

MEETING AGENDA
FINANCE & PERSONNEL COMMITTEE OF THE
PLYMOUTH COMMON COUNCIL
COUNCIL CHAMBERS
128 SMITH STREET
CITY OF PLYMOUTH, WISCONSIN
TUESDAY FEBRUARY 11, 2025 @ 6:15 PM

Members Present:

____ Mayor Pohlman
____ John Nelson
____ Jeff Tauscheck
____ Diane Gilson
____ Mike Penkwitz

Staff:

____ Tim Blakeslee
____ Anna Voigt

Other:

1. Call to Order and Roll Call
2. Approval of Meeting Minutes for September 24, 2024 meeting
3. Presentation of Comp and Class Study and Recommendation of Proposed Salary Schedule
4. Adjournment

It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above stated meeting to gather information. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice.

Please note that, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request this service, please contact the City of Plymouth ADA Coordinator Leah Federwisch, located in the Plymouth Utilities office at 900 County Road PP, Plymouth, WI or call 920-893-3853.

OFFICIAL MINUTES

FINANCE & PERSONNEL COMMITTEE OF THE
PLYMOUTH COMMON COUNCIL
COUNCIL CHAMBERS
128 SMITH STREET
CITY OF PLYMOUTH, WISCONSIN

TUESDAY SEPTEMBER 24, 2024

- 1. Call to Order and Roll Call:** Finance & Personnel Committee Chair Penkwitz called the meeting to order at 6:15 PM. On call of the roll, the following members were present: Mayor Pohlman, John Nelson, Diane Gilson, and Mike Penkwitz. Also present were: John Binder, Angie Matzdorf, Greg Hildebrand, Deputy Police Chief Ken Ruggles, Finance Manager Chris Russo, Director of Public Works Cathy Austin, City Administrator/Utilities Manager Tim Blakeslee, and City Clerk Anna Voigt.
- 2. Approval of Meeting Minutes for September 10, 2024 meeting:** Motion was made by Gilson/Tauscheck to approve the minutes from September 10. A unanimous aye vote was cast. Motion carried.
- 3. 2025 Budget Work Session – Utility Operating and Capital and Debt Financing:** Blakeslee presented the proposed Operation and Capital budget for the Utilities. There are no proposed rate adjustments for water utility and wastewater utility. Electric Utility rate adjustment is currently under review at the PSC. It will likely be implemented early 2025.
- 4. Adjournment:** Motion was made by Tauscheck/Gilson to adjourn the meeting. A unanimous aye vote was cast. Motion carried.



DATE: February 6, 2025'
TO: Finance and Personnel Committee
FROM: Tim Blakeslee, City Administrator Utilities Manager
RE: Presentation regarding Compensation and Classification Study

Background: One of the four strategic goals of the 2023-2026 Strategic Plan is Workforce Recruitment and Retention and one of the specific strategic initiatives is to review our compensation/benefits plans and strategies. The City's goal is to attract and retain qualified workers, ensure employees are paid competitively to the market, and enable the City to maintain a competitive position with other comparable municipalities/utilities in Wisconsin, specifically in the Southeastern geographical area. On July 9, 2025 the Common Council approved an agreement with McGrath Human Resources Consultants to conduct a Compensation and Classification Study.

The goal of a Compensation and Classification Study is to ensure correct classifications, update job titles, and inform compensation strategy in accordance with applicable federal and state laws. In addition, Compensation and Classification Study also reviews the competitiveness of the current overall benefits package (health insurance, vacation, holidays, etc.) and studies internal wage compression.

This project was originally planned to be included in the 2025 budget. However, a series of departures in the electric department encouraged staff to request that this project be completed more quickly. In exit interviews with the departing employees, they praised the work environment of the Utility/City but noted that wages were not locally competitive. While it is often difficult for a municipality and local utility to keep pace with privately owned businesses and Investor-Owned Utilities (IOUs), compensation and benefits need to be sufficient to retain our talented workforce.

Study and Next Steps: The final Compensation and Classification Study is included as Attachment 1. McGrath Human Resources Consultants will present the results of the study at the meeting this evening. The Finance and Personnel Committee will provide a recommendation to the Common Council regarding the proposed Salary Schedule (included as Attachment 2) to the Common Council. The Common Council will consider a resolution to adopt the new salary schedule at its February 27, 2025 meeting.

Implementation:

- The City Administrator met with department heads last week to review the study and proposed implementation details.
- Specific position market adjustments, based on the report's findings, will be discussed in closed session on February 27, 2025. Please note that market adjustments will not

apply to every position. Market adjustments aim to ensure equitable and competitive compensation where needed.

- Due to budget, levy limit, and salary compression restrictions, market adjustments may be phased in over the next 2-3 years where necessary and as funding allows.
- An immediate goal is to bring employees currently below the minimum of their new designated salary range up to the minimum, though as noted above, this may be phased in over the next 2-3 years where necessary and as funding allows.
- Employees assigned to the step model will be placed at the step closest to their experience level, based on the report's findings. This may be phased in over the next 2-3 years where necessary and available and as funding allows.

Recommendation: Recommend that the Common Council adopt the salary schedule as presented in Attachment 2.

Attachments:

1. Comp and Class Study
2. Proposed Salary Schedule



Classification and Compensation Study
Final Report

for

City of
Plymouth, Wisconsin



February 2025



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Introduction

McGrath Human Resources Group, Inc., an organization that specializes in public sector consulting, was commissioned by the City of Plymouth, Wisconsin to conduct a Classification and Compensation Study for non-represented positions, including the Library. The Consultants utilized the following steps to make these compensation recommendations:

- Discussions with the Administration, Human Resources, and Department Directors and Managers.
- Analysis of the current salary schedules, current salaries, compression, and current compensation policies.
- External market data was solicited from comparable public organizations, selected jointly between the Consulting team and the City.
- Position analysis based upon extensive information provided by incumbent employees describing job responsibilities, skills, and various competencies of the position in addition to a review of job descriptions.
- Internal position analysis based upon all information collected and analyzed; and meetings with each Department Director.
- Feedback offered by Administration and Department Directors.

The Consultants would like to extend appreciation to the City Administrator, Human Resources Specialist, Department Directors and Managers, and employees for their time, cooperation, and sharing of information and perceptions with McGrath Human Resources Group.

Methodology

Data Collection

The project involved several steps: collection of data, interviews, and data analysis. The first step of this Study involved gathering data that pertains to current compensation practices within the City. The Consultants received information relating to current salaries, specific policies, collected market data, and current job descriptions.

Interviews were conducted with the City Administrator, the Human Resources Specialist, Department Directors, and other management personnel within each Department. The purpose of these meetings was to first, gain an understanding of the City's current compensation practices and philosophy; second, to solicit ideas for future compensation methodologies and practices; and finally, to determine if any positions within the City were difficult to recruit, retain, or were otherwise unique in the position's responsibilities.

Employees from each Job Classification were then asked to complete a Position Questionnaire (PQ) which provided extensive information about the positions. The Consultants utilized the Position Questionnaires completed by the employees, which had been reviewed by supervisory employees, to gain a better understanding of the job responsibilities, skills, and various competencies of the position. These PQs were analyzed by the consulting team.

During the second virtual visit, the Consultants met with the City Administrator and Human Resources Specialist to provide a summary of the City against the comparable market and discuss the Consultants' recommended compensation model that would be most successful, in addition to the expected placement within the comparable market.

Upon completion of the draft compensation schedule, the Consultants met with the City Administrator and Human Resources Specialist, followed by each Department Director separately to review the recommended Salary Schedule and gain their perspective. Any recommendations and feedback provided was reviewed by the Consultants and taken into consideration in both its relation to the position analysis, the external market data, as well as the impact on internal equity within the entire Compensation System.

Labor Market

In order to gain information from the external market, a list of comparable organizations was established. Each of the comparable organizations were contacted requesting current salary schedules and incumbent data. Additionally, the 2024 Municipal Electric Utilities of Wisconsin (MEUW) Survey data was included in the study. The following comparable organizations were used:

Table 1: Comparable Organizations

| | |
|-------------------------------------|--|
| Cedarburg, WI | Sheboygan Falls, WI |
| Cedarburg Light & Water, WI | Sheboygan, WI |
| Elkhart Lake, WI | Waupun, WI |
| Fond du Lac, WI | West Bend, WI |
| Grafton Public Library | Hartford Electric and Water, WI |
| Mequon Public Library – DNP | Kaukauna Utilities, WI |
| Oscar Grady Library (Saukville, WI) | Manitowoc Public Utilities, WI |
| Kiel, WI | Marshfield Utilities, WI |
| Kohler, WI | Oconomowoc Utility, WI |
| Manitowoc, WI | Menasha Utilities, WI – DNP |
| New Holstein, WI | Sun Prairie Utilities, WI – DNP |
| Port Washington, WI | Wisconsin Rapids Water Works and Lighting Commission, WI |
| Sheboygan County, WI | |

DNP – Did not participate

The collection of this compensation data was utilized to analyze the average Market Minimum, Midpoint, and Maximum Rates per defined benchmark positions. A comparison of the average salary of the positions to the salary of incumbents within the City was also performed. When necessary, evaluation of the comparable organization’s job description, when available online, was utilized to resolve conflicts.

In addition to current positions within the City, the Consultants sought comparable data on future positions/career ladders. In some cases, titles were altered to better align with the industry. Not all positions are reflected in the following data analysis.

Market Data Solicited

To ascertain if the City’s Salary Schedule has remained within market parameters, several analyses were performed including a review of the City’s Salary Schedule Minimum, Midpoint, and Maximum to the average Minimum, Midpoint, and Maximum of the external market.

The market survey gathered the following 2024 information: Minimum, Midpoint, and Maximum salary for the positions as well as the average salary of the incumbents. There was a great deal of time spent on the data analysis to ensure that each position was examined based on the data available and how the responsibilities of each position align within the City.

