MINUTES OF THE PERSONNEL COMMITTEE

TUESDAY, SEPTEMBER 12, 2023, 4:30 PM
In person at City Hall, Room 207.
Virtual attendance also available via Zoom.

A. ZOOM MEETING INFORMATION.

1. Join Zoom Meeting Online:
https://us02web.zoom.us/j/86846491807?pwd=K3NJQ1NxdXU1cjB2RlR0TWVTUkJYdz09

Or call in by phone: +1 312 626 6799
Meeting ID: 868 4649 1807
Passcode: 298054

If you wish to speak at this public meeting or leave a comment, please fill out the online Comment Form prior to the meeting. More detailed Zoom Instructions can be found online.

B. ROLL CALL.

Present: Bill Galvin, Brian Johnson, Jim Hutchison
Excused: Jesse Brunette

Others Present: Alder Mark Steuer, Public Works Director Steve Grenier, Park, Recreation and Forestry Director Dan Ditscheit, IT Director Dave Wiliquet, Fire Chief Matthew Knott, Police Chief Chris Davis, City Attorney Joanne Bungert, Finance Director Diana Ellenbecker, Chief of Operations Joesph Faulds, City Clerk Celestine Jeffreys, Human Resources Manager Melanie Falk and others.

C. APPROVAL OF THE AGENDA.

Moved by Ald. Brian Johnson, seconded by Ald. Jim Hutchison to approve the agenda.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jim Hutchison, No- None, Abstain- None.

D. APPROVAL OF MINUTES.

1. Approval of the Minutes from the August 15, 2023 Personnel Committee meeting.

Moved by Ald. Brian Johnson, seconded by Ald. Jim Hutchison to approve.

Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jim Hutchison, No- None, Abstain- None.

E. REGULAR BUSINESS.

1. INFORMATIONAL ONLY: Presentation by Carlson Dettman on the report and findings of the City of Green Bay Employee Compensation Market Assessment.

Moved by Ald. Bill Galvin, seconded by Ald. Jim Hutchison to open the floor.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jim Hutchison, No- None, Abstain- None.

Moved by Ald. Bill Galvin, seconded by Ald. Brian Johnson to close the floor.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jim Hutchison, No- None, Abstain- None.

Moved by Ald. Bill Galvin, seconded by Ald. Brian Johnson to receive and place on file.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jim Hutchison, No- None, Abstain- None.

2. For consideration with possible action on the request to fill the following replacement positions and all subsequent vacancies resulting from internal transfers.

a. Senior Animal Keeper
b. Plumbing Inspector
c. Park Maintenance Worker

Moved by Ald. Brian Johnson, seconded by Ald. Jim Hutchison to approve all 3 of the positions and subsequent vacancies resulting from internal transfers.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jim Hutchison, No- None, Abstain- None.

3. For consideration with possible action on the Green Bay Police Supervisory agreement for a two-year term from January 1, 2023 through December 31, 2024.

Moved by Ald. Brian Johnson, seconded by Ald. Jim Hutchison to approve.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jim Hutchison, No- None, Abstain- None.

F. INFORMATIONAL.

1. Report of Routine Personnel Action Items

2. Next Meeting: September 26, 2023.

G. ADJOURNMENT.

Moved by Ald. Brian Johnson, seconded by Ald. Jim Hutchison to adjourn.
Motion Passed.
Yes- Bill Galvin, Brian Johnson, Jim Hutchison, No- None, Abstain- None.

VERBATIM MINUTES

- Alright, we're starting the personnel committee meeting at the time is 4:31 PM on the 12th of September. Alder Hutchinson, Johnson and Galvin are present. Alder Brunette has a previous obligation and will not be at this meeting. I'll entertain a motion on the agenda.

- So moved.

- Second.

- All those in favor say aye.

- Aye.

- Aye.

- Any opposed? That passes unanimously. I'll entertain another motion on the minutes.

- Move to approve.

- Second.

- All those in favor say aye.

- Aye.

- Aye.

- Any opposed? That passes unanimously. Regular order of business number one, informational only, a presentation by Carlson Dettmann and the important findings of the city of Green Bay employee compensation market assessment.

- So we have Matt and Ashley on the line to present the findings of their employee compensation market assessment. So it's just gonna be a presentation tonight, what they're finding, so there's gonna be no action taken. Like you guys can listen to the presentation and then afterwards ask questions.

- [Jim] Alright, thank you.

- [Joe] Matt, are you able to share your screens?

- [Matt] Yeah. Happy to. Thanks Joe. Thanks for having us all. You all see this other slide on the screen now?

- [Jim] Yes, we can see it.

