

Public Sector Advisors





Town of Menasha, Wisconsin Classification and Compensation Study

Ann Antonsen, Vice President

April 2014

Objectives

- Review and evaluate the Town's current classification and compensation program
- Review wage and benefits levels
- Develop a compensation system that addresses internal equity and market competitiveness
- Review and develop administrative guidelines for implementation and maintenance

Terminology

- **Job Evaluation** – A consistent and equitable method of evaluating jobs based on skill levels and work factors.
- **Internal Equity** – Fair and consistent compensation relationships within an organization for positions with comparable levels of essential duties and minimum requirements.
- **Pay Philosophy** – Policies defining the relative importance of internal equity, external competitiveness, employee performance, and compensation system administration.

Terminology *(cont.)*

- **Pay Grade** – A level within a salary schedule in which job classes with similar job evaluation factors are assigned.
- **Midpoint** – The point midway between the minimum and the maximum of the pay grade that approximates the market salary rate.
- **Progression through Pay Grades** – Strategies that move employees through the pay grade such as performance, steps, merit, length of service or a combination thereof.

Methodology

- Meeting with the Town Administrator, Project Manager and Department Heads
- Employee orientation meetings
- Collection of data – Position Analysis Questionnaires
- Update position descriptions
- Evaluate positions based on job requirements
- Obtain market salary and benefits information
- Development of salary line, determine pay grades
- Assignment of positions to pay grades
- Development of implementation options

Salary Survey

Benchmark Communities

- Village of Allouez
- City of Appleton
- Village of Ashwaubenon
- Village of Bellevue
- Darboy Sanitary District *
- City of DePere
- Town of Grand Chute
- Village of Howard
- City of Kaukauna *
- Village of Kimberly
- Village of Little Chute
- City of Neenah
- City of Menasha
- City of Menasha Utilities
- City of Oshkosh

Findings

- 43 positions surveyed, 34 used in the analysis
- Town salary ranges, on average, are below with the market
 - Minimum salaries 4.49% below
 - Midpoint salaries are 5.15% below
 - Maximum salaries are 7.44% below
- Internal pay relationship inequities exist within the Town

Job Evaluation

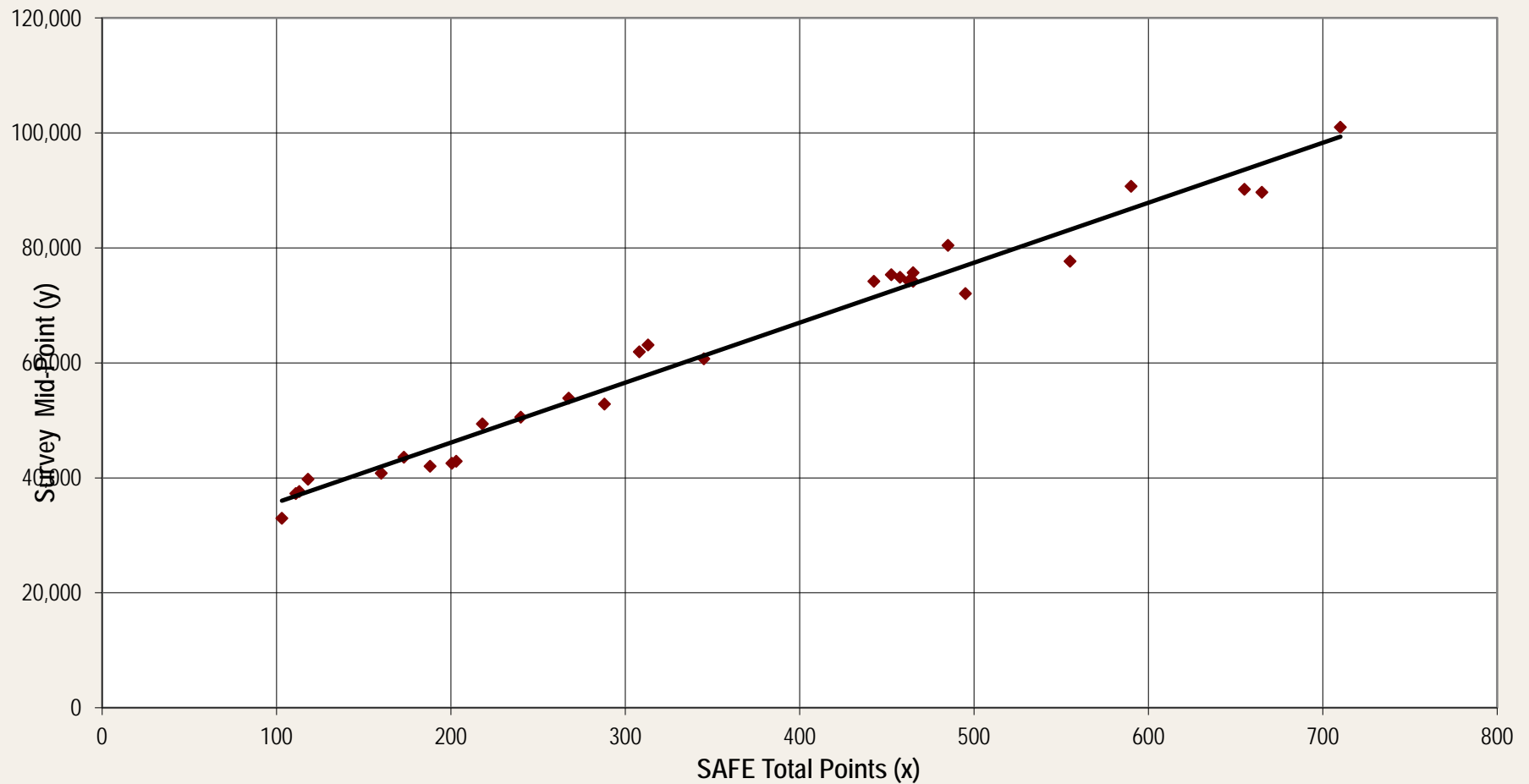
Systematic Analysis and Factor Evaluation (SAFE®) System Job Evaluation Factors

