

CITY OF WEST ALLIS CLASSIFICATION & COMPENSATION STUDY

POLICY REVIEW

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Project Scope

- **Study covers approximately 220 existing job classifications**
 - All non-represented
 - Plus union police and fire
- **Measure**
 - Job responsibilities and internal relationships
 - The relationship with external salary markets
- **Review**
 - Wage & hour status (pending Federal changes)
 - High-level review of employee benefits levels
- **Recommend**
 - Compensation structure(s)
 - Consolidation and/or separation of job titles/descriptions (if any)
 - Methods for pay progression
 - Supporting policies and maintenance plan

JOB DOCUMENTATION, ANALYSIS & JOB EVALUATION

Steps to Internal Consistency

Job Documentation

- Documentation provided by employees (JDQ)
- May use existing documentation
- Up-to-date job descriptions

Job Analysis

- FLSA Compliance
- Appropriate Job Titles
- Appropriate Class Specifications
- Job Descriptions

Job Evaluation

- Objective Analysis
- Developed and tested criteria

Job Evaluation → Internal Consistency

- **Definition**

- Formal process for ordering a set of jobs, *independent of individual performance*, into a hierarchy based on the value or worth of jobs in the organization.

- **Evaluations Based on Documentation**

- Job Description Questionnaire (JDQ)
- Quality of documentation is important
 - Cannot evaluate jobs—or describe jobs—without quality documentation

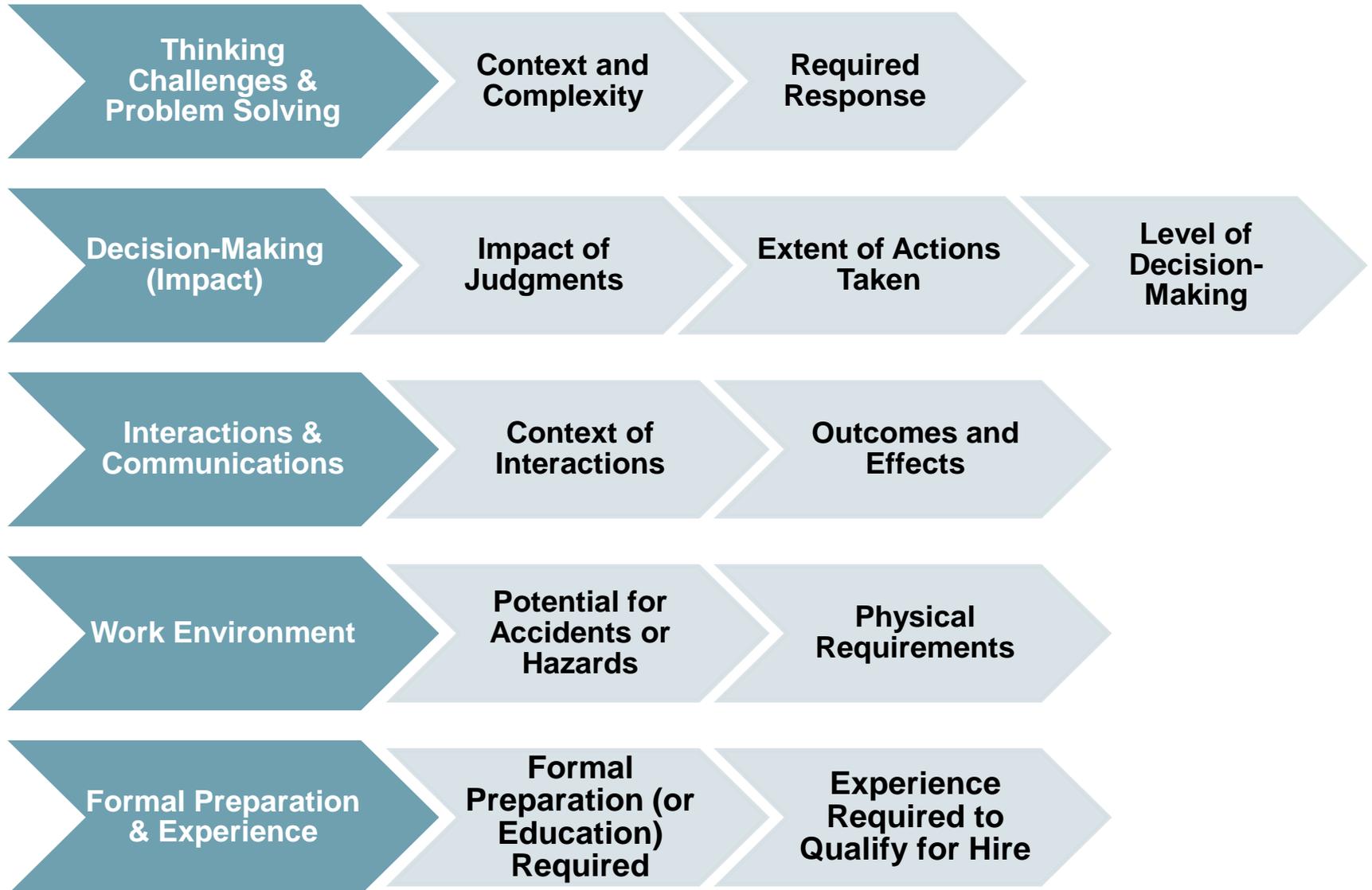
- **Objective Analysis and Application**