- [Matt] Great. So if this works, thank you for having us. I'm Matt Scetchik from Carlson Dettmann Consulting. I lead up the consulting practice. My colleague Ashley McCluskey is here with us as well. Ashley played a very big role in this work. We just wanted to share with you the results of the study for the city. Provide two possible views of a path forward and let you sort of digest that data and answer any questions you might have. I'm gonna move pretty quickly through the slide deck. Hopefully we've had an opportunity to review it and allow for some opportunity to ask questions as we move through this. Just a little bit of background highlight on our approach, and then a reminder of how your system is built, a view of our market comparison, and then some of the recommendations that we're putting forward for you all, our plan for today. This is a general overview of the type of project steps that we like to take through our work. We're nearing the end and trying to put a bow on this for you all as you debate sort of the final adoption or considerations moving towards budget time for the city. Our work for you is focused on compensation. It's an analysis of the market and we're focusing on the left column here of this table. This is not a review of benefits or the broader employee experience. We know how valuable those other components and rewards pillars are, but this is really intended to take a look at the competitiveness of the city of Green Bay wage structure and provide a path forward. When we think about this work, we wanna make sure, and we wanna remind you that your system does have an internal hierarchy component to it. A point factor job evaluation method is utilized to review and classify your jobs into a grade order hierarchy. And then we also take a look at the external market and bring that internal and external views of the world together to craft a formal system for you. For our project scope this year, we were not concerned about the internal hierarchy. Those are already set. There may be a job or two that we did include in that, but this focus was really on the external competitiveness of the city of Green Bay and going out and collecting new comparables to utilize and understand where the wages are going in the current market. And so we've defined that market. We've talked about the market placement. We've got two options for you there. And really we're getting towards the end to develop an implementation plan. Again, a reminder that we do think about internal equity and the job evaluation classification. We do utilize these job evaluation factors, but that was not a intended focus this time around. The intended focus was the external market and those market comparisons. Two things to think about with that work is that historically many organizations took a very traditional approach who looks exactly like us, population size, proximity, property valuation, a very homogeneous view of the world. Today's world, depending on the type of candidates you might be attracting, they could care less. And it's really a question of who else are we competing with for talent. And so that might be other cities, it might be other municipalities or counties. It also might be the private sector as well. And in what results if we look at a slightly wider view of the world as a more diverse pool of organizations, a slightly better view of the market and reflecting on what that would mean to the city. That said, our work is heavily weighted towards primary comparables of cities of a similar size to you. This is a list of the peer comparables. We've also incorporated some of the villages surrounding Green Bay as well as some of the counties nearby. I would like to say for some of the higher level of leadership roles, the villages are not a great comparison as the scope of responsibility is quite a bit larger for the city of Green Bay than some of the surrounding villages at those leadership levels. For staff level and individual contributor roles are much more . So this is our primary comparable group. We do supplement that data with external private sector published survey data. A list of those surveys are included here on this list. We've got four or five different survey sources that we utilized to look at the external market as well. When we do this work, we want to make sure that we have a sufficient set of benchmarks, a view of your organization from the bottom to the top and a breadth of the departments that the organization has. So we wanna make sure that we can find life jobs at other organizations as well as life responsibility levels. We want it to be reflective of the marketplace. We use a mix of data sources so that we don't have only one source of truth, but we're aggregating that data to triangulate a best view of the going rate in the market. There is not data from every one of those organizations for every job. Not everybody has the same jobs in their organization. Additionally, we look at outliers high and low and remove them from consideration. And you know, there will be plenty of jobs that are public sector focused, public sector classifications that don't have an analog in the private sector. So we won't have any private sector survey data for those types of roles. These are the benchmark jobs that we utilize for the city. As you can see here on the list, again, running the gamut from lower levels of the organization all the way through the top. What we wanted to show you and what we're finding with our results is two views of the market competitiveness for you. First, a view of a meet the market compensation, a philosophy and target. This view has historically been Green Bay's approach to market competitiveness. So we're focused on the 50th percentile of the market, meaning we want to be kind of right in the middle of the comparables. When we do our work, this is a graph that would highlight the benchmark jobs that we looked at, the job evaluation points that we have on the x-axis and the market data that we collected on the y-axis in an hourly format. We graph that to draw a line of best fit that would mimic your case structure midpoint. So that fits the entire organization. What we find with our work this time around is that it has a correlation coefficient or an R squared of 0.95, I would say, that's incredibly strong correlation of the market data and the job evaluation scores. So what we can say is in light of market data for select jobs, we can utilize the job evaluation system to place those jobs into the pay structure. What we're seeing with this graph is a dashed yellow line and a new gray line, which would be the intended midpoint of your pay structure. So we're seeing some slight increases of the pay structure that we would recommend at the highest levels of the organization. So we're seeing the market be a little bit stronger out there at the higher level rules. What we've crafted for you is a meet the market 50th percentile pay structure going from pay grade A to pay grade S. We have tightened up the pay grade minimums for some of the lowest level jobs. What we are seeing out there in the market is a difficulty in recruiting at 80%, 85% of the going rate of the market. And what we are suggesting for you all is setting your minimums at 90% of the market rate for grades A through E and 87 and a half for F going back to 85 at at G. What we see from our work focusing on the 50th percentile of the market is that you currently have about 45% range penetration or a 98% comp ratio. Your employees are paid pretty competitively within the current pay structure, but the pay structure is lagging the market slightly. It is relatively at the market for the lowest two thirds of the jobs that you have and for the highest level jobs in the organization, the highest one third of the jobs, you're about 6% below the market. Targeting the 50th percentile moving forward, what we are suggesting is a midpoint change of about 5% on average from your current pay structure. To move your employees to a step so they're aligned on the pay structure. It would be about a $450,000 investment or one and a half percent of payroll. And that would increase or improve your comp ratio. To make sure that everybody gets something, a simple example would be a 2% guaranteed increase or some level of compression relief where we account for time with the city. And if we do that, looking at some levels of those years, it's more like a $960,000 investment or 3.3% of payroll. So this is an option to consider to keep you at a competitive position aligned with the current compensation philosophy that the city of Green Bay has. A secondary option for you to consider is something that we have seen some clients move towards and it's a slightly stronger competitive position in the market. That is a blend of the 50th percentile meeting in the middle and arguably leading the market more towards the 75th percentile of the dataset. We're blending those data points together. You could call it the 60th or 62nd percentile of the market, but if you take a stronger, more aggressive market target and philosophy, what we end up seeing is that the low end of the pay structure moves a little bit further away from your current midpoint. Again, that dashed yellow line, we see the top end of your pay structure being further away from your current and needing to move a bit further to be in that competitive position of the 50th and 75th percentile blend. Same structure design with hold true, except we're targeting that lead the market blend position. What we end up seeing with that is that the top third of your job would be more like 11% behind the market, while the lower two thirds on average would be about 6% behind the market. So we would be recommending a pay structure change, a midpoint move, about 11% on average to meet that, lead the market pay philosophy of the 50th and 75th percentile blend. Cost of all this goes up. Increase to get everybody on a step is about $900,000 or 3% of pay roll to allow everyone to have some compression relief accounting for their time with the city or at least a 2% increase. We start to see more like a $2.4 million addition to payroll or 8% addition to payroll. And the demographics or the distribution of employees, excuse me, are off to the right on where they might be falling in your pay structure. Either approach would allow Green Bay to compete. The 50th and 75th percentile blend is something we thought would be be prudent for us to provide a perspective on if Green Bay wishes to be more competitive in the market to ensure they can attract talent in today's environment as well as possibly just being a slightly better recruiting position over the next couple years in that stronger position. So in closing, we recognize this is hard, it's a delicate balance of making sure that the pay system is fair as well as- and competitive, as well as fiscally affordable and sustainable moving forward. So those are our findings and what we saw this year in our study of the competitive market, looking at both the 50th percentile of the market as well as, or a meet the market position with your pay structure or a lead the market position of that 50th and 75th percentile market blend that the city could consider. So I'm happy to open it up to any questions and answer what I can related to our work at this time.

- [Joe] Any questions?

- I've got a question. So, it looks like in order to stay at 50 there'd be a cost increase, we'd have to get money. Is there a bullet list of the things that by doing so, by increasing our pay structure that would be useful in helping us see the value of increasing this pay structure other than being competitive? Are there specific things that a city like Green Bay will encounter by having a better pay structure, meaning on the higher end versus where we're at now? Do you understand the question?

- Yeah. Why take a stronger market position?

- Right.

- A great question.

- Yeah.

- There's plenty of things that go into turnover, right? One thing, and numerous studies would show a 10% increase in payroll has a measurable impact in turnover rate of an employer. Now that movement from the 50th to 75th percentile is not the full 10 percentile jump. It's more like 5 or 6% increase from your current position. So I can't guarantee less turnover, but we would expect it to have an impact on turnover. It would allow Green Bay to look more attractive to some private sector employers as well, having a stronger market position on compensation. But it's not a silver bullet and I can't make claims that I can say all human resources bills will be solved by paying more. We know compensation is only a dissatisfier and not a satisfier. Meaning lack of compensation is a dissatisfier, significantly or marginally more compensation past a certain level does not increase the satisfaction quotient. And so it is a question of how you want to compete. And by taking a stronger market position, do you think you can secure the talent you have less than any turnover, attract new talent for turnover? Like the retirement ready positions and things like that.

