



# CITY OF MANITOWOC

WISCONSIN, USA

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**DATE:** June 5, 2023  
**TO:** Personnel Committee  
**FROM:** Jessie Lillibridge, HR Director  
**RE:** Recommendations for 2024 Benefits and Compensation

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Last year, a team of Department Heads worked together to make recommendations related to the Performance Management and Compensation policy and process, which was developed in 2019 and implemented in 2020. These recommendations were based on feedback from both managers and employees and were also deemed important due to the tenuous job market, to ensure that we are able to hire and retain excellent employees.

One of the original goals during the plan's initial development in 2019 was to find a way to keep the compensation structure from stagnating. To achieve that goal, the recommendation was to keep the structure current by adjusting the market rate each year based on the Upper Midwest Wage and Salary Survey data. Because that market rate is being increased each year, it becomes difficult for employees to ever reach that market rate. This has been shared as one of the biggest concerns with the policy by both employees and managers.

To alleviate this concern, the recommendations are as follows:

- If an employee performs at least successfully in their current position/Grade for five years, automatically move that employee to the midpoint as of the following January. Any year in which an employee receives an inconsistent overall performance rating would not count toward those five years.
- Along with this change, the recommendation would be to change the title of the midpoint on the compensation plan from "Market Rate" to "5-Year-Rate."

Another concern is how to honor and acknowledge those long-time employees who have remained committed to providing excellent service to the citizens. The recommendation is as follows:

- Add a provision to our compensation policy that would award employees with 10 years of service a one-time lump sum recognition of \$2,500 on January 1 of the following year.
- When initially implemented, anyone with at least 10 years of service would receive the award, and it would then be part of the policy moving forward.

The recommended implementation date for both of these items is January 2024. This is being brought forward for approval at this time to ensure that appropriate budgetary funds are allotted toward these initiatives during the budget planning process.

Thank you.