



**CITY OF MARSHFIELD, WISCONSIN  
POLICIES AND PROCEDURES**

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CHAPTER: Compensation

SUBJECT: Compensation Plan Administration

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**Special Notes: This policy/procedure manual does not in any way constitute an employment contract and the City of Marshfield reserves the right to amend this manual at any time subject only to approval by the Common Council.**

**BACKGROUND:**

The City of Marshfield conducted a comprehensive compensation study which included both internal and external analysis of positions and resulted in a formal classification system and salary structure for all non-represented positions (excluding Library personnel) in March 2012 and incorporated on May 28, 2013. A point factor evaluation system was used to determine where a position is classified on the non-represented pay schedule.

The study was completed in the following steps: project orientation, job analysis and evaluation, market analysis, base pay plan design, and interaction with City leadership. Employee communication and participation were accomplished in the project through employee preparation of detailed job description questionnaires (JDQ), department head review of the questionnaires and follow up questions posed to department heads as needed.

Project orientation was accomplished by (1) conducting strategic meetings with City administration leaders to refine the purpose and goals of the study, (2) group meetings with all affected employees to explain the study and how to fill out the Job Description Questionnaire (JDQ), and (3) gathering documentation on the City's current classification and compensation plan and practices.

The Job Evaluation System defines five key job-related factors that were objectively measured by the Compensation Consultant. The five key factors are: Formal Preparation and Experience, Decision Making (Impact), Thinking Challenges and Problem Solving, Interactions and Communication, and Work Environment. Each factor includes definitions of various levels that can be applied to job content to determine an appropriate "score" on that factor. The evaluation factors and the defined levels for each factor correspond to sections of the JDQ, so the evaluation is verifiable in the sense that one could actually observe work being performed that corresponds to the written description. The validity of the rating system is achieved through use of the proper job evaluation factors as well as the consistent application of the system.

The integrity of the salary structure is maintained by adjusting the ranges according to economic trends. The need for range adjustments will be assessed annually by the Human Resources Manager and City Administrator. The City will conduct a salary survey on benchmark positions through an independent consultant approximately every five years. When adjustments are necessary, recommendations will be made through the Finance, Budget and Personnel Committee to the Common Council. If there are budget constraints the City will prioritize budgeting as 1) steps to the control point, 2) merit compensation, 3) annual wage adjustments, and 4) steps above the control point.

Administration of the Pay Plan:

**POLICY:**

The City of Marshfield considers its staff to be key assets. The salary and benefits program provided to the non-represented employees of the City is intended to attract, retain, and motivate highly qualified, enthusiastic, productive, and committed employees. The program is designed to assist the City in providing high quality services to the public. This objective is attained by providing compensation based on internal equity and external competitiveness within the City's fiscal capabilities and awarding employees based on performance on the job.

**The objectives of the City of Marshfield's compensation program are to:**

- Attract and retain highly qualified, enthusiastic, productive, and committed employees;
- Maintain and motivate and reward employees to help the City achieve its short- and long-term goals;
- Communicate expectations regarding different rates of pay;

- Maintain appropriate controls for payroll costs;
- Recognize the internal worth of jobs and pay accordingly;
- Meet competitive pay levels within chosen market and within our available resources; and
- Ensure consistent administration and application of pay policies.
- Ensure that pay plan administration decisions are not based upon or influenced by an employee's sex, race, color, age, religion, or any other legally protected personal characteristic.

**PROCEDURES:**

1. New Employees will be placed at a salary within the pay grade established for their specific position classification. Most entry-level employees will be placed at the minimum value of the range.

A salary above the minimum but below the control point may be granted in consideration of skills and experience. Newly appointed employees may be placed above the midpoint value of their respective range only upon the approval of the Finance, Budget, and Personnel Committee.

