*City of Lake Geneva, 626 Geneva St, Lake Geneva, WI 53147- 262.248.3673- www.cityoflakegeneva.com*

# CITY OF LAKE GENEVA SPECIAL COMMON COUNCIL
# WEDNESDAY, AUGUST 17, 2022 - 6:00 PM
# LAKE GENEVA CITY HALL; COUNCIL CHAMBERS (MAIN LEVEL)

**Members:**

Mayor Charlene Klein, Council President, Rich Hedlund, Council Vice President, John Halverson, Alderpersons: Tim Dunn, Mary Jo Fesenmaier, Ken Howell, Shari Straube, Cindy Yager, and Joan Yunker

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1. Links to the City of Lake Geneva's live video stream can be found at https://wi-lakegeneva.civicplus.com/319/City-Meetings-Video-Stream
2. Television: Watch live broadcast of the meeting on Spectrum Cable Channel 25
3. Listen to audio via phone: (602) 333-2017 (Long distance rates may apply) (888) 204-5987 (Toll Free)
   **Access Code:** 9746153

## AGENDA

1. Mayor Klein call the meeting to order
2. Pledge of Allegiance – Alderperson Yunker
3. Roll Call
4. Comments from the public as allowed by Wis. Stats. §19.84(2), limited to items on this agenda, except for public hearing items. Comments will be limited to 5 minutes
5. Acknowledgement of Correspondence
6. **Presentation/ Discussion/ Possible Action regarding the City of Lake Geneva Wage/ Compensation Study and Classification Study Executive Report**
7. **Adjournment**

*Requests from persons with disabilities, who need assistance to participate in this meeting or hearing, should be made to the City Clerk's office in advance so the appropriate accommodations can be made.*

# Compensation and Classification Study
# Executive Report

For the

City of Lake Geneva, WI
Lake Geneva Library, WI

August 2022

McGrath
HUMAN RESOURCES GROUP

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# Introduction

McGrath Human Resources Group, Inc. (Consultants), an organization that specializes in public sector consulting, was commissioned by the City of Lake Geneva, Wisconsin (City) to conduct a comprehensive Compensation and Classification Study (Study).

Included in the study was the Lake Geneva Public Library. The same methodology was utilized for the City and the Library. Where there needs to be distinctions between the City and Library – it will be noted.

The Consultants would like to extend appreciation to the City Manager, Finance Director, Human Resources Specialist, Department Directors, and employees for their time, cooperation, and sharing of information and perceptions with the Consultants.

# Methodology

### Data Collection

This project involved the following three steps: (1) collection of data, (2) interviews, and (3) data analysis. The first step involved the gathering of data that pertains to current compensation practices within the City. The Consultants received information relating to current salaries, specific policies, collected market data, and current job descriptions.

Interviews were conducted with the City Manager, Finance Director, Human Resources Specialist, Department Directors, and other management personnel within each department. The purpose of these meetings was to first, gain an understanding of the City's current compensation practices and philosophy; secondly, to solicit ideas and input from these stakeholders for future compensation methodologies and practices; and finally, to determine if there were any positions within the City for which it was difficult to recruit and/or retain employees, or positions with unique responsibilities. Employees were then asked to complete a Position Questionnaire (PQ) which provided extensive information about their position. The Consultants utilized the PQs completed by the employees, which had been reviewed by supervisory employees, to gain a better understanding of the job responsibilities, skills, and various competencies of each position.

### Labor Market

In order to gain information from the external market through interviews with the Department Directors and City Administration, a list of comparable organizations was established. Each of the comparable organizations were contacted by the City's Human Resources Department or the Consultants requesting current salary schedules and incumbent data. The following comparable organizations were contacted:

**Table 1: Comparable Organizations**

| Comparables | **Participation** |
|---|---|
| City of Burlington | |
| City of Cedarburg | DNP |
| City of Delavan | DNP |
| City of Elkhorn | |
| City of Greendale | DNP |
| City of Greenfield | |
| City of Mequon | |
| City of Waterford | |
| City of Whitewater | |
| City of Wisconsin Dells | |
| Lake Como Sanitary District | |
| McHenry Fire Protection District, IL | |
| Sun Prairie Fire District | DNP |
| Town of Egg Harbor | DNP |
| Town of Linn | DNP |
| Village of Delafield | |
| Village of Fontana | |
| Village of Lake Delton | |
| Village of Mukwonago | |
| Village of Oconomowoc | |
| Village of Pleasant Prairie | |
| Village of Salem Lakes | DNP |
| Village of Silver Lake | DNP |
| Village of Williams Bay | |
| Walworth County | |
| DNP= Did Not Participate | |

The collection of this compensation data was utilized to analyze the average market minimum, midpoint and maximum rates per defined benchmark position. A comparison of the average salary of the positions to the salary of incumbents within the City was also performed. When necessary, evaluation of the comparable organization's job description, when available online, was utilized to resolve conflicts.

In addition to current positions within the City, the Consultants sought comparable data for future positions/career ladders, and positions with job responsibilities that are combined in Lake Geneva but might be in separate positions in other organizations. In some cases, titles were altered to better align with the industry. Not all positions are reflected in the following data analysis. In some situations, data was not available in the external market, data was insufficient, or there were no internal matches at the time of the Study.

### Market Data Solicited

The market survey gathered 2022 minimum, midpoint, and maximum salaries for the positions as well as the average salary of the incumbents. Upon examination, salaries were eliminated if statistically too high or too low so as to not skew the average (typically within one to two standard deviations), after which a new percentile amount was calculated with the remaining salaries. There was a great deal of time spent analyzing the data to ensure that each position was examined based on the data available and how the responsibilities of each position align within the City.

