

SPECIAL
PERSONNEL COMMITTEE AGENDA
Monday, September 30, 2013 6:00 p.m.
Lincoln Center – 1519 Water Street

[A quorum of the City Council may attend this meeting]

1. Discussion and possible action on next steps to take with Status review/
discussion of pay plan study.

2. Adjournment.

Any person who has special needs while attending this meeting or needs agenda materials for this meeting should contact the City Clerk as soon as possible to ensure a reasonable accommodation can be made. The City Clerk can be reached by telephone at (715) 346-1569, TDD# 346-1556, or by mail at 1515 Strongs Avenue, Stevens Point, WI 54481.

Copies of ordinances, resolutions, reports and minutes of the committee meetings are on file at the office of the City Clerk for inspection during normal business hours from 7:30 a.m. to 4:30 p.m.

CITY OF STEVENS POINT, WI Classification/Compensation Study Policy Review

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September 30, 2013

Policy Discussion Agenda

- **Job evaluation review**
 - Factors
 - Examples
- **Market measurement**
 - Sources and benchmarks
 - Data Weighting
- **Pay plan design method**
 - Regression analysis
 - Pay structure
- **Pay policy considerations**

Our Recommended Approach

- **In general, balance internal consistency with market competitiveness**
- **One pay plan for all staff**
 - **Except police, fire, and transit unions**
- **Emphasize performance management**

Internal Consistency – Job Evaluation

- **Evaluations based on documentation**
- **Five factors**
 - **Education & required experience**
 - **Decision-making**
 - **Thinking challenges**
 - **Communications**
 - **Working conditions**
- **Objective analysis and application**
 - **Internal review and adjustments**
- **Appeals following adoption**

Human Resources Example

JOB TITLE	Formal Prep Exp		Decisions		Thinking		Communication		Work Environ		Total Points
	Rating	Points	Rating	Points	Rating	Points	Rating	Points	Rating	Points	
DIRECTOR	6E	198	5C+P	402	5D	198	5D	228	1L	50	1076
MANAGER	6D	198	4BP	174	4C+	152	4C	131	1L	50	705
ANALYST	6C	172	3+A+P	150	4C	131	4C	131	1L	50	634
OFFICE SUPV	5C	114	3A+P	132	3C	114	3C	99	1L	50	509
ASSISTANT	3C	86	2AS	75	2B	75	2B	75	1L	50	361

DECISION MAKING (IMPACT)

IMPACT OF JUDGMENTS	LEVEL	EXTENT OF DECISION MAKING (A/B/C/D) – NATURE OF DECISIONS (A/S/P/F)															
		JOB-CENTERED A				DEPARTMENT-WIDE B				MULTIPLE DEPARTMENTS C				ORGANIZATION-WIDE D			
		A	S	P	F	A	S	P	F	A	S	P	F	A	S	P	F
LEAST – Detailed procedures / protocols and close supervision	1																
CONFINED – Procedures / protocols are clear and supervision is available as required or requested	2		Asst														
MODERATE – Policies and precedents are clear and supervision / managerial direction is available as requested	3			S A													
CONSIDERABLE – Department policies and practices are interpreted and applied with only general supervision / managerial direction	4							M									
SUBSTANTIAL – Judgments involve multi-department policy interpretation and/or defining new policies of major importance to the organization	5												D				
INCLUSIVE – Judgments deal with governance of the entire organization within overall parameters established by the governing authority	6																

THINKING CHALLENGES AND PROBLEM SOLVING

CONTEXT AND COMPLEXITY OF CHALLENGES AND PROBLEMS	LEVEL	REQUIRED RESPONSE				
		Make clear-cut choices A	Choose among several responses of equal effect B	Choose the best alternative from among the possibilities C	Examine, research, and resolve each challenge/issue D	Develop and offer original, creative solutions E
Complexity is low and challenges / problems are relatively minimal	1					
Challenges / problems tend to be routine procedure / process issues	2		Asst			
Challenges / problems tend to be more diverse but are typically covered by precedent or established practice	3			S		
Challenges / problems must be addressed within broader, <u>department-wide procedures and practices</u>	4			A M		
Challenges / problems are complicated and require interpretation and application of <u>policies and objectives</u>	5				D	
Challenges / problems are complex, relating to <u>broad operating policies</u>	6					
Challenges / problems deal with the organization's mission and governance	7					

