



Classification and Compensation Study Final Report

for

City of La Crosse, Wisconsin

October 2022



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Executive Summary

The intent of this Executive Summary is to provide an overview of the most important issues and opportunities identified by the Consulting team during the Study. Recipients of this Report are highly encouraged to read the document in its entirety to gain an understanding of the recommendations presented within the Report. This introduction alone does not provide enough context or information upon which to base decisions or to judge the recommendations provided.

McGrath Human Resources Group, Inc., an organization that specializes in public sector consulting, was commissioned by the City of La Crosse, Wisconsin to conduct a Classification and Compensation Study for non-represented and Library positions.

The goal of this study is to ensure the City's non-represented Salary Structures are market competitive with peer communities and the regional labor market to support retention and recruitment of high-quality employees.

The Consultants utilized the following steps to make these compensation recommendations:

- Discussions with Human Resources and Department Directors;
- External market data was solicited from comparable organizations, selected jointly between the Consulting team and the City;
- Internal position analysis based upon position information provided by incumbent employees describing job responsibilities, skills, and various competencies of the position, in addition to a review of job descriptions and a department meeting;
- Analysis of the current salary schedule, compression, and current compensation policies; and
- Discussion of current and future needs and the ability to assist with the recruitment and retention of the City's human capital to manage the current level of programs and services.

The following recommendations have been developed as a result of the Study.

Recommendations Overview

In order for the City of La Crosse to gain a competitive edge with recruitment and retention, it is recommended the City establish its compensation philosophy to align with the average market. This compensation strategy will help facilitate candidates who have multiple employment options, increase selection rates of qualified applicants, maintain productivity, and decrease unwanted employee turnover. Developing a compensation philosophy also provides parameters for Human Resources to bring forth adjustments to the compensation

structure in future years to continue to align the City's compensation to this philosophy and maintain competitiveness.

Because the current structure continues to be functional, that step model is recommended to continue, with adjustments made to the salary ranges and position placements to better align positions. The updated compensation system will guide the City in providing average market compensation and maintain internal alignment of positions.

The La Crosse Library is recommended to discontinue its salary structure and all positions within the Library be placed onto the City's Salary Schedule so there is a singular salary structure for all non-represented City employees. The result of this change will be consistency and equity, as the City and Library will use the same compensation policies, which also enhances efficiency.

The City is recommended to maintain the Salary Schedule going forward by adjusting the structure annually based upon economic indicators, in addition to allowing employees to receive annual step adjustments. This will help keep the structure competitive and provides employees with salary adjustments that are more aligned with these economic indicators.

Other recommendations related to public safety command positions, Information Technology, and Attorney-level positions have also been provided to address specific concerns of compression and competitiveness.

The Consultants would like to extend appreciation to the Human Resources Director, Department Directors, 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 the gathering of 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 Human Resources Director, and 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 and input from these stakeholders for future compensation methodologies and practices; and finally, to determine if there were any positions within the City that were difficult to recruit, retain, or were otherwise unique in the position's responsibilities.

At the first site visit, employees were provided an introduction session to the project and the Position Questionnaire process. 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.

The Consultants also met with the Library Board because the Library is on a separate Salary Structure, and in accordance with §43.58(4), the Library Board sets the compensation for library personnel. This discussion was to consider moving all Library positions onto the City's Salary Schedule.

Upon completion of the draft compensation schedule, the Consultants met with Human Resources, the Mayor, and each Department Director separately, to review the recommended Salary Schedule and gain the City's 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 to internal equity within the entire Compensation System.

Labor Market

In order to gain information from the external market, through interviews with the Department Directors and City Administration, a list of comparable organizations was established. Each of the comparable organizations were contacted requesting current salary schedules and incumbent data. The following comparable organizations were contacted:

Table 1: Comparable Organizations

COMPARABLE ORGANIZATIONS	FOCUS AREA
City of Appleton	All Positions
City of Brookfield	All Positions
City of Eau Claire	All Positions
City of Fond du Lac	All Positions
City of Janesville	All Positions
City of Oshkosh	All Positions
City of Sheboygan	All Positions
City of Waukesha	All Positions
City of Wausau	Transit
City of Wauwatosa	All Positions
City of West Allis	All Positions
Brown County	Airport
La Crosse County	All Positions
Marathon County	Airport
Monroe County	All Positions
Outagamie County	Airport
City of Onalaska, MN	All Positions
City of Rochester, MN	All Positions
City of Winona, MN	All Positions
City of Duluth, MN	Library
UW - La Crosse	IT
Western Wisconsin Technical College	IT
WI DOT	Engineering
City of Mankato, MN - Civic Center	La Crosse Center
Resch Center	La Crosse Center
Alliant Center	La Crosse Center
City of Rockford, IL - Metro Center	La Crosse Center
Greater Rockford Airport Authority, IL	Airport
University of Illinois, IL – Willard Airport	Airport
Metropolitan Airport Authority of Rock Island County, IL	Airport
Springfield Airport Authority, IL	Airport

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 some cases, titles were altered to better align with the industry or responsibility. Not all positions are reflected in the following data analysis. In some situations, data was not available in the external market, data was insufficient, or there were no internal matches at the time of the Study.