- Okay. Thank you.

- Alder Johnson?

- Yeah. Great presentation Matt. I appreciate the insight. I assume, Joe, we can get a copy of that presentation. Couple questions for you Matt. You talk about the 50th percentile. Is that within the public sector only or did that include private sector as well?

- It is blended between the public and private sector. So those pure comparables are making up 50% of the data set and the survey data is making up 50% of the data set.

- Okay, second question, did you just evaluate sort of the, I guess, city salary schedule and aggregate or did you actually evaluate each grade and position in terms of how they're set? And the reason I asked that question is we've had a number of positions come to us recently where it was, hey, we can't recruit candidates in this range. We've gotta make adjustments. Our goal is to say let's stop doing these one-offs. Right? Is there a recommendation with a complete reset on where everybody, like we're graded right now?

- Yeah, I would say that this work is that reset, realigning your current workforce or jobs with the competitive market. Ashley and I don't think we're recommending a grade movement on any jobs specifically. Meaning, you know, we saw such a significant market swing that our antenna would go up to say you need to move this A pay grade up or down for that regard. But what it does do is account for all the different market movement, thus the various data points in that graph.

- Okay. When you did those evaluations, appreciate your point about how, you know, the higher level positions are, it seems are a little bit further behind than others. Did you evaluate hourly positions as well?

- Yeah. The benchmark job list includes hourly positions as well.

- Okay. And then obviously you talked about department heads, I know something that Alder Galvin has previously submitted is an evaluation on the mayor's salary. So chief administrative officer, was that part of this evaluation or have you looked at that separately?

- It wasn't part of this evaluation. We have looked at that separately and we have supplied some of that information to Joe and the team.

- Okay, great. Thank you. That's all I have for right now.

- I see Alder Stoyer's here, Alder Stoyer, do you have any questions?

- Should I come up or?

- Sure, yeah.

- Nice seeing you all. Yeah, I have the request like Alder Johnson does, I looked it up on the agenda to see if it was there and it's not there. So it would be really important that we have that to look at and study. I guess for me, you know, I worked for the city for 25 years and I've been on council for a while so I've had a feel for different governments over time and what's been going on and with salaries, et cetera. And I guess for me, and I know some of the Alders have talked to different department heads, I've done that where I've talked to them and they're saying, well we're behind, we don't have enough staff on things. Different departments have talked about that. And I said, well, what's the reason in your estimation? And I think a lot of it is that private sector versus the public sector as far as benefits, scale, pay, you know, we might be doing better in Green Bay, but we're still competing against the private sector as well as some other municipalities. So, I don't know if I have any really specific questions, but it is a concern that I have that we're having a hard time filling positions and many times at council we have held off filling positions, we'll say, well let's do that in October. You know, we're saving money. So it, it seems like this piecemeal kind of thing. I just, after a while I get tired of working like that, I'd rather be solid leading rather than following on this kind of stuff. So it's more just some of my basic thoughts. I know we're gonna talk about this. I know this is only a presentation. I don't know if any specific questions, but it's just that we are competing against the private sector. Compensation is different for employees. They have to pay into their retirement account now, whereas I did not have to do that years ago. That's a big question as well. So how does that all pan out? Does that mean we're behind the eight ball a little bit with hiring or not? I think there's certain jobs that have sat vacant for some time and I have a gut feeling why that is, but it seems to me that we need to tighten that up. So, I'm looking forward to looking at the report, there are city staff that have talked to me about this kind of thing. Where are we going, where are we going with this? Is this the cure all the catchall with all of this? So, we'll be talking about it at council, I'm sure. But with that being said, this more of just informational, we're not gonna be able to speak on this or what?

- Right now this is informational. Joe, are we gonna bring this to council?

- I did not anticipate bringing it to council, but we-

- So we're gonna formulate something from this?

- Yes, So what I just made was for Carlson Dettmann to provide this information findings for the committee. It's recorded, I'll then provide the PowerPoint to everyone and then we're gonna work on implementing this information into the budget and that's where proposal will be, which will include the findings and what we can kind of afford financially and kind of what the path we see moving forward to-

- You're not talking about the budget for this upcoming year that we're working on right now?

- That's what I'm talking about.

- So you would like to implement that...

- Sometime through 2024.

- Okay.

- So we're gonna take this information from Carlson and Dettmann and talk it over with the mayor and senior staff and then this will be included in the 2024 budget.

- Okay. Very good.

- So I guess chair for now, I just wanted to make some comments about it. I don't know if I had any specific questions, but it's something that I'll look at and I know that we had council will look at and I think that that's an important factor moving forward.

- Alright, thank you. Any other questions?

- Yeah, Alder Johnson.

- Maybe not so much a question. Maybe just a comment. Obviously shared revenue right now is a great opportunity for us to be tackling this issue, and I assume that shared revenue is implemented right, in the 2024 budget. So this is kind of serendipitous that this is happening. 'Cause, to your point Alder Hutchinsin, we actually have a source that we can, you know, leverage a little bit here. The one thing Chief Faulds, that I would just maybe suggest, I don't know how you would absorb this into the budget and how easy or difficult it would be for council members to understand how you were dispersing that. Right? And there were a couple of models shown here. I think it's worthwhile for you to come back with a staff recommendation on this is the model in the formulations and how we suggest we allocate in the budget process so that way we're not stuck at budget time trying to unwind and decipher maybe how you implemented some of the recommendations, how you chose to do it. I would just offer that up as a suggestion. I think it would be a lot easier for the administration to have that conversation here than with the budget. And the other comment that I would make is I've, look, when I first campaigned for this position five years ago, I advocated and I still maintained that the most valuable asset that the city of Green Bay has is its staff. And you need to take care of those personnel just like you would the vehicle, a roadway, anything else that we have. And if we have exceptional staff, you're gonna get better customer service, you're gonna get a better product. You're gonna get, I mean, just a high degree of performance, I think from your staff, you know, but if we're not in a position where we're recruiting quality candidates, I mean, that already puts us at a disadvantage and sometimes can cost you more than if you just paid the right salary to begin with, right? So, I'm a big believer in quality versus quantity and I mean, it's costly to have a failed search. Or even worse, you hire a candidate because, you know, maybe they don't quite have everything you want, but it's the best that you've got in the pool. And I think that creates other problems for you long term too. So I'm kind of with Alder Stoyer, 50th percentile feels good, right? Like, oh, we're in the middle of the pack, but I don't know if it's necessarily the best outcome that we ought to be shooting for. And it is a delicate balancing act, but I would definitely lean more towards the, you know, how do we kind of inch some of those up into a mode where they're competitive, especially those leadership roles. I don't want us to get, and I can already hear the folks, right? That'll say they already make X amount of dollars. That's not what this is about. We need to be clear about that. This is about skills, experience and if you want those individuals to get the maximum output from the staff that report to them, you also have to have really highly skilled people in those roles and they're not easy to find right now. So I am not hesitant at all about addressing the disparity that exists within that upper third that he talked about.