2. Progression to Control Point: The classification and pay study defined the control point value of each range. The control point of the respective pay range represents the estimated market value of the job, i.e. the estimated economic value that other employers with whom the city competes for employees place on the same or similar job. Pay adjustments for non-represented employees below the control point are based on:

- a) Salary ranges adjusted to maintain economic parity. When ranges are adjusted an employee's position in the range will be maintained.
- b) Employees whose wage is below the control point of the range will move through the steps below the control point of the range annually. Employees will be hired into the current year's compensation scale time of hire or promotion. Employees may be eligible for the annual increase following six (6) months of employment if the annual wage scale has been increased and the employee is meeting performance expectations.

For example: If an employee is hired on April 1<sup>st</sup> and the compensation scale is adjusted on July 1<sup>st</sup>, the employee would receive the compensation scale increase for their current step following 6 months of employment, October 1<sup>st</sup>.

- c) Movement from one step to the next is contingent upon the employee receiving a satisfactory performance appraisal in the preceding performance review period.
- d) Progression to control point is not subject to annual approval by the Common Council.

3. Progression to Maximum: The classification and pay study defined the maximum as 112.5% of the range. Pay adjustments for non-represented employees at or above control point are based on:
  - a) Salary ranges adjusted to maintain economic parity. When ranges are adjusted an employee's position in the range will be maintained;
  - b) **and** on the basis of satisfactory performance, as documented in a written performance appraisal, based upon cost parameters developed annually by the City Administrator and approved by the Common Council through the Finance, Budget, and Personnel Committee. Employees would step annually from control point to step seven and bi-annually for step eight and nine.
  
4. Merit Performance Recognition: Pay adjustments for merit are provided on the basis of an employee exceeding performance standards, as documented in the annual performance appraisal. The purpose of the merit plan is to provide an incentive that is related to performance. It is an extension of both the pay plan and appraisal system. Employees are eligible for a "one-time" merit payment of up to \$1,000 (non-base building) regardless of their current step in the compensation scale.
  - a) Who is covered? All non-represented full and part time employees on the non-represented pay plan are eligible for merit consideration. Seasonal/Casual employees are not eligible.
  
  - b) What is covered? Performance during the current review period only is covered. The performance must be while in the employ of City of Marshfield and the individual must be an employee at the time of recommendation to qualify for the program. Accomplishments recognized may include any work done by an employee that is directed, authorized or sanctioned by the employee's supervisor or department. Employees cannot be rewarded twice for the same merit consideration. Merit will be considered based upon:
    - An employee who provides exceptional service to internal/external customers that make them more effective and/or efficient. Example: Stream lined process.
  
    - Through the employee's initiative, developed a new work method or way of doing business/operations which had a major impact on his or her department.
  
    - Extraordinary effort during times of critical department need (e.g. meeting critical deadline that could otherwise have an adverse impact on critical operations or major project (this is not for employees that are compensated for additional duties).

- Significant cost savings or cost avoidance realized beyond normally expected or established standards.
  - Something that furthers public/private cooperation or partnerships with MACCI, Marshfield School District, Marshfield Utilities, Marshfield Public Library, Community Development Authority, Marshfield Main Street, University of Wisconsin – Marshfield, etc.
  - Contribution on major or special projects that clearly and significantly impact the accomplishment of important and critical business operational goals, deliverables and/or time line or other merit worthy considerations that are over and above regular work duties.
- c) How does the selection process work? **The** employee's overall performance review must be satisfactory. The employee's supervisor, coworker, or a Council member may complete the Recommendation for Merit Performance Recognition Form. The employee's supervisor and department head will sign the form showing that it was received by them and detail any concerns or comments below their signature area. The signed form should be sent to the Human Resources Manager. The Mayor, City Administrator, Common Council President or their designee, Chair of the Finance Budget and Personnel Committee or their designee, and Human Resources Manager will review all merit recommendations and make a decision to approve or not approve the merit request. The Human Resources Manager will notify the appropriate Department/Division Head of the decision made by the Review Committee. Merit requests for the positions of City Administrator and Human Resources Manager will be reviewed for approval or non-approval separately by the Mayor, Common Council President or their designee, and Chair of the Finance Budget and Personnel Committee or their designee. If the merit request is denied, an employee may appeal to the Finance, Budget and Personnel Committee for final decision.
- d) What will finalists receive? Employees who are approved for merit will receive a commendation letter from the Mayor of Marshfield with a copy to their personnel file and one-time (non-base building) merit compensation of up to \$1,000.
- e) Funding: If more employees qualify than there is funding for the Human Resources Manager will ask the Finance, Budget and Personnel Committee for consideration of contingency funds, departmental budget funds, and/or additional vacation hours in lieu of dollars. If contingency funds, departmental budget funds, or additional vacation hours are not approved then the City Administrator and Human Resources Manager will prioritize merit recipients with the top recipients' only receiving merit.