Market Data Solicited

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

The market survey gathered the following 2022 information: Minimum, Midpoint, and Maximum salary for the positions as well as the average salary of the incumbents. Upon examination, salaries were eliminated if statistically too high or too low as to not skew the average (typically within one-two standard deviations). Then, a new percentile amount was calculated with the remaining salaries. There was a great deal of time spent in 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

Because the Library is on a separate Salary Structure, the positions at the Library have been analyzed independently from the other positions at the City of La Crosse. This is the only area of the report where the two employee groups have been separated.

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 +/-5% range around each data point. Thus, if a position has a Comp Ratio of 40% or greater, the employee is considered aligned to the market, although positions with lower 40% Comp Ratios are likely to experience challenges with recruitment/retention due to the current labor market. For this reason, positions with a Comp Ratio of 40%-44% may be slipping in competitiveness and are identified separately.

City Positions

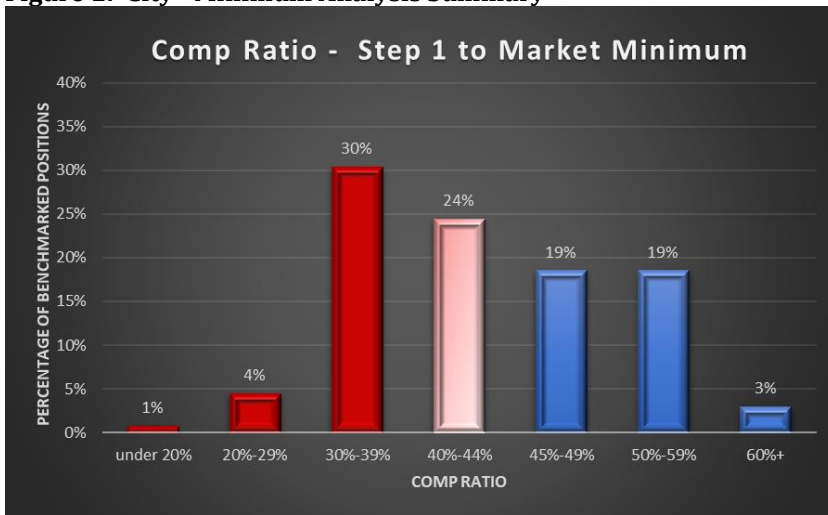
Minimum Salary Comparison

The analysis of the Minimum Salary Range gives the initial indication if starting salaries are within an acceptable Market Range. When building a salary schedule, consideration of this information will ensure the City's Minimums are within an acceptable range to the average Market Minimum; however, this analysis is only the beginning in the development of a Compensation Schedule.

Approximately 59% of the benchmarked job titles are below the average Market for Minimums. Of that, 24% are in the lower 40% Comp Ratio that are falling short of competitiveness. Overall, 41% of the positions are within the acceptable average Market

Minimum. It would appear the City’s minimum hiring salaries are insufficient against the average market. The Figure below provides a summary of findings.

