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The Honorable Mayor Dan Devine
and Members of the Common Council
7525 West Greenfield Avenue
West Allis, WI 53214

Mayor Devine and Common Council Members:

In anticipation of the discussion before the Committee of the Whole on Monday, February 13, 2017 at 6:00 p.m. in the Common Council Chambers regarding the Resolution to approve the Carlson Dettmann Consulting (CDC) Compensation and Classification Study, Pay Plan and Authorize Implementation, I have prepared my implementation recommendations for consideration.

1) Adopt the proposed job classification system and pay plan based on the CDC job documentation and job evaluation process and competitive market analysis. (Appendix A).

- a) Adopt the pay plan as proposed, effective - June 3, 2017 (Cost = ~\$60,000) – CDC Recommendation
- i) Move employees currently paid below their range control point to the step closest to and higher than their current rate. (87 employees)
 - ii) Employees in the merit zone may receive increase with pay for performance plan in the future. (231 employees)
 - iii) Employees with rates above their range maximum are “red-circled” until their range moves higher or they are promoted or reclassified to a higher grade. (6 employees)

Additional Actions Needed – Direct staff to create salary ordinance which repeals and recreates applicable salary ordinances, prepare resolution which describes implementation details.

- b) Consider a one-time non-base building payment to non-represented employees equivalent to 1% of current annual salary (due to lower than anticipated implementation costs, expectation of pay for performance program for 2018, no cost of living adjustment for 2017 and cost saving realized by adoption of #4) (Cost = ~ \$192,000) – CA recommendation

Additional Action Needed – Direct staff to create resolution for Common Council approval to authorize payment.

- c) As pointed out on page 9 of the Executive Summary, ensure pay compression or inversion issues in Police and Fire Departments are continually mitigated by providing a Compression Pay Multiplier which provides for additional compensation of 10% above the highest ranking represented employee and lowest non-represented employees; with increased percentage for other non-represented employees based on the 10% and their positions percentage above the lowest ranking non-represented employees; updated as contract compensation becomes effective. – CA recommendation - *This recommendation was not adopted by the Common Council.*

Additional Action Needed - Update Policy and Procedure #1110 – Creating, Maintaining and Administering Compensation/Salary Ranges.

- d) Document all approved non-represented premium pays, holiday schedules and other monetary compensation and allowances by including all in the appropriate Policy and Procedure, i.e. West Allis Resident Incentive Premium of 2%, Annual Holiday Pay, Clothing Allowance, Paramedic Certification, SWAT Pay, Longevity Allowance, Emergency Medical Dispatch Certification, etc. – CA recommendation.

Additional Action Needed - Update Policy and Procedures #1412 Holidays, #1424 – Overtime and Premium Pay, #1484 – Clothing, Tool and Other Allowances.

- e) Streamline the payment for fill in work to provide additional compensation for filling in, in positions above current position in Public Works, \$20 per day for positions 1-2 grades above current position and \$40 per day for positions 3 or more grades above current position. (~\$13,000 per 2016 actuals) – CA recommendation.

Additional Action Needed - Update Policy and Procedure #1424 - Overtime and Premium Pay.

2) Maintain the pay system using the recommended review process (Appendix B).

- a) Implement a review process which varies slightly from the consultant's recommendation. Instead of providing an annual review by employee request, require review of non-represented positions by Departments and Human Resources each time a position becomes vacant (if position has not been reviewed in past 12 months), and if new duties, education, certification, licensure, training or experience are substantially changed, refer to CDC for review. – CDC recommendation with CA revisions
- b) As already provided for in the 2017 City of West Allis Adopted Budget, send classification requests for new or changed position to CDC.

Additional Action Needed - Update Policy and Procedure #1110 – Creating, Maintaining and Administering Compensation/Salary Ranges.

3) Authorize and implement the classification appeal process (Appendix C).

- a) Provide authorization for warranted appeals; include additional options for merited review of details of the CDC job evaluation scoring. – CDC recommendation

Additional Action Needed – Review and Approve Professional Services Agreement for appeal process.

4) Substantially limit overtime eligibility for managers, administrator, supervisors, and professionals – those staff exempt from provisions of the Fair Labor Standards Act, providing exceptions for emergency work.

