



Intercounty Coordinating Committee Meeting Minutes
Monday, October 17, 2016
Marquette County Service Center
Montello, WI

ICC Participants: **Columbia-** James Foley, Mary Cupery, Andy Ross **Dodge-** Russell Kottke, Sarah Eske **Green Lake-** Harley Reabe, Robert Lyon, Liz Ott, Marge Bostelmann **Jefferson-** Amy Rinard **Marquette-** Mary Walters, Brenda Frams, Gary Sorensen **Sauk County** –Marty Krueger, Renae Fry, Jenny Erickson **WCA-** Jon Hochkammer

Call to Order

The meeting was called to order by Kottke at 9:30 a.m.

Certification of Wisconsin Open Meetings Law Notice

The secretary confirmed the requirements of the Wisconsin Open Meetings Law were met.

Adoption of Agenda

Motion by Columbia County, second by Green Lake County to approve the agenda. – Motion Approved.

Approval of 2016-2017 Program Schedule

Motion by Marquette County, second by Sauk County to approve the 2016-17 program schedule.

Approval of Previous Meeting Minutes

Motion by Columbia County, second by Green Lake County to approve previous meeting minutes.

Update of County Issues- WCA

- WCA's legislative agenda was recently approved by WCA Board and shared throughout the state capitol.
- Feedback on the WCA conference in Milwaukee was very positive.

Open discussion of County Issues

- None

Program Topic- County Compensation, Planning, Funding, & Implementation

- Lisa Corbeille from WIPFLI CPAs and Consultants covered the following topics:
 - Purpose of compensation plan
 - Objectives of compensation plan
 - Components of compensation plan
- Each county shared their experiences with their respective county compensation plans.

Next Meeting

Next meeting: Sauk County on November 21, 2016.

Adjournment

Motion for adjournment by Columbia County, second by Marquette County. The meeting adjourned at 11:30AM by Chairman Kottke.

Respectfully Submitted,

Jennifer Erickson
Community Development Educator
UW-Extension, Sauk County

COMPENSATION STUDY AND IMPLEMENTATION

Presentation: ICC, Monday, October 17, 2016



Board identified compensation planning as a strategic issue

Considerations

- Scope – large number of positions / employees
- Complexity of the compensation related issues (post Act 10)
- Importance of a sound compensation philosophy that sets the stage for developing pay for performance (we currently have merit system)
- Consolidation of all wage schedules (previously had 5)
- Included a comprehensive review of benefits
- Sauk County chose Fox Lawson as the preferred vendor based on their approach and methodology – the Decision Band Method



2014 Class and Comp Study Process

Phase 1: Classification Study – Consultant reviewed all job descriptions and classifications

Phase 2: Job Evaluation Study – Consultant applied the Decision Band Method to the job classifications

Phase 3: Compensation Study – Consultant reviewed market data and developed a preliminary wage structure

Phase 4: Final Report – Consultant prepared a proposed wage structure that was presented to the Sauk County Board on May 12, 2014

Phase 5: Policy Study – Consultant reviewed existing policies and proposed updates to ensure internal equity and integrity of compensation plan

Goals

- Consolidation of all pay plans and/or groups (except Sheriff's sworn unit), including non-represented employees. SEIU (social workers and public health nurses), highway, WPPA (clerical/courthouse personnel) and health care center workers
- Consistency: Appropriate alignment of job classifications throughout the County
- Parity: Adopt a universal wage scale and classification system derived from various labor groups after expiration of collective bargaining agreements
- Competitive Wages: Ability to effectively recruit and retain positions relative to internal and external markets
- Long Term Approach: Development of long term compensation strategy for future years, as well as system for ongoing maintenance



What is Job Evaluation

- A method used to determine the relative value of jobs.
- A tool for blending internal equity with market parity.
- The foundation of a salary structure

The Decision Band™ Method of Job Evaluation

Three-step process ensures fair and equitable salaries.