- All right. I see that there's some people who would like to comment. I'll entertain a motion to open the floor.

- So moved.

- All those in favor say aye.

- Aye.

- And that passes unanimously. Barbara. You know the drill.

- Yes. Barbara Doraf, 3375, Pebble Beach Court, Green Bay, Wisconsin. So I like the things a lot that Alder Johnson just said, and I agree with all of those. One of the things I heard said was that compensation cannot, if I'm repeating this correctly, is a cause for job dissatisfaction or can be cause satisfaction and not necessarily what makes a person satisfied. To me I think climate and culture of an organization and the way employees are treated within that organization are also extremely important. Retention of employees, good employees is extremely important. I don't know if there is a parallel process going on that will address those kinds of things in addition to the increase of compensation. But that is what my takeaway is, that it's certainly absolutely we need to look at compensation, we've needed to look at that for years and we need to ensure climate and culture make our city a good place to work, make city hall a good place to work. That's all I have. Thank you.

- Thank you.

- And thanks for that comment Ms. Doraf, I totally agree. And it would be interesting if staff is looking at any ways to create that parallel evaluation and I actually kind of jotted that quote down too because that stuck with me. So nice quote Matt, on the dissatisfaction versus satisfaction quote. I'm just thinking in particular though, maybe about the way it recruits talent in particular, retention could almost be its own path, right? For how does salary affect retention versus recruitment. We could analyze this thing to death. How much time do we have?

- Or just get her done.

- Yeah.

- Thank you.

- Is there anyone else that would like to make comments or ask questions? Wanna entertain a motion to close the floor?

- So moved.

- Second.

- All those in favor say aye.

- Aye.

- Aye.

- Opposed? Passes unanimously. Alright Joe, I think that's...

- Yeah, so I think what we can do is receive and place on file and I think it makes sense to bring it back to personnel committee before the budget to talk about some .

- Alright, very good. Motion to receive and place on file.

- Second.

- All those in favor?

- Aye.

- Aye.

- That passes unanimously. On to item two for consideration with possible action on the request to fill the following replacement positions and all subsequent vacancies resulting from internal transfers. A is a senior animal keeper and...

- Move to approve.

- B is a plumbing inspector and C as a park maintenance worker. Does anyone have any questions for staff on any of these?

- You wanna take 'em all up at once?

- Let's take 'em all up at once.

- Alright. I don't think we need to procedurally do that, right? We can just say those to approve all three.

- Yes.

- Second.

- Okay. All those in favor say aye.

- Aye.

- Aye.

- And that passes unanimously.

- Alder Galvin.

- Yeah.

- Gonna say thank you to Matt and Ashley for being here and they can take off.

- Oh.

- Sorry about that. I missed that. That's not me.

- All right.

- Thanks a lot. Appreciate it.

- Sure, thank you.

- Number three for consideration with possible action on the Green Bay police supervisory agreement for a two year term from January 1st, 2023 through December 31st, 2024. Does anyone have any questions for staff?

- Move to approve.

- Second.

- All those in favor say aye.

- Aye.

- Aye.

- And that passes unanimously. We have a report of routine personal actions. Any questions on that? Alright, our next meeting is September 26th, 2023.

- Move to adjourn.

- Second.

- All those in favor say aye.

- Aye.

- Aye.

- Aye, and that passes unanimously.

City of Green Bay, WI

Compensation Project Summary

September 12, 2023

Presented By | Matt Shefchik, AVP Total Rewards Consulting
Ashley McCluskey, Analyst

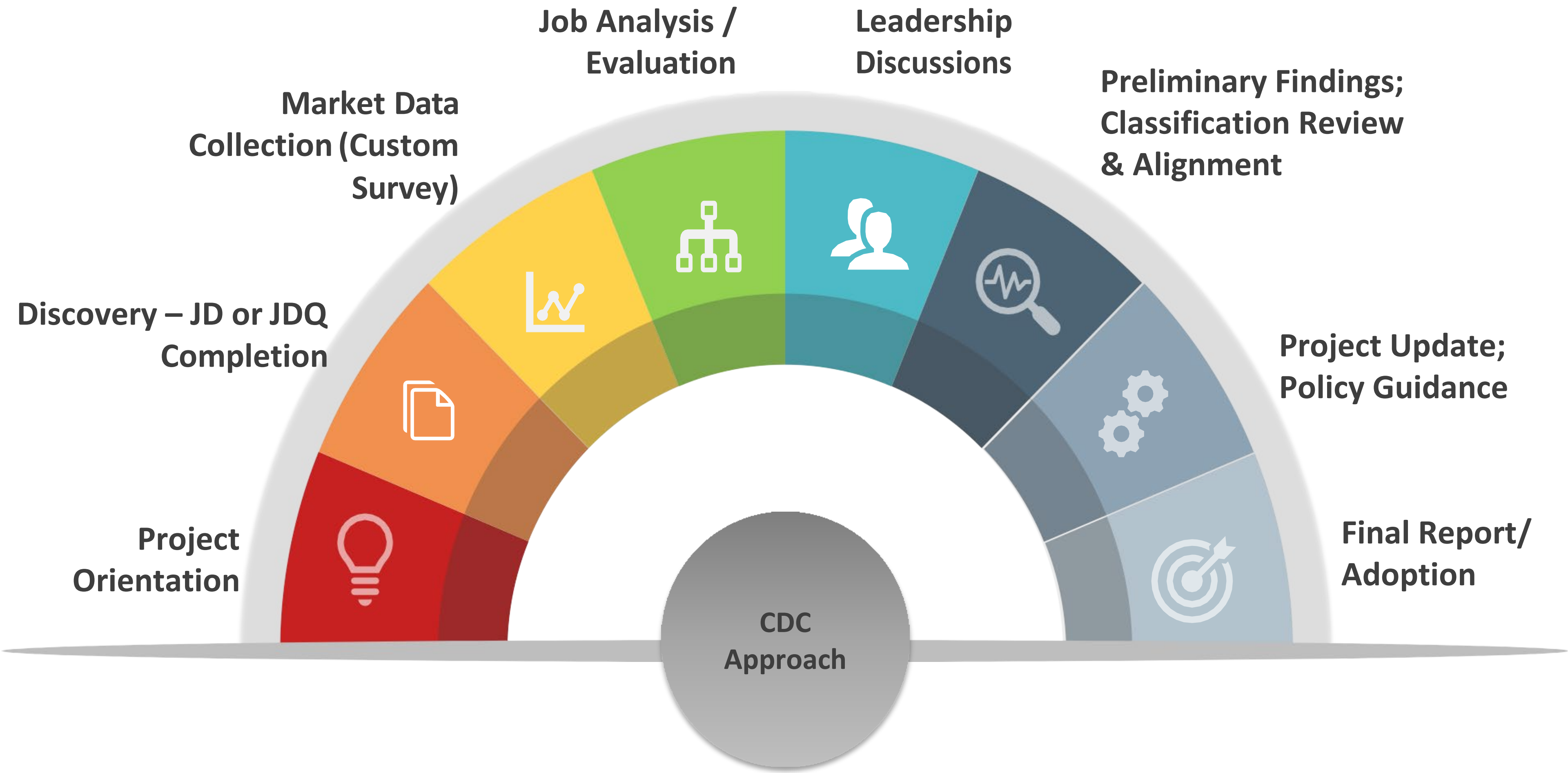
Carlson Dettmann Consulting,
a Division of Cottingham & Butler Insurance Services, Inc.

