	\$37,028.97	\$37,584.41
A12	\$32,477.00	\$33,126.54	\$33,451.31	\$34,454.85	\$35,488.49	\$36,553.15	\$37,649.74	\$38,779.24	\$39,942.61	\$40,541.75	\$41,149.88
A13	\$35,291.00	\$35,996.82	\$36,349.73	\$37,440.22	\$38,563.43	\$39,720.33	\$40,911.94	\$42,139.30	\$43,403.48	\$44,054.53	\$44,715.35
B21	\$38,113.00	\$38,875.26	\$39,256.39	\$40,434.08	\$41,647.10	\$42,896.52	\$44,183.41	\$45,508.92	\$46,874.18	\$47,577.30	\$48,290.95
B22	\$40,927.00	\$41,745.54	\$42,154.81	\$43,419.45	\$44,722.04	\$46,063.70	\$47,445.61	\$48,868.98	\$50,335.05	\$51,090.07	\$51,856.42
B23	\$43,741.00	\$44,615.82	\$45,053.23	\$46,404.83	\$47,796.97	\$49,230.88	\$50,707.81	\$52,229.04	\$53,795.91	\$54,602.85	\$55,421.89
B24/B31	\$47,264.00	\$48,209.28	\$48,681.92	\$50,142.38	\$51,646.65	\$53,196.05	\$54,791.93	\$56,435.69	\$58,128.76	\$59,000.69	\$59,885.70
B25/B32	\$51,489.00	\$52,518.78	\$53,033.67	\$54,624.68	\$56,263.42	\$57,951.32	\$59,689.86	\$61,480.56	\$63,324.98	\$64,274.85	\$65,238.97

	start	2.00%	3%	3%	3%	3%	3%	3%	3%	3.0%	1.5%
		6 month	1 step	2nd step	3rd step	4th step	5th step	6th step	7th step	8th step	9th step
C41	\$52,812.00	\$53,868.24	\$54,396.36	\$56,028.25	\$57,709.10	\$59,440.37	\$61,223.58	\$63,060.29	\$64,952.10	\$66,900.66	\$67,904.17
C42	\$55,514.00	\$56,624.28	\$57,179.42	\$58,894.80	\$60,661.65	\$62,481.50	\$64,355.94	\$66,286.62	\$68,275.22	\$70,323.47	\$71,378.33
C43	\$58,218.00	\$59,382.36	\$59,964.54	\$61,763.48	\$63,616.38	\$65,524.87	\$67,490.62	\$69,515.34	\$71,600.80	\$73,748.82	\$74,855.05
C44/C51	\$61,598.00	\$62,829.96	\$63,445.94	\$65,349.32	\$67,309.80	\$69,329.09	\$71,408.96	\$73,551.23	\$75,757.77	\$78,030.50	\$79,200.96
C45/C52	\$65,654.00	\$66,967.08	\$67,623.62	\$69,652.33	\$71,741.90	\$73,894.16	\$76,110.98	\$78,394.31	\$80,746.14	\$83,168.52	\$84,416.05
D61	\$69,036.00	\$70,416.72	\$71,107.08	\$73,240.29	\$75,437.50	\$77,700.63	\$80,031.64	\$82,432.59	\$84,905.57	\$87,452.74	\$88,764.53
D62	\$71,738.00	\$73,172.76	\$73,890.14	\$76,106.84	\$78,390.05	\$80,741.75	\$83,164.00	\$85,658.92	\$88,228.69	\$90,875.55	\$92,238.69
D63	\$74,439.00	\$75,927.78	\$76,672.17	\$78,972.34	\$81,341.51	\$83,781.75	\$86,295.20	\$88,884.06	\$91,550.58	\$94,297.10	\$95,711.55
D71	\$77,822.00	\$79,378.44	\$80,156.66	\$82,561.36	\$85,038.20	\$87,589.35	\$90,217.03	\$92,923.54	\$95,711.24	\$98,582.58	\$100,061.32
D72	\$81,878.00	\$83,515.56	\$84,334.34	\$86,864.37	\$89,470.30	\$92,154.41	\$94,919.04	\$97,766.61	\$100,699.61	\$103,720.60	\$105,276.41
E81	\$85,260.00	\$86,965.20	\$87,817.80	\$90,452.33	\$93,165.90	\$95,960.88	\$98,839.71	\$101,804.90	\$104,859.05	\$108,004.82	\$109,624.89
E 82	\$87,962.00	\$89,721.24	\$90,600.86	\$93,318.89	\$96,118.45	\$99,002.01	\$101,972.07	\$105,031.23	\$108,182.16	\$111,427.63	\$113,099.04
E83	\$90,663.00	\$92,476.26	\$93,382.89	\$96,184.38	\$99,069.91	\$102,042.01	\$105,103.27	\$108,256.36	\$111,504.05	\$114,849.18	\$116,571.91
E91	\$94,046.00	\$95,926.92	\$96,867.38	\$99,773.40	\$102,766.60	\$105,849.60	\$109,025.09	\$112,295.84	\$115,664.72	\$119,134.66	\$120,921.68
E92	\$98,102.00	\$100,064.04	\$101,045.06	\$104,076.41	\$107,198.70	\$110,414.67	\$113,727.11	\$117,138.92	\$120,653.09	\$124,272.68	\$126,136.77