INTERACTIONS AND COMMUNICATIONS

CONTEXT OF INTERACTIONS AND COMMUNICATIONS	LEVEL	OUTCOMES AND EFFECTS				
		A	B	C	D	E
Responses are provided to others' requests for basic, general information	1					
Requests are answered and contacts initiated to exchange basic, general information	2		Asst			
Specialized information and/or recommendations are provided to others regarding an area of expertise	3			S		
Actively persuades and/or directs others toward achievement of expected outcomes	4			M & A		
Interactions are frequently focused on complex issues of major importance to the organization	5				D	
Interactions are consistently focused on critical operational and/or governance issues	6					

Objectives

- **Move to a uniform pay plan**
 - Based on job evaluation and market competitiveness
- **Allocate positions into grades with 50-point intervals**
 - Presently dozens and not uniform

Market Measurement Method

○ Sources

- Custom public sector surveys
- Bureau of Labor Statistics
- Towers Watson selectively
- Central WI SHRM

○ Results

- Job classifications matched to data

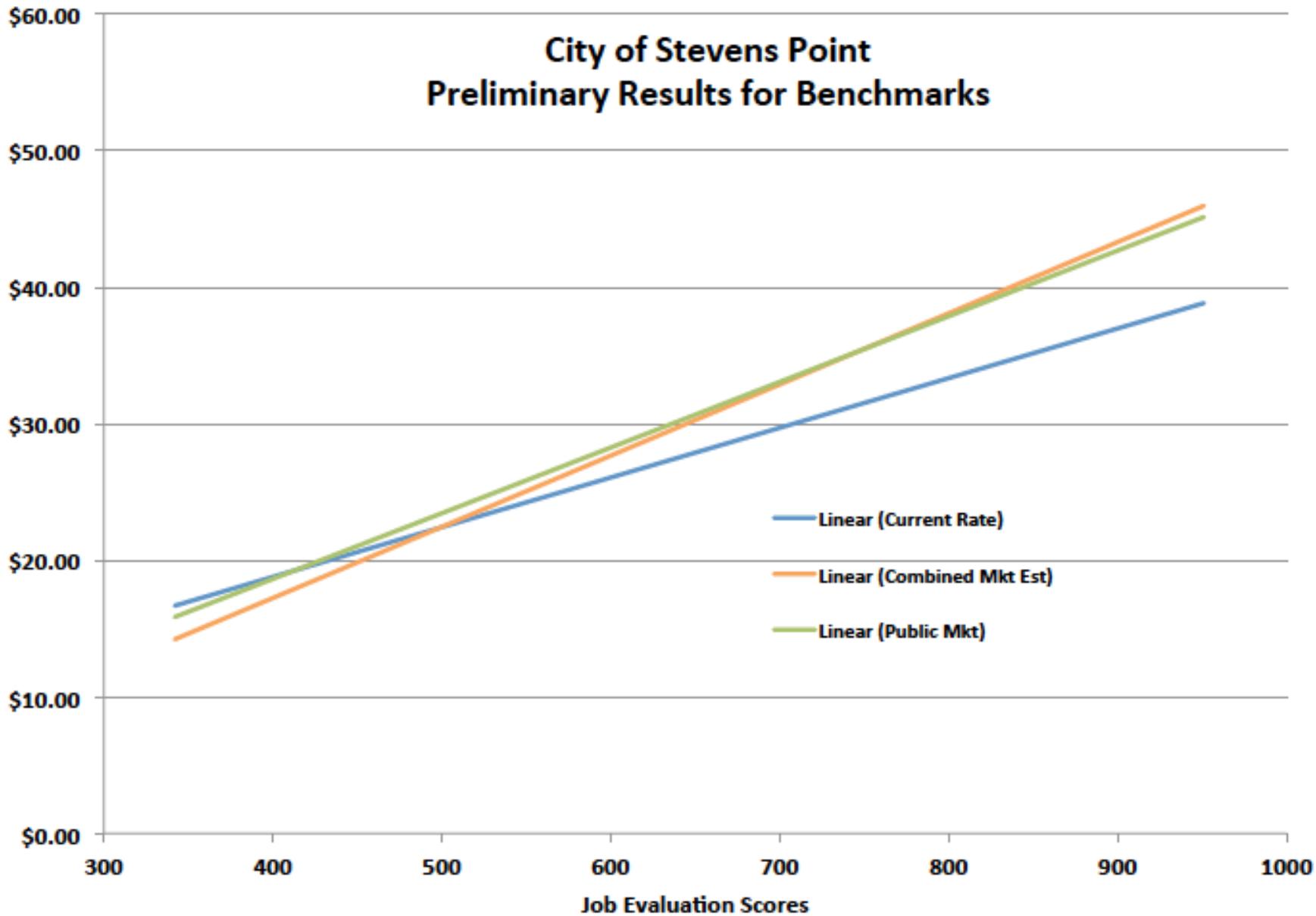
Policy Question #2

- **Where does the City want to position itself in its labor markets?**
 - High?
 - Low?
 - Average?
- **Data weighting**
 - Depends on recruitment/retention experience
- **Do benefits matter?**
 - Yes; health insurance is key
 - Stevens Point pays a lot for employee health plan
 - How should this factor?

Weighting the Data

JOB LEVEL	PRIVATE	PUBLIC
Department Heads & Managers	25%	75%
Supervisors, Professionals & Advanced Technical	50%	50%
Non-exempt	75%	25%

City of Stevens Point Preliminary Results for Benchmarks



City Health Plan Cost Concerns

	Family Plan Cost	Employer Pct.	Employer Cost	Employee Cost
Kaiser Avg.	\$15,500	72%	\$11,160	\$4,340
Stevens Point	\$24,266	90%	\$21,838	\$2,426