Figure 1: City - Minimum Analysis Summary

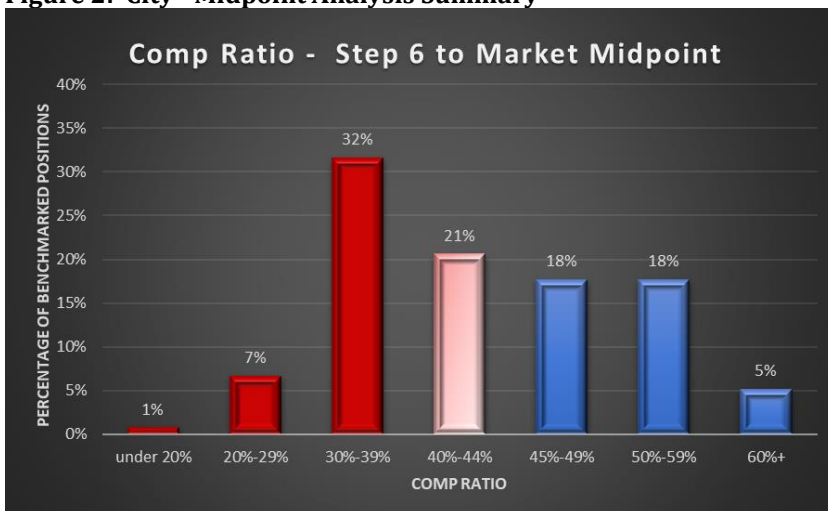


*May not result in 100% due to rounding

Average Midpoint Salary Analysis

The Consultants wanted to know if Step 6 was aligned with the average Market. Therefore, a Midpoint analysis between the City’s Step 6 and the Market average was conducted. Again, a Comp Ratio less than 45% would indicate the Salary Ranges are not aligned to the market. Approximately 60% of the midpoint of benchmarked positions are lower than the average market. Of those, 21% of the positions are in the lower 40% Comp Ratio that are just falling short of competitiveness. Overall, 40% of the positions are within the acceptable average market at the midpoint, meaning the market for each position varies within each range. The following is a summary of findings.

Figure 2: City - Midpoint Analysis Summary

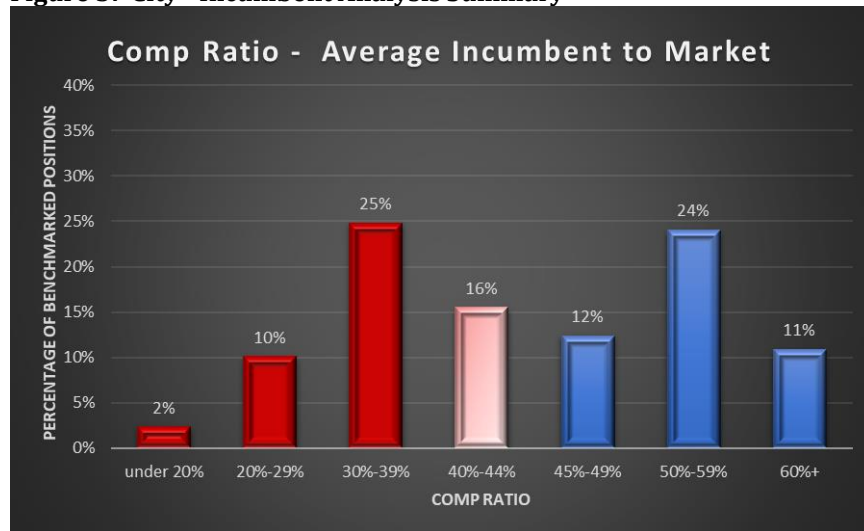


*May not result in 100% due to rounding

Average Market 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, positions where there are more than one (1) incumbent, an *average* of the current employees is utilized. Overall, 53% of the positions on average are below the average Market Rate. Of that, 16% of positions in the lower 40% Comp Ratio have recently fallen below competitiveness. In total, 47% of the positions within the City are at or above the average Market Rate. In summary, the City has not fared well when employee salaries are compared to the average Market Rate of employee salaries, although one needs to consider tenure of employees, which is discussed in the Employee Demographics section. The Figure below provides a summary of findings.

Figure 3: City - Incumbent Analysis Summary



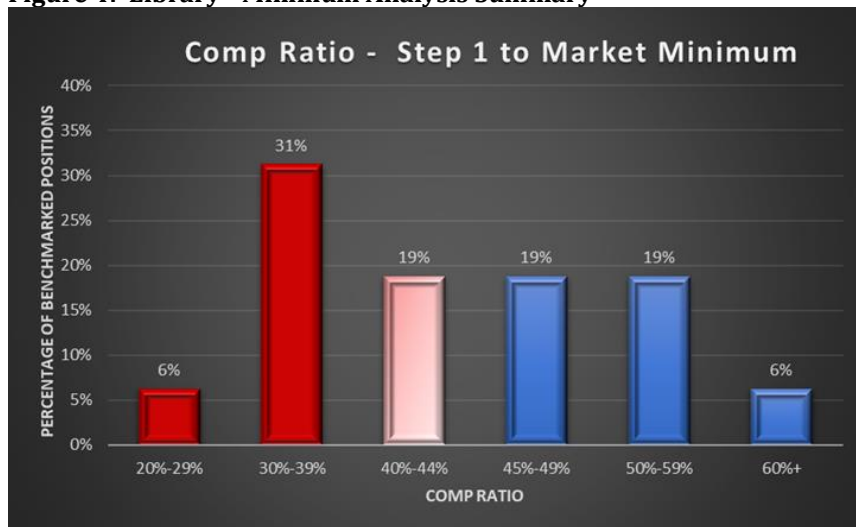
*May not result in 100% due to rounding

Library Positions

Minimum Salary Comparison

Approximately 56% of the benchmarked job titles are below the average Market for Minimums. Of that, 19% are in the lower 40% Comp Ratio that are falling short of competitiveness. Overall, 44% of the positions are within the acceptable average Market Minimum. It would appear the Library's minimum hiring salaries are insufficient against the average market. The Figure below provides a summary of findings.