## Market Analysis

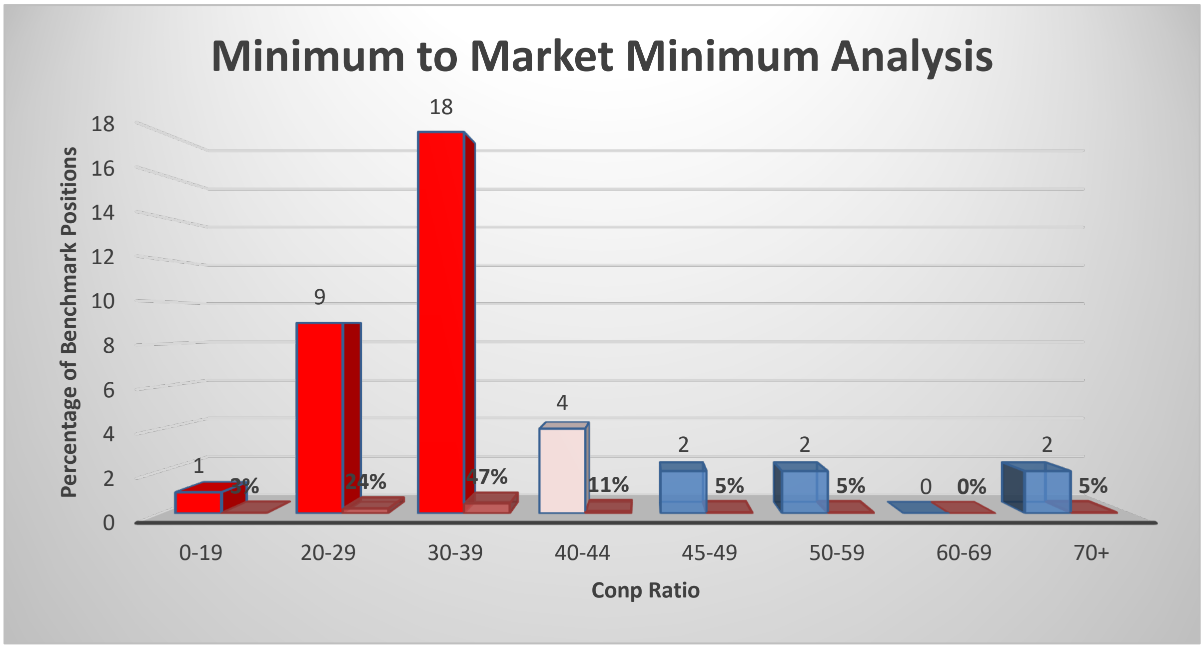
It is standard compensation practice to establish a range around the minimum or market rate to determine if employee compensation is in line with the comparable market. Employees can mistakenly assume that if the average market rate is $25,000, then their salary should align to the market rate, not realizing there are many factors attributable to being above or below a market rate. Compensation practices look at a range around the average market rate where an employee should be by the time the employee is fully functioning within his/her position. Traditionally, organizations establish a 5%-10% range around the market rate. Thus, if an employee is making between 40%-60% of the market rate, the employee is considered fairly compensated. In order to analyze the salaries, a Comp Ratio is used. This is a ratio of the City's salary in relation to the external market data. A 50% Comp Ratio would mean that it is in line with the external market. Again, the 10% range is utilized. Thus, if a Ratio is within 40%-60%, the salary is within an acceptable range. It should be noted that salaries in the lower part of the 40th percentile were once considered acceptable (although they needed to be watched), but in today's market, they most likely would be considered lower than the market.

### Minimum Salary Comparison

The analysis of the minimum salary range gives the initial indication if starting salaries are within an acceptable market range. When building a salary schedule, consideration of this information will ensure the City's minimums are within an acceptable range to the average market minimum; however, this analysis is only the beginning of developing a compensation schedule.

Approximately 74% of the benchmarked job titles are below the average market minimums. There are an additional 11% of the positions that are in the lower 40% Comp Ratio that are still within the acceptable range; however, the positions are at risk of falling below the market in the near future. Overall, 21% of the positions are within the acceptable average market minimum. It would appear the majority of the City's minimum hiring salaries have fallen below an acceptable range.

**Figure 1: Non-Union Minimum Analysis Summary**

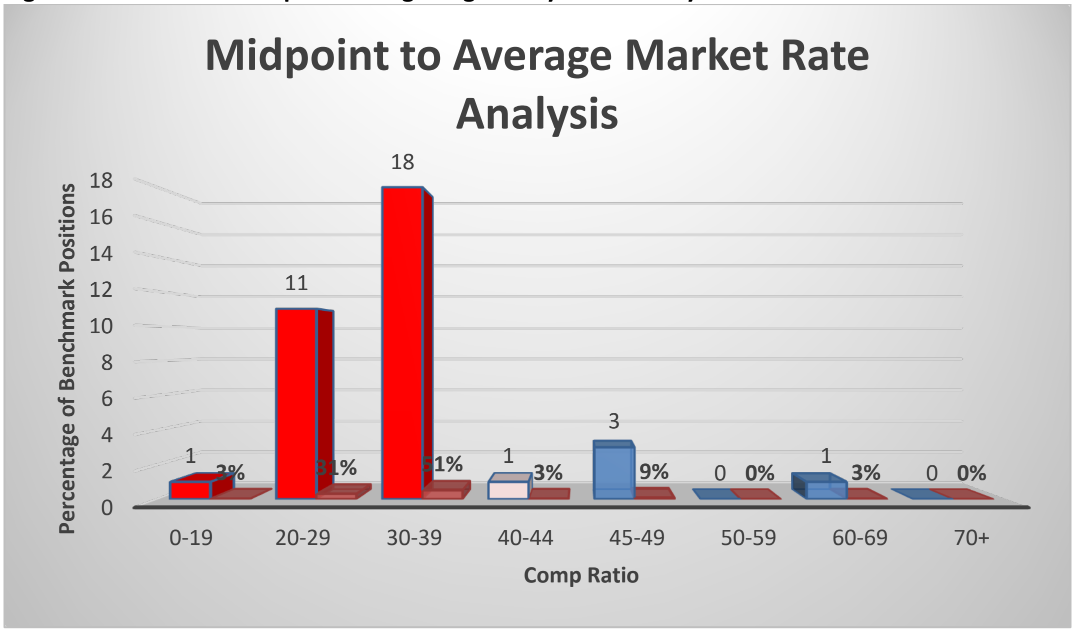



**May differ from 100% due to rounding**

### Midpoint Salary Comparison

In order for the Consultants to determine if the midpoint of the hiring range was aligned with the average market, the City's midpoint was compared to the market average of incumbents. Again, a Comp Ratio less than 40% would indicate the salary ranges may not be in line. Approximately 86% of the benchmarked job titles are below the average market rates. There are an additional 3% of the positions that are in the lower 40% Comp Ratio that are within the acceptable range; however, the positions are at risk of falling below the market in the near future. Overall, only 14% of the positions are within the acceptable average market midpoint which indicates that the midpoint is not representative of the average market rate of the external market. The makeup of the City's salary schedule is discussed below. The following is a summary of findings:

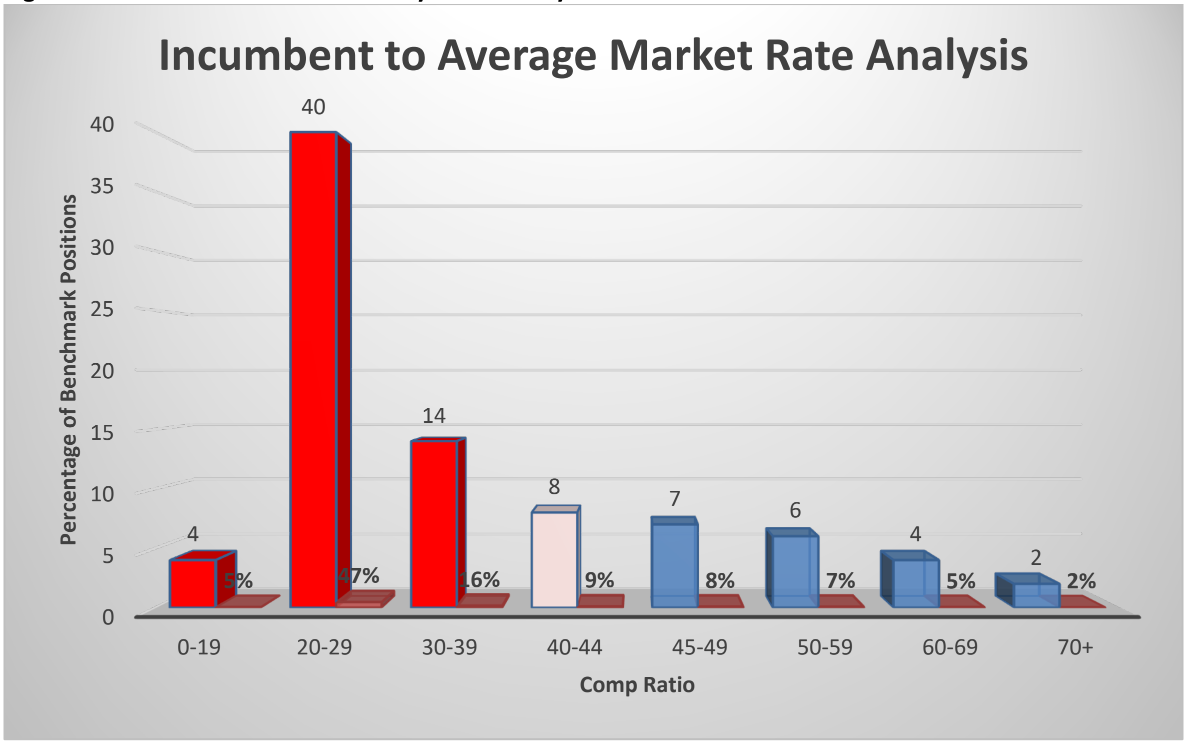
**Figure 2: Non-Union Midpoint Hiring Range Analysis Summary**




### Average Market Salary Analysis

The next step is to compare the City's current incumbent salaries to the average market rate to assess how competitive incumbent wages are within the market. For this purpose, positions with more than one (1) incumbent are compared to the *average* of the current employees' salaries. Overall, 68% of the positions are below the average market rate. There are another 9% of positions in the lower 40% Comp Ratio that are at risk of falling below the market in the near future. In total, 32% of the positions within the City are at or above the average market rate. In summary, the City's salary schedule and employee wages have not fared well when employee salaries are compared to the average market rate of incumbent salaries. The tenure of employees is a factor within this analysis and is discussed below With that said, with the longer than average tenure of employees, more should be above the average market rate.

**Figure 3: Non-Union Incumbent Analysis Summary**

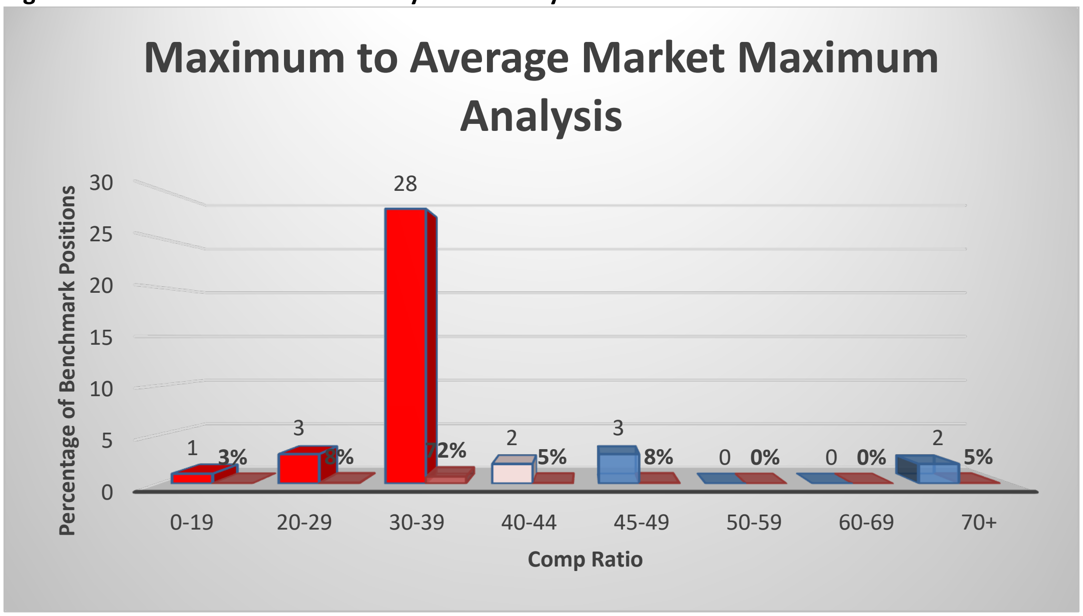



### Maximum Salary Comparison

The Consultants then compared the City's salary range maximum to the average market maximum. However, due to various types of salary range construction, one must always keep in mind that this may not be an exact comparison.

The City's salary range maximum, as with the other points on the salary schedule, is below the average market maximum – 82%. This indicates that the earning capacity of employees in Lake Geneva is less that most employers in the region. Note that because employees are not moving through the range, caution needs to be taken when determining the schedule maximum. To reach the maximum should be an achievable goal. The Figure below provides a summary of findings:

**Figure 4: Non-Union Maximum Analysis Summary**




**Market Data Summary**

The City has not maintained a competitive compensation schedule, nor has it ensured that current employees are earning a competitive wage.

## Current Compensation System

The City has four salary schedules – two union schedules (Lake Geneva Police Association and the Lake Geneva Firefighters Association), a non-represented schedule and a salary range schedule for part-time positions. The Police and Fire Associations are not included in this study. In addition, the Police Sergeants and Lieutenants are not a part of a bargaining unit but have an employment agreement with the City that provides benefits and salary increases in relation to what is bargained with the Police Association.

In total, there are 12 individual pay ranges. There is 30% between the minimum and the maximum. The midpoint is the middle of this range.

The schedule does not identify where an average market rate is, thus, at what point does an employee actually reach a "fair" market rate for the position? The goal of most compensation systems is to reach the market rate within three (3) to five (5) years in the position, at which point the employee should be fully capable of performing the duties of the position.

There is no methodology to place positions within the pay range. Employees move through a range based on a merit formula. Typically, the salary schedule has increases, with the exception of 2022 due to the Study. Employees do not receive this cost-of-living increase when the schedule increases; rather the merit increase, and salary schedule increase all occurs on January 1st.