| | |
|-------------------------|------------------------|
| Training and Ability | Experience Required |
| Level of Work | Human Relations Skills |
| Physical Demands | Working Conditions |
| Independence of Actions | Impact on End Results |
| Supervision Exercised | |

Proposed Salary Curve

Town of Menasha, Wisconsin
Compensation Survey

$$y = 104.38x + 25257$$
$$R^2 = 0.9753$$



Pay Philosophy

- Provide fair and equitable compensation to employees
- Balance external market and internal equity
- Maintain competitive pay structure with consideration of Town's fiscal resources
- Performance based component for individual employee compensation
- Develop an understandable compensation program

Proposed Pay Plan

| | | | | | |
|-------------------|-------------|-----|--|--|--|
| % between grade | 6.00% | | | | |
| % within range | 25% | 13% | | | |
| Starting Midpoint | \$32,500.00 | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Implementation

- 17 of the Town's 64 employee's are paid at a rate that falls below the proposed range
- Annual cost to bring employees to the minimum of the proposed wage scale – \$57,078.71
- 40 employees are paid at a rate which falls within the proposed range for their position
- Annual cost to move employees within the wage scale with a 2% wage increase –\$46,167.39 (includes additional \$1,988.08 for minimum 2% for employees below range)
- Total annual cost – \$103,246.10
- 6 employees paid at a rate above the proposed range
- Increases market comparability, addresses internal equity and moves employees through the ranges

On-going Administration

Annual Adjustments

- Establish guidelines for base adjustments
e.g. CPI, comparable organizations, other economic indicators
- Adjust pay ranges and wages of employees
- Adjustments that recognize individual employee performance

Fringe Benefits

| | |
|------------------------------|--|
| <i>Holiday Leave</i> | Slightly below the average |
| <i>Annual Leave</i> | Consistent with other employers |
| <i>Sick Leave</i> | Slightly above the average |
| <i>Health Insurance</i> | Town contributions for coverage slightly below the average |
| <i>Life Insurance</i> | Consistent with other employers |
| <i>Other Insurances</i> | Consistent with other employers |
| <i>Deferred Compensation</i> | Consistent with other employers |

Conclusions

- Fair and equitable compensation to employees in a competitive and changing labor market
- Compensation that addresses internal equity and external market competitiveness
- Establish a market position that is fiscally responsible with public resources
- Consistent administration of pay policies and procedures among all Town Departments

Public Sector Advisors

