

ARTICLE XXXIV: 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 HR Director ~~annually as necessary, coinciding with the budget process~~. The HR Director will work with the department managers 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 manager in creating a detailed job description and send it to a compensation consultant for evaluation.

Annually, in the ~~3rd~~ ^{2nd} quarter of the year, the HR Director will review the pay structure and recommend an adjustment based upon market conditions, ~~and the cost of living, and the any third-party recommendations or sources, as deemed appropriate of a compensation consultant~~. Note: This is separate and distinct from any employee movement within the established pay structure (steps). The goal of the City is to provide annual Adjustments to the structure itself to ensure that the pay plan maintains pace with the competitive marketplace.

It is the intent of the City will to commit to re-evaluating the market position of its compensation structure every position through a full benchmark study every five years; with the next study to be conducted in 2022. the first for the City of Manitowoc will be in 2018, with implementation of recommended changes in 2019. The impact of the full study will be minimized if the City 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 City moves to a pay for performance based culture, the City 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 City needs to must be is committed to investing in the its 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 Human Resources Director and Department Head approval and signature.

Recommendation for Implementation of the Revised Compensation Structure (developed in 2017)

The recommendation for implementing the revised compensation structure is as follows:

- Implementation date: July 1, 2018
- Employees currently below control point (Step 6) would move to the same step on the new structure (ex: currently at Step 4 on the 2014 plan – move to Step 4 on the 2018 plan).
- Employees that are at or above control point will move to the step closest to their current step without a decrease or being placed below control point.
- As part of the implementation of the new pay plan, no additional step increases will be given in 2018.
- Council must commit to consider adjusting the structure annually to stay in line with CPI to keep the plan from becoming stagnant or behind.
- Recommend moving Deputy Police Chief from Grade O to Grade P.
- Recommend moving Lieutenants from Grade M to Grade N.
- 2018 cost if implemented on July 1: appr. \$165,131