- a) Correctly classify employees as FLSA Exempt or Non-Exempt through the pay plan. – CDC Recommendation.
- b) Provide that FLSA Exempt Employees are eligible for compensation time, earned at straight time, for any hours worked in excess of 48 hours per week.* (Does not include Executive, Managerial or Assistant City Attorneys who are already exempt from compensation time per current policy). CDC Recommendation.
- c) Allow FLSA exempt employees to carryover 60 hours of compensation time. – CA recommendation.
- d) Eliminate any cash payouts for unused compensation time or overtime for FLSA exempt employees. (\$200,000 time/pay savings per 2016 actuals) – CDC recommendation.
- e) Provide overtime payments (or compensation time accrual, if requested) for FLSA Non-exempt employees when employees are required to work more than 40 hours per week*. – CDC recommendation with CA revision to allow for comp time.

- f) *Provide exception for Emergency Operations Overtime or Compensatory Time at the rate of one and one-half times the rate of regular pay when employees reach 40 hours paid per week regardless of whether they are exempt or non-exempt. – CDC recommendation with CA detailed options.

Additional Action Needed – Update Policy and Procedure #1424 – Overtime and Premium Pay.

5) Revise the City’s performance review process to include a pay for performance component to appropriately reward employees for innovation and service excellence. Utilize software to manage the process, train supervisors in the process and hold them accountable for adhering to standards.

- a) Implement use of Negov Perform as funded in 2017 Budget. This will automate the performance review process. (HR has already begun the implementation of Neogov Insight to automate the hiring process and will soon begin the implementation of Neogov Onboard which streamlines hiring paperwork, processes and training, both of which are free to CVMIC members.) – CDC recommendation.
- b) Develop a Pay for Performance Employee Evaluation System – CDC recommendation.
- c) Develop and Communicate city-wide employee performance standards, core values and competencies (Strategic Plan – Goal #5-1) on which employees will be rated. – CA recommendation.
- d) Evaluate managers and supervisors strengths and abilities and provide training as needed to ensure full competency as performance evaluator. – CDC recommendation.
- e) Update performance review process
 - i) update current performance evaluation form
 - ii) initiate process with employee self-evaluation at anniversary date
 - iii) include measurement of desired competencies based on the City’s key goals and objectives
 - iv) include development plans and goal setting for individuals and departments
 - v) identify strengths and areas for development
 - vi) involve additional levels of supervisory review, as appropriate
 - vii) provide for feedback from internal customers
 - viii) hold supervisors accountable for appropriate performance reviews by including a checks and balance system
 - ix) train all employees on process and supervisors on how to provide meaningful feedback
 - x) ensure that the performance goals are achievable, quantifiable, and measurable
- f) Implement in stages and by example
 - i) In 2017, create the performance plans for Executive Service Employees
 - ii) In 2018, implement pay for performance review process for FLSA exempt employees, all non-exempt employees may receive a non-base building payment equivalent to a percentage of their annual regular salary (both contingent upon budgetary limitations)
 - iii) In 2019, implement pay for performance review process for FLSA non-exempt employees
CDC recommendation, CA details
- g) Provide adequate funding for system to incentivize and reward innovation and service excellence
CDC recommendation

Additional Action Needed - Additional Action Needed – Review and Approve Professional Services Agreement for creation of process, forms and training. Sign NeoGov Perform contract. Update Policy and Procedures #1110 - Creating, Maintaining and Administering Compensation/Salary Ranges, #1422 Departmental Review of Employee Performance, #1441 Management and Supervisory Training Program, # 1457 – Department Review of Employee Performance During Probationary Period.

- 6) **Appoint a special committee, including outside experts, to develop recommendations in 2017 for modifying the City's retiree health insurance policy so it is affordable and consistent with the strategic plan for the City. Recommendations may include increasing the separation of the rating of the health insurance plans for current and retired employees, and gradually shift premium sharing for current employees to a more standard premium ratio.**

CDC recommendation, CA revision as below.

- 7) **Examine the options and develop a Paid Time Off benefit plan to replace the City's various time off plans in 2018 (sick leave, holidays, vacation, personal leave, etc.) which moves toward a balance between fiscal responsibility and employee recruitment and retention.**

- a) Direct the newly created Employee Benefit Committee to partner with three members of the West Allis Business Community responsible for or involved with providing employee benefits to review and develop recommendations as listed above in #6 and #7 for future consideration.

CDC recommendation, CA revision.

Please let me know if you have any questions, issues or concerns. Thank you for your consideration.

Sincerely,



Rebecca N. Grill
City Administrator