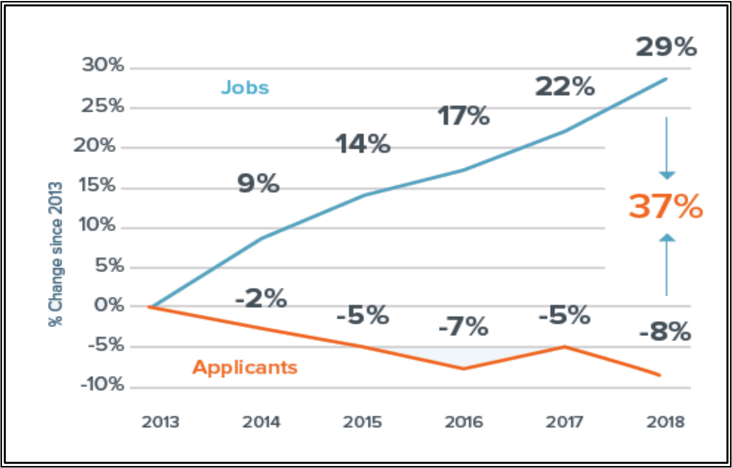
The Consultants do recommend continuation of this salary schedule, as well as the elimination of the separate lieutenant contracts.

## Other Factors

**Public Sector Turnover/Recruitment Challenges**

According to human resources professionals across the United States, it is becoming progressively harder to hire qualified personnel. Looking at a tight labor market, recruitment and retention of qualified personnel with the necessary skills for public service topped the list of workforce challenges (State and Local Government Workforce: 2017 Trends). Between 2013 and 2018, postings for government jobs have increased by 29% while applicant volume fell by 8%, resulting in a 37% gap (Neogov Job Seeker Report 2019). The figure below illustrates this change.

**Figure 5: Public Sector Recruitment Trends**




The Center for State and Local Government Excellence recently released its State and Local Government Workforces 2021 report. Based on a survey conducted with 300 state and local government participants across the United States in the first quarter of 2021, nearly 64% of respondents identified police positions as one of their most challenging positions to fill, and 57% identified skilled trades.

This is not a new issue. Public employers have been experiencing ongoing challenges of this type for almost a decade. Governments historically have had a compelling proposal to offer workers with secure lifetime employment and generous health benefits followed by a robust pension for retirement; however, this is no longer the case. Public employers are now battling for their talent because:

- Long term employment has less appeal to the younger workforce;
- There is a real or perceived decline in public support for government workers;
- Public employers do not feel they can compete with salaries and benefits as benefits erode and the private sector becomes more competitive;
- There is a growing skills gap. Many government jobs now require specialized education or training, and fewer positions are "learn on the job";
- Public employers are not able to offer the same level of flexible work arrangements to all employees;
- Limitations in technologies prevent or substantially reduce efficiencies and automation; and
- There are limited financial resources.

### The Great Resignation and Private Sector Influence

Compounding the public sector recruitment challenges in 2021, as the nation re-opened following COVID shutdowns, the country has experienced continued private industry prosperity, record inflation, record retirements, and record turnover from an otherwise qualified workforce. This has caused all industries, both public and private, to be competing for already limited human resources. In addition, state minimum wage laws are pushing non-skilled wages higher which caused employers to escalate wages for all positions to help recruit and retain its talent. The effect has been substantial, and nearly every employer is experiencing recruitment and retention challenges.

As a result, all employers, including the City will need to ensure its wages and benefit packages are as competitive as financially possible in order to help mitigate turnover and facilitate recruitment success.

### Employee Demographics

In reviewing the City's employee demographics for positions covered in the Study, the tenure of the organization ranges from new hire to 50 years. The overall tenure average of the employees is 7.68 years. The national average in the public sector is currently 6.5 years (*Local Government-Bureau of Labor Statistics, September 2020*), showing the City is slightly above the average in overall tenure. In order to have a full picture of the City, one needs to explore these demographics further. These findings are found in the following Figures.

**Figure 6: Employee Demographics by Years of Service**

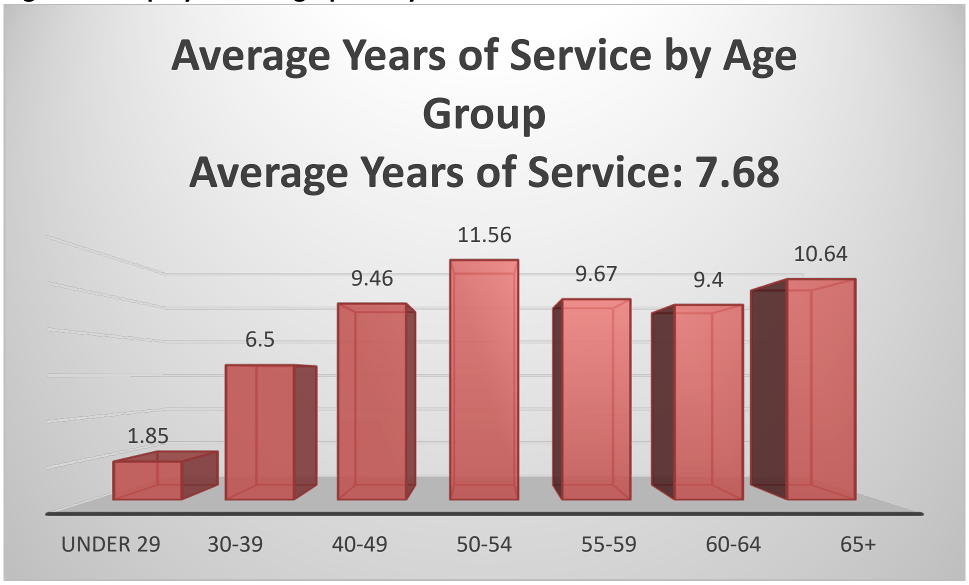
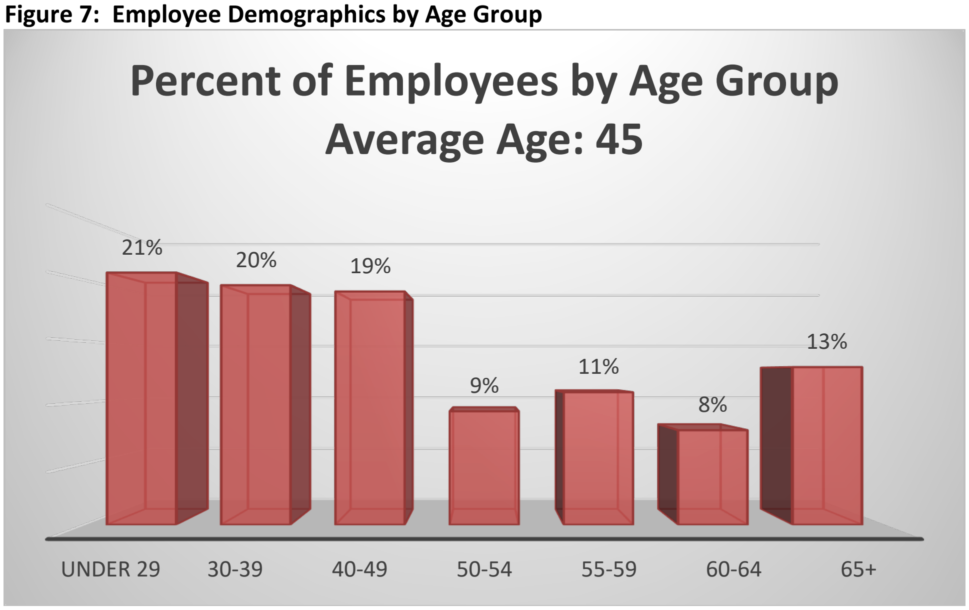