Market Analysis

In order to analyze the ranges, a Comp Ratio is used. This is a ratio of the City’s salary in relation to the external market data. A 50% Comp Ratio would mean that the salary is in line with the external Market while utilizing the +/- 5% range around each data point. Thus, if a position has a Comp Ratio of 45% or greater, the employee is considered aligned to the current market. However, positions comp ratios under 50% may still be facing challenges with recruitment or retention due to the current labor market and have been identified separately.

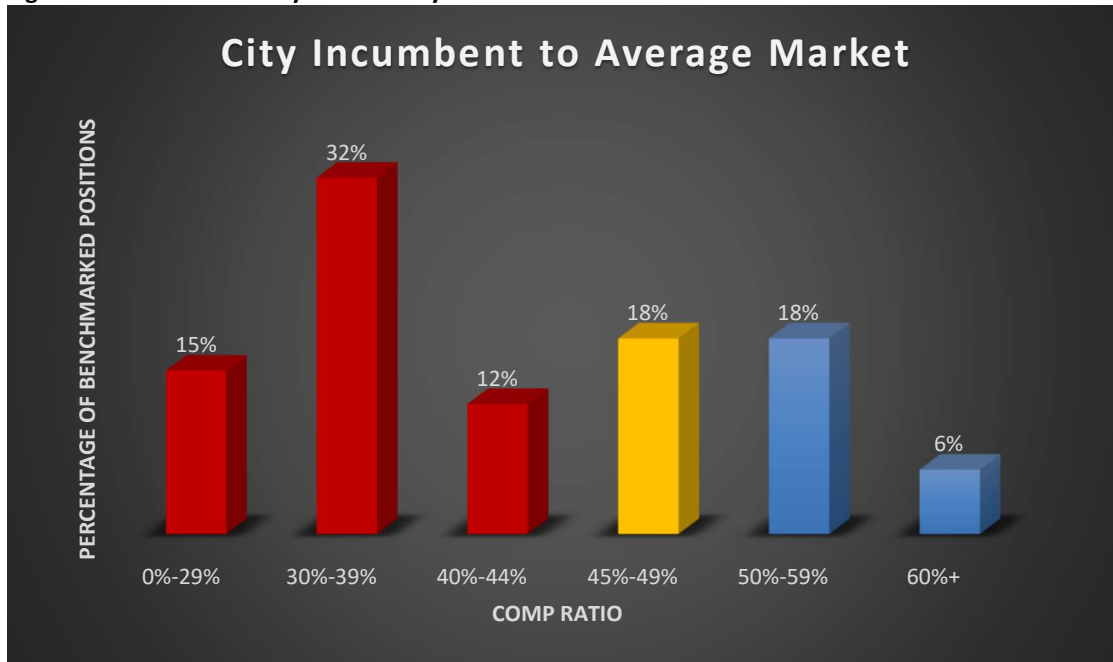
Minimum, Midpoint, and Maximum Salary Comparison

Since the City does not have a current salary range for most positions, there is no meaningful analysis for comparison to the average Market Minimum, Midpoint, and Maximum. The data, however, will be utilized in the development of the new Compensation Schedule.

Incumbent Salary Analysis

The next step is to compare the City's current incumbent salaries to the average Market Rate to assess how competitive incumbent wages are within the market. For this purpose, in positions where there is more than one (1) incumbent, an *average* of the current employee wages is utilized. Overall, 59% of the positions are below the average market, another 18% are just under, while 24% of positions are in alignment with the average market, although one needs to consider the tenure of employees, which is discussed in the Employee Demographics section. The Figure below provides a summary of the findings.

Figure 1: Incumbent Analysis Summary



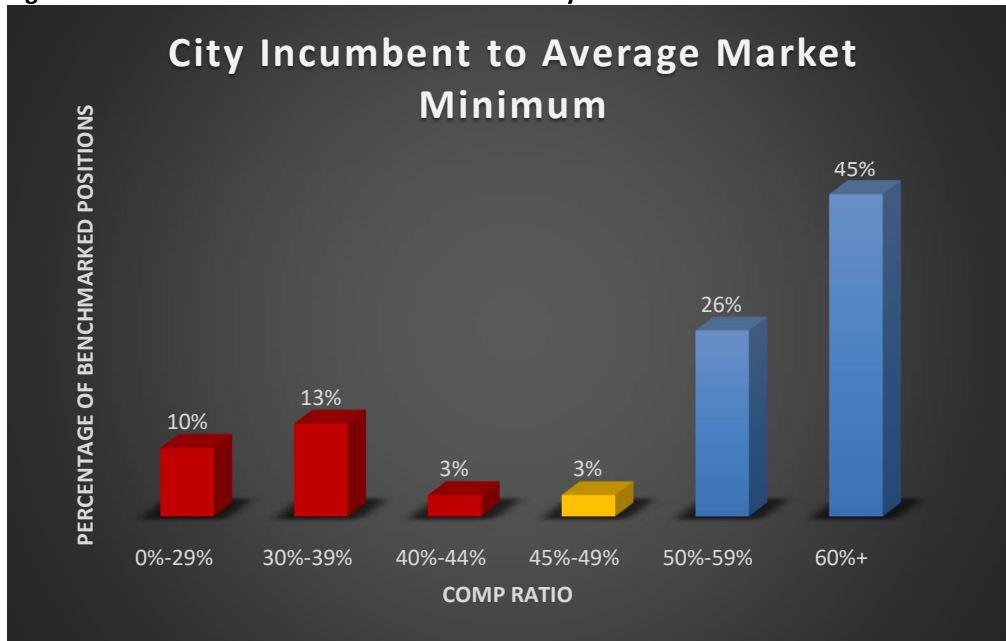
*May not result in 100% due to rounding

Incumbent to Minimum Salary Analysis

The Consultants compared the City's incumbent salaries to the average Market Minimum. This provides a comparison of current salaries to the starting salaries in the market and will assist in the development of a Compensation Schedule and budgeting purposes.

This figure indicates that although the City's ranges need developing, nearly three-quarters of the positions (on average) are compensating at a market rate, meaning employees would be toward average market rates of the new salary ranges. This may result in in-range compression that may need to be resolved during the implementation of the new recommendations.

Figure 2: Incumbent to Market Minimum Summary



Market Data Summary

Overall, the City has kept pace with the external market. The City's positions do not have salary ranges, and therefore, it is difficult to compare to the external market. Thus, there are a number of positions that are higher/lower than the market so the City's 'best estimate' may have been incorrect. Developing a Salary Schedule with a minimum and maximum for each position will ensure not only internal equity, but also competitiveness with the market.

Current Compensation System

The general employees are compensated based on a single wage determined by the City for each position. Some positions in the Police and Utility departments have a hiring salary range for each position but there is not a current compensation structure in place. Wages are adjusted annually by a cost-of-living adjustment, based on financial ability.

Positions in the Police Union were not included in the study.

Compensation Philosophy

A compensation philosophy is an organization's financial commitment to how it values its employees. The goal of this philosophy is to attract, retain, and motivate qualified people. A consistent philosophy provides a strong foundation in determining the type of total compensation package to offer employees.

There are foundational aspects of compensation to assist with the development of a compensation philosophy to ensure the goals of compensation align with the goals of the organization. First, there are basic questions to consider:

1. What is considered a fair wage?
2. Are wages too high for the financial health of the organization?
3. Does the compensation system reflect the value of positions within the organization?
4. Is your compensation strong enough to retain employees?
5. Do you currently have a defined compensation philosophy?
6. If so, is your compensation philosophy keeping in line with labor market change, industry change, and organizational change?

The City is in business to provide services to the citizens, businesses, and visitors of the community. It does that through hiring qualified employees who lend their skills and talents to various positions within the organization. Without those individuals, the City would cease to provide infrastructure, safety, utility services, and other essential services and process the necessary functions to keep those systems in place. Employees expect a compensation system that pays a competitive wage for the skills, education, and responsibilities of the position, and the City is in close proximity to communities and organizations that lead the market's wages.

In order to be competitive for the retention of existing personnel and have successful recruitment efforts to replace future turnover, the City needs to establish a position within the market. It is recommended the City set a compensation philosophy aligning to the average market at the 50th

percentile, even if it takes the City multiple budget cycles to attain that recommendation. The following sections support that recommendation.

Employee Demographics

In reviewing the City’s employee demographics for positions covered in the Study, the tenure of the organization ranges from new hire – 34 years. The overall tenure average of the employees is 8.12 years. The national average in the public sector is currently 6.4 years (*Local Government-Bureau of Labor Statistics, September 2024*), showing the City is above average in overall tenure, which is positive. In order to have a full picture of the City, one needs to explore these demographics further. These findings are in the following Figures.