The value of a job should reflect the importance of the job

The importance of a job is directly related to the decision-making requirements of the job

Decision-making is common to all jobs

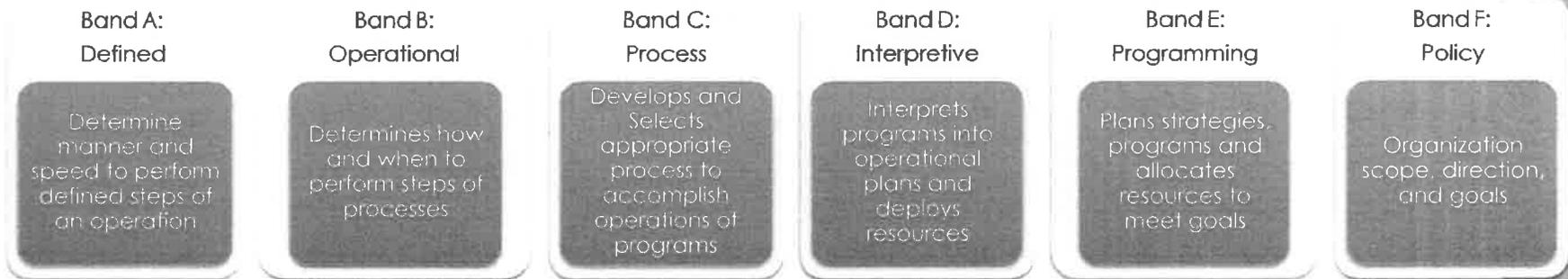
Decision-making is measurable

DBM/Market Based Salary Structures

- Developing a fair and competitive salary structure requires a balance between internal equity and market parity.
- Internal equity is established through the application of a formal job evaluation methodology, such as the Decision Band™ Method (DBM) of job evaluation.
- Market parity can be established by benchmarking the competitive labor market and using that data to anchor the salary structure.
- The salary structure is developed based directly on the market of each Decision Band™



Step 1: Determine appropriate band

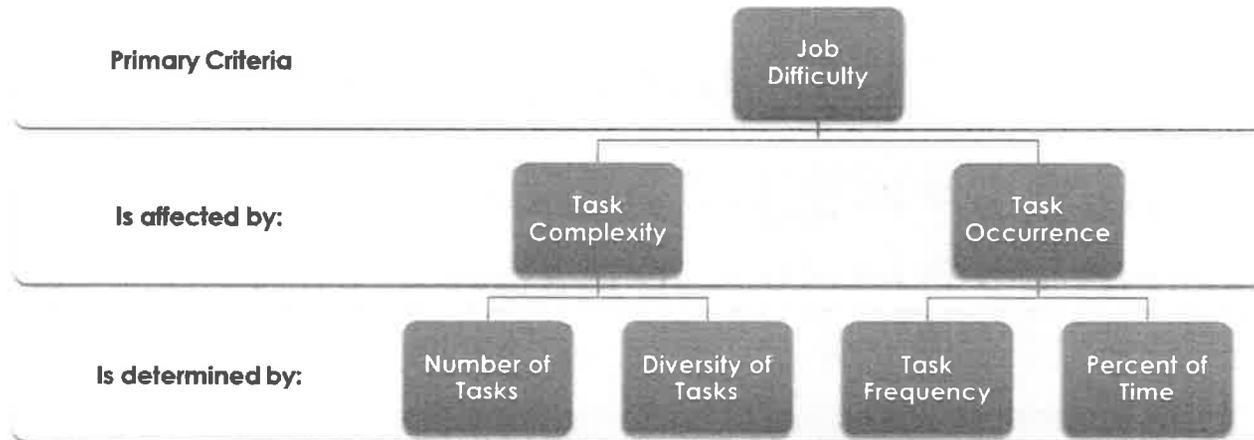


Step 2: Determine appropriate grade

Grade Assignment

- Jobs with coordinating or supervisory responsibility within the same band are placed in the higher grade
- Jobs without this responsibility within the same band are placed in the lower grade

Step 3: Determine appropriate subgrade



- 2.0% of payroll expenses budgeted in 2014 for costs affiliated with implementation
- Maintenance of plan through annual across the board adjustments (1.0% for 2017)