**Figure 7: Employee Demographics by Age Group**




The above figures illustrate that those in the age group 50 and over have the longest tenure of the organization and represent 41% of all employees. There is a nice cross section of ages across all generations, with 31% of employees being age eligible for retirement. Because of this the City should expect steady turnover simply due to retirements over the next decade. When these employees leave, the City should expect the average tenure of the organization to decrease, as their tenure is boosting the current average years of service.

Another finding Is that the City's demographics show 41% of the workforce is under the age of 40. This is likely the cross-section of employees who are seen as more mobile in today's workforce, focus heavily on work/life balance, consider non-compensatory benefits for the purposes of retention, and change jobs quickly because it results in earning higher wages versus remaining with one organization for a longer period of time. Notably, the average tenure in these age groups ranges from 0-4.12 years of service.

The City is recommended to monitor its demographics periodically to properly respond to shifts within the organization as needed. Although the Consultants acknowledge compensation is not the only reason for unwanted turnover, it is a consideration of the larger picture. In order to ensure competitive recruitment/retention, the City is recommended to follow the compensation philosophy of above-average compensation to ensure the City can stay competitive in retaining its personnel as long as possible.

## Compensation Philosophy

There are foundational aspects of compensation to assist with the development of a compensation philosophy to ensure the goals of compensation align with the goals of the organization. First, there are basic questions to consider:

1. What is considered a fair wage?
2. Are wages too high for the financial health of the organization?
3. Does the compensation system reflect the value of positions within the organization?
4. Is the compensation strong enough to retain employees?
5. Is there currently a defined compensation philosophy?
6. If so, is the compensation philosophy in line with labor market change, industry change, and organizational change?

The City is in business to provide services to the citizens, businesses, and visitors of the community. It does that through hiring qualified employees who use their skills and talents in various positions within the organization. Without those individuals, the City would cease to provide adequate utilities, safety, and other essential services necessary to keep those systems in place. Employees expect a compensation system that pays a competitive wage for their skills and education, and for the responsibilities of their position. The City is in close proximity to communities and organizations that lead the markets wages, and in order to be competitive for retention of existing personnel and have successful recruitment efforts to replace future turnover, they need to be highly competitive with targeted comparables.

The City values its quality services and sets high expectations of those services to its constituents, but it does not have the affordability to lead market wages. In order for the City of Lake Geneva to maintain a competitive edge with recruitment and retention, it is recommended the City establish its compensation philosophy of an average market rate.

## Recommended Salary Schedule

The recommended compensation system for all City/Library positions is a step/range salary schedule (See Appendix B and C). There are 18 pay grades with six (6) steps, each with a 2.5% adjustment between each step. Step 5 is identified as the average market rate (50$^{th}$ percentile).

Although the steps were developed with 2.5% adjustments, the performance range does not have a set percentage value for an increase. This allows flexibility for the City, as the wages at Step 6 and beyond are above the average market, so the City does not need to provide the same level of acceleration as has been provided in the steps. If above Step 6, the City is recommended to establish the percentage of advancement through the performance range during the budget cycle each year. These increases can be set each year and may vary year-to-year based upon the City's financial position and external economic factors. Employees should or should or not receive the above market increase based upon acceptable performance. The step or above market increase can be withheld or denied if the employee's performance warrants a performance improvement plan.

The Consultants do not recommend a merit-based increase at this time. Thus, employees with exceptional performance will be allocated the same increase as an acceptable employee. The organization is too small, has a mix of union/non-union positions, and does not have the fiscal capacity to warrant a performance-based increase.

**Position Placement**

Placement onto the respective salary schedule is based upon several criteria:

- Point factor system
- Market analysis
- Compression analysis
- Internal equity

After considering these elements, placement of some positions on the salary schedules have changed, with some positions now being placed in lower or higher pay grades than on the previous schedule. This is not an indication that any given position has more or less value, or that a specific position is even to be compared with the other positions in that respective pay grade, and employees are advised not to compare themselves with other positions given the complexity of factors considered during placement of positions. Similarly, this is not a "reclassification" process, where a position is being evaluated on changes in responsibility, authority, or decision-making that may place the position in a higher or lower pay grade, etc. This process is a complete reset of the compensation system. This is sometimes difficult for employees, because they look only at where their position is placed on the schedule and compare themselves to positions that have been placed higher. When this occurs, employees begin to compare their perception of the value of positions within the organization, and do not know, or disregard, the factors the Consultants considered when placing all the positions onto the schedule.

**Employee Placement**

For purposes of implementation, employees were placed to the minimum of the [ay range if under Step 1. If above Step 1, an employee was placed on a step closest to the current salary without a decrease in wages, regardless of tenure in the position. No adjustment of salary was provided if the employee fell within the range portion of the salary schedule. In most organizations, this type of placement proves problematic, as employees feel that with tenure in a position, they should be higher within the Salary Range. Although there is merit to this argument, placement on the schedule by years in the position proves to be costly – something most municipalities cannot afford right away.

**General Operational Guidelines**

It is important for the City to have a standardized procedure to adjust the general salary schedule for consistency and for budgetary forecasting. It is the Consultants' recommendation that on a set date each year (such as January 1st), the salary schedule be increased by the national Consumer Price Index – Urban (CPI -U) percentage or by the published CPI provided by the Wisconsin Employment Relations Commission (WERC). For example, since budgeting is done at approximately the same time each year, the City should establish a specific month in which to capture the average of the previous 12 months of the selected economic indicator for a recommended adjustment. The City will still maintain control if conditions and finances fluctuate in a specific year. It is recommended the adjustment to the salary schedule be done on a date other than salary increases, so employees understand there are two (2) separate adjustments per year.