Figure 3: Employee Demographics by Years of Service

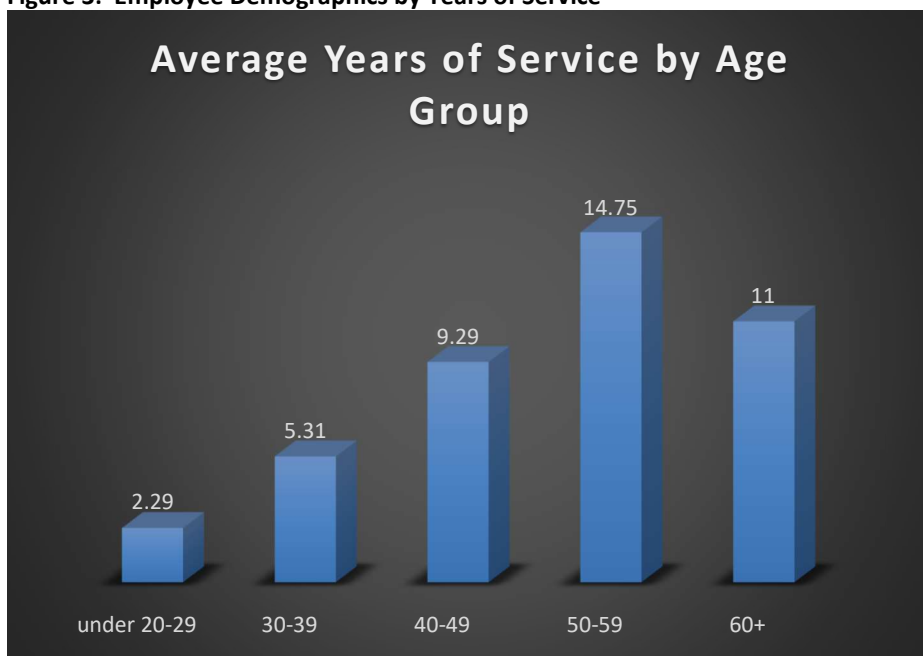
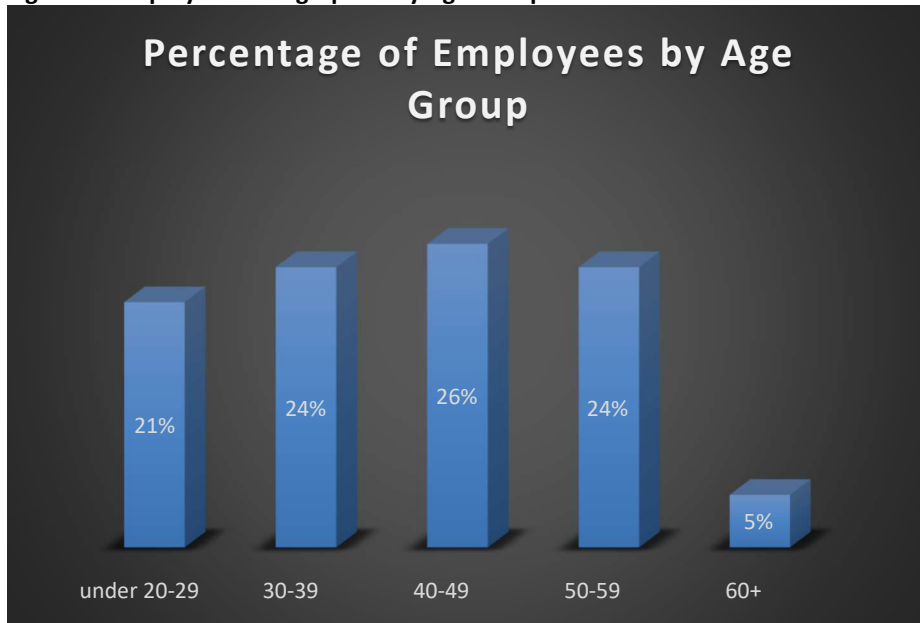
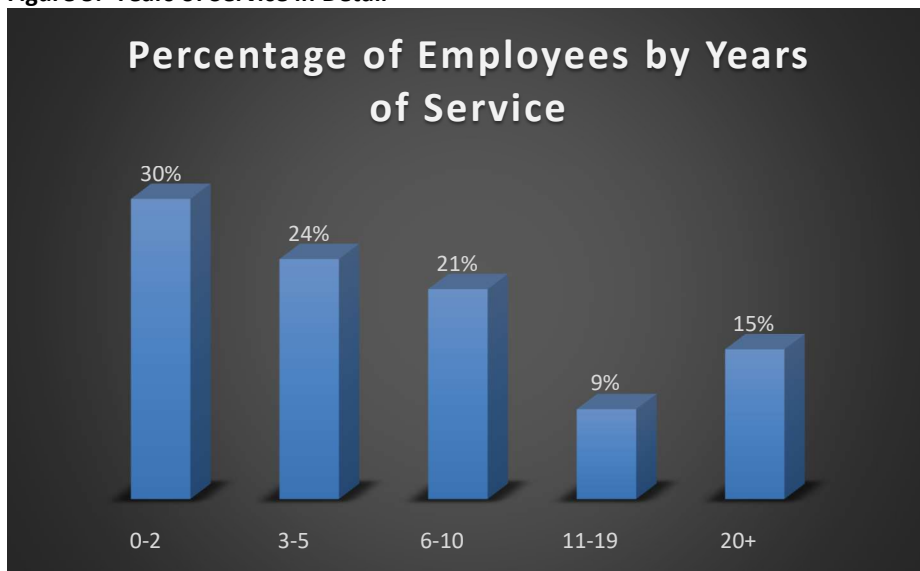


Figure 4: Employee Demographics by Age Group



The above Figures show the organization has a cross-section of generations in the workforce. Those in age group 50-59 years have the longest tenure and represent 24% of all employees covered in the Study. This group of employees is also expected to retire within the next ten to fifteen years. The following also shows the breakdown of years of service in the organization. The City has employees with a wide range of tenure, from newly hired staff to long term employees with decades of experience. It is noted that 30% of its personnel have been hired in the past two (2) years, as shown below.

Figure 5: Years of Service in Detail



There is a significant reason to retain personnel to help develop the City’s succession planning opportunities, but employees may not perceive them as opportunities based on how the City has

historically structured its compensation method. This means the organization may be looking to fill more positions externally, which could have unintended operational impacts.

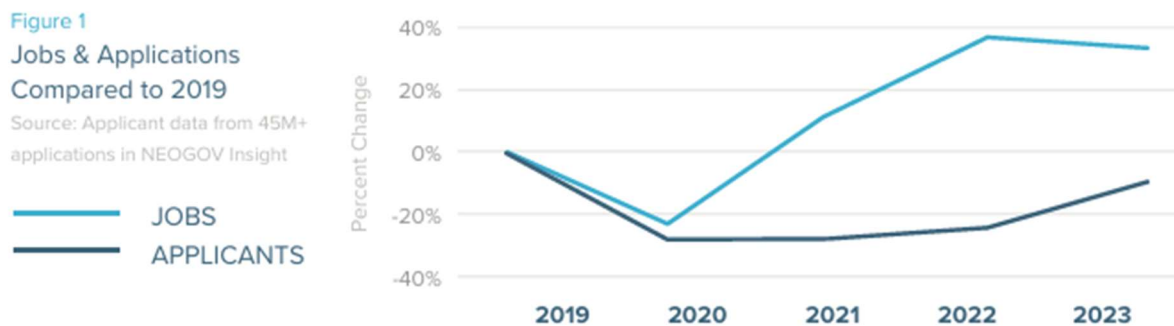
The City is recommended to monitor demographics periodically to properly respond to shifts within the organization as needed. Although the Consultants acknowledge compensation is not the only reason for unwanted turnover, it is a consideration of the larger picture. In order to ensure competitive recruitment/retention, the City is recommended to follow the compensation philosophy of average market compensation to ensure the City can stay competitive to support retaining its personnel as long as possible.

Public Sector Turnover/Recruitment Challenges

According to human resources professionals across the United States, it is becoming progressively harder to hire qualified personnel. Looking at a tight labor market, recruitment, and retention of qualified personnel with the necessary public service skills has topped the workforce challenges list for the last several years, and nearly all human resources professionals reported moderate to significant increases in vacancies within their organizations.

The Public Sector is described as being caught in a cycle between turnover and burnout because employees work harder and longer to compensate for staff shortages. Over time they burn out and leave their organization often earlier than planned. HR tries to fill critical roles but there are not enough qualified applicants to compensate for the turnover rates. Public sector job openings have declined slightly in 2023, yet applications are still down by 9.5% since 2019.

Figure 6: Average Applicants per Government Jobs 2019-2023



(Source: The Fragile Future of Recruitment, Neogov, 2024).

This is not necessarily a new issue, but some employers do state it has become increasingly problematic for operations. Public employers have been experiencing ongoing challenges of this nature for almost a decade. Governments historically have had a compelling proposition to offer workers with secure lifetime employment and generous health benefits followed by a robust

pension for retirement, which is no longer the case. Public employers are battling for their talent because:

- The “Silver Tsunami” identifies between 30%-40% of local government workers eligible to retire, and there is a workforce gap.
- Staff Burnout.
- Long-term employment has less appeal to the younger workforce.
- There is a real or perceived decline in public support for government workers.
- Public employers do not feel they can compete with salaries and benefits as benefits erode and the private sector is more competitive.
- There is a growing skills gap. Many government jobs now require specialized education or training. Fewer positions are ‘learn on the job.’
- Public employers are not able to offer the same level of flexible work arrangements to all employees.
- Limitations in technologies prevent efficiencies and automation.
- There are limited financial resources.
- Not all work cultures are satisfying and supportive.

The Great Resignation and Private Sector Influence

Compounding the public sector recruitment challenges, the country has experienced continued private industry prosperity, record inflation, record retirements, and record turnover from an otherwise qualified workforce, causing all industries, both public and private, to be competing for already limited human resources. This has led employers to increase wages for all positions to help recruit and retain their talent. The effect has been substantial, and nearly every employer is experiencing recruitment and retention challenges. Many businesses report the lack of available workers and have curtailed their ability to meet current work demands while raising wages.

Salary Schedule Options

The salary structure is one of the basic building blocks of a base compensation program. The type of structure sends a clear message about an organization’s approach to job design, work processes, and organization structure. The type of salary structure an organization chooses must fit its culture, business needs, and operating cycle. The options discussed included the following:

Range Model

When considering a compensation system, some organizations gravitate toward a range model, with a standard mechanism to progress through the system. This gives the City flexibility in hiring based on qualifications and allows the employee to progress toward the market rate for the respective position within a reasonable period of time. The City can also incorporate performance increases with this model.

Step Model

A compensation system that is common in the public sector, is the step system. Within this system, individuals receive a set increase based upon years in position to advance to the market rate. Individual performance should be a factor of compensation, as movement to the next step should be based upon acceptable documented performance. Step models are also generally predictable so employees can see their advancement through the range, is easy to budget for, and can be administered with administrative ease.

Step/Range Model

A modified Step System incorporates a structured progression to reach the average market rate, providing a clear mechanism for aligning salaries with market standards. Beyond this, the system includes a salary range, offering flexibility for salary adjustments above the average market rate to meet organizational needs.

City's Model

The Consultants reviewed the benefits and challenges of a Range Model, a Step Model, and a blended model with Administration. It was concluded that a Range Model would provide the City with the greatest flexibility for most employees. However, due to specific market trends, a Step Model was developed specifically for the Electric Department and some Public Works positions.

