## COMPENSATION

## Section 1. Compensation Plan Maintenance

With proper care and maintenance of the pay plan, the frequency for a comprehensive pay plan review is minimized. The established guidelines should be followed to properly implement the compensation plan for equity amongst employees and consistency with the established pay philosophy.

As positions substantially change in responsibility, a compensation review will be conducted to ensure proper pay grade placement based on new job responsibilities. This will be initiated by the Library Director annually, coinciding with the budget process. The Library Director will work with the managers to determine if a position has changed substantially and warrant review. Similarly, all newly created positions will be reviewed and analyzed for grade placement in the pay structure. The Library Director will partner with each department manager in creating a detailed job description and send it to a professional human resource professional for evaluation.

Annually, in the $2^{\text {nd }}$ quarter of the year, the Library Director will review the pay structure and recommend an adjustment based upon market conditions and the cost of living. Note this is separate and distinct from any employee movement within the established pay structure (steps). Adjustments to the structure itself ensure that the pay plan maintains pace with the competitive marketplace.

The Library will commit to re-evaluating every position through a full benchmark study every five years; the first for the Library will be in 2018, with implementation of recommended changes in 2019. The impact of the full study will be minimized if the Library is diligent in identifying when positions change in scope and responsibility, and having them re-evaluated at that time. By maintaining and re-evaluating the positions within the pay plan regularly, the City will maintain its competitive placement in the market.

As the Library moves to a pay for performance based culture, the Library needs a solid commitment to funding the performance-based pay. It is important to the success of the pay plan and overall morale of the workforce. The Library needs to be committed to investing in the employees and paying appropriately, first based on the market (pay structure), and secondly based on performance (contributions to the team, evaluated through performance reviews).

## Section 2. Compensation Guidelines

The guidelines below are to be followed when making wage decisions for employees. Any exceptions to these guidelines need Manitowoc Public Library Board approval.

| EMPLOYEE <br> EVENT | GUIDELINE |
| :--- | :--- |

# Demotion <br> Decrease step to a level within the pay scale, each situation will be unique, partner with HR Director and Library Director for final approval 

*Red Circle Employees: employees whose pay is at or above the maximum of the pay scale<br>**Promotion: moving to a position with a higher pay grade<br>***Transfer: moving to a new position within the same pay grade

Please note the recommendation is to hire employees at Step 1 (and the ability to hire up to Step 5 based on experience) with a probationary period of 90 days. At the conclusion of the probationary period, a 90 day review is given, and the wage remains the same. During the annual review, the employees can move up one step based on satisfactory job performance review ratings up to the maximum of the position grade, at which time they are no longer eligible for an increase; however, are eligible for a lump sum payment.

In order to attract qualified candidates to fill positions, the Library needs to commit to the pay plan, paying appropriate wages for the position based on the market and position formula. Having a starting wage set at Step $1,87.5 \%$ of control point, will put the Library in a competitive position to attract candidates. The risk of not hiring the right candidate due to a low starting wage will cost a significant amount of money in the long run; after time and money is invested in recruitment, training, and onboarding.