Grade	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5% Maximum
	10th step	11th step	12th step	13th step	14th step	15th step	last
A11	\$38,148.18	\$38,720.40	\$39,301.20	\$39,890.72	\$40,489.08	\$41,096.42	\$41,528.00
A12	\$41,767.13	\$42,393.63	\$43,029.54	\$43,674.98	\$44,330.11	\$44,995.06	\$45,467.00
A13	\$45,386.08	\$46,066.87	\$46,757.87	\$47,459.24	\$48,171.13	\$48,893.70	\$49,407.00
B21	\$49,015.32	\$49,750.55	\$50,496.81	\$51,254.26	\$52,023.07	\$52,803.42	\$53,358.00
B22	\$52,634.27	\$53,423.78	\$54,225.14	\$55,038.52	\$55,864.10	\$56,702.06	\$57,297.00
B23	\$56,253.22	\$57,097.02	\$57,953.48	\$58,822.78	\$59,705.12	\$60,600.70	\$61,237.00
B24/B31	\$60,783.99	\$61,695.75	\$62,621.18	\$63,560.50	\$64,513.91	\$65,481.62	\$66,170.00
B25/B32	\$66,217.56	\$67,210.82	\$68,218.98	\$69,242.27	\$70,280.90	\$71,335.12	\$72,085.00

	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	0.015	1.5%	1.5% Maximum
	10th step	11th step	12th step	13th step	14th step	15th step	16th step	17th step	18th step	19th step	last
C41	\$68,922.73	\$69,956.58	\$71,005.92	\$72,071.01	\$73,152.08	\$74,249.36	\$75,363.10	\$76,493.55	\$77,640.95	\$78,805.56	\$79,218.00
C42	\$72,449.00	\$73,535.74	\$74,638.77	\$75,758.35	\$76,894.73	\$78,048.15	\$79,218.87	\$80,407.16	\$81,613.26	\$82,837.46	\$83,270.00
C43	\$75,977.88	\$77,117.55	\$78,274.31	\$79,448.42	\$80,640.15	\$81,849.75	\$83,077.50	\$84,323.66	\$85,588.52	\$86,872.34	\$87,322.00
C44/C51	\$80,388.98	\$81,594.81	\$82,818.73	\$84,061.01	\$85,321.93	\$86,601.76	\$87,900.78	\$89,219.30	\$90,557.58	\$91,915.95	\$92,396.00
C45/C52	\$85,682.29	\$86,967.53	\$88,272.04	\$89,596.12	\$90,940.06	\$92,304.16	\$93,688.72	\$95,094.06	\$96,520.47	\$97,968.27	\$98,480.00
D61	\$90,096.00	\$91,447.44	\$92,819.15	\$94,211.44	\$95,624.61	\$97,058.98	\$98,514.86	\$99,992.59	\$101,492.47	\$103,014.86	\$103,554.00
D62	\$93,622.27	\$95,026.60	\$96,452.00	\$97,898.78	\$99,367.26	\$100,857.77	\$102,370.64	\$103,906.20	\$105,464.79	\$107,046.76	\$107,606.00
D63	\$97,147.23	\$98,604.44	\$100,083.50	\$101,584.76	\$103,108.53	\$104,655.15	\$106,224.98	\$107,818.36	\$109,435.63	\$111,077.17	\$111,658.00
D71	\$101,562.24	\$103,085.67	\$104,631.96	\$106,201.44	\$107,794.46	\$109,411.38	\$111,052.55	\$112,718.34	\$114,409.11	\$116,125.25	\$116,732.00
D72	\$106,855.56	\$108,458.39	\$110,085.27	\$111,736.54	\$113,412.59	\$115,113.78	\$116,840.49	\$118,593.10	\$120,371.99	\$122,177.57	\$122,816.00
E81	\$111,269.26	\$112,938.30	\$114,632.38	\$116,351.86	\$118,097.14	\$119,868.60	\$121,666.63	\$123,491.63	\$125,344.00	\$127,224.16	\$127,890.00
E 82	\$114,795.53	\$116,517.46	\$118,265.22	\$120,039.20	\$121,839.79	\$123,667.39	\$125,522.40	\$127,405.24	\$129,316.31	\$131,256.06	\$131,942.00
E83	\$118,320.49	\$120,095.30	\$121,896.73	\$123,725.18	\$125,581.06	\$127,464.77	\$129,376.75	\$131,317.40	\$133,287.16	\$135,286.46	\$135,994.00
E91	\$122,735.50	\$124,576.54	\$126,445.18	\$128,341.86	\$130,266.99	\$132,221.00	\$134,204.31	\$136,217.37	\$138,260.64	\$140,334.55	\$141,068.00
E92	\$128,028.82	\$129,949.25	\$131,898.49	\$133,876.97	\$135,885.12	\$137,923.40	\$139,992.25	\$142,092.13	\$144,223.52	\$146,386.87	\$147,152.00