Classification and Compensation Recommendations

Salary Schedules

The recommended Compensation System for general employees is a range system, provided as Appendix A. The range system has a total of 16 Pay Grades. The Minimum has been set at 10% below the market average, which is identified. There are 5%-15% between pay grades and the Schedule has been developed around an unpublished Market Point. The recommended schedule will help minimize compression and allows for growth of positions into the future. A Maximum

rate has been established at 30% above the Minimum allowing the City to fully utilize the range above the listed Market rate if financial resources permit. Alternatively, the City can remain competitive by focusing on the Minimum-Market Range, aligning with the average market rate.

An updated step system for the Street Operator and Arborist positions in the Public Works department has been developed and is provided in Appendix B. The City currently uses a step system for these positions; therefore, it was determined that maintaining this structure while aligning it with the current market was the most appropriate approach. The revised step structure corresponds to Pay Grade E in the range structure for the first step. The system has 12 steps with a 2.5% adjustment between each step. Step adjustments are not guaranteed annually.

A step system has been developed for most electric positions, provided as Appendix C. The step system for electric positions has a total of 7 Pay Grades with 4%-15% between the Pay Grades. Most Pay Grades have 5 steps with a 4% adjustment between each step. Step D is identified as the average Market Rate, although all steps are aligned to the market. The structure has been developed to be more aligned to the external market, which results in some positions having a different number of steps.

Classification Structure (Job Titles)

During the course of the Study, there was an opportunity to better align job titles with responsibilities. Some job titles were revised to either have consistency throughout the organization, or to become more current with the external market/respective industry. These changes have been reviewed with Department Heads and are reflected in the recommended Salary Schedule.

It should be noted that not all titles will follow the new classification structure if the title needs to be specific for statutory/funding/regulatory reasons, or simply due to local government industry practices.

Position Placement

Placement onto the respective Salary Schedule is based upon several criteria:

- Job Analysis
- Market analysis
- Compression analysis
- Internal equity

This is not an indication that any given position has more or less value, or that a specific position is even compared with the other positions in that respective pay grade. This is sometimes difficult for employees, because they look only at where their position is placed on the Schedule and compare themselves to positions that have been placed higher. When this occurs, employees begin to compare their perception of the value of positions within the organization, and do not know, or disregard, the factors the Consultants considered when placing all the positions onto the Schedule.

Standby Pay

Standby Pay is described as additional compensation used to compensate employees who are required to remain available outside of their regular working hours to respond to work related emergencies or needs. While on standby, the employee is not actively working but must be reachable and ready to report to work within a designated time frame if called upon. The Consultants surveyed comparables and the following were reported utility standby pay programs:

Water/Wastewater

- 7-8 hours straight pay for each day during weekend/holiday
- 12 hours straight pay for full week, 2 additional hours for holiday falling during week
- \$400-\$500 per week (\$60 per day, \$100 per weekend/holiday)

Electric

- 14 hours straight pay for full week
- 8 hours straight pay for week M-F, 4 hours straight pay for each weekend/holiday day
- 5 hours straight pay or comp time per day
- 1.5 hours straight pay M-F, 2.5 hours straight pay weekend/holiday
- 15 hours straight pay per weekend
- \$500 per week (\$60 per day, \$100 per weekend/holiday)

There does not appear to be a recurring trend in the comparable market, other than Standby Pay is provided. Specialty pay programs, such as Standby Pay, are not intended to augment base wages. This payment is for the interruption of personal time when not scheduled to work due to operational emergencies that exist. The recommended salary ranges now ensure wages are aligned to the market. The City can now assess whether the existing policy of 20 hours at regular time for Standby Pay for electric positions and \$2 per hour at regular time for water positions are necessary or should be adjusted. The City is highest among the reported comparable electric entities and lowest among the reported water and wastewater entities.

Implementation Recommendations

For purposes of implementation only, City Administration plans to bring employees closer to the market point over the next 2-3 years as budget, levy limits, and salary compression restrictions allow. This will be achieved through planned adjustments that ensure compensation remains competitive while maintaining internal equity.

City Administration has an immediate goal to bring employees below the minimum of the designated salary range to the minimum of the range. However, given the restrictions noted above, bringing certain positions to the minimum may also be phased in over the next 2-3 years. Employees assigned to the step models are recommended to be placed on the step closest to their current experience in the model without a decrease in wages.

This method of implementation is simply to place employees into the new model. By aligning salaries with market trends over time, the City aims to attract and retain skilled professionals, support workforce stability, and recognize employees' contribution in a sustainable and fiscally responsible manner.

Library Recommendations

The Plymouth Public Library Board of Trustees holds the authority to establish salary decisions for library positions. The full-time library positions were included in the study and placed on the City's recommended salary schedule for consideration. The consultants recommend the Library Board adopt the pay grades developed for these positions. Aligning the library positions with other City positions will promote internal equity and market competitiveness. Current market trends indicate that these positions have higher market rates than their current placement in the new salary structure. The consultants recommend a long-term strategy to gradually adjust library salaries to more accurately reflect market rates, ensuring the library remains competitive in attracting and retaining skilled professionals while maintaining fiscal responsibility.

System Management Guidelines

Maintenance of Salary Schedule

It is important for the City to have a standardized procedure to adjust the Salary Schedules for consistency and for budgetary forecasting. The Consultants recommend that on a set date each year, the Salary Schedule be increased by the Consumer Price Index – Urban (CPI-U) percentage or by a local economic indicator, if preferred, such as the WERC CPI. For example, since budgeting is done at approximately the same time each year, the City should establish a specific month in which to capture the average of the previous twelve (12) months of the selected economic

indicator for a recommended adjustment. The City will still maintain control if conditions and finances fluctuate in a specific year. The following are the types of increases recommended:

Salary Schedule Adjustments

Annually, the Salary Schedules should be adjusted for economic reasons. Without maintaining the Salary Schedule, it will fall below the Market and the City will end up spending dollars to get it updated. Annual Salary Schedule adjustments will keep a competitive Salary Schedule. It is important the City budgets dollars for increases to the overall Schedule each year. There may be years when the economy cannot support such increases; however, that should be the exception, not the norm.

Annual Adjustments

Each year, employees should receive the salary increase set by City Administration with acceptable performance unless an employee is on a Performance Improvement Plan.

Market Adjustments

If there is a shift in the market for a specific position, a Market Adjustment to those incumbent employees could be given, which would be an adjustment into the range. The City is recommended to exercise caution in its use however, because this option is not intended to be a means to simply increase the wages of any employee. In order for the City to offer this, there should be written parameters in place, because this should only be used in a controlled manner for positions that have been verified by the City Administrator as having challenges with recruitment/retention based on market fluctuations. These parameters would include:

1. A documented and verified review of local comparables by the Human Resources Specialist or a third-party consultant.
2. A consistent pattern of recruitment/retention concerns isolated classifications, as verified by the Human Resources Specialist.

Metrics

Salary Schedules need to be balanced between what is competitive for recruitment/retention, as well as what is affordable and financially sustainable long term. The City should monitor metrics as an internal indicator to identify if there is a possible concern with the City's placement in the market. Internally, metrics are standards of measurement used to assess what is occurring within an organization. Metrics tell an organization how well or poorly they are doing, allowing an organization to review, assess, problem solve, and adjust processes, as well as identify challenges

or stressors to the organization that may be having a negative impact. Specific metrics may help identify where dollars are being expended that can be costly, including turnover. Although the Consultants acknowledge compensation is not the only reason for unwanted turnover, it is a consideration of the larger picture. In order to ensure competitive recruitment/retention, the City is advised to follow the recommended compensation philosophy to ensure it can stay competitive to support retaining its personnel. Metrics will help identify that success. It is recommended the Human Resources Specialist compile these metrics for ongoing review.

Table 2: Metrics Recommendations

| METRIC | FORMULA TO CALCULATE | PURPOSE |
|-------------------------|--|--|
| Applicant Tracking | Total number of applications received | Assessing for reduced application stream |
| Turnover | Number of separations ÷ Number of approved FTE | Effectiveness of compensation and benefits; may identify trends that need further analysis within departments |
| Early Turnover | Number of employees leaving the job in the first 12 months of employment ÷ average actual # of employees in the job for same time period | Effectiveness of compensation and benefits; may identify trends that need further analysis within departments |
| Offer Acceptance | The number of employment offers accepted ÷ number of employment offers made | Effectiveness of compensation package |
| Employee Demographics | Percentage of employees in age categories and years of service categories | Assess work demographic for trends in lower tenure and higher percentage of employees in mobile generation groups (under 40) |
| Exit Interviews Metrics | NA | Documenting reasons for turnover for trends in compensation package |

Market Updates

One of the main concerns in any Salary Schedule is the ability to keep it current. Often, an organization spends time and resources to review and reevaluate their Salary Schedule, resulting in providing employees or Pay Grades significant increases because either the positions or the Schedule is not in line with the external market. A Salary Schedule has a typical life span of three (3) to five (5) years, at which time market conditions typically necessitate a review. The City can strive to prolong the life of their Schedule if it continues to commit to maintaining its competitiveness with the external market by ensuring market updates occur. Given the current competitive market, the City is recommended to initially conduct a market update in three (3) years. Analyzing turnover and other human resource type metrics should help indicate if an external market update is required sooner or can be pushed back a year.

Benefits

In addition to compensation, the City asked that a comparison of major benefits be completed. The following is a summary of how the City is fairing in the market for health insurance and paid time benefits, which are two of the most important benefits to employees. Because all public employers are on the Wisconsin Retirement System, retirement was not reviewed in this process.

Health Insurance

Plan Design Overview

The City currently offers one plan design summarized as follows:

Table 3: Health Plan Summary

| Plan Description | DEDUCTIBLE AMOUNTS (S/F) | MONTHLY EMPLOYEE CONTRIBUTION (S/F) |
|------------------|--------------------------|-------------------------------------|
| Medical Plan | \$1,650/\$3,300 | \$66.00/\$240.00 |

Many employers also include contributions to a Health Savings Account (HSA) or Health Reimbursement Account (HRA). In 2025, the City will make contributions towards employees' HSA accounts in the annual amounts of \$1,600 for single coverage and \$2,500 for family coverage. This is a very positive addition to the plan design. Several comparables also reported providing contributions to employee HSA accounts, on average, \$1,175 for single coverage and \$2,500 for family coverage. Two comparables offer HRA reimbursements with an average contribution of \$1,170 for single and \$2,670 for family coverage.