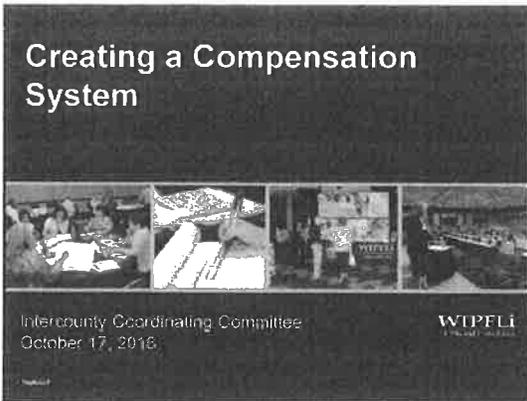


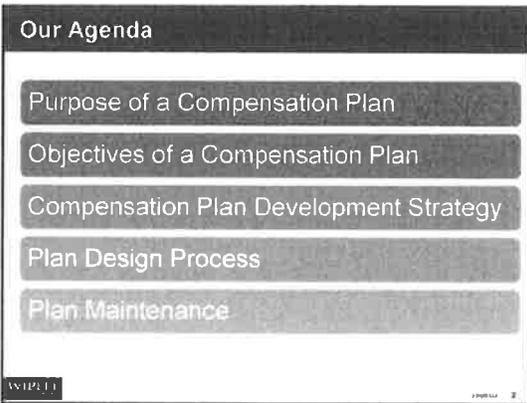
- All employees essentially “reset” within wage matrix based on method of adoption
- Conflict between concepts of pay equity and individual perceptions of “worth” or “value”
- Tenure not taken into consideration – employees were placed on the step within the pay band closest to existing pay – not relative to length of service; implementation costs would have added at least an additional \$1 mil if length of service addressed

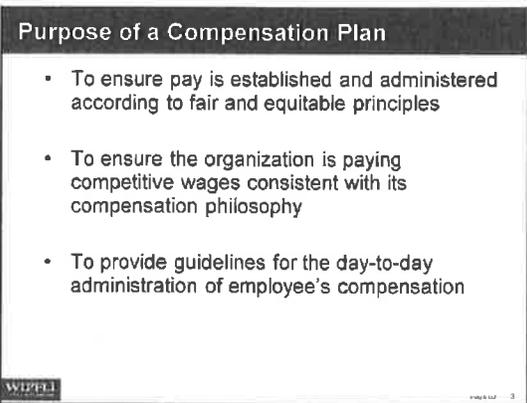


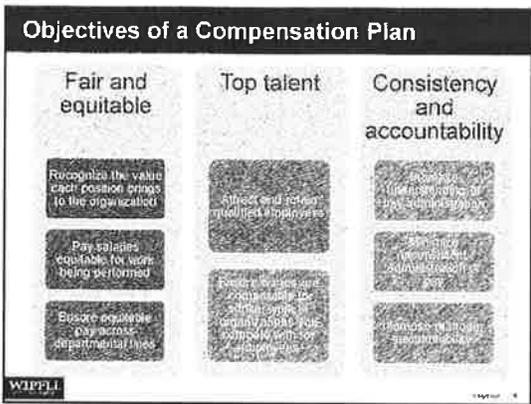
- Managers struggle to remain objective when considering reclassification requests – want to consider individual contributions rather than considering the role, function and requirements of the position
- Board members are somewhat resistant to keeping the matrix up to date through annual across the board adjustments. Using a percentage is easier to implement and retains the integrity of the matrix, but each year, board members debate making incremental adjustments
- Vertical movement difficult in the higher pay bands
- Step increases are expected as a result of passage of time, (after effects of union practices), but are intended to be merit based in conjunction with the performance appraisal process – work is needed to achieve a more mature employee appraisal process

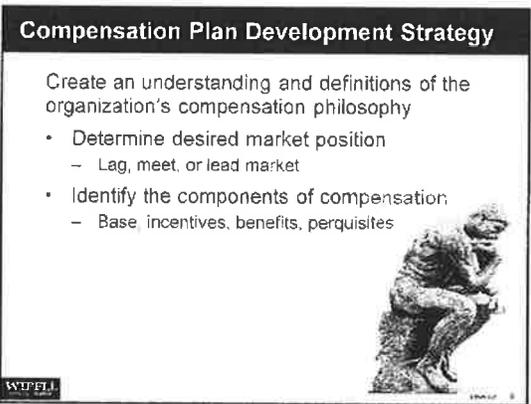


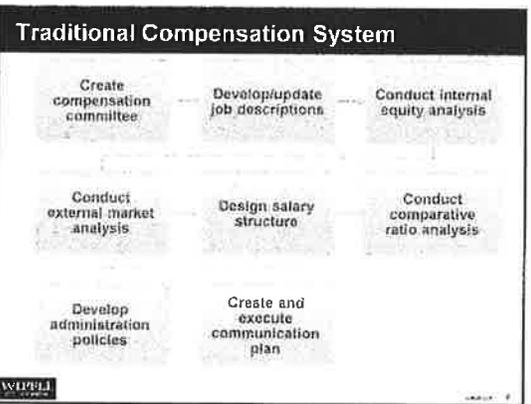












Internal Equity Analysis

What

- Determines the relative value of each position to every other position within the organization on the basis of compensable factors