- Internal review and adjustments

- **Appeals Following Adoption**

- Based on changes during study or error in rating

Job Evaluation Factors



Job Documentation

- **Critical Document**

- Collect key information on job responsibilities
- Provided by employees and management

- **Employee Completion**

- For jobs that have more than one incumbent, a coordinated/group JDQ will be developed
- There will be a responsible person named for each work group... Employees with input should contact this individual

- **JDQ Responses Should ...**

- Be accurate, complete and brief
- Focus on present structure; unless management directs otherwise

- **Other Resources**

- Do NOT simply cut-n-paste from your current job description

- **JDQ Review**

- Supervisor and department director must review the questionnaire and provide required information
- Human Resources provides “quality control” oversight

Preliminary Observations

- **Insufficient Internal Control on Hiring Standards**
 - Human Resources does not have authority to set standards
 - This will be addressed in policy recommendations in our report
 - Administrator has tasked all department directors to verify minimum education and experience requirements for all classifications
 - We will finish job evaluation process as soon as data is returned to us
- **Job Hierarchies for FLSA Non-exempt jobs not substantiated**
 - Appear to be more length of service based than responsibility levels
 - We expect to recommend classification consolidation and re-titling

POLICY CONCERN #1: MARKET COMPARISONS

Markets and Benchmarks

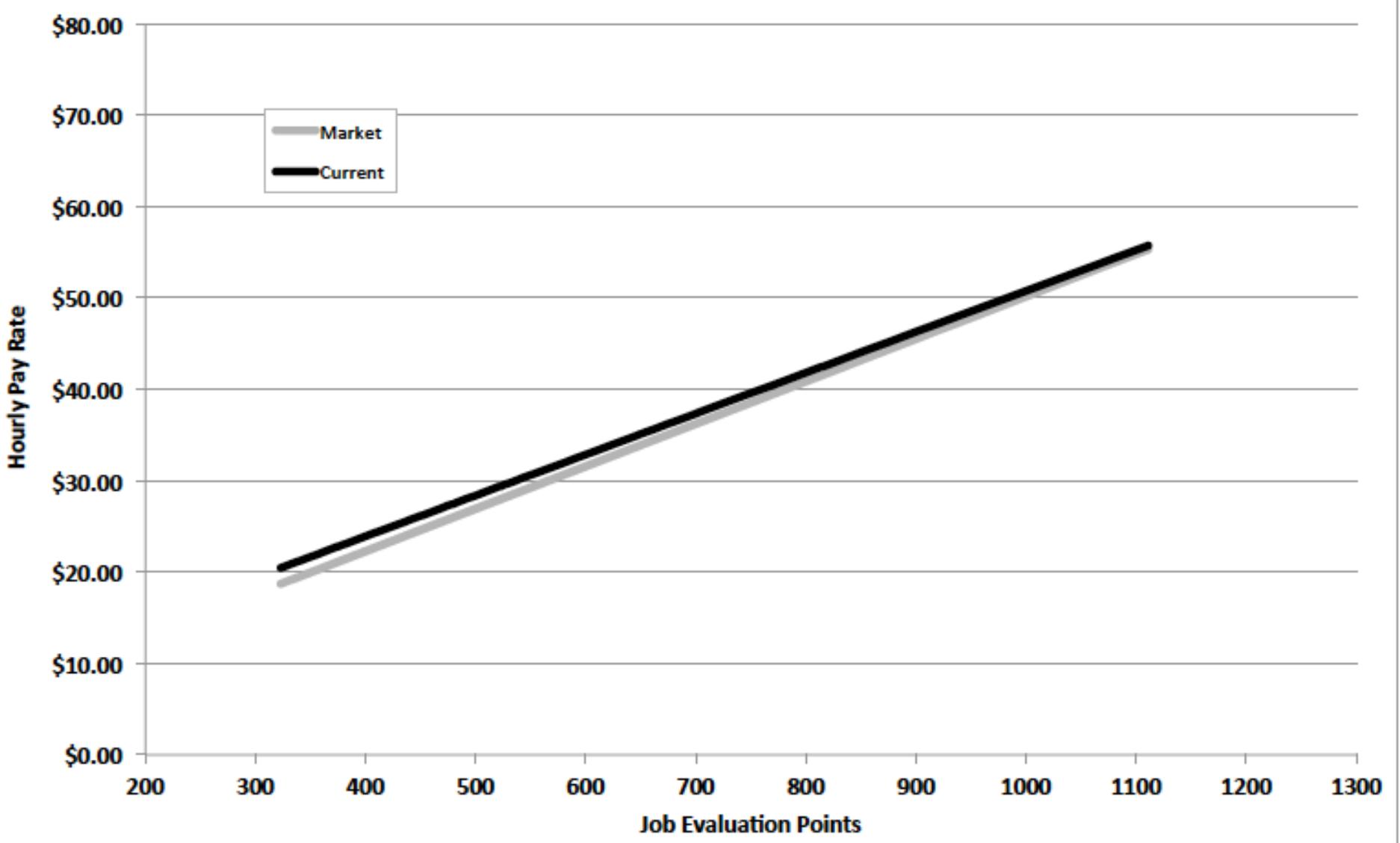
- **Excellent Data Set**
 - Over 90 Benchmark Jobs
 - Covers majority of workforce
 - Representative of all pay and responsibility levels
- **Data From Relevant Sectors**
 - Public sector matches from custom survey
 - Private sector matches where private sector data is relevant
 - Data from reliable, valid sources
- **Sufficient # of Comparable Employers for market survey**
 - At least 10 employers, but typically more (+/-20)

