

ARTICLE 14: PERFORMANCE MANAGEMENT AND COMPENSATION

Section 1. Evaluation Process

Employee work performance will be reviewed on an annual basis by the employee's immediate supervisor. Performance Evaluations may be considered in decisions affecting placement, salary adjustment, overtime assignments, promotions, transfers, demotions, corrective action or dismissal, re-employment and training.

It is the policy of the City of Manitowoc to administer a Performance Management Program which will: help assess an employee's work performance and effectiveness; allow the employee and supervisor to set relevant goals; objectively review goals; suggest constructive action for improvement; suggest action for employee development; provide positive feedback in areas of excellence; and determine compensation.

The Performance Evaluation process will be completed electronically and will consist of: a mid-year evaluation/check-in during the month of March, due on April 1 annually; and an annual evaluation in October, due November 15 annually. The evaluation year will run from October 1 through September 30. All pay increases will be given on the first payroll of January on an annual basis.

New employee evaluations will be scheduled as follows:

Annual evaluations:

- Employees hired between January and June are initially evaluated in the year they are hired.
- Employees hired between July and December are initially evaluated in the year following their hire.

Mid-year evaluations:

- Employees hired between January and November are initially evaluated the year following their hire.
- Employees hired in December are initially evaluated in the 2nd year following their hire.

Note: Managers may decide to do either a 90-day check-in or a mid-year for employees hired in November and December.

Performance levels will be as follows:

- **Exceptional Performance:** Employee consistently exceeds successful performance in overall job performance, competencies, and goals, and/or makes a significant contribution within a Department or the City, such as improving processes, increasing efficiencies, exhibiting innovation, or taking initiative.

- **Successful Performance:** Employee consistently performs at an acceptable level in overall job performance, competencies, and goals.
- **Developing/In Process:** Employee demonstrates successful performance in some areas and is making acceptable progress towards overall job performance, competencies, and goals in a new or transitioning role. Examples are employees who are newly hired after July 1, new managers, in a new role, making progress, in a transitional time, needing to get to Successful Performance. This does not include an employee on a performance improvement plan.
- **Inconsistent Performance:** Employee fails to meet successful performance in one or more areas related to job performance and/or competencies that negatively impact the Department or City. Employees on a performance improvement plan would fall into this category. Supervisors giving this rating to employees should develop an action plan or performance improvement plan, which includes periodic reviews until the employee has reached an acceptable rating.

In order to maintain consistency in the process, any evaluation with an overall Performance Level of Exceptional Performance or Inconsistent Performance will be vetted by the MLC (Department Heads) through a voting process prior to the evaluation meeting with the employee (this does not apply to a Department Head, as the Mayor/Library Board will have final authority on these overall evaluation levels). Should an employee disagree with their overall performance rating, they may address a written request for a review to MLC (Department Heads). These requests should be sent to the Mayor's office. MLC will make the final determination on whether to review the appeal and whether to change the overall evaluation level.

Each employee will be evaluated on the following competencies:

- Communication/Customer Service
- Professionalism/Leadership
- Productivity, Teamwork, Attendance
- Following Policies/Procedures
- Job Knowledge

Employees and Supervisors should refer to the examples of Performance Standards available for each Competency. Any employee receiving one or more Inconsistent Performance ratings in their Competencies will receive an overall annual rating of Inconsistent Performance.

Each employee will be required to have at least one SMART goal each year. The intent of goals is to support development of future work skills and knowledge, and/or further development of the Department. Receiving an incomplete evaluation in your goals will not necessarily affect your overall performance level. Employees will work with their direct supervisor to jointly develop goals for the following year. Both the supervisor and the employee should contribute ideas for the goals.

The evaluation process will include the opportunity for the supervisors and employees to discuss Career/Succession planning (optional) and also, to review the employee's current job description (mandatory) in order to provide any revisions.

Each supervisor will determine an overall performance level for each employee. All evaluation ratings should be discussed with the appropriate Department Head. If an employee receives an Inconsistent or Exceptional rating and the Department Head concurs with this rating, the Department Head will be required to bring that request/justification to the MLC (Department Heads) for final vetting. This will allow for more consistency in evaluations amongst the departments.

Evaluation meetings shall be held with employees during the month of October. Supervisors should first schedule evaluation meetings with employees who are receiving Successful ratings. Meetings with any employees, who are receiving an Inconsistent or Exceptional rating, shall not be held until after the evaluation rating has been approved by the MLC (Department Heads). The appropriate Oversight Committee Chair will attend Department Head evaluations.

Any Supervisor or Department Head who does not complete reviews by the assigned deadline (November 15) will receive an overall Inconsistent Performance level. Exceptions to the deadline must be approved by HR Director and Department Head. Employees who do not receive evaluations due to neglect of Supervisor will receive the overall level as determined during self-evaluation, to be vetted by MLC (Department Heads) with final determination after a voting process.

The MLC (Department Heads) will set aside time blocks at the beginning of each October for vetting/reviews of evaluations brought forward by Department Heads with ratings of Inconsistent or Exceptional.

Department Heads will report the final determination of the MLC (Department Heads) to the appropriate Supervisors and evaluation meetings shall then be held with the remainder of their employees.

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 be adjusted annually based on the Wisconsin Fox Valley-Northeast Region market data received from the Wage Survey Report, 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 Wage Survey Report is received each year, the 5-Year Rate of the compensation structure will be adjusted accordingly based on 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. 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.

~~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.~~

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.
- In order to meet the Compression Pay guidelines, there may be exceptions to any of the above for non-represented protective service employees.

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

Beginning January 2024, after 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. When implemented, anyone with 10 years of continuous service to the City would receive the award.

For both Exempt and Non-Exempt employees, the increases will be given annually in January as follows¹:

¹[Protective services non-represented employees' increases may vary. See Compression Pay language.](#)

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

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.

Section 4. Compression Pay – Non-Represented Protective Services Employees

To alleviate pay compression due to collective bargaining agreement pay increases, wages for sworn non-represented Police and Fire employees may need to be adjusted beyond the guidelines set forth for general City employees. Minimum pay for these employees shall be as follows²:

<u>Police Department</u>	
<u>Police Chief</u>	<u>25% above Detective Sergeant maximum</u>
<u>Assistant Police Chief</u>	<u>20% above Detective Sergeant maximum</u>
<u>Deputy Police Chief</u>	<u>18% above Detective Sergeant maximum</u>
<u>Captain of Detectives</u>	<u>10% above Detective Sergeant maximum</u>
<u>Training Lieutenant</u>	<u>8% above Detective Sergeant maximum</u>
<u>Patrol Captain</u>	<u>8% above Detective Sergeant maximum</u>
<u>Patrol Lieutenant</u>	<u>3% above Detective Sergeant maximum</u>

<u>Fire Rescue Department</u>	
<u>Fire Chief</u>	<u>25% above Fire Captain maximum</u>
<u>Assistant Fire Chief</u>	<u>20% above Fire Captain maximum</u>
<u>Battalion Chief</u>	<u>8% above Fire Captain maximum</u>

² If an employee receives an “Inconsistent” rating during a performance evaluation, the employee’s compensation may fall outside of these guidelines for the following year.

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Employees in these positions will still participate in the performance evaluation process. These employees will be eligible for either the compression pay differential or the market adjustment, whichever is greater.

Employees who receive an “Inconsistent” rating during performance evaluations will be ineligible for any increase the following year.

Employees who receive a market adjustment increase and receive an “Exceptional” performance rating will be given an additional 1% increase in addition to the market adjustment.