When

- Establishes a position's relative worth *within* the organization before **conducting** an external analysis

Who

- Conducted by the compensation committee or an independent third party

WIPFLI

Conduct internal equity analysis

Point Factor Evaluation Method

- Breaks jobs down into identifiable compensable factors by assigning levels and points within the evaluation criteria
- Provides uniformity of evaluations, determines relative value of different positions, and addresses comparable worth issues



WIPFLI

Conduct internal equity analysis

Point Factor Evaluation Method

Choose and define compensable factors:

Skills	Responsibilities	Effort	Job Complexities
<ul style="list-style-type: none"> Education Experience Complexity Initiative Ingenuity 	<ul style="list-style-type: none"> Contacts Process or Equipment Confidential information Safety of others Supervision of others 	<ul style="list-style-type: none"> Physical demands Mental or visual demands 	<ul style="list-style-type: none"> Working conditions Unavoidable hazards

Establish and define levels within factors

WIPFLI

Conduct internal equity analysis

Salary Structure Creation

The external market analysis serves as the primary consideration for the development and placement of positions within the salary structure.

Sort positions by external market value and calculate a midpoint average for that particular group of positions

This midpoint average will assist you in defining the pay groups throughout the salary structure

Design salary structure




Salary Structure Design Sample

SAMPLE AGENCY
Salary Structure

Job	Min	Mid	Max	Step	Min	Mid	Max	Step
1. Director	100,000	120,000	150,000	10,000	100,000	120,000	150,000	10,000
2. Senior Manager	80,000	100,000	120,000	8,000	80,000	100,000	120,000	8,000
3. Manager	60,000	80,000	100,000	6,000	60,000	80,000	100,000	6,000
4. Senior Analyst	40,000	60,000	80,000	4,000	40,000	60,000	80,000	4,000
5. Analyst	30,000	40,000	50,000	3,000	30,000	40,000	50,000	3,000
6. Support Staff	20,000	30,000	40,000	2,000	20,000	30,000	40,000	2,000




Comparative Ratio Analysis

Allows the organization to determine where current rates of pay fall in relationship to the newly established salary structure midpoints.

A highly effective tool for compensation administration to ensure fairness and equity.



Conduct comparative ratio analysis



Comparative Ratio Analysis Sample

The screenshot shows a complex spreadsheet with multiple columns and rows. The columns include various financial ratios and metrics, and the rows represent different organizational units. The data is presented in a grid format with some cells highlighted in green and red.

- ### Pay Adjustments
- **Market Equity and Administrative Adjustments** – Made to correct inequities due to internal or external conditions, bring compensation to the minimum of the range or up to the level of other employees.
 - **Merit Increases** – Strong performance is recognized.
 - **Step Plan**
 - **Cost of Living Adjustments**
- Develop administration policies

- ### Pay Administration
- **New Hires**
 - **Job Reclassification**
 - **Promotions**
 - **Demotions**
 - **Transfers**
- Develop administration policies

Salary Structure Pay Range Adjustments

- ❑ Review pay ranges annually to ensure they are still reasonable and competitive within the marketplace.
 - Adjust midpoints (and resulting minimums and maximums) based on survey information from valid and reliable surveys.
- ❑ Internal and external equity for jobs should be reviewed every two to three years to maintain equity and consistency with the organization's compensation philosophy.

Develop administration policies

WIPFLI

Plan Maintenance

Develop a plan to ensure, at a minimum, the following are addressed on a regular and ongoing basis:

- Keep job descriptions current
- Conduct internal equity analysis on new or revised job descriptions
- Review pay ranges on an annual basis
- Conduct a full review at least every three years
- Manage employees falling outside the established salary structure ranges

Develop administration policies

WIPFLI

Thank You!

Thank You!

Lisa L. Corbeille, Senior Consultant
 lcorbeille@wipfli.com
 920.662.2859

WIPFLI
 CPAs and Consultants

WIPFLI