Figure 4: Library - Minimum Analysis Summary

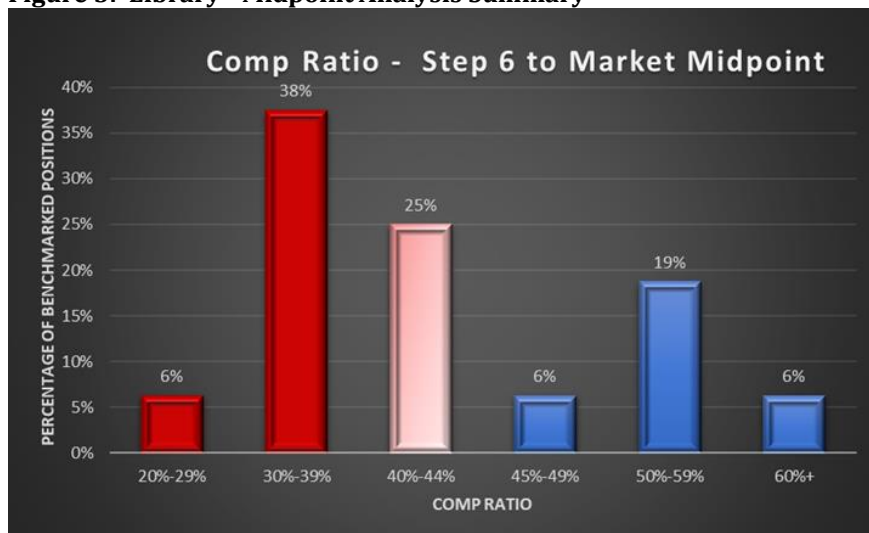


*May not result in 100% due to rounding

Average Midpoint Salary Analysis

The Consultants wanted to know if Step 6 was aligned with the average Market. Therefore, a Midpoint analysis between the Library's Step 6 and the Market average was conducted. Again, a Comp Ratio less than 45% would indicate the Salary Ranges are not aligned to the market. Approximately 69% of the midpoint of benchmarked positions are lower than the average market. Of those, 25% of the positions are in the lower 40% Comp Ratio that are just falling short of competitiveness. Overall, 31% of the positions are within the acceptable average market at the midpoint, meaning the market for each position varies within each range. The following is a summary of findings.

Figure 5: Library - Midpoint Analysis Summary

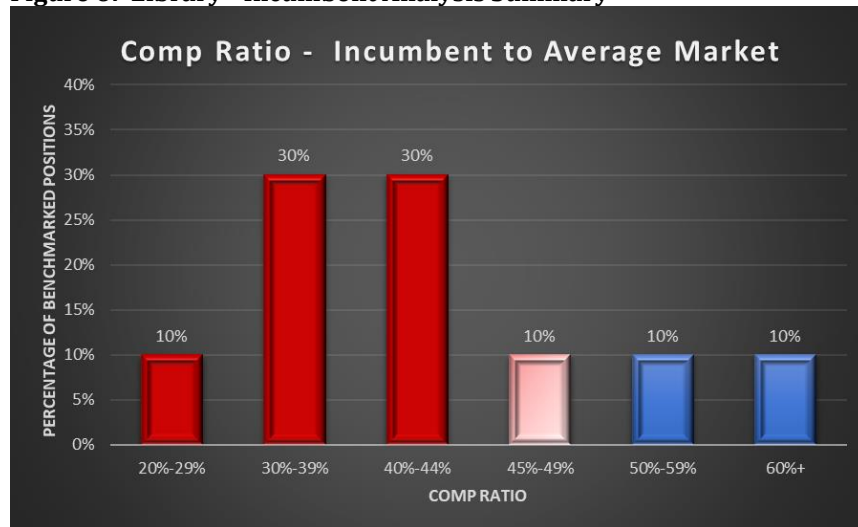


*May not result in 100% due to rounding

Average Market Salary Analysis

The next step is to compare the Library's current incumbent salaries to the average Market Rate to assess how competitive incumbent wages are within the market. For this purpose, positions where there are more than one (1) incumbent, an *average* of the current employees is utilized. Overall, 80% of the positions on average are below the average Market Rate. Of that, 10% of positions in the lower 40% Comp Ratio have recently fallen below competitiveness. In total, 20% of the positions within the Library are at or above the average Market Rate. In summary, the Library has not fared well when employee salaries are compared to the average Market Rate of employee salaries, although again, one needs to consider tenure of employees, which is discussed in the Employee Demographics section. The Figure below provides a summary of findings.