Difference	\$10,724	19%	\$12,678	-\$1,954

Designing a Pay Structure

○ **Currently**

- **Step system for traditional non-represented staff**
- **Variety of plans for positions covered by traditional bargaining**

○ **Decisions for new plan**

- **Decide market placement**
- **Update and extend the type of structure used for non-represented**
- **Decide on role of performance management**

Option A – Revised Current Step Plan

- **Step system**
 - Steps = 2.5% of range C/P
- **Similar to what have now for traditional non-rep group**
 - Range spread = 28.5%
- **Progression based on annual performance at least meeting expectations**

Option B – Open Range Plan

- **Structure**
 - **Minimum, Control Point, and Maximum**
 - **50% spread**
 - **No fixed steps**
- **Establish a merit pay matrix to manage progression**
- **Adjust schedule periodically based on market changes**

Option C – Combination Plan

- **Spread of 137%**
 - Minimum = 87.5% of C/P
 - Maximum = 120% of C/P
- **Steps over 5 years to Control Point**
 - Step = 2.5% of C/P
- **Use merit between Control Point and Maximum**
 - Like with Open range plan
- **When increase structure, increase steps**

Final Analysis –Pay Plan Makes Sense If..

- **Plan is internally equitable**
- **Pay ranges reasonably reflect what employees can earn in your labor market performing similar duties**
- **Supports employee development**
- **Employees have opportunity to make more based upon contribution**
- **Can be funded and maintained consistently**

C/Ratio Statistic

- **C/Ratio is the relationship between current pay and pay range C/P**
- **Based on current regression results and data weighting we are recommending**
 - **Overall C/Ratio of new plan would be 112.5%**
- **There will be extensive red-circling under either of the 3 options**
 - **Most extensive under Option A**