It is prudent to increase the schedule in accordance with the CPI-U or the WERC economic indicator. It is not wise to consistently increase the schedule by less than an established indicator, because over time, the salary schedule will fall behind the external market, and the schedule becomes obsolete, requiring more financial resources to put it back in line with the external market.

Finally, the increase to the salary schedule needs to be consistent with wages provided to union salary schedules. The non-union schedule is built to adjust for compression between union and non-union salary schedules. Increasing union schedules higher than non-union will bring this problem back to the forefront.

**Compensation Policy Recommendations**

With the updated salary schedule, the City now has a competitive compensation system for recruitment and retention purposes. A comprehensive summary of recommended compensation guidelines has been provided. In order to minimize employment claims, it is the recommendation of the Consultants to consistently utilize structured guidelines when determining compensation. Administration is recommended to follow these established guidelines and update the City's compensation policy updates accordingly.

Changes recommended to the compensation system provide the Human Resources Director, in collaboration of the department head, the ability to determine placement into the salary schedule for new hires. The Human Resources Director can place individuals between Steps 2 – 5 of the salary schedule. Placement higher than Step 5 requires the approval of the City Administrator.

Any changes in pay grades, title changes, or movement within the steps will be the responsibility of the Human Resources Director and City Administrator, as long as the changes are within budget parameters. Any new positions, or changes that require a change in the budget, will continue to need approval per the City's budget guidelines.

## Other Compensation Considerations

### Language Stipend

The Library, although governed by a separate Library Board, had a position that was provided a higher salary due to the ability to translate a foreign language. For both the City and the Library, the Consultants recommend a stipend be provided to individuals who are called upon to provide translation services; assessment of a person's translation skills should be undertaken prior to any monetary compensation. Additional compensation would apply when requested to translate outside normal work hours, or when asked to develop marketing materials, forms, etc., in another language. An additional $0.75 per hour should be added to the base pay when performing translation services.

### Shift Differential

The Parking, Police Department and Public Works employees are required to work non-traditional work days - primarily evenings, weekends, and holidays. Very little data was provided by the comparables as to whether shift differentials were provided, and if so, the. The Consultant recommends a shift differential of $1.00 per hour for hours scheduled after 4pm on weekdays, all day Saturday and Sunday, and when required to work a holiday.

Note: Shift differential is not to be paid for public works employees on snow removal.

These shift differentials should be reviewed over a one (1) year period. Consideration should be given to maintaining the shift differential in order to attract and retain employees during these non-traditional work hours.

### On-Call

The Utilities department has an on-call system in which employees are compensated for being 'on-call' or available to respond in the evening, weekends and holidays. There is a policy in place as to compensation when the employee responds and there is no recommended change to the policy.  The Consultant does recommend that the $50 per week stipend paid to be on-call, should be increased to $100 per week.

### Market Updates

One of the main concerns in any salary schedule is the ability to keep it current. Organizations frequently spend time and resources to review and reevaluate their salary schedule, resulting in providing employees or pay grades significant increases because either the positions or the schedule is not in line with the external market. A salary schedule has a typical life span of three (3) to five (5) years, at which time market conditions typically necessitate a review. The City can strive to prolong the life of their schedule if it continues to commit to maintaining its competitiveness with the external market by ensuring market updates occur every three (3) to five (5) years. In addition, maintaining metrics will help indicate if an external market update is required even sooner.

## Appendix A:  Recommended Non-Union Salary Schedule

| Pay Grade | Recommended Title | | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 (Market) | Step 6 | Above Mkt Range | Max |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | |
| | | | $14.50 | $14.75 | $15.00 | $15.25 | $15.50 | $15.75 | | |
| 45 | Beach Attendants | | | | | | | | | |
| 45 | Boat Launch Attendants | | | | | | | | | |
| 45 | Crossing Guard | | | | | | | | | |
| 45 | Lakefront Seasonal | | | | | | | | | |
| 45 | Poll Worker | | | | | | | | | |
| | | | | | | | | | | |
| | | | $15.23 | $15.48 | $15.73 | $15.98 | $16.23 | $16.48 | | |
| 50 | Beach Supervisor | | | | | | | | | |
| 50 | Seasonal Street Laborer | | | | | | | | | |
| 50 | Utilities Laborer | | | | | | | | | |
| | | | | | | | | | | |
| | | | $15.99 | $16.24 | $16.49 | $16.74 | $16.99 | $17.24 | | |
| 55 | Parking Enforcement Officer | | | | | | | | | |
| 55 | Riviera Security | | | | | | | | | |
| 55 | Seasonal Street Laborer - Lead | | | | | | | | | |
| A | | | | | | | | | | |
| | | | $19.02 | $19.50 | $19.99 | $20.49 | $21.00 | $21.53 | | $24.73 |
| | | | $39,562 | $40,560 | $41,579 | $42,619 | $43,680 | $44,782 | | $51,438 |
| A | Building Custodian | | | | | | | | | |
| B | | | | | | | | | | |
| | | | $20.55 | $21.06 | $21.59 | $22.13 | $22.68 | $23.25 | | $26.72 |
| | | | $42,744 | $43,805 | $44,907 | $46,030 | $47,174 | $48,360 | | $55,578 |
| B | Booking Officer | | | | | | | | | |
| B | Community Service Officer | | | | | | | | | |
| B | Customer Service Associate | | | | | | | | | |
| B | Customer Service Associate - Parking | | | | | | | | | |
| B | Parking Maintenance Technician | | | | | | | | | |
| C | | | | | | | | | | |
| | | | $22.19 | $22.74 | $23.31 | $23.89 | $24.49 | $25.10 | | $28.85 |
| | | | $46,155 | $47,299 | $48,485 | $49,691 | $50,939 | $52,208 | | $60,008 |

