

## Section 2. Compensation Plan

Our compensation plan is comprised of salary grades into which each Job Position in the City has been assigned (see Addendum "A"). As positions substantially change in responsibility, a compensation review shall be conducted to ensure proper pay grade placement based on new job responsibilities. The HR Director will work with the Department Heads to determine if a position has changed substantially, collect revised job documentation noting the changes, and determine whether the changes warrant review.

Similarly, all newly created positions will be reviewed and analyzed for grade placement in the pay structure. The HR Director will partner with each Department Head in creating a detailed job description and it will be sent to a compensation consultant for evaluation.

The plan also consists of the following rates:

- 5-Year Rate – this rate ~~will may will~~ be adjusted annually ~~based on the Wisconsin Fox Valley Northeast Region market data received from the from Wage Survey Report by the Common Council~~, and separately for exempt and non-exempt employees.
- Hire Rate – 12.5% below 5-Year Rate
- Max Rate – 12.5% above 5-Year Rate

Exempt and Non-exempt employees are separated in order to keep the plans competitive within the market and to allow for adjustments to the Exempt schedule to account for compression. A formal market analysis will be conducted every 5 years via contracted compensation professional to ensure our plan remains competitive with the market.

~~After the a Wage Survey Report is received each year, the 5-Year Rate of the compensation structure will will be adjusted accordingly based on multiple factors, including the actual structural increase of the previous year for Exempt and Non-exempt employees in the Wisconsin Fox Valley Northeast Region. These amounts will be reported to the Personnel Committee annually.~~

~~The HR Director will provide to the Mayor the data from the annual Wisconsin Fox Valley Northeast Region Wage Survey Report. The survey data will be reported to the Personnel Committee annually during budget deliberation. Prior to submitting the annual proposed budget to the Finance Committee, the Mayor will determine the actual recommend to the Personnel Committee the adjustment to the 5-Year Rate based on various data sources, including but not limited to, the annual survey, comparable municipalities, and current financial market. No adjustments are final until approved by Common Council. also by reviewing budgetary other data prior to submitting the annual proposed budget to the Finance Committee. These amounts will be reported to the Personnel Committee annually. If the Wage Survey Report increase would be reported as more than 2.5%, a request may be made to Council to change the overall increases to employees.~~

School Crossing Guard rates will follow the rates set forth by the 2017 budget.

The plan will be informally re-evaluated occasionally to ensure the plan is maintaining effectiveness, addressing compression, and remaining competitive.

### **Section 3. Compensation Guidelines**

Employees will be placed into the compensation plan as follows:

- Newly hired employees may be hired up to 5-Year Rate, with the documented approval of the Department Head and Human Resources Director.
- Employees who are promoted will start at either the Hire Rate for the new position or a 5% increase to current position's base salary, whichever is greater.
  - The HR Director and Department Head have discretion to approve up to the 5-Year Rate, or up to a 10% increase, depending on employee's current position on the compensation table. Approval will be documented.
  - Any increase beyond this requires the documented approval of the Human Resources Director, Department Head, and Mayor, or MPL Library Board for Library employees.
  - Employees promoted between January and June, will receive the increase the following January based on the new rate of pay. Those promoted between July and December will receive the January increase based on the former rate of pay (prior to promotion).
- Employees who are demoted will decrease to the appropriate grade within the pay scale. The Human Resources Director and Department Head will evaluate where on the grade to place the employee as each situation will be unique.
- Lateral transfers in the same pay grade will result in no change in compensation.

There may be instances where current employees are provided with pay equity and/or PTO adjustments based on recommendations from HR and Department Heads, with Mayoral approval.

Compensation increases will be determined based on the performance level achieved during the performance evaluation.

Beginning January 2024, aAfter an employee has worked in a grade for five years, the following January, they will automatically be moved to the 5-Year Rate (midpoint) of the compensation structure grade. Any evaluation year that the employee received an overall "Inconsistent" rating will not count toward the five-year calculation. If the percentage increase of moving to the 5-Year Rate is less than 2.5%, the employee will still receive a performance increase for that year. If the percentage increase is 2.5% or more, there will generally be no additional increases given for performance. However, if an employee is rated "Exceptional," they will be given an additional 1% increase in addition to moving to the 5-Year Rate.

Benefit-eligible, non-represented employees who complete 10 years of continuous service to the City, will received a one-time lump sum recognition of \$2,500 on January 1 of the following year.

For both Exempt and Non-Exempt employees, the ~~increases will~~ may be adjustments will be given annually in January as follows:

	Inconsistent	Developing/In process	Successful	Exceptional
<b>Between Hire and 5-Year Rate</b>	No increase	Market adjustment*	2.5% increase and/or move to 5-Year Rate	2.5% + 1.0% and/or move to 5-Year Rate
<b>5-Year Rate and above</b>	No increase	Market adjustment*	Market adjustment*	Market adjustment* + 2.0%
<b>New Hires – Hired between Jan and Jun</b>	No increase	Market adjustment*	2.5% increase	2.5% + 1.0%
<b>New Hires – Hired between Jul and Dec</b>	No increase	Market adjustment*	Market adjustment*	Market adjustment*

\*The market adjustment refers to the actual structural increase of over the previous year as approved by the Common Council and based on the recommendation by the Mayor, for Exempt and Non-exempt employees in the Wisconsin Fox Valley-Northeast Region data as shown in the annual Wage Survey Report, and other factors.

~~The Mayor will review the Wage Survey Report along with budgetary requirements and will annually authorize the percentage amount of the market adjustment for pay increases. Final approved increases will be contingent on budget approval from the Common Council.~~

If the Wage Survey Report increase would be reported as wage adjustment approved by the Common Council exceeds more than 2.5%, employees below the 5-Year Rate that receive a Successful performance evaluation, or are new hires hired between January and June, they will receive the same percentage increase as employees that receive a Successful performance evaluation who are earning a rate at or above the 5-Year Rate.

Increases in first calendar year of employment (previously anniversary increases) will be as follows:

- Employees hired between January and June eligible for increase based on performance (2.5% for Successful, +1% for Exceptional).
- Employees hired between July and December eligible for market adjustment based on supervisor’s recommendation.

Department Heads will determine whether employees in certain non-represented positions (ex: RWAM Art Instructor, RWAM Visitor Services Clerk, School Crossing Guard) are eligible for pay increases each year. These positions are not subject to performance evaluations.

All compensation increases will be given annually on the first payroll in January.