

COMPENSATION PLAN
STRUCTURE & PERFORMANCE
MANAGEMENT
RECOMMENDATIONS

Committee Members

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- Nick Reimer
- Kristin Stoeger

Targeted Outcomes

- Sustainability
- Focus on pay for performance model
- Value for community
- Address compression issues
- Get all employees to mid-level as quickly as possible
- Create a culture to support good employees
- Want to have recommended by July 2019
- Should include training plan or mentorship model for implementation
- Need to have consistency of ratings from manager to manager
- Move from July to January pay increases

Pay Structure

Pay Structure for Non-Exempt



Hire Rate: can hire up to Market Rate per HR Director and Department Head authorization

Market Adjustment (MA): use projected average structural increase for market adjustment based on non-exempt for Wisconsin from compensation expert

Promotion - employee starts at either Hire Rate for new position or 5% annual increase, whichever is greater. (If warranted, the HR Director and Dept. Head have the discretion to provide up to a 10% increase)

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- Remove steps from current structure
- Splitting Pay Plan into Exempt and Non-Exempt will allow the city to adjust for Market Conditions versus a one size fits all approach
- Structure comprised of Market Rate, Hire Rate, Max Rate
- New employees hired up to Market Rate (only when warranted)
- Market Rate will be adjusted each year on each structure (exempt & non-exempt) based on data from comp consultant

Pay Structure cont.

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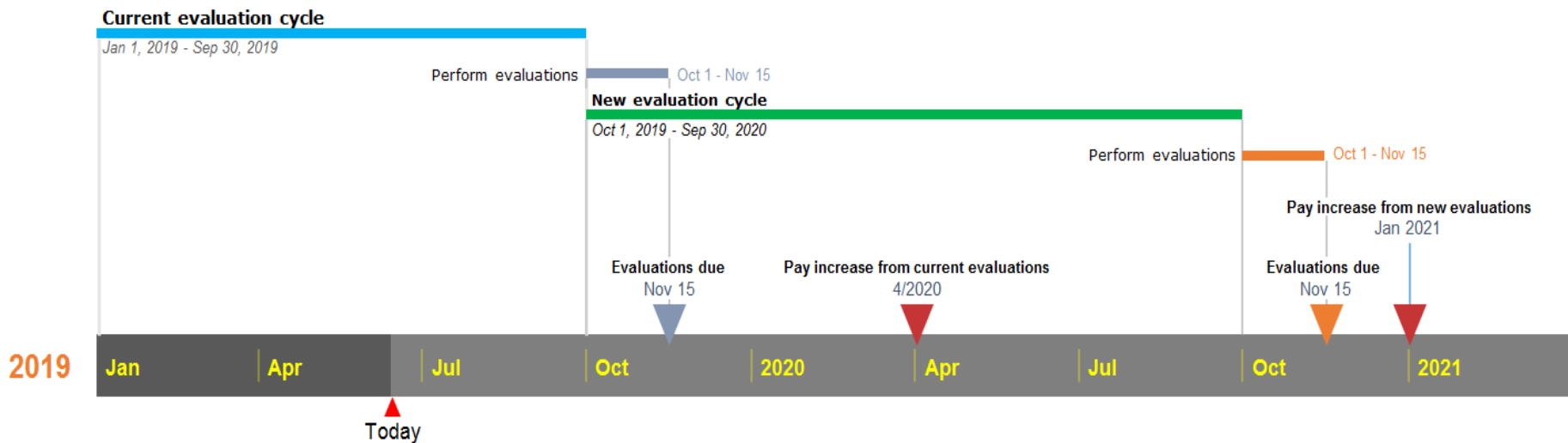
- Promoted employees move to Hire Rate of appropriate grade or 5% increase to current salary
- New employees (within 1st year of hire)
 - Hired between Jan & Jun, eligible in Jan of following year
 - Hired between Jul & Dec, eligible for Market Rate adjustment in Jan of following year
 - Goal: move all increases to Jan

Performance Levels

- Exceptional Performance
 - 2.5% + 1.0% increase (between Hire & Market)
 - Market adjustment + 2.0% (at Market or higher)
- Successful Performance
 - 2.5% increase (between Hire & Market)
 - Market adjustment (at Market or higher)
- Developing/In Progress
 - Market adjustment
- Inconsistent Performance
 - No increase
- All increases on Jan 1 of following year

Evaluation Structure

- Proposing an Oct 1-Sept 30 evaluation year
- Evals done between Oct 1 and Nov 15
- Pay increases in Jan
- 2019: Proposing a 10-month eval cycle to move to new schedule
- Pay increases for short cycle: April 2020



Evaluation Process

- Competencies
 - Receiving Inconsistent Performance in any one will result in overall Inconsistent Performance level
 - Commentary from employee
 - Performance level and commentary on all competencies from supervisor
- Individual SMART Goals/Special Projects
 - Commentary from employee
 - Performance level and commentary on each goal from supervisor
- Career/Succession Planning
- Overall Performance Level
 - Performance level and commentary from employee
 - Performance level and commentary from supervisor
- Job Description Review
- Evaluation process will be handled through Kronos HR module

Sustainability

- Budget annually for all positions at Market Rate
 - This will require approximately \$180k to \$250k to be added into the annual budget. (Will be added to our contingency fund, not departmental budgets)
 - We will NOT need the whole amount added within any one budget year and thus will allow for a Pay-As-You-Go Fund/Contingency Fund for any one time projects
- Budgeting in this manner allows for exiting higher cost employees to partially offset employees transitioning to Market Rate..
 - It also reflects the true market cost of positions, while capturing the difference between actual earnings and the market cost to be used for one time expenditures/projects.

Sustainability – Cont'd

- Market Adjustments as projected will equate to approximately \$50k per each 1% in recommended Market Adjustment from outside consultant
 - Annual review to determine the need for a Market Adjustment will be needed to keep our Pay Plan competitive
 - Splitting Pay Plan into Exempt and Non-Exempt will allow the city to adjust for Market Conditions verses a one size fits all approach
- This will allow the city to keep the pay plan competitive to attract the best and brightest employees

Notes

- A Supervisor who neglects to complete evaluations on time will receive an overall Inconsistent Performance level
- Employees who do not receive an evaluation due to neglect of Supervisor will receive the overall level chosen during self-eval (vetted by MLC)
- Any evaluation with overall Exceptional or Inconsistent Performance will be vetted by MLC team prior to eval meeting with employee
 - Mayor/Library Board have final authority on department head evaluations (not vetted by MLC)
- Oversight Committee Chair will attend Department Head evaluations