| Pay Grade | Recommended Title | | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 (Market) | Step 6 | Above Mkt Range | Max |
|---|---|---|---|---|---|---|---|---|---|---|
| C | Administrative Assistant - Bldg/Zone | | | | | | | | | |
| C | Assistant Municipal Court Clerk | | | | | | | | | |
| C | CSO - Lead | | | | | | | | | |
| C | Police Records Specialist | | | | | | | | | |
| C | Utility Billing Associate | | | | | | | | | |
| D | | | | | | | | | | |
| | | | $23.96 | $24.56 | $25.17 | $25.80 | $26.45 | $27.11 | | $31.15 |
| | | | $49,837 | $51,085 | $52,354 | $53,664 | $55,016 | $56,389 | | $64,792 |
| D | Administrative Specialist - PW | | | | | | | | | |
| D | Administrative Specialist- Fire | | | | | | | | | |
| D | Administrative Specialist- Police | | | | | | | | | |
| D | Municipal Court Clerk | | | | | | | | | |
| D | PW Operator I | | | | | | | | | |
| D | PW Operator I | | | | | | | | | |
| D | Telecommunicator | | | | | | | | | |
| E | | | | | | | | | | |
| | | | $25.88 | $26.53 | $27.19 | $27.87 | $28.57 | $29.28 | | $33.64 |
| | | | $53,830 | $55,182 | $56,555 | $57,970 | $59,426 | $60,902 | | $69,971 |
| E | Assistant Arborist | | | | | | | | | |
| E | Cemetery Sexton | | | | | | | | | |
| E | PW Operator II | | | | | | | | | |
| E | Wastewater Operator I | | | | | | | | | |
| E | Water Operator I | | | | | | | | | |
| F | | | | | | | | | | |
| | | | $27.96 | $28.66 | $29.38 | $30.11 | $30.86 | $31.63 | | $36.35 |
| | | | $58,157 | $59,613 | $61,110 | $62,629 | $64,189 | $65,790 | | $75,608 |
| F | Assistant City Clerk | | | | | | | | | |
| F | Facilities Maintenance Tech | | | | | | | | | |
| F | Facilities Maintenance Tech | | | | | | | | | |
| F | Financial Specialist | | | | | | | | | |
| F | Patrol Officer - PT | | | | | | | | | |
| F | Police Records Administrator | | | | | | | | | |
| F | Wastewater Operator II | | | | | | | | | |
| F | Water Meter Technician | | | | | | | | | |
| F | Water Operator II | | | | | | | | | |

| Pay Grade | Recommended Title | | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 (Market) | Step 6 | Above Mkt Range | Max |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | |
| | | | $30.75 | $31.52 | $32.31 | $33.12 | $33.95 | $34.80 | | $39.98 |
| | | | $63,960 | $65,562 | $67,205 | $68,890 | $70,616 | $72,384 | | $83,158 |
| G | Building Inspector/Code Enforcement | | | | | | | | | |
| G | Harbormaster | | | | | | | | | |
| G | PW Operator - Lead | | | | | | | | | |
| G | Telecommunicator Supervisor | | | | | | | | | |
| G | Utilities Coordinator | | | | | | | | | |
| | | | | | | | | | | |
| | | | $33.23 | $34.06 | $34.91 | $35.78 | $36.67 | $37.59 | | $43.20 |
| | | | $69,118 | $70,845 | $72,613 | $74,422 | $76,274 | $78,187 | | $89,856 |
| H | Arborist | | | | | | | | | |
| H | Human Resources/Benefits Specialist | | | | | | | | | |
| H | Parking Manager | | | | | | | | | |
| H | Water/Wastewater Operator - Lead | | | | | | | | | |
| | | | | | | | | | | |
| | | | $35.87 | $36.77 | $37.69 | $38.63 | $39.60 | $40.59 | | $46.63 |
| | | | $74,610 | $76,482 | $78,395 | $80,350 | $82,368 | $84,427 | | $96,990 |
| I | Assistant Finance Director/Treasurer | | | | | | | | | |
| | | | | | | | | | | |
| | | | $38.75 | $39.72 | $40.71 | $41.73 | $42.77 | $43.84 | | $50.38 |
| | | | $80,600 | $82,618 | $84,677 | $86,798 | $88,962 | $91,187 | | $104,790 |
| | | 2068 | $38.97 | $39.94 | $40.94 | $41.97 | $43.01 | $44.09 | | $50.66 |
| J | City Clerk | | | | | | | | | |
| J | DPW Superintendent | | | | | | | | | |
| J | Police Sergeant | | | | | | | | | |
| | | | | | | | | | | |
| | | | $40.68 | $41.70 | $42.74 | $43.81 | $44.91 | $46.03 | | $52.88 |
| | | | $84,614 | $86,736 | $88,899 | $91,125 | $93,413 | $95,742 | | $109,990 |
| | | 2068 | $40.91 | $41.94 | $42.98 | $44.06 | $45.16 | $46.29 | | $53.18 |
| K | Deputy Fire Chief | | | | | | | | | |
| K | Lieutenant -Patrol | | | | | | | | | |
| K | Wastewater Superintendent | | | | | | | | | |

| Pay Grade | Recommended Title | | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 (Market) | Step 6 | Above Mkt Range | Max |
|---|---|---|---|---|---|---|---|---|---|---|
| K | Water Superintendent | | | | | | | | | |
| | | | | | | | | | | |
| | | | $43.94 | $45.04 | $46.17 | $47.32 | $48.50 | $49.72 | | $57.12 |
| | | | $91,395 | $93,683 | $96,034 | $98,426 | $100,886 | $103,418 | | $118,810 |
| L | Building & Zoning Director | | | | | | | | | |
| L | Police Lieutenant - Admin | | | | | | | | | |
| | | | | | | | | | | |
| | | | $48.33 | $49.54 | $50.78 | $52.05 | $53.35 | $54.68 | | $62.83 |
| | | | $100,526 | $103,043 | $105,622 | $108,264 | $110,968 | $113,734 | | $130,686 |
| M | Director of Public Works | | | | | | | | | |
| M | Director of Utilities | | | | | | | | | |
| M | Finance Director/Comptroller | | | | | | | | | |
| M | Fire Chief | | | | | | | | | |
| | | | | | | | | | | |
| | | | $51.23 | $52.51 | $53.82 | $55.17 | $56.55 | $57.96 | | $66.60 |
| | | | $106,558 | $109,221 | $111,946 | $114,754 | $117,624 | $120,557 | | $138,528 |
| N | Police Chief | | | | | | | | | |
| | | | | | | | | | | |
| | | | $58.40 | $59.86 | $61.36 | $62.89 | $64.47 | $66.08 | | $75.92 |
| | | | $121,472 | $124,509 | $127,629 | $130,811 | $134,091 | $137,446 | | $157,914 |
| AA | City Administrator | | | | | | | | | |

# Appendix B: Library Compensation Recommendations

The Consultants built the salary schedule to include both the City and the Library. Although the Library is a City department, it is governed by an independent Library Board. The methodology outlined in this report was utilized for placement of positions within the Library. Building both organizations on the same salary schedules helps ensure internal equity among positions and minimizes individuals from posting for position in the other department due to a perception of similar job duties but different pay.

The list of comparable organizations was slightly different than the City. The following is the list of organizations utilized to obtain external market data.

**Table 2: Library Comparable Organizations**

| |
|---|
| Burlington |
| Elkhart |
| Greenfield |
| Mequon |
| Mukwonago |
| Oconomowoc |
| Wisconsin dells |

The recommended salary schedule for the Library has the same construction of the City and is shown in Appendix C. Further, policy guidelines for both the City and the Library schedule have been provided.