POLICY CONCERN #2: MARKET POSITION?

Strategic Positioning

- **Where does the City of West Allis want to position itself in its labor markets?**
 - What are the organizational priorities?
 - High? Low? Average (or 50th Percentile)?
 - Different for different classifications?
- **Overtime Issue**
 - New FLSA rules and impact on market
 - Tabled by federal court case
 - Does the City intend to continue paying comp time to FLSA Exempt staff?
 - Answer should impact strategic positioning
 - Pay compression
 - Gross pay is a substantial problem in Police Department
- **Benefits**
 - Do benefits matter? Yes; health insurance is key
 - Need to see final insurance numbers for 2017
 - Post-retirement health liability impact on strategic pay position?

CITY OF WEST ALLIS
Comparison of Current and Median Market Regression Lines of Best Fit



Observations

Pay data for City of West Allis are actual rates

- Vast majority of employees are at, or very close to, maximum of their ranges
- Market data represents average pay
- So, while two lines are very close –
 - Currently only competing with the bottom half of the market
- If not the policy, then –
 - Creating a new pay plan with wider ranges and Control Points linked to market will create a competitive plan
- 55% of non-union workforce is over age 45

POLICY QUESTION #3: PAY STRUCTURE & ADMINISTRATION?

Three Pay Models

- **Tenure (Step) Model**
 - Life-time employment unless there is a major infraction
 - Almost all pay raises are step advancement, promotion or across-the-board
- **Tournament (Performance) Model**
 - Employees compete for pay and only best win
- **Meritocracy (Hybrid) Model**
 - Continued employment requires meeting rigorous standards
 - Once your “in”, likely to stay
 - Pay consideration for spectacular performance but fair treatment is the standard

Factors to Consider in Design

- **Internal ratings, market and internal practice**
 - Use of objective job evaluation
 - Clearly, the City has made this commitment
- **Performance-based pay for non-union**
 - This is the City's policy
 - Internal concerns about accuracy of assessments
 - Is the City committed to making this work effectively?
- **Current Structure**
 - Range minimums are 80% of maximum (25% spread)
 - Too narrow for performance-based pay plan

Pay Plan Types: Step Plan

- **Narrower range w/ steps to the range maximum**
- **Typical spread <130%**
- **Annually to a specific point, then may be longer intervals at top**
- **Example: City of Kenosha**