Cottingham & Butler

AGENDA

- Process Overview
- CDC Approach
- Internal Consistency Review
- Target Market & Market Comparison
- Recommended Wage Schedule

PROCESS OVERVIEW



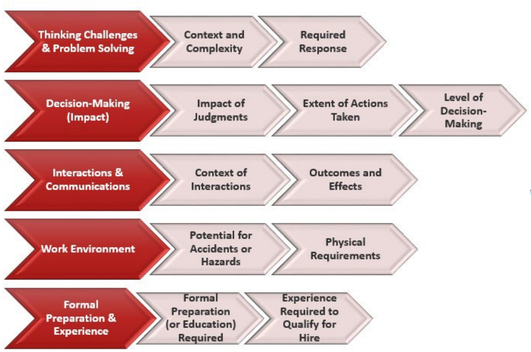
CARLSON DETTMANN CONSULTING

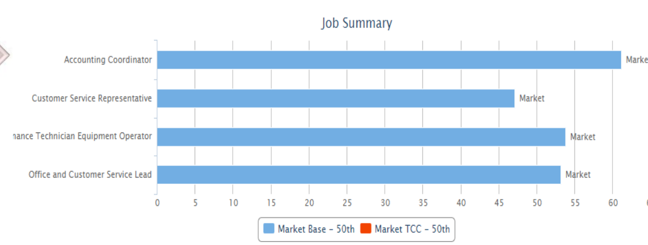
CDC Approach

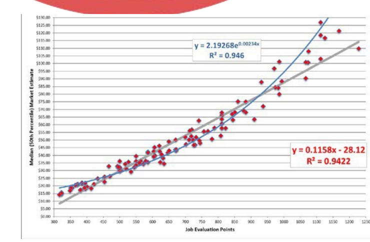
C&B TOTAL REWARDS FRAMEWORK

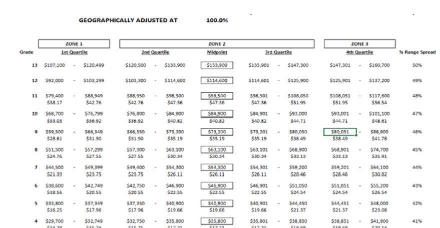
TOTAL REWARDS		
Compensation	Benefits	Employee Experience
Internal Equity	Costs	Employee Engagement
External Competitiveness	Compliance	Performance Management
Formal Systems	Creating Efficiencies	Talent Development

COMPENSATION SYSTEM DEVELOPMENT









GEOGRAPHICALLY ADJUSTED AT 100.0%

	ZONE 1	ZONE 2			ZONE 3	
Grade	1st Quartile	2nd Quartile	Midpoint	3rd Quartile	4th Quartile	% Range Spread
13	$107,100 - $120,499	$120,500 - $133,900	$133,900	$133,901 - $147,300	$147,301 - $160,700	50%
12	$92,000 - $103,299	$103,300 - $114,600	$114,600	$114,601 - $125,900	$125,901 - $137,200	49%
11	$79,400 - $88,949	$88,950 - $98,500	$98,500	$98,501 - $108,050	$108,051 - $117,600	48%
	$38.17 $42.76	$42.76 $47.36	$47.36	$47.36 $51.95	$51.95 $56.54	
10	$68,700 - $76,799	$76,800 - $84,900	$84,900	$84,901 - $93,000	$93,001 - $101,100	47%
	$33.03 $36.92	$36.92 $40.82	$40.82	$40.82 $44.71	$44.71 $48.61	
9	$59,500 - $66,349	$66,350 - $73,200	$73,200	$73,201 - $80,050	$80,051 - $86,900	46%
	$28.61 $31.90	$31.90 $35.19	$35.19	$35.19 $38.49	$38.49 $41.78	
8	$51,500 - $57,299	$57,300 - $63,100	$63,100	$63,101 - $68,900	$68,901 - $74,700	45%
	$24.76 $27.55	$27.55 $30.34	$30.34	$30.34 $33.13	$33.13 $35.91	
7	$44,500 - $49,399	$49,400 - $54,300	$54,300	$54,301 - $59,200	$59,201 - $64,100	44%
	$21.39 $23.75	$23.75 $26.11	$26.11	$26.11 $28.46	$28.46 $30.82	
6	$38,600 - $42,749	$42,750 - $46,900	$46,900	$46,901 - $51,050	$51,051 - $55,200	43%
	$18.56 $20.55	$20.55 $22.55	$22.55	$22.55 $24.54	$24.54 $26.54	
5	$33,800 - $37,349	$37,350 - $40,900	$40,900	$40,901 - $44,450	$44,451 - $48,000	42%
	$16.25 $17.96	$17.96 $19.66	$19.66	$19.66 $21.37	$21.37 $23.08	
4	$29,700 - $32,749	$32,750 - $35,800	$35,800	$35,801 - $38,850	$38,851 - $41,900	41%
	$14.28 $15.74	$15.75 $17.21	$17.21	$17.21 $18.68	$18.68 $20.14	

CARLSON DETTMANN CONSULTING

4 ESSENTIAL POLICY QUESTIONS

- Define Target Market
- Determine Market Placement
- Design Structure (i.e. Plan Type)
- Develop Implementation Plan

Internal Equity =
Job Evaluation & Classification

JOB EVALUATION → INTERNAL CONSISTENCY

Definition: formal, systematic process for ordering a set of an organization’s jobs, **independent of individual performance**, into a hierarchy based on the value or worth of jobs in the organization. Said procedure is designed to aid in establishing pay differentials among the organization’s jobs.

Goal: provide equity across the organization (similar and dissimilar positions) and within similar functional groups.

CDC JOB EVALUATION FACTORS

Thinking Challenges & Problem Solving	Context and Complexity	Required Response	
Decision-Making (Impact)	Impact of Judgments	Extent of Actions Taken	Level of Decision-Making
Interactions & Communications	Context of Interactions	Outcomes and Effects	
Work Environment	Potential for Accidents or Hazards	Physical Requirements	
Formal Preparation & Experience	Formal Preparation (or Education) Required	Experience Required to Qualify for Hire	

External Competitiveness = Market Comparisons

TALENT STRATEGY: TWO MARKETPLACES

Comparable Marketplace

Who is like us?