Premiums

It is extremely difficult to compare health insurance, as the number of plans and the plan designs are significantly different among organizations. What can be compared is the amount the employee contributes toward the cost of that insurance. As the City is aware, the cost of health insurance is a large budget item for any organization. Health insurance is also often the single largest benefit looked at by potential new hires with the City, so a review of employee contributions to this benefit is imperative for offering a comprehensive benefit package.

The Consultants conducted a comparison between the City's 2025 health plan and the comparable organization's health plans for a more accurate assessment of insurance within its specific peer group. Below are the results from comparable entities that provided benefit data, categorized into single and family coverage.

Table 4: Single Plan Premium Comparison

| COMPARABLE | PLAN DESCRIPTION | SINGLE MONTHLY PREMIUM | DEDUCTIBLE AMOUNT |
|----------------------|---------------------------|------------------------|-------------------|
| Hartford, WI | Plan 2 | \$0.00 | \$475.00 |
| Hartford, WI | Plan 1 | \$0.00 | \$950.00 |
| Hartford, WI | Plan 3 | \$0.00 | \$1,900.00 |
| Sheboygan Falls, WI | Prevea HDHP | \$65.90 | \$1,600.00 |
| Plymouth, WI | Medical Plan | \$66.00 | \$1,650.00 |
| Sheboygan (City) | UMR High Deductible Plan | \$80.04 | \$1,600.00 |
| Kaukauna Utilities | Dean Health | \$88.06 | Not Provided |
| Port Washington, WI | Health Plan | \$89.24 | \$3,500.00 |
| Marshfield Utilities | Security Health Plan | \$100.08 | \$1,000.00 |
| Waupun, WI | Plan 2 | \$100.16 | \$3,300.00 |
| Manitowoc Utilities | Health Plan | \$105.58 | \$750.00 |
| Elkhart Lake, WI | Network Health Medical | \$109.52 | Not Provided |
| Oconomowoc, WI | Health Plan | \$110.27 | \$0.00 |
| Waupun, WI | Plan 1 | \$111.26 | \$2,000.00 |
| Cedarburg (City), WI | Network Health (Tier 1) | \$114.60 | \$500.00 |
| Kaukauna Utilities | Network Health | \$135.46 | Not Provided |
| Sheboygan County | UMR Plan (wellness) | \$163.14 | \$1,350.00 |
| Sheboygan County | UMR Plan (w/out wellness) | \$217.52 | \$1,350.00 |
| Kaukauna Utilities | Common Ground | \$272.94 | Not Provided |
| Kaukauna Utilities | Robin with HealthPartners | \$463.74 | Not Provided |

Table 5: Family Plan Premium Comparison

| COMPARABLE | PLAN DESCRIPTION | FAMILY MONTHLY PREMIUM | DEDUCTIBLE AMOUNT |
|----------------------|---------------------------|------------------------|-------------------|
| Hartford, WI | Plan 2 | \$0.00 | \$750.00 |
| Hartford, WI | Plan 1 | \$0.00 | \$1,500.00 |
| Hartford, WI | Plan 3 | \$0.00 | \$3,000.00 |
| Sheboygan (City) | UMR High Deductible Plan | \$210.44 | \$3,200.00 |
| Kaukauna Utilities | Dean Health | \$215.68 | Not Provided |
| Sheboygan Falls, WI | Prevea HDHP | \$217.50 | \$3,200.00 |
| Marshfield Utilities | Security Health Plan | \$220.20 | \$3,000.00 |
| Plymouth, WI | Medical Plan | \$240.00 | \$3,300.00 |
| Waupun, WI | Plan 2 | \$250.40 | \$6,600.00 |
| Elkhart Lake, WI | Network Health Medical | \$269.84 | Not Provided |
| Oconomowoc, WI | Health Plan | \$271.20 | \$0.00 |
| Manitowoc Utilities | Health Plan | \$272.34 | \$1,500.00 |
| Waupun, WI | Plan 1 | \$278.12 | \$4,000.00 |
| Cedarburg (City), WI | Network Health (Tier 1) | \$282.04 | \$1,000.00 |
| Port Washington, WI | Health Plan | \$285.58 | \$7,000.00 |
| Kaukauna Utilities | Network Health | \$334.18 | Not Provided |
| Sheboygan County | UMR Plan (wellness) | \$404.70 | \$2,700.00 |
| Sheboygan County | UMR Plan (w/out wellness) | \$539.59 | \$2,700.00 |

| | | | |
|--------------------|---------------------------|------------|--------------|
| Kaukauna Utilities | Common Ground | \$677.88 | Not Provided |
| Kaukauna Utilities | Robin with HealthPartners | \$1,154.88 | Not Provided |

The above information indicates that Plymouth is in the competitive range of the comparable market in terms of premium only. However, that is not a comprehensive picture because employees have actual claims costs as well.

Expected Employee Cost

Because premiums and deductibles are varied in the region, when considering the cost of the monthly premium plus the deductible, this is a truer look at the expected employee cost. This calculation shows the City's true position in the market as shown in the Tables below.

Table 6: Single Plan Comparable Review

| COMPARABLE | PLAN DESCRIPTION | SINGLE ANNUAL PREMIUM | DEDUCTIBLE AMOUNT | HSA/HRA CONTRIB | EXPECTED ANNUAL RISK TO EMPLOYEE |
|----------------------|---------------------------|-----------------------|-------------------|-----------------|----------------------------------|
| Hartford, WI | Plan 2 | \$0.00 | \$475.00 | | \$475.00 |
| Plymouth, WI | Medical Plan | \$792.00 | \$1,650.00 | \$1,600.00 | \$842.00 |
| Hartford, WI | Plan 1 | \$0.00 | \$950.00 | | \$950.00 |
| Marshfield Utilities | Security Health Plan | \$1,200.96 | \$1,000.00 | \$1,000.00 | \$1,200.96 |
| Oconomowoc, WI | Health Plan | \$1,323.24 | \$0.00 | | \$1,323.24 |
| Sheboygan Falls, WI | Prevea HDHP | \$790.80 | \$1,600.00 | \$1,000.00 | \$1,390.80 |
| Sheboygan (City) | UMR High Deductible Plan | \$960.48 | \$1,600.00 | \$750.00 | \$1,810.48 |
| Cedarburg (City), WI | Network Health (Tier 1) | \$1,375.20 | \$500.00 | | \$1,875.20 |
| Hartford, WI | Plan 3 | \$0.00 | \$1,900.00 | | \$1,900.00 |
| Manitowoc Utilities | Health Plan | \$1,266.96 | \$750.00 | | \$2,016.96 |
| Waupun, WI | Plan 2 | \$1,201.92 | \$3,300.00 | \$2,000.00 | \$2,501.92 |
| Waupun, WI | Plan 1 | \$1,335.12 | \$2,000.00 | \$800.00 | \$2,535.12 |
| Port Washington, WI | Health Plan | \$1,070.88 | \$3,500.00 | \$1,750.00 | \$2,820.88 |
| Sheboygan County | UMR Plan (wellness) | \$1,957.68 | \$1,350.00 | | \$3,307.68 |
| Sheboygan County | UMR Plan (w/out wellness) | \$2,610.24 | \$1,350.00 | | \$3,960.24 |

*Comparables that did not provide deductible amounts excluded

Table 7: Family Plan Comparable Review

| COMPARABLE | PLAN DESCRIPTION | FAMILY ANNUAL PREMIUM | DEDUCTIBLE AMOUNT | HSA/HRA CONTRIB | EXPECTED ANNUAL RISK TO EMPLOYEE |
|--------------|------------------|-----------------------|-------------------|-----------------|----------------------------------|
| Hartford, WI | Plan 2 | \$0.00 | \$750.00 | | \$750.00 |
| Hartford, WI | Plan 1 | \$0.00 | \$1,500.00 | | \$1,500.00 |

| | | | | | |
|----------------------|---------------------------|------------|------------|------------|------------|
| Marshfield Utilities | Security Health Plan | \$2,642.40 | \$3,000.00 | \$3,000.00 | \$2,642.40 |
| Hartford, WI | Plan 3 | \$0.00 | \$3,000.00 | | \$3,000.00 |
| Oconomowoc, WI | Health Plan | \$3,254.40 | \$0.00 | | \$3,254.40 |
| Plymouth, WI | Medical Plan | \$2,880.00 | \$3,300.00 | \$2,500.00 | \$3,680.00 |
| Sheboygan Falls, WI | Prevea HDHP | \$2,610.00 | \$3,200.00 | \$2,000.00 | \$3,810.00 |
| Sheboygan (City) | UMR High Deductible Plan | \$2,525.28 | \$3,200.00 | \$1,500.00 | \$4,225.28 |
| Cedarburg (City), WI | Network Health (Tier 1) | \$3,384.48 | \$1,000.00 | | \$4,384.48 |
| Manitowoc Utilities | Health Plan | \$3,268.08 | \$1,500.00 | | \$4,768.08 |
| Waupun, WI | Plan 1 | \$3,337.44 | \$4,000.00 | \$1,800.00 | \$5,537.44 |
| Waupun, WI | Plan 2 | \$3,004.80 | \$6,600.00 | \$4,000.00 | \$5,604.80 |
| Port Washington, WI | Health Plan | \$3,426.96 | \$7,000.00 | \$3,500.00 | \$6,926.96 |
| Sheboygan County | UMR Plan (wellness) | \$4,856.40 | \$2,700.00 | | \$7,556.40 |
| Sheboygan County | UMR Plan (w/out wellness) | \$6,475.08 | \$2,700.00 | | \$9,175.08 |

***Comparables that did not provide deductible amounts excluded**

Looking at deductible amount with premium cost, the City continues to be in the competitive range for single coverage and in the middle range for family coverage. A final look at the City in relation to out-of-pocket maximums, follows.

