



# CITY OF MANITOWOC

WISCONSIN, USA

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**Date:** October 5, 2022  
**To:** Mayor Nickels  
**From:** Chief Reimer, Dan Koski, Adam Tegen, Jessie Lillibridge  
**Re:** Employee Benefit and Compensation Changes – 2023/2024 Recommendations

After the past few months of discussions, along with investigating our current wage and benefit policies in an attempt to improve employee retention and morale, we want to highlight some of the driving forces behind our thoughts and suggestions.

- We are seeing higher than normal numbers of employees leaving through resignations and retirements, understanding that we are not alone in that situation.
- One of the driving goals of the compensation policies is moving our employees to the midpoint (currently referenced as market rate) within a reasonable period and the current system is failing to do so. Consideration of a plan to advance employees on a consistent basis is important.
- The adjustment to the pay scale on an annual basis helps in keeping our compensation reasonable more for new hires than existing employees since adjustments to the midpoint do not result in adjustments to the current employee wages. This leads to extending the time it takes to reach the midpoint since it is a moving target.
- Compensation level is only one piece of the puzzle. Other items that impact employee retention are the benefit package, paid time off, and schedule flexibility. It is equally important that employees are aware of the many advantages of working for the City.

Following are the wage compensation recommendations for 2023:

- Adopt the recommendation from Carlson Dettmann based on the 50<sup>th</sup> market percentile
- Move all employees on to the new compensation structure 5% above their current rate.

Due to the in-progress market analysis and associated costs with implementation of the new structure, the following are the wage compensation recommendations beginning in 2024:

- Instead of referring to the market estimate as the “Midpoint,” change the title to “5-Year Rate.”
- Automatically raise an employee’s wages to the midpoint or 5-year rate after 5 years of service.
- Long-term employees will receive a lump sum recognition of \$2,500 after 10 years in grade, on January 1 of the following year. Anyone who currently has at least 10 consecutive years in grade as of 01/01/2024 will receive the lump sum in January 2024.

In addition to wages, following are other benefit recommendations:

- Structure City policy to allow for current employees to negotiate PTO allotment and if advanced to a different level allow them to progress from that point forward. Similar to equity pay adjustments.
- Continue discussing options which would allow employees to purchase PTO and/or receive PTO payouts.
- Continue discussing City facility hours, flexible schedules, and remote/hybrid work opportunities.

Please let us know if you'd like to discuss anything further.