Figure 6: Library - Incumbent Analysis Summary



*May not result in 100% due to rounding

Market Data Summary

The City and the Library have not kept pace with the external market. The current Salary Schedule has fallen behind in the comparable market, with most positions needing some adjustment. There needs to be an adjustment of the Ranges to identify and capture the average market rate and realign some positions once placed in the Pay Grades.

Current Compensation Systems

Management and Executive Pay Plan

The Management and Executive Pay Plan is currently made up of 20 Pay Grades. Each Pay Grade has 11 steps, with 2.75% step adjustments. The difference between Pay Grades is 7%. The spread between Minimum and Maximum is 31%. Step 6 is the market point.

The City implemented the existing Salary Schedule in 2014, but the salary ranges have not been adjusted for the last three (3) years. This is likely a contributing factor to the salary schedule as a tool that is starting to lose competitiveness, in addition to human capital/market pressures.

Library Pay Plan

The Library Pay Plan is made up of 24 Pay Grades. Each Pay Grade has 11 steps, with 2.75% step adjustments. The difference between Pay Grades is 7%. The spread between Minimum and Maximum is 31%. Step 6 is the market point. As with the City, this Salary Schedule has not been adjusted for the last few years and is a contributing factor toward losing competitiveness.

Compression

Compression is when salaries of job classifications of a higher rank or authority are very close to positions of a lower rank or authority. There are several reasons this may occur.

Union Schedules

What does not often occur within an organization is the evaluation of how various compensation sources interrelate to one another. When administration must negotiate with one group, the concentration is on that group, not necessarily on how the change to their total compensation affects the compensation of others, including non-union personnel. This impact should not be ignored when determining the Salary Ranges of management personnel, as it results in insufficient distance between supervisor/subordinate positions that are often paid on different salary structures. This can also dissuade employees from seeking promotional opportunities if pay increases are minimal or non-existent.

Overtime

Compression due to salary plus overtime of lower ranks exceeding the higher ranks most commonly occurs in Public Safety departments and Public Works departments. When this occurs, it stifles an individual's willingness to promote as it often results in a reduction in pay. Due to this issue, the Consultants asked for salary information (overtime) for a 12-month period for all job classifications.

It was found that several departments have significant overtime, including public safety and transit, which results in lower ranks matching or surpassing the salaries of supervisory/command position. Adding distance between ranks can assist in minimizing overtime Compression. Other factors that can reduce Compression are the evaluation of

policies and contract language that are present for employees to earn overtime. It is also recommended to these Departments, along with the Human Resources Director, review language and make recommendations for change, if appropriate, with the next round of contract negotiations.

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, human and health services, court 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 retention of existing personnel and have successful recruitment efforts to replace future turnover, the City needs to be highly competitive with the targeted comparables to allow the City of La Crosse to be a competitive employer.

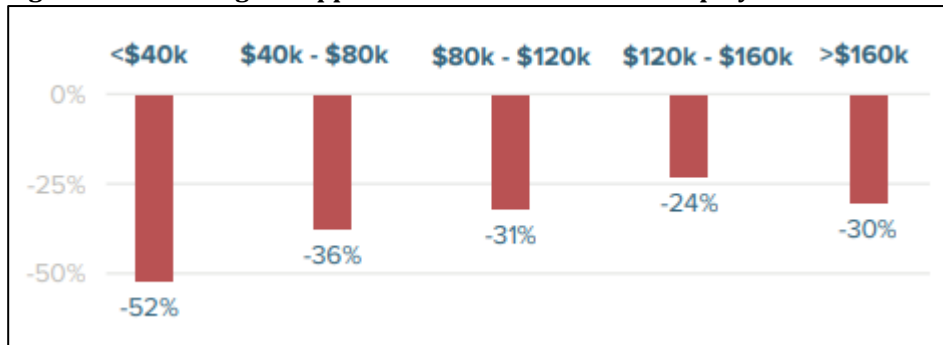
It is recommended the City establish its compensation philosophy to establish the non-represented compensation system based on average market wages so the City can be competitive in the current labor market. The following sections support this recommendation.

Other Factors

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 skills for public service has topped the list of workforce challenges for the last several years, and in 2021 nearly 86% of human resources professionals reported moderate to significant increases in vacancies within their organization. Between 2015 and 2021, applicant volume for government jobs has dropped 21%, resulting in a significant work gap in the public sector (Neogov Job Seeker Report 2021).

Figure 7: Percentage of Applications for Government Employment 2015-2021



(Source: Neogov)

“The decline in job applications per job over the last six years is being felt across all job types and salary levels. The hardest hit are jobs that pay below \$40,000 per year, which are frequently the jobs that interface with the public and community members the most. This may unfortunately lead to a decrease in the quality of services that agencies are able to provide.” (Source: Neogov 2021 Job Seeker Report.)