Human Resource Committee Packet

January 23, 2019

Agenda Item
Discussion and Possible Action on Wage Study Appeal Process
Background
<p>Although the Human Resources Committee approved the salary range structure in December, the City would like to provide employees the opportunity to formally appeal their classification once the Wage Study has been implemented. Previous wage studies granted appeal opportunities as well, and those previous appeals were modified to create the proposed appeal process.</p> <p>An employee may appeal if they feel that the classification determination for their position:</p> <ol style="list-style-type: none">(1) Failed to recognize major duties of the position (constituting at least 5% of their time); or(2) The duties of the position have changed significantly since the original job description was submitted for review. <p>An employee will not be afforded the ability to appeal the classification determination if:</p> <ol style="list-style-type: none">(1) They disagree with the Decision Band Method process that was performed to determine internal equity.(2) If the appeal is based on the employee possessing qualifications that are not required for the position, performance, work load or volume, or duties that could be assigned in the future.(3) Market data from sources other than those used as part of the Wage Study. <p>Process for submitting appeals:</p> <ol style="list-style-type: none">(1) Employees will have one month to submit appeals; all appeals must be received by Human Resources timely to be considered.(2) Employees should first discuss classification concerns with their supervisor and Department Director. Employees wishing to engage in the appeal process must contact Human Resources to obtain a copy of their job description and the required Position Review Form to appeal.(3) The appealing employee must complete the Position Review Form completely in order to be considered. Department Directors must review the form with the employee and front-line supervisor or manager if applicable. Department Directors must certify that the submitted Position Review form accurately represents the content of the position with or without clarification.(4) Appeals that are approved and submitted to Human Resources will be reviewed by Human Resources for appeal eligibility. If the appeal meets the criteria to appeal, the compensation consultant reevaluate the position. If the appeal does not meet the criteria to appeal, the request will be denied.(4) Upon receipt of the appeal evaluation from the consultant the Human Resources Department will evaluate their recommendation for placement into the classification and compensation system. All employees submitting an appeal will be given the final decision in writing within 60 days of submitting the appeal. <p>The final decision on all appeals will be the responsibility of the Human Resources Director.</p>

Human Resource Committee Packet

January 23, 2019

Fiscal Impact
Undetermined. If a position is appealed successfully, that could result in an additional fiscal impact to the City.
Staff Recommendation
Approve the Appeal Process as described above.
Staff contact: Toni Vanderboom 715-261-6634

Human Resource Committee Packet

January 23, 2019

Agenda Item
Discussion and Possible Action on Addressing Future Compression Issues
Background
Union-represented positions and non-represented positions frequently receive different annual increase percentages. This causes salaries for union positions to occasionally surpass their non-represented supervisors.
Fiscal Impact
Undetermined
Staff Recommendation
<p>The Wage Study has appropriately classified the non-union positions according to the current wage market. I do not recommend making any artificial changes to the salary grades and grade assignments at this time.</p> <p>However, it is likely that compression issues will need to be addressed in the future:</p> <p>The Human Resources Director will have the responsibility to regularly evaluate internal equity and potential pay compression issues, and to recommend the reallocation of positions in order to ensure internal equity and appropriate classification and wages.</p> <p>Department initiated reclassifications to address pay compression. A Department Director may initiate a pay compression review if the negotiated wages of a represented employee will exceed the wages of a non-represented employee within the chain-of-command. Similar to the standard reclassification process, the Department Director shall meet with the Mayor and Human Resources Director prior to the initiation of any action involving a reallocation due to compression. This effort should held avoid any misunderstandings during the reallocation process.</p> <p>All position reallocation requests will require the submission of a position description questionnaire, internal equity analysis, and relevant market data prior to consideration. Requests must be processes through the Department Director with the assistance of Human Resources. All reallocation requests will be submitted to Human Resources; they will be evaluated thereafter and subject to approval by the Human Resources Director within the compensation plan’s administrative guidelines and philosophy.</p>
Staff contact: Toni Vanderboom 715-261-6634