Maximum Employee Cost

The following tables show employees that experience a major medical event that exceeds the deductible costs will have a lower financial risk on the City's Plan than other comparables when considering the maximum out of pocket expenses.

Table 8: Single Plan Maximum Risk Comparative Review

| COMPARABLE | PLAN DESCRIPTION | SINGLE ANNUAL PREMIUM | OUT OF POCKET MAXIMUM | HSA/HRA CONTRIB | HIGHEST ANNUAL RISK TO EMPLOYEE |
|----------------------|--------------------------|------------------------------|------------------------------|------------------------|--|
| Marshfield Utilities | Security Health Plan | \$1,200.96 | \$1,000.00 | \$1,000.00 | \$1,200.96 |
| Plymouth, WI | Medical Plan | \$792.00 | \$2,500.00 | \$1,600.00 | \$1,692.00 |
| Hartford, WI | Plan 2 | \$0.00 | \$2,475.00 | | \$2,475.00 |
| Waupun, WI | Plan 2 | \$1,201.92 | \$3,300.00 | \$2,000.00 | \$2,501.92 |
| Hartford, WI | Plan 1 | \$0.00 | \$2,950.00 | | \$2,950.00 |
| Sheboygan Falls, WI | Prevea HDHP | \$790.80 | \$3,200.00 | \$1,000.00 | \$2,990.80 |
| Sheboygan (City) | UMR High Deductible Plan | \$960.48 | \$3,000.00 | \$750.00 | \$3,210.48 |
| Manitowoc Utilities | Health Plan | \$1,266.96 | \$2,000.00 | | \$3,266.96 |
| Sheboygan County | UMR Plan (wellness) | \$1,957.68 | \$3,000.00 | | \$4,957.68 |

| | | | | | |
|----------------------|---------------------------|------------|------------|------------|-------------|
| Sheboygan County | UMR Plan (w/out wellness) | \$2,610.24 | \$3,000.00 | | \$5,610.24 |
| Port Washington, WI | Health Plan | \$1,070.88 | \$6,350.00 | \$1,750.00 | \$5,670.88 |
| Hartford, WI | Plan 3 | \$0.00 | \$5,900.00 | | \$5,900.00 |
| Oconomowoc, WI | Health Plan | \$1,323.24 | \$9,450.00 | | \$10,773.24 |
| Cedarburg (City), WI | Network Health (Tier 1) | \$1,375.20 | \$9,450.00 | | \$10,825.20 |

*Comparables that did not provide out-of-pocket amounts excluded

Table 9: Family Plan Maximum Risk Comparative Review

| COMPARABLE | PLAN DESCRIPTION | FAMILY ANNUAL PREMIUM | OUT OF POCKET MAXIMUM | HSA/HRA CONTRIB | HIGHEST ANNUAL RISK TO EMPLOYEE |
|----------------------|---------------------------|-----------------------|-----------------------|-----------------|---------------------------------|
| Marshfield Utilities | Security Health Plan | \$2,642.40 | \$3,000.00 | \$3,000.00 | \$2,642.40 |
| Hartford, WI | Plan 2 | \$0.00 | \$2,750.00 | | \$2,750.00 |
| Hartford, WI | Plan 1 | \$0.00 | \$3,500.00 | | \$3,500.00 |
| Plymouth, WI | Medical Plan | \$2,880.00 | \$5,000.00 | \$2,500.00 | \$5,380.00 |
| Waupun, WI | Plan 2 | \$3,004.80 | \$6,600.00 | \$4,000.00 | \$5,604.80 |
| Hartford, WI | Plan 3 | \$0.00 | \$7,000.00 | | \$7,000.00 |
| Sheboygan Falls, WI | Prevea HDHP | \$2,610.00 | \$6,400.00 | \$2,000.00 | \$7,010.00 |
| Sheboygan (City) | UMR High Deductible Plan | \$2,525.28 | \$6,000.00 | \$1,500.00 | \$7,025.28 |
| Manitowoc Utilities | Health Plan | \$3,268.08 | \$4,000.00 | | \$7,268.08 |
| Sheboygan County | UMR Plan (wellness) | \$4,856.40 | \$6,000.00 | | \$10,856.40 |
| Sheboygan County | UMR Plan (w/out wellness) | \$6,475.08 | \$6,000.00 | | \$12,475.08 |
| Port Washington, WI | Health Plan | \$3,426.96 | \$12,700.00 | \$3,500.00 | \$12,626.96 |
| Oconomowoc, WI | Health Plan | \$3,254.40 | \$18,900.00 | | \$22,154.40 |
| Cedarburg (City), WI | Network Health (Tier 1) | \$3,384.48 | \$18,900.00 | | \$22,284.48 |

*Comparables that did not provide out-of-pocket amounts excluded

Insurance Summary

Overall, the City's health insurance benefit compares favorably among the comparable market. Although some of the newer workforce does not always appreciate the value of health insurance benefits, most existing employees and more mature applicants do. The City is recommended to ensure future plan design and premium changes to continue to poise the City competitively. This will present a total wage and benefit package that aligns with the market average.

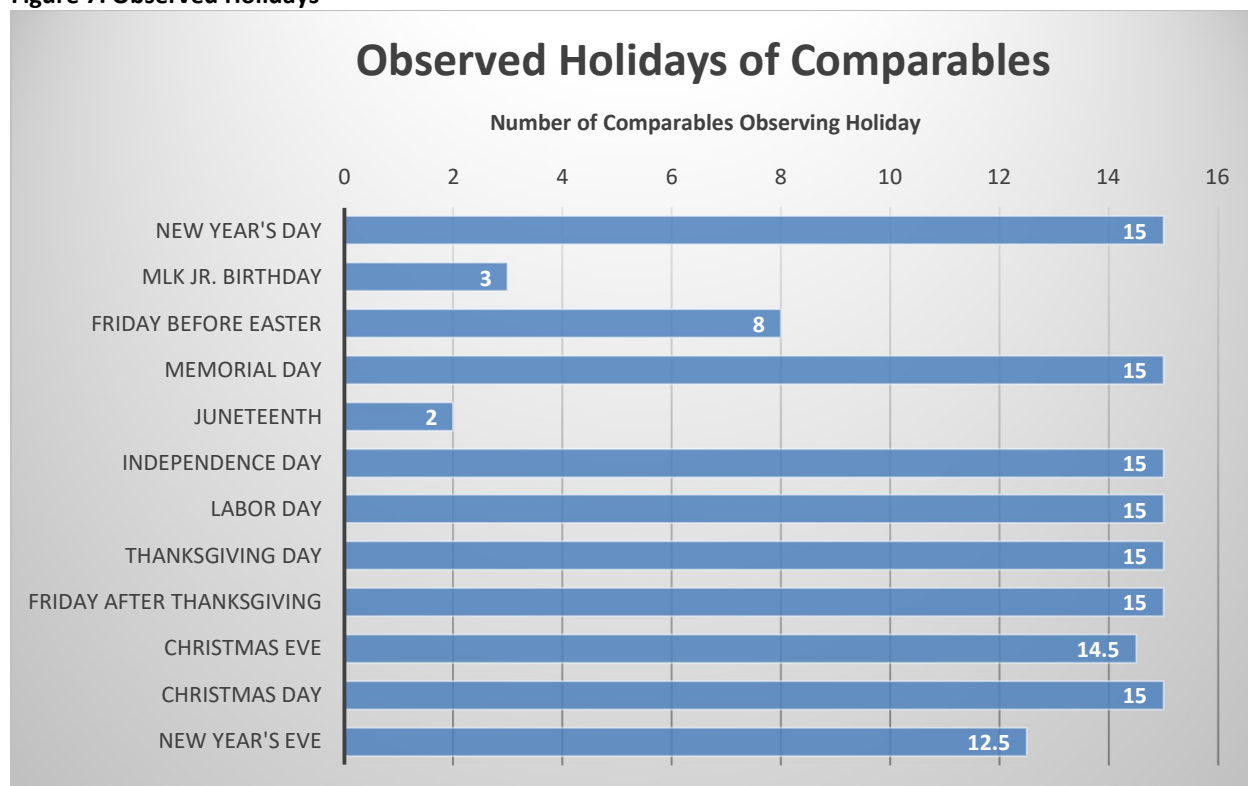
Time Off Benefits

Time off and work life balance continue to be top areas candidates and employees look at when considering employment and retention. Therefore, the City's paid time off benefits were also reviewed.

Holidays

Currently the City offers a total of ten (10) observed holidays and two (2) floating holidays per year. The comparables that provided holiday information reported total observed holidays between 8-12 days, with most reporting ten (10) days. The figure below shows the observed holidays as reported by the comparables. The comparables reported providing 1-5 days of personal days/floating holidays per year, with most reporting one (1) day. The City is commended for their observed holidays and personal days. The Consultants recommend no changes to this benefit.

Figure 7: Observed Holidays



Vacation

The City has one (1) vacation model summarized as follows:

Table 10: Current Vacation Model

| Levels of Accrual | Minimum Accrual | Maximum Accrual | Years to Reach Maximum |
|-------------------|-----------------|-----------------|------------------------|
| 9 | 5 days | 28 days | 30 years |

The comparables provide 5-15 days during the first year of service, with most providing ten (10) days. The maximum number of vacation accruals range from 25 - 30 days, with most providing

25 days, which is occurring between the 15th - 25th year of employment. Another area of comparison is the number of hours an employee’s vacation balance can carryover or remain during the year. The City aligns with most comparable organizations by allowing 80 hours carryover balance (with approval), while the reported carryover range among others is 0 - 5 days. An analysis of accrual rates by years of service was also conducted. The comparables reported 4-14 levels of accrual, with 4-levels of accrual to be the most common in the market. Currently the City waits until the 7th year of employment to reach the 3-weeks accrual. That means the employee waits five (5) years for the next level of accrual. The market is reaching this accrual amount between 3-8 years with the majority at year 5. Maximum accruals were reported between the 15th-25th year, with 20 years being most common. Maximum amounts range from 20-30 days, with 25 being most common. The City, at the maximum, which occurs at 30 years, accrues 28 days, so the maximum is aligned to the market, although the amount of time to reach the maximum is not aligned to the market.