This is not necessarily a new issue, but some employers do state it has become increasingly problematic to 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:

- 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 pleasing and supportive.

The Great Resignation and Private Sector Influence

Compounding the public sector recruitment challenges, in 2021, as the nation re-opened following COVID shutdowns, 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 escalate wages for all positions to help recruit and retain its 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. As a result, all employers, including the City of La Crosse, will need to ensure its wages and benefit package is as competitive as financially possible in order to help mitigate turnover and facilitate recruitment success.

Employee Demographics

In reviewing the City’s employee demographics for positions covered in the Study, the tenure of the organization ranges from new hire – 43 years. The overall tenure average of the employees is 8.9 years. The national average in the public sector is currently 6.9 years (Local Government-Bureau of Labor Statistics, September 2022), showing the City is above average in overall tenure. 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 8: Employee Demographics by Years of Service

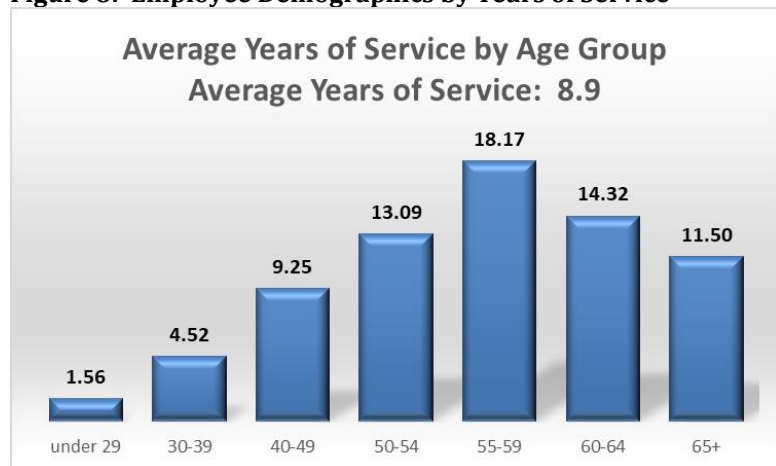
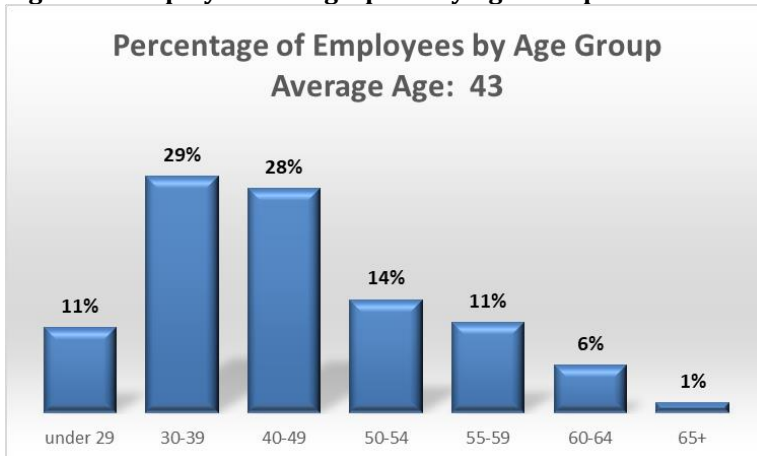


Figure 9: Employee Demographics by Age Group



The above Figures show those in age groups 50 and over have the longest tenure of the organization and represent one-third of employees covered under this Study. Employees who are age 55+ represent 18% of the workforce. This group is age eligible for WRS retirement. The City should expect ongoing steady turnover simply due to retirements over the next decade and beyond. When these employees leave the City, the average tenure of the organization is likely going to decrease, as their tenure is boosting the current average tenure. A turnover 'spike' may be an indication of a decline in job satisfaction, or a wage/benefit issue, so this data should be monitored at least annually.

Another significant finding is that the City's demographics profile illustrates that 40% of the workforce is under the age of 40, and this is likely the cross-section of employees who are seen as more mobile in today's workforce, focus heavily on work/life balance, and consider non-compensatory benefits for the purposes of retention. This group also changes jobs quickly because it results in earning higher wages as opposed to remaining with one organization for a longer period of time, which is notable as average tenure in these age groups range from 1.56-4.52 years of service.

The City's Human Resources Department does monitor demographics periodically to properly respond to shifts within the organization as needed. This should continue. 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.