- Traditional approach

More Data Driven

- Proximity, Population, Budget Size, Commuting Patterns, Property Valuation, Income, Organization or Department Structure, etc.

Self-Alignment

- Associations, Consortia, Bargaining Comps, Same Industry

Final Result is a Pool of Organizations Similar in Size/Scope

Competitive Marketplace

Who is trying to take our talent?

- Big vs small; public vs private; etc.

Employee Considerations

- Commute Time, Organizational Culture, Company Growth, Career Opportunities, Meaning, Hours of Work, Level of Job

There Will, Undoubtedly, Be Cross-Over with the Comparable Marketplace

Final Result is a More Diverse Pool of Organizations, More Likely to Truly Reflect the Options Facing Employees

Carlson Dettmann Consulting

Primary Comparables:

- Appleton
- Beloit
- De Pere
- Eau Claire
- Fon du Lac
- Greenfield
- Janesville
- Kaukauna
- Kenosha
- La Crosse
- Menasha
- Madison
- Manitowoc
- Neenah
- Oak Creek
- Oshkosh
- Racine
- Sheboygan
- Stevens Point
- Superior
- Waukesha
- Wausau
- West Allis
- West Bend
- Allouez (Village)
- Ashwaubenon (Village)
- Bellevue (Village)
- Hobart (Village)
- Howard (Village)
- Little Chute (Village)
- Brown Co.
- Calumet Co.
- Outagamie Co.
- Winnebago Co.

External Survey Sources:

- Bureau of Labor Statistics Occupational Employment and Wage Estimates Survey
- CompData Benchmark Survey
- Economic Research Institute Salary Assessor
- Payfactors Market Database & Peer Database
- Willis Towers Watson Managerial, Professional, & Support Compensation Survey

ADDITIONAL NOTES

- Sufficient Set of Benchmark Jobs
  - Jobs having likely matches in the market
  - Fairly stable in job content
  - Representative of different pay and responsibility levels
- Reflective of "Marketplace" & Data From Relevant Sources
  - Mix of data sources to provide reliable and stable data Not all comparables (or data sources) were used for every job.
  - Nonexempt (hourly) jobs tend to be much more localized, and Exempt (salaried) tend to be more regional/statewide.
  - Many public sector classifications do not have an analogue to the private sector
- There is not data from each organization for each job.
- Any outliers (high or low values) were removed from consideration.
- Supplemental data may be utilized from other communities when needed, and when it fits within our statistical parameters.

CITY OF GREEN BAY BENCHMARK JOBS

FINANCE DIRECTOR	SR GIS ANALYST	PAINTER
PUBLIC WORKS DIRECTR	CIVIL ENGINEER II	EQUIPMENT OPERATOR
CITY ATTORNEY	PLUMBING/HVAC INSPECTOR II	PAYROLL SPECIALIST
FIRE CHIEF	HR GENERALIST II	BLDG MAINT TECH
POLICE CHIEF	SENIOR ACCOUNTANT	DOCUMENT CENTER LEAD
CHIEF OF OPERATIONS	ELECTRICIAN	LEGAL ASSISTANT
DEVELOPMENT DIRECTOR	MECHANIC FOREPERSON	DISPATCHER
IT DIRECTOR	BUILDING INSPECTOR	LABORER - STREET
ASST FIRE CHIEF	NETWORK SPECIALIST	PARK MAINT WORKER
POLICE COMMANDER	DEPUTY CITY CLERK	TRUCK DRIVER-STREET
CITY ASSESSOR	COMMUNICATIONS TECH	HR ASSISTANT
HR MANAGER	MASTER PLUMBER	ADMIN CLERK II
ASST CITY ATTORNEY	APPRAISER II	ADMIN CLERK
PROGRAMMER ANALYST	ENGINEERING TECH	CUSTODIAN I
SR PROGRAMMER ANALYST	BUYER	
FLEET MANAGER	PARALEGAL	
PUBLIC WORKS SUPT	CARPENTER	
CITY CLERK	MECHANIC	
PAYROLL MANAGER	BENEFITS SPECIALIST	
APPRAISER III	CIVIL ENGINEER I	