Pay Plan Types: Open Range

- **Broader ranges**
 - Typical spread up to 150%
 - Open range plans are not typical in Wisconsin public sector
 - Largest application is State of Wisconsin
- **Pay based on performance**
 - In private sector, typically no cost-of-living
 - In public sector, frequently is a COL adjustment, and it diminishes PFP funds and impact
- **Current City of West Allis Plan**
 - With the exception of length-of-service progression through some classifications
 - And only 25% range spreads

Pay Plan Types: Combination

- **Range spread of about 140%**
 - Steps to Control Point (market estimate)
 - Performance-based increases between Control Point and range maximum
- **We believe this could work well for West Allis**
 - Example: City of Wauwatosa

GRADE	Minimum					Control Point	Pay for Performance	Merit to 120% Maximum
	87.5% Step 01	90% Step 02	92.5% Step 03	95% Step 04	97.5% Step 05	100% Step C (06)		
V	\$3,942.61	\$4,014.69	\$4,167.89	\$4,280.11	\$4,393.16	\$4,505.37	➔	\$5,406.44
T	\$3,652.88	\$3,757.55	\$3,861.39	\$3,966.07	\$4,069.91	\$4,174.58	➔	\$5,009.50
R	\$3,363.12	\$3,459.42	\$3,555.73	\$3,652.03	\$3,747.49	\$3,843.80	➔	\$4,612.56
Q	\$3,219.07	\$3,311.19	\$3,403.31	\$3,494.59	\$3,586.70	\$3,678.82	➔	\$4,415.03
P	\$3,075.05	\$3,162.13	\$3,250.07	\$3,338.00	\$3,425.93	\$3,513.85	➔	\$4,216.62
O	\$2,929.31	\$3,013.06	\$3,096.81	\$3,180.55	\$3,264.30	\$3,348.03	➔	\$4,017.64
N	\$2,785.29	\$2,864.84	\$2,944.40	\$3,023.96	\$3,103.51	\$3,183.07	➔	\$3,819.69
M	\$2,641.24	\$2,716.62	\$2,791.98	\$2,867.36	\$2,942.72	\$3,018.09	➔	\$3,621.71
L	\$2,495.54	\$2,566.72	\$2,638.74	\$2,709.92	\$2,781.10	\$2,852.28	➔	\$3,422.74
K	\$2,351.49	\$2,418.50	\$2,485.48	\$2,553.32	\$2,620.31	\$2,687.31	➔	\$3,224.77
J	\$2,206.63	\$2,269.44	\$2,332.23	\$2,395.04	\$2,458.69	\$2,521.51	➔	\$3,025.80
I	\$2,061.75	\$2,121.20	\$2,179.82	\$2,238.44	\$2,297.90	\$2,356.52	➔	\$2,827.83
H	\$1,917.71	\$1,972.15	\$2,027.41	\$2,081.85	\$2,137.12	\$2,191.56	➔	\$2,629.88
G	\$1,772.84	\$1,823.09	\$1,874.16	\$1,924.41	\$1,975.49	\$2,025.75	➔	\$2,430.89
F	\$1,627.96	\$1,674.85	\$1,720.91	\$1,767.81	\$1,813.87	\$1,860.76	➔	\$2,232.93
E	\$1,483.08	\$1,525.80	\$1,567.67	\$1,610.37	\$1,652.24	\$1,694.95	➔	\$2,033.96
D	\$1,236.05	\$1,271.22	\$1,306.38	\$1,342.39	\$1,377.57	\$1,412.75	➔	\$1,695.33
C	\$1,030.04	\$1,059.35	\$1,089.50	\$1,118.80	\$1,148.12	\$1,177.43	➔	\$1,412.91

Example Only: 2016 City of Wauwatosa Bi-Weekly Matrix

PROJECT COMPLETION TIMETABLE

Proposed Timeline

December 14

- Hiring standards verification returned to Consultant

December 15

- Pay range recommendations to Administrator for 15 pending reclassifications or new positions for introduction to Common Council on December 20

December 19

- Grade order list and classification allocations to Administrator for distribution to department directors for review and comment

December 20

- Pay range recommendations for 15 pending reclassifications or new positions reviewed and recommendation made by Administration and Finance Committee and Common Council

January 4

- Grade order comments to Consultant for evaluation

January 17

- Pay plan draft and executive summary introduced to Common Council (submitted to Administrator January 11 for introduction requirements)

February 13

- Administration and Finance Committee discuss and make recommendation regarding Pay Plan draft and executive summary

February 21

- Tentative Adoption of Pay Plan

QUESTIONS