Private Sector

Information was gleaned from various private sector organizations that were actively recruiting for both skilled and non-skilled labor that provided hiring rates. Not all private sector entities provide this data, and the differences in benefit packages of these private sector firms, hiring/retaining bonus, and other 'perks' provided in the private sector that are not allowed in the public sector also create challenges so private and public sectors are not always comparable. Although the Consultants agree some industries have a private comparison, the comparables used to develop the City's market ranges was based on public comparable data. Although one may argue public sector markets are often lower than the private sector in some industries, most public sector employers acknowledge this and accept salary ranges may not be competitive in all industries against the private sector. Policy adjustments may be developed to provide more flexibility in pay ranges where there is a concern, which will be addressed in a later section of the Report.

Recommendations

The current Salary Structure is sufficiently designed and can continue to support the City by making range adjustments to align to the external market. The current step model with 2.75% steps has been updated. Step 6 is the expected Market Rate. The Consultants continued to use previously identified steps whenever possible within the existing Pay Grades to help moderate implementation costs. The Structure is provided as Appendix A.

It is recommended the Library's positions be placed on the City's Salary Schedule. Because the Library a part of the City, and employees receive all the same benefits as other City employees and are City employees, it makes sense for all non-represented employees to be on the same structure. This will allow parity and equity for all employees throughout the organization, and the City and Library will use the same compensation policies, which gains efficiencies. This was discussed with the Library Board during the Study.

The following adjustments are recommended to the City's Salary Schedule:

1. Grades 1-4: Two steps have been removed, with two steps being added to the maximum. Entrance rates into the City now start at \$15.94 per hour.
2. Grades 5-8: Three steps have been removed with three new steps being added to the maximum.
3. Grades 9-20: Two steps have been removed, with two new steps being added to the maximum.
4. All Pay Grades have been trended to align with external market changes that has occurred since the start of the project in spring 2022.

Classification Structure

During the course of the Study, there was an opportunity to better align job titles with responsibilities. Numerous job titles were revised to either have consistency throughout the organization, or to become more current with the external market. These changes have been reviewed with Department Directors and are reflected on the Classification Listing, which is Appendix B.

Public Safety Command Positions

Like other positions, the placement of the command positions for Police and Fire considers the market, internal comparability, and compression. Overlap of pay ranges between promotional positions does occur on the recommended salary schedule and is an acceptable compensation practice. However, the salary ranges for union ranks is determined in a different manner than those non-represented ranks. As the union salary schedules adjust, the City will need to evaluate the pay ranges for the non-represented command positions for adjustments needed to correct compression. Therefore, the City is recommended to utilize only Steps 6-11 of each respective range for command positions to help alleviate compression between ranks. In the future, the City may decide to provide additional step adjustments for the command staff ranges to ensure proper separation of wages based on the current compression within the organization.

Information Technology and Attorney Positions

Professional positions in Information Technology and Attorneys have a high degree of education/training/credentials etc., but the public market does not necessarily align to private sector opportunities. As a result, the City is recommended to allow Human Resources to utilize the full salary range for greater flexibility in recruitment. The City should allow a policy exception to hiring at any step in the range for these positions, as approved by the Human Resources Director.

Position Placement

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

- Point factor system
- Market analysis
- Compression analysis
- Internal equity

After considering all these elements, placement of some positions on the Salary Schedules have changed, with some positions now being placed in lower or higher pay grades than on the previous Schedule. This is not an indication that any given position is more or less important. Similarly, this is not a “reclassification” process, where a position is being evaluated on changes in responsibility, authority, or decision making that may place the position in a higher or lower pay grade, etc. This process is a complete reset of the Compensation System. 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.

Employee Placement

For purposes of implementation only, employees were placed to the Minimum of the Pay Range if under Step 1. If above Step 1, an employee was placed on a step closest to the current salary without a decrease in wages, regardless of tenure in the position. This type of placement may prove to be problematic, as employees feel that with tenure in a position, they should be higher within the Salary Range. Although there is merit to this argument, placement on the Schedule by years in the position can be costly – something most municipalities cannot afford right away and must be planned for financially.

2023 Adjustment

The recommended Salary Schedule is based on trended 2022 market data. Therefore, going into 2023, a percentage adjustment is recommended to maintain competitiveness with the existing market.

General Operational 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. It is the Consultant’s recommendation that on a set date each year, the Salary Schedules be increased by the national Consumer Price Index – Urban (CPI -U) percentage or by a local economic indicator, if preferred. 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. It is recommended the

adjustment to the Salary Schedules be done on a date other than salary increases, so employees understand there are two (2) separate adjustments per year. The following are the types of increases recommended.

Salary Schedule Adjustments

Annually, the Salary Schedules should be adjusted for economic reasons and internal parity with the union salary adjustments. 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, fair, and fiscally sound Salary Schedule. It is important the City also budget 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 Step Adjustments

The Salary Schedule is based on a premise of annual salary adjustments. Each year, employees can receive a step increase, with acceptable performance, unless an employee is on a Performance Improvement Plan.