Market Competitiveness: 50th Percentile

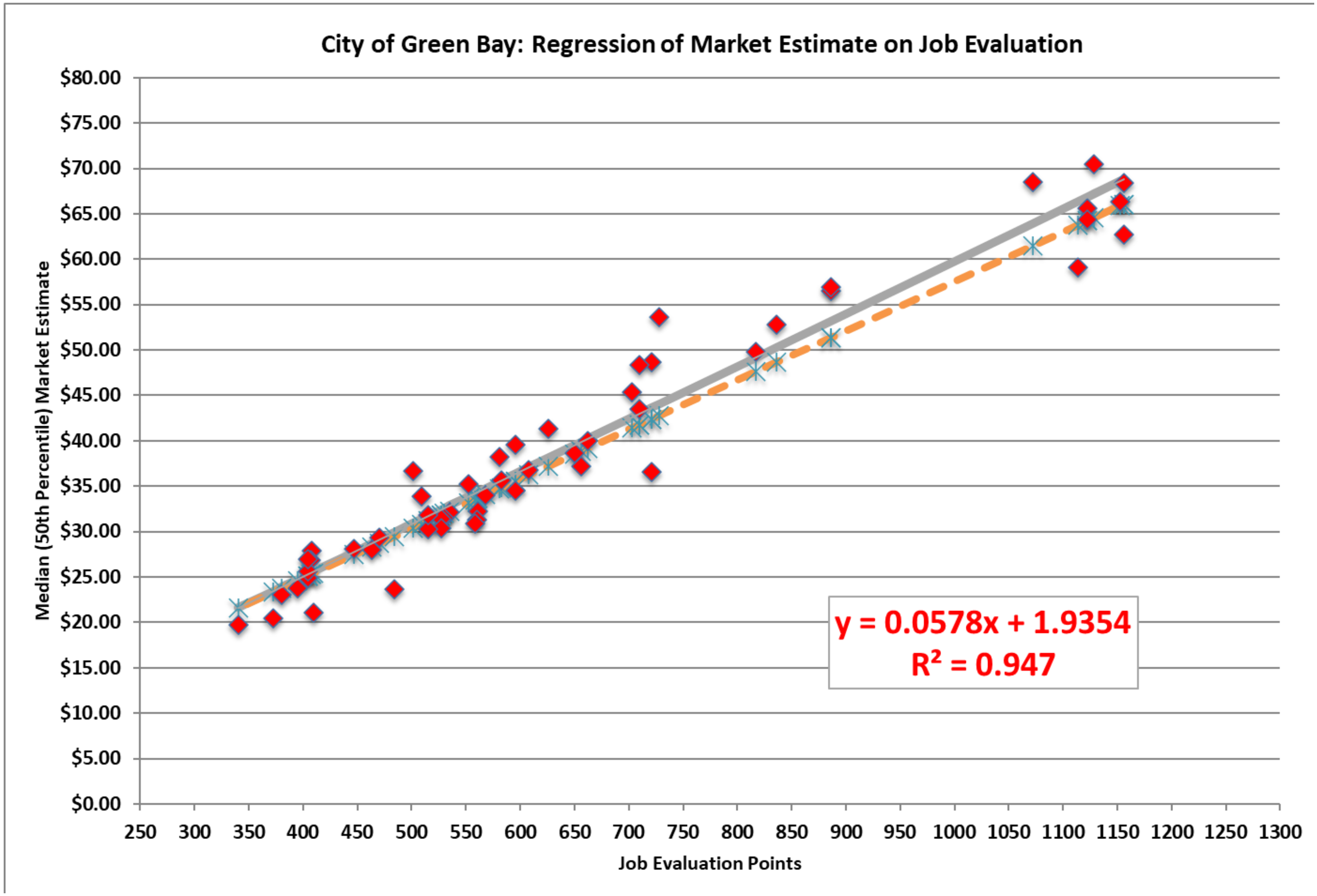
MARKET LINE & STRUCTURE DESIGN

Measured the correlation between job evaluation results vs. market analysis for benchmark positions.

Job evaluation results are an excellent predictor (R^2) of market value for the organization's positions.

Used the linear regression analysis, or line-of-best fit results, to set the "midpoint" or "control point" of the recommended pay ranges.

Represents the best approximation of the market for a given job in a given pay grade.



CARLSON DETTMANN CONSULTING

C: COMPENSATION SYSTEM - RECOMMENDED STRUCTURE

Structure Traits

- Meet-the-Market = 50th percentile
- 1 Pay Structure (Both Exempt and Non-Exempt)
- PG A – PG S
- Hybrid Structure (85% - 115%)
  - PG A - PG E (90% Min – New Recommendation)
  - PG F (87.5% Min – New Recommendation)

GRADE	85.00%	87.50%	90.00%	92.50%	95.00%	97.50%	100.0% C/P	Performance Range	115.0% Max.

See Structure Design in ClientFile

CARLSON DETTMANN CONSULTING

IMPLEMENTATION RECOMMENDATIONS

Current

- 45% Range Penetration and 98% Compa-Ratio
- Compared to market target, top one-third of jobs are ~6% below market, while lower two-thirds are at market

Recommended 50th Percentile Target Structure

- Midpoint Change: +4.9% Average from Current
- Increase to Step: $450,000 or 1.5% of payroll resulting in 95.6% compa-ratio
- 2% Guaranteed Increase or Compression Relief: $960,000 or 3.3% of payroll

COMPENSATION ANALYSIS - ALL EMPLOYEES

		Number of Employees at	
Step 1	85%	32	7%
Step 2	87.50%	50	11%
Step 3	90%	50	11%
Step 4	92.50%	46	10%
Step 5	95%	57	12%
Step 6	97.50%	69	15%
Step 7	100%	66	14%
Between CP and Max		94	20%
Above Max		0	0%
Total		464	

FLOOR METHOD, BASED ON: **Hire Date** **Cannot Result in Step Above C/P**

If Hire DateYrs. >	If Hire DateYrs. >	If Hire DateYrs. >	If Hire DateYrs. >	If Hire DateYrs. >	
7.0	5.0	3.0	2.0	1.0	**Guaranteed Minimum %:**
Then Must be at Least	Then Must be at Least	Then Must be at Least	Then Must be at Least	Then Must be at Least	2.0%
6	**4**	**3**	**2**	**1**	

CARLSON DETTMANN CONSULTING

Market Competitiveness:
50th / 75th Percentile Blend

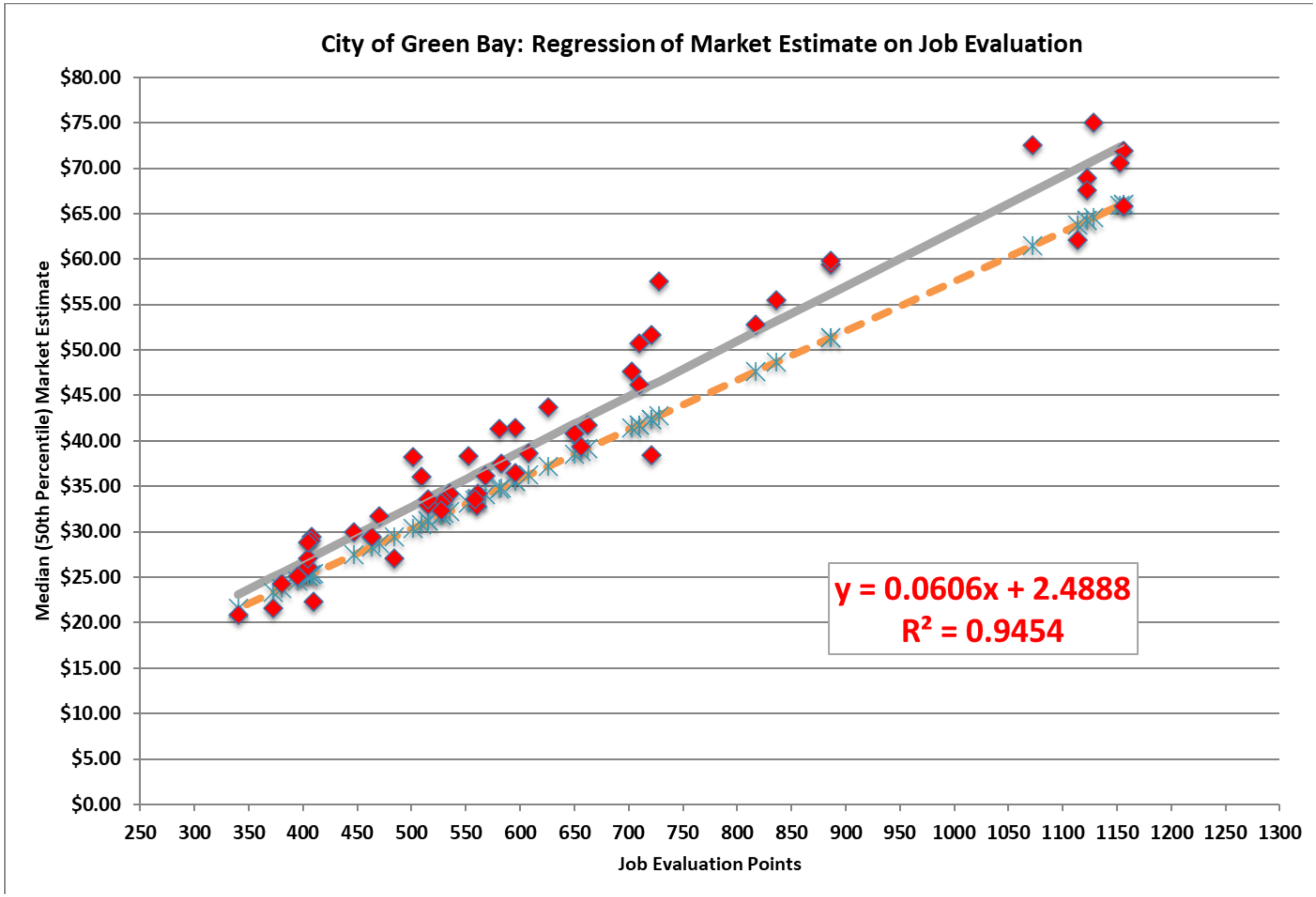
MARKET LINE & STRUCTURE DESIGN

Measured the correlation between job evaluation results vs. market analysis for benchmark positions.