The City of Marshfield reserves the right to modify any portion or all of the program on an annual basis as determined by the needs of the City and cost of the program.

5. Employees Above the Maximum: Employees above the maximum of the salary range are available for merit compensation if earned. Additionally, employees above the maximum will receive half of any annual adjustments made to the range. Example: If the range is adjusted by two percent a year, employees above the maximum would be eligible for a one percent one-time payment (non-base building) assuming a successful performance appraisal.
6. Internal Promotions: An employee promoted to a position in the non-represented pay plan will be brought to the minimum of that range on the date of promotion. At the recommendation of Administration and final approval by the Common Council
  - a) The employee may be placed at a salary within the pay grade established for their specific position classification per Paragraph 1;
  - b) or upon documentation of satisfactory performance in the new position, the employee may progress to midpoint of the new range;
  - c) or be placed at midpoint of the new range upon successful completion of the probationary period. This discretion is based on an assessment of the skills and experience required for the position and those possessed by the employee prior to promotion.
7. Internal Demotions: An employee who is affected by a decrease in paygrade due to re-evaluation of the position (with consultation of the third party compensation consultant) or demotes to a position in a lower pay grade, at the recommendation of Administration and final approval by the Common Council
  - a. The employee's current rate of pay will be redlined until the employee's wage scale exceeds the employee's current rate of pay; or
  - b. The employee's rate of pay will decrease to the appropriate step in the wage scale of the new position.
8. Temporary Assignment (Acting Duties): Upon the vacancy of an executive, administrative, or professional position or an extended leave of absence of such employee, the Human Resources Manager will confer with appropriate departmental personnel to determine who, if anyone will assume the additional duties and responsibilities. In the event an employee assumes additional work duties and responsibilities resulting from the vacancy or extended leave of absence for one full day or greater, he/she shall be temporarily reclassified to the supervisor's salary grade. Accordingly, he/she will assume the title of "acting (position title)" during this period of time. Temporary reclassifications are effective only upon recommendation of the City Administrator and approval of the Common Council.

An employee temporarily reclassified to a higher salary grade based on the circumstances described above will be compensated at the rate of pay corresponding to the minimum of the respective higher pay grade; or five percent above their current salary whichever is greater.

At the time the temporary assumption of additional work duties and responsibilities ceases, the employee will revert to the salary grade and step held at the time of the temporary reclassification occurred.

8. Out of Class Compensation: Employees in the Street Division and Parks and Recreation Department (Park employees) who work out of class will receive compensation according to the pay grade they are performing work when performing a higher level or more skilled level of work. The work performed in each classification is summarized on the non-represented compensation plan (detail). When working out of class an employee would be placed at the same step but in the appropriate pay grade for the time worked.
9. Classification Process of New Positions and Current Positions: The City will retain a compensation firm to classify newly approved positions and positions where a significant change is made in the duties and responsibilities of a position to the extent that the level of decision-making in the position is appreciably changed. A department/division head may request that the classification of the position be reviewed. A Job Description Questionnaire should be completed by the employee with department/division head review and concurrence prior to forwarding the questionnaire to the Human Resources Manager. The Human Resources Manager will review the questionnaire and coordinate the classification process with a compensation consultant if appropriate. The Human Resources Manager will bring recommendations from the compensation consultant to the City Administrator and Finance, Budget and Personnel Committee for their review and approval.
10. Appeal Process of Merit and Classification: If merit or a classification request is denied, an employee may appeal to the Finance, Budget and Personnel Committee for final decision.