## Appendix C: Library Salary Schedule

| Pay Grade | Recommended Title | | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 (Market) | Step 6 | Above Mkt Range | Max |
|---|---|---|---|---|---|---|---|---|---|---|
| A | | | | | | | | | | |
| | | | $19.02 | $19.50 | $19.99 | $20.49 | $21.00 | $21.53 | | $24.73 |
| | | | $39,562 | $40,560 | $41,579 | $42,619 | $43,680 | $44,782 | | $51,438 |
| A | Library Associate | | | | | | | | | |
| A | Library Circulation Assistant | | | | | | | | | |
| B | | | | | | | | | | |
| | | | $20.55 | $21.06 | $21.59 | $22.13 | $22.68 | $23.25 | | $26.72 |
| | | | $42,744 | $43,805 | $44,907 | $46,030 | $47,174 | $48,360 | | $55,578 |
| B | No Position | | | | | | | | | |
| C | | | | | | | | | | |
| | | | $22.19 | $22.74 | $23.31 | $23.89 | $24.49 | $25.10 | | $28.85 |
| | | | $46,155 | $47,299 | $48,485 | $49,691 | $50,939 | $52,208 | | $60,008 |
| C | No Position | | | | | | | | | |
| D | | | | | | | | | | |
| | | | $23.96 | $24.56 | $25.17 | $25.80 | $26.45 | $27.11 | | $31.15 |
| | | | $49,837 | $51,085 | $52,354 | $53,664 | $55,016 | $56,389 | | $64,792 |
| D | No Position | | | | | | | | | |
| E | | | | | | | | | | |
| | | | $25.88 | $26.53 | $27.19 | $27.87 | $28.57 | $29.28 | | $33.64 |
| | | | $53,830 | $55,182 | $56,555 | $57,970 | $59,426 | $60,902 | | $69,971 |
| E | Technical Services Coordinator | | | | | | | | | |
| F | | | | | | | | | | |
| | | | $27.96 | $28.66 | $29.38 | $30.11 | $30.86 | $31.63 | | $36.35 |
| | | | $58,157 | $59,613 | $61,110 | $62,629 | $64,189 | $65,790 | | $75,608 |
| F | Librarian I - Community Engagement | | | | | | | | | |
| | | | | | | | | | | |
| | | | $30.75 | $31.52 | $32.31 | $33.12 | $33.95 | $34.80 | | $39.98 |
| | | | $63,960 | $65,562 | $67,205 | $68,890 | $70,616 | $72,384 | | $83,158 |
| G | Librarian II - Facilities and Technology | | | | | | | | | |
| G | Librarian II - Youth Services | | | | | | | | | |
| | | | | | | | | | | |
| | | | $33.23 | $34.06 | $34.91 | $35.78 | $36.67 | $37.59 | | $43.20 |
| | | | $69,118 | $70,845 | $72,613 | $74,422 | $76,274 | $78,187 | | $89,856 |
| H | Circulation Services Manager | | | | | | | | | |
| | | | | | | | | | | |
| | | | $35.87 | $36.77 | $37.69 | $38.63 | $39.60 | $40.59 | | $46.63 |
| | | | $74,610 | $76,482 | $78,395 | $80,350 | $82,368 | $84,427 | | $96,990 |
| I | No Position | | | | | | | | | |
| | | | | | | | | | | |
| | | | $38.75 | $39.72 | $40.71 | $41.73 | $42.77 | $43.84 | | $50.38 |
| | | | $80,600 | $82,618 | $84,677 | $86,798 | $88,962 | $91,187 | | $104,790 |
| J | Library Director | | | | | | | | | |

## Appendix D: Definitions

The following are definitions that helped guide the development of the compensation system for the City:

**Benchmark Position**: A job that is commonly found and defined, used to make pay comparisons, either within the organization or to comparable jobs outside the organization.

**Classifications**: Job titles.

**Compensation System**: A system developed to compensate employees. This system includes a balance between internal equity and external competitiveness.

**Compensation Data**: Data derived from information regarding the salary range and the rate of pay of the incumbent(s) holding a benchmark position of the identified labor market.

**Comp Ratio**: The ratio of an actual pay range to the established position point (or average market rate). The Comp Ratio is used to measure and monitor an individual's actual rate of pay to the position point of the established pay range.

**Compression**: Pay differentials too small to be considered equitable. The term may apply to differences between (1) the pay of supervisors and subordinates; (2) the pay of experienced and newly hired personnel of the same job; or (3) pay range midpoints in successive job grades or related grades across pay structures.

**CPI-U**: Consumer Price Index – Urban: A measure of the average change over time in the prices paid by urban consumers for a market of consumer goods and services. It reflects the spending pattern for three population groups: all urban consumers, urban wage earners, and clerical workers. This group represents approximately 87% of the total U.S. population.

**Demotion:** The (re)assignment of an employee to a position in a lower pay grade or range in the organization's salary structure.

**Labor Market**: A location where labor is exchanged for wages. These locations are identified and defined by a combination of the following factors: geography; industry; education, experience and licensing or certification required; and job responsibilities.

**Market Data**: The technique of creating the financial value of a position based on the "going rate" for benchmark positions in the relevant labor markets.

**Minimum Salary Range (Minimum)**: The minimum amount of compensation the organization has deemed appropriate for a position.

**Maximum Salary Range (Maximum)**: The highest amount of compensation the organization has deemed appropriate for a position.

**Market Average**: Employee pay based upon the 'average' market rate; or the 'average' prevailing wage rate in the external market.

**Market Rate (Market)**: The organization's best estimate of the wage rate that is prevailing in the external market for a given position.

**Market Average Range**: A pay range in which the minimum and maximum of the range is established around the average market rate.

**Pay Grade**: The grade, or placement of a position, within the salary structure.

**Pay Grade Evaluation:** The (re)assignment of a job to a higher or lower pay grade or pay range in the salary structure due to a job content (re)evaluation and/or significant change in the average market rate in the external labor market.

**Performance Increase**: An adjustment to an individual's base pay rate based on performance or some other individual measure.

**Promotion**: The (re)assignment of an employee to a position in a higher pay grade or range in the organization's salary structure.

**Red Circle:** The freezing of a rate of pay until such time that the salary schedule catches up to the pay rate. This is commonly used when implementing a new pay schedule when a tenured employee is above the range maximum or when an employee is placed on a lower pay grade that is not related to performance issues.

**Salary Schedule Adjustment**: An adjustment to the salary structure; the increase or decrease of a pay range, minimum – maximum. This is a method to maintain the salary range in relation to external market conditions.

**Salary Schedule**: The hierarchy of job grades and pay ranges established within an organization.

**Step Increase:** The progressive steps across a salary range that an employee may move to with satisfactory performance and progress within their job.

**Step Schedule**: Standardized progression pay rates that are established within a pay range. To move to the next step, one must have met acceptable performance standards.

**Spread**: The range of pay rates, from minimum to maximum.