Job evaluation results are an excellent predictor (R^2) of market value for the organization's positions.

Used the linear regression analysis, or line-of-best fit results, to set the “midpoint” or “control point” of the recommended pay ranges.

Represents the best approximation of the market for a given job in a given pay grade.



C: COMPENSATION SYSTEM - RECOMMENDED STRUCTURE

Structure Traits

- Lead-the-Market = 50th/75th percentile blend
- 1 Pay Structure (Both Exempt and Non-Exempt)
- PG A – PG S
- Hybrid Structure (85% - 115%)
  - PG A - PG E (90% Min – New Recommendation)
  - PG F (87.5% Min – New Recommendation)

GRADE	85.00%	87.50%	90.00%	92.50%	95.00%	97.50%	100.0% C/P	Performance Range	115.0% Max.

See Structure Design in ClientFile

CARLSON DETTMANN CONSULTING

IMPLEMENTATION RECOMMENDATIONS

Current

- 45% Range Penetration and 98% Compa-Ratio
- Compared to market target, top one-third of jobs at ~1 1% behind the market, while lower two-thirds ~6% behind the market.

Recommended 50th / 75th Percentile Blend Target Structure

- Midpoint Change: +11% Average from Current
- Increase to Minimum: $574,000 or 1.9% of payroll
- Increase to Step: $892,000 or 3.0% of payroll resulting in 91.3% compa-ratio
- 2% Guaranteed Increase or Compression Relief: $2,350,000 or 8% of payroll

COMPENSATION ANALYSIS - ALL EMPLOYEES

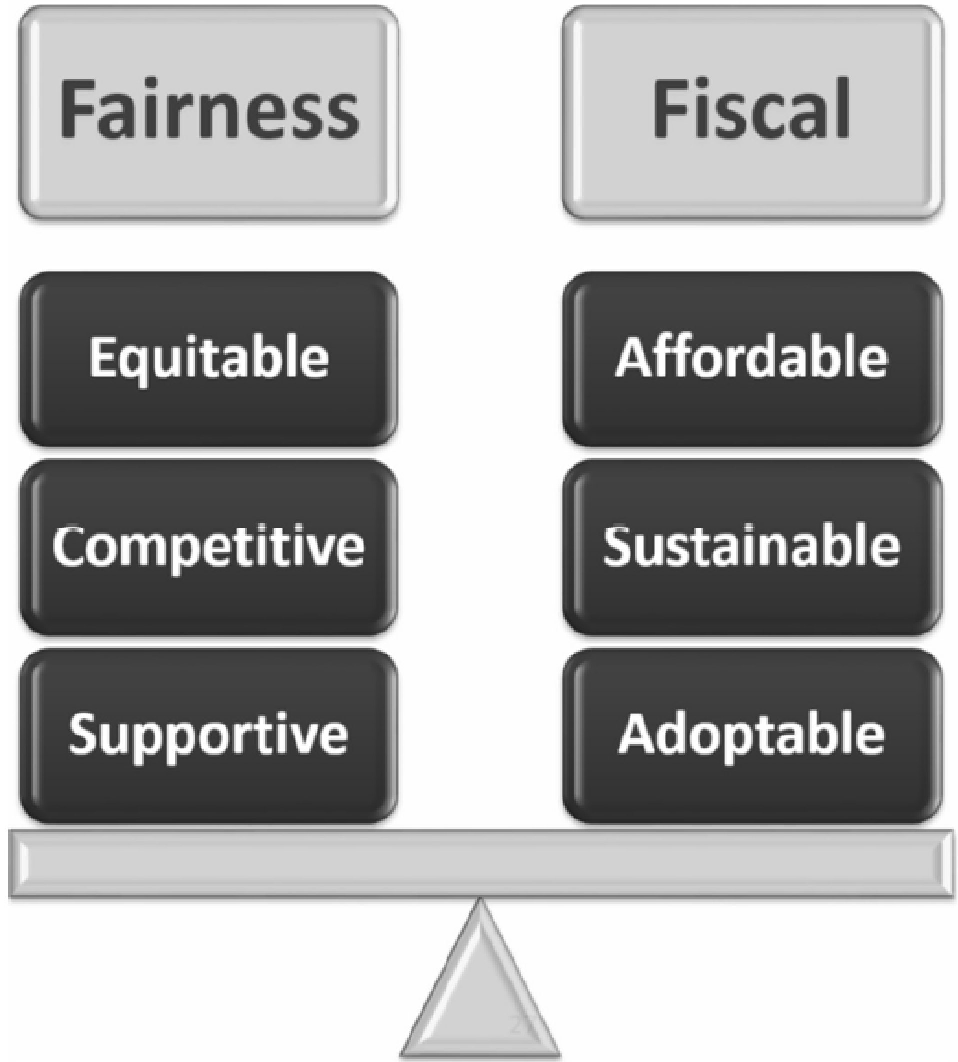
		Number of Employees at	
Step 1	85%	79	17%
Step 2	87.50%	83	18%
Step 3	90%	80	17%
Step 4	92.50%	79	17%
Step 5	95%	66	14%
Step 6	97.50%	37	8%
Step 7	100%	31	7%
Between CP and Max		9	2%
Above Max		0	0%
Total		464	

FLOOR METHOD, BASED ON:		**Hire Date**	**Cannot Result in Step Above C/P**		
If Hire DateYrs. >	If Hire DateYrs. >	If Hire DateYrs. >	If Hire DateYrs. >	If Hire DateYrs. >	
7.0	5.0	3.0	2.0	1.0	**Guaranteed Minimum %:**
Then Must be at Least	Then Must be at Least	Then Must be at Least	Then Must be at Least	Then Must be at Least	2.0%
6	**4**	**3**	**2**	**1**	

CARLSON DETTMANN CONSULTING

In Closing

CDC RECOGNIZES THE DELICATE BALANCING ACT



Carlson Dettmann Consulting

Questions?