Table 11: Current Vacation Schedule

| | |
|---------|---------|
| Year 1 | 5 days |
| Year 2 | 10 days |
| Year 7 | 15 days |
| Year 12 | 20 days |
| Year 15 | 21 days |
| Year 16 | 22 days |
| Year 20 | 25 days |
| Year 25 | 27 days |
| Year 30 | 28 days |

It is recommended the City reduce the number of accrual levels while increasing the accrual amounts for each level to better align with market trends.

Table 1212: Vacation Schedule Option

| YEARS OF SERVICE | PROPOSED VACATION SCHEDULE |
|------------------|----------------------------|
| Hire - 4 | 10 days |
| 5-9 | 15 days |
| 10-14 | 20 days |
| 15-19 | 25 days |
| 20+ | 28 days |

It is understood the role of Lieutenant currently follows the Police Union vacation schedule. It is recommended the Lieutenant position transition to the non-represented vacation schedule.

Sick Leave

The City provides 96 sick hours per year with an unlimited maximum accumulation of hours. The majority of reporting comparables provide 96 hours per year and a maximum balance range of 480-unlimited hours with the median maximum balance at 840 hours.

The City currently offers employees a sick leave payout upon resignation after 10 years of service. Eligible employees will receive a 100% payout for up to 50 days of their unused sick leave balance. An additional 25% payout for any unused sick leave days in excess of 100 days, not to exceed a payout of 30 days. Of the comparables who provided payout information, 45% do not provide a payout of the sick leave balance upon separation while 45% do provide some type of payout as outlined in the table below. A few comparables offered employees the option to convert excess sick leave hours prior to separation as an incentive for non-use. The Consultants have no recommendations to the sick leave benefit.

Table 13: Comparable Sick Payout

| Employee Requirement | Payout Details |
|--|--|
| Accrued maximum sick leave balance (prior to separation) | Paid out 30% or specific dollar amount of hours over max, percentage over max contributed to an HRA account. |
| Unused sick leave hours (prior to separation) | Calculation on 15% of unused hours contributed to 457 deferred compensation plan. |
| Retirement | Percentage of sick leave balance paid out based on total years of service (50%-100%) |

Paid Time-Off

Although the City has sufficient time-off benefits, work-life balance, flexibility, and paid time-off topics are very important to the total compensation package. Having the rules and variations for each of the traditional methods of time-off may be confusing and frustrating for employees and managers, and it is likely a significant administrative burden to the administrative staff who setup and monitor the use of these forms of leave. Many organizations add stringent rules for the use of benefits to help the employees manage their personal situations, but that often makes programs more difficult to manage, so considering an alternative time-off program option may be beneficial to the City. This may also be very advantageous for future recruitment, when candidates are looking for increased flexibility with time-off.

Paid Time-Off (PTO) is a single bank of time-off, which is then used for sick, vacation, and even bereavement time, instead of having different banks of time for different purposes. Some

organizations include holidays into this program, while others do not. Generally, PTO has a larger overall rate than vacation, but less than vacation and sick time combined as a tradeoff for the increased flexibility provided under a PTO program, and there is an overall payout on the benefit. The benefit has administrative ease, simplification, and new flexibility for employees. Oftentimes the biggest challenge is transitioning accumulated sick and vacation hours into a new program, but this can be done successfully without loss of accumulated time. Organizations that have done this are satisfied with the result once the transition is complete. Four (4) comparables reported using a PTO benefit for their employees with an annual minimum accrual range of 15-20 days and a maximum balance of 36-42 days. Although few comparable organizations identify PTO as a program they offer, the City could consider the concept of PTO to offer more flexibility within their benefits in the future.

Typically, when an organization transitions to a PTO program, there is discussion of what to do with the current banks of time. It is customary for vacation to be rolled over into the PTO program so employees start with a balance of time. Available sick time can then be rolled into an Extended Leave Bank, in which employees may utilize this bank for major illness/accident events and FMLA qualifying events. This way, the sick time the employee has already accumulated is still available for significant events in their personal life. For hours that have been earned and are vested, there will need to be a payout mechanism built into these banks so there is no loss to the employee as a result of the change in programs, but the banks simply do not need to accumulate new hours, if not desired by the City. Extended Leave Banks could be a grandfathered provision for current employees with sick time, so new employees would not be eligible. Other programs allow employees to move PTO into the Extended Leave Bank annually.

Payout Provisions

In terms of payouts, the City's payout provision is in the form of cash. This payment is then considered taxable to the employee, and the City pays related employment taxes on these amounts. Further, these payments need to be recorded as liabilities on the City's financial statements. The City could consider enhancing the payout provisions in a way that will assist employees with their future health care needs since the main reason employees choose not to retire is because they financially are not able to or cannot afford to continue health care coverage. These payouts could be developed to create a post-employment medical trust for the employee in which deposits are tax-free for both the employee and employer, is not considered income to the employee, and is to be used for medical expenses by the employee/qualified beneficiaries.

Appendix A: Recommended General Salary Schedule 2025

| Pay Grade | Title | Department | 2025 Salary Range | |
|-----------|--|------------|-------------------|--------------|
| | | | MINIMUM | MAXIMUM |
| B | | | \$ 19.55 | \$ 25.42 |
| | Police Support Specialist | Police | \$ 40,664.00 | \$ 52,873.60 |
| C | | | \$ 23.00 | \$ 29.90 |
| | Facility Maintenance Technician | DPW | \$ 47,840.00 | \$ 62,192.00 |
| | Management Assistant | Finance | | |
| | Librarian Adult Services | Library | | |
| | Librarian Youth Services | Library | | |
| | Young Adult Librarian | Library | | |
| | Police Support Specialist -Municipal Court Clerk | Police | | |
| D | | | \$ 24.84 | \$ 32.29 |
| | Utility Account Specialist - Billing Lead | Finance | \$ 51,667.20 | \$ 67,163.20 |
| | Utility Account Specialist - Collection Lead | Finance | | |
| E | | | \$ 26.83 | \$ 34.88 |
| | Accountant | Finance | \$ 55,806.40 | \$ 72,550.40 |
| | Accountant - Utilities | Finance | | |
| | Treasurer/Deputy Clerk | Finance | | |
| F | | | \$ 28.17 | \$ 36.62 |
| | Mechanic | DPW | \$ 58,593.60 | \$ 76,169.60 |
| G | | | \$ 29.58 | \$ 38.45 |
| | GIS Specialist | IT | \$ 61,526.40 | \$ 79,976.00 |
| | Wastewater Operator in Training | Sewer | | |
| | Water Operator in Training | Water | | |
| H1 | | | \$ 31.06 | \$ 40.38 |
| | Water Operator | Water | \$ 64,604.80 | \$ 83,990.40 |
| | Wastewater Operator B | Sewer | | |
| H2 | | | \$ 32.00 | \$ 41.60 |
| | Wastewater Operator A | Sewer | \$ 66,560.00 | \$ 86,528.00 |
| | Lab Technician | Sewer | | |
| I | | | \$ 33.86 | \$ 44.02 |
| | Clerk/Deputy Treasurer | Clerk | \$ 70,428.80 | \$ 91,561.60 |
| | Water Foreman | Water | | |
| J | | | \$ 36.24 | \$ 47.11 |
| | | | \$ 75,379.20 | \$ 97,988.80 |

| | | | |
|-----------|---|------------|-----------------------------|
| | No position | | |
| K | | | \$ 38.77 \$ 50.40 |
| | | | \$ 80,641.60 \$ 104,832.00 |
| | Assistant Administrator/Community Development Director | City Admin | |
| | Fire Chief | Fire | |
| | Human Resources Specialist | HR | |
| | Library Director | Library | |
| | Police Lieutenant | Police | |
| L | | | \$ 41.87 \$ 54.43 |
| | | | \$ 87,089.60 \$ 113,214.40 |
| | Street Superintendent | DPW | |
| M | | | \$ 45.22 \$ 58.79 |
| | | | \$ 94,057.60 \$ 122,283.20 |
| | Wastewater Superintendent | Sewer | |
| N | | | \$ 48.84 \$ 63.49 |
| | | | \$ 101,587.20 \$ 132,059.20 |
| | Assistant Electric Operations Manager/Electrical Engineer | Electric | |
| | Deputy Police Chief/Asst Director Public Safety | Police | |
| O | | | \$ 52.75 \$ 68.58 |
| | | | \$ 109,720.00 \$ 142,646.40 |
| | Utilities Finance Director | Finance | |
| | IT Manager | IT | |
| P | | | \$ 56.96 \$ 74.05 |
| | | | \$ 118,476.80 \$ 154,024.00 |
| | Director of Public Works/City Engineer | DPW | |
| | Electric Operations Manager | Electric | |
| | Police Chief/Director Public Safety | Police | |
| AA | | | \$ 65.51 \$ 85.16 |
| | | | \$ 136,260.80 \$ 177,132.80 |
| | City Administrator/Utilities Manager | City Admin | |

Appendix C: Recommended Electric Salary Schedule

| Pay Grade | Title | 2025 Salary Range | | | | |
|-----------|------------------------------|-------------------|--------------|---------------|---------------|---------------|
| | | Step A | Step B | Step C | Step D | Step E |
| 1 | | \$ 29.78 | \$ 30.97 | \$ 32.21 | \$ 33.50 | \$ 34.84 |
| | | \$ 61,945.27 | \$ 64,423.08 | \$ 67,000.00 | \$ 69,680.00 | \$ 72,467.20 |
| | Line Clearance I | | | | | |
| | Line Clearance II | | | | | |
| 2 | | \$ 30.97 | \$ 32.21 | \$ 33.50 | \$ 34.84 | \$ 36.23 |
| | | \$ 64,423.08 | \$ 67,000.00 | \$ 69,680.00 | \$ 72,467.20 | \$ 75,365.89 |
| | Line Clearance Foreman | | | | | |
| 3 | | \$ 35.62 | \$ 37.05 | \$ 38.53 | \$ 40.07 | \$ 41.67 |
| | | \$ 74,093.93 | \$ 77,057.69 | \$ 80,140.00 | \$ 83,345.60 | \$ 86,679.42 |
| | Electric Meter Technician I | | | | | |
| | Electric Meter Technician II | | | | | |
| 4 | | \$ 39.19 | \$ 40.75 | \$ 42.38 | \$ 44.08 | |
| | | \$ 81,508.88 | \$ 84,769.23 | \$ 88,160.00 | \$ 91,686.40 | |
| | Apprentice Lineman I | | | | | |
| | Apprentice Lineman II | | | | | |
| | Apprentice Lineman III | | | | | |
| | Apprentice Lineman IV | | | | | |
| 5 | | \$ 45.06 | \$ 46.87 | \$ 48.74 | \$ 50.69 | \$ 52.72 |
| | | \$ 93,731.51 | \$ 97,480.77 | \$ 101,380.00 | \$ 105,435.20 | \$ 109,652.61 |
| | Journeyman Lineman | | | | | |
| 6 | | - | - | - | - | \$ 54.83 |
| | | | | | | \$ 114,046.40 |
| | Lead Lineman | | | | | |
| 7 | | - | - | - | - | \$ 57.02 |
| | | | | | | \$ 118,601.60 |
| | Line Crew Foreman | | | | | |

Appendix D: Compensation Policy Guidelines

These guidelines are provided to the City to utilize in conjunction with the new compensation system. Human Resources is recommended to assess these guideline recommendations as the current Compensation Policy is developed/updated.

New Hires

Employees start at the Minimum Rate of the Pay Grade if the employee has the minimum skills and abilities required in the job description. The hiring supervisor, with the approval of the Human Resources Specialist, can start experienced individuals up to the unpublished market point. Any requests for placement above that benchmark may occur only with the approval of the City Administrator. The City may wish to develop a Hiring Matrix for objectivity in this process.

Cost of Living Adjustment

On January 1 of each year, employees should receive an annual cost of living adjustment equivalent to the percentage adjustment of the Salary Schedule.

Performance Adjustment

Subject to City Administrator recommendation and Common Council approval, employees may receive an incremental increase based on performance, to the Market Maximum. Employees on a Performance Improvement Plan will have their annual increase held until such time as performance improves. These adjustments may not occur annually.

Market Adjustments

If there is a shift in the market for a specific position, a Market Adjustment to those incumbent employees could be given, which would be an adjustment into the range. A market adjustment requires:

1. A documented and verified review of local comparables by the Human Resources Specialist or third-party consultant.
2. A consistent pattern of recruitment/retention concerns isolated classifications, as verified by the Human Resources Specialist.

Promotions

An individual who moves to a position of a higher Pay Grade will receive at least a 5% increase in their current salary. They will be placed at the Minimum Rate of the new salary range OR at the

closest rate that provides at least a 5% increase, whichever is higher. There may be situations in which a 5% increase may be insufficient, and compression may still be a problem. In those rare situations, the City Administrator may grant up to 10% to alleviate a compression situation.

Demotions

There are a number of situations that can occur resulting in an employee's pay being lowered and the pay may not be within the established Salary Range. Dependent upon the circumstances, an individual's pay can be handled differently. It will be the responsibility of the Human Resources Specialist to determine the pay implications due to employee demotions. The following are suggested guidelines:

- A. Demotions that occur because of position changes and/or position consolidations (not based on the performance of the employee), the salary can be "red circled" and frozen at that level until the Salary Range of the new Pay Grade catches up to the employee's salary.
- B. Demotions that occur because the employee voluntarily applied for and accepted a position in a lower Pay Grade, the salary will be reduced within the new Salary Range as close to the current salary as possible. If the salary is above the new salary range, then treatment will be as described in "A" above.
- C. Demotion that is a result of the employee's performance, the employee's salary is decreased to a placement within the Salary Range of the new Pay Grade, as determined by the Human Resources Specialist. Demotions of this nature are rare circumstances.

Top of the Range

When an employee reaches the Maximum Rate of their Pay Grade, they will be eligible only for the cost-of-living Salary Schedule adjustments. Some employers consider this a deterrent for tenured employees to continue to perform at the City's level of expectation. Therefore, the City may consider the option for employees who reach the Maximum Rate to receive the equivalent annual increase in the form of a lump-sum non-base building payment. This method of payment still provides additional compensation to an employee but does not compromise the Schedule.

Red Circle

When an employee has exceeded the Maximum Rate of their Pay Grade, they will not be eligible for any base building adjustments. The City may provide the employee with an equivalent lump-sum payment.

Position Pay Grade Changes

Pay Grades may change under the following circumstances:

A. Management request for a Pay Grade Evaluation

A Department Director may request a Pay Grade evaluation for any position in their Department, via procedures identified by the City Administrator. The request should be in writing, including job duty changes or other circumstances that have precipitated the evaluation. This should include the old job description along with either a new job description or a document that illustrates the changes. It will be the responsibility of the Human Resources Specialist to determine if the position should be sent to the Consultants for evaluation. It should be noted that significant changes to a position's responsibility that could prompt reclassification should receive prior approval from the City Administrator in order to avoid unapproved position creep.

B. Administration Initiation of a Pay Grade Evaluation

Administration may determine a position needs to be evaluated as a result of a City-initiated position and/or program changes, organizational structure changes, recurring minimal modifications to positions that over time may result in substantive change in a position, and recruitment or retention challenges.

If after a Pay Grade Evaluation, it is determined the employee's current salary is below the Minimum Rate of the new Pay Grade, the employee should be placed at the Minimum Rate of the new Pay Grade. If the current salary is within the new Salary Range, it will be at the discretion of the City Administrator as to whether any further adjustment occurs.

Appendix A: Recommended General Salary Schedule 2025

| Pay Grade | Title | Department | 2025 Salary Range | |
|-----------|--|------------|-------------------|--------------|
| | | | MINIMUM | MAXIMUM |
| B | | | \$ 19.55 | \$ 25.42 |
| | Police Support Specialist | Police | \$ 40,664.00 | \$ 52,873.60 |
| C | | | \$ 23.00 | \$ 29.90 |
| | Facility Maintenance Technician | DPW | \$ 47,840.00 | \$ 62,192.00 |
| | Management Assistant | Finance | | |
| | Librarian Adult Services | Library | | |
| | Librarian Youth Services | Library | | |
| | Young Adult Librarian | Library | | |
| | Police Support Specialist -Municipal Court Clerk | Police | | |
| D | | | \$ 24.84 | \$ 32.29 |
| | Utility Account Specialist - Billing Lead | Finance | \$ 51,667.20 | \$ 67,163.20 |
| | Utility Account Specialist - Collection Lead | Finance | | |
| E | | | \$ 26.83 | \$ 34.88 |
| | Accountant | Finance | \$ 55,806.40 | \$ 72,550.40 |
| | Accountant - Utilities | Finance | | |
| | Treasurer/Deputy Clerk | Finance | | |
| F | | | \$ 28.17 | \$ 36.62 |
| | Mechanic | DPW | \$ 58,593.60 | \$ 76,169.60 |
| G | | | \$ 29.58 | \$ 38.45 |
| | GIS Specialist | IT | \$ 61,526.40 | \$ 79,976.00 |
| | Wastewater Operator in Training | Sewer | | |
| | Water Operator in Training | Water | | |
| H1 | | | \$ 31.06 | \$ 40.38 |
| | Water Operator | Water | \$ 64,604.80 | \$ 83,990.40 |
| | Wastewater Operator B | Sewer | | |
| H2 | | | \$ 32.00 | \$ 41.60 |
| | Wastewater Operator A | Sewer | \$ 66,560.00 | \$ 86,528.00 |
| | Lab Technician | Sewer | | |
| I | | | \$ 33.86 | \$ 44.02 |
| | Clerk/Deputy Treasurer | Clerk | \$ 70,428.80 | \$ 91,561.60 |
| | Water Foreman | Water | | |
| J | | | \$ 36.24 | \$ 47.11 |
| | | | \$ 75,379.20 | \$ 97,988.80 |

| | | | |
|-----------|---|------------|-----------------------------|
| | No position | | |
| K | | | \$ 38.77 \$ 50.40 |
| | | | \$ 80,641.60 \$ 104,832.00 |
| | Assistant Administrator/Community Development Director | City Admin | |
| | Fire Chief | Fire | |
| | Human Resources Specialist | HR | |
| | Library Director | Library | |
| | Police Lieutenant | Police | |
| L | | | \$ 41.87 \$ 54.43 |
| | | | \$ 87,089.60 \$ 113,214.40 |
| | Street Superintendent | DPW | |
| M | | | \$ 45.22 \$ 58.79 |
| | | | \$ 94,057.60 \$ 122,283.20 |
| | Wastewater Superintendent | Sewer | |
| N | | | \$ 48.84 \$ 63.49 |
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| | Deputy Police Chief/Asst Director Public Safety | Police | |
| O | | | \$ 52.75 \$ 68.58 |
| | | | \$ 109,720.00 \$ 142,646.40 |
| | Utilities Finance Director | Finance | |
| | IT Manager | IT | |
| P | | | \$ 56.96 \$ 74.05 |
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| | Apprentice Lineman II | | | | | |
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| | Apprentice Lineman IV | | | | | |
| 5 | | \$ 45.06 | \$ 46.87 | \$ 48.74 | \$ 50.69 | \$ 52.72 |
| | | \$ 93,731.51 | \$ 97,480.77 | \$ 101,380.00 | \$ 105,435.20 | \$ 109,652.61 |
| | Journeyman Lineman | | | | | |
| 6 | | - | - | - | - | \$ 54.83 |
| | | | | | | \$ 114,046.40 |
| | Lead Lineman | | | | | |
| 7 | | - | - | - | - | \$ 57.02 |
| | | | | | | \$ 118,601.60 |
| | Line Crew Foreman | | | | | |