Market Adjustments

Each budget cycle, Human Resources should evaluate the placement of current employees. 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 Human Resources Department 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 Department or a third-party consultant.
2. A consistent pattern of recruitment/retention concerns with isolated classifications, as verified by the Human Resources Department.

Compensation Policy Recommendations

With the updated Salary Schedule, the City now has a competitive Compensation System for recruitment and retention purposes. A comprehensive summary of recommended compensation guidelines is provided in Appendix C. In order to minimize employment claims, it is the recommendation of the Consultants to consistently utilize structured

guidelines when determining compensation. Human Resources is recommended to adopt these established guidelines and update the City's compensation policy accordingly.

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. Continuing to analyze HR turnover metrics should help indicate if an external market update is required sooner or can be pushed back a year.

Appendix A: Recommended Salary Structure – Annual and Hourly

	1	2	3	4	5	6	7	8	9	10	11
1	\$33,155.20	\$34,070.40	\$35,006.40	\$35,963.20	\$36,961.60	\$37,980.80	\$39,020.80	\$40,102.40	\$41,204.80	\$42,328.00	\$43,492.80
1	\$15.94	\$16.38	\$16.83	\$17.29	\$17.77	\$18.26	\$18.76	\$19.28	\$19.81	\$20.35	\$20.91
2	\$35,484.80	\$36,462.40	\$37,460.80	\$38,500.80	\$39,561.60	\$40,643.20	\$41,766.40	\$42,910.40	\$44,096.00	\$45,302.40	\$46,550.40
2	\$17.06	\$17.53	\$18.01	\$18.51	\$19.02	\$19.54	\$20.08	\$20.63	\$21.20	\$21.78	\$22.38
3	\$37,980.80	\$39,020.80	\$40,102.40	\$41,204.80	\$42,328.00	\$43,492.80	\$44,699.20	\$45,926.40	\$47,195.20	\$48,484.80	\$49,816.00
3	\$18.26	\$18.76	\$19.28	\$19.81	\$20.35	\$20.91	\$21.49	\$22.08	\$22.69	\$23.31	\$23.95
4	\$40,622.40	\$41,745.60	\$42,889.60	\$44,075.20	\$45,281.60	\$46,529.60	\$47,819.20	\$49,129.60	\$50,481.60	\$51,875.20	\$53,310.40
4	\$19.53	\$20.07	\$20.62	\$21.19	\$21.77	\$22.37	\$22.99	\$23.62	\$24.27	\$24.94	\$25.63
5	\$44,699.20	\$45,926.40	\$47,195.20	\$48,484.80	\$49,816.00	\$51,188.80	\$52,603.20	\$54,059.20	\$55,536.00	\$57,054.40	\$58,614.40
5	\$21.49	\$22.08	\$22.69	\$23.31	\$23.95	\$24.61	\$25.29	\$25.99	\$26.70	\$27.43	\$28.18
6	\$47,819.20	\$49,129.60	\$50,481.60	\$51,875.20	\$53,310.40	\$54,766.40	\$56,264.00	\$57,803.20	\$59,384.00	\$61,027.20	\$62,712.00
6	\$22.99	\$23.62	\$24.27	\$24.94	\$25.63	\$26.33	\$27.05	\$27.79	\$28.55	\$29.34	\$30.15
7	\$51,168.00	\$52,582.40	\$54,038.40	\$55,515.20	\$57,033.60	\$58,593.60	\$60,195.20	\$61,859.20	\$63,564.80	\$65,312.00	\$67,100.80
7	\$24.60	\$25.28	\$25.98	\$26.69	\$27.42	\$28.17	\$28.94	\$29.74	\$30.56	\$31.40	\$32.26
FIRE	\$17.57	\$18.06	\$18.56	\$19.06	\$19.59	\$20.12	\$20.67	\$21.24	\$21.83	\$22.43	\$23.04
8	\$54,766.40	\$56,264.00	\$57,803.20	\$59,384.00	\$61,006.40	\$62,691.20	\$64,417.60	\$66,185.60	\$68,016.00	\$69,888.00	\$71,801.60
8	\$26.33	\$27.05	\$27.79	\$28.55	\$29.33	\$30.14	\$30.97	\$31.82	\$32.70	\$33.60	\$34.52
9	\$56,950.40	\$58,510.40	\$60,112.00	\$61,755.20	\$63,460.80	\$65,208.00	\$66,996.80	\$68,848.00	\$70,740.80	\$72,696.00	\$74,692.80
9	\$27.38	\$28.13	\$28.90	\$29.69	\$30.51	\$31.35	\$32.21	\$33.10	\$34.01	\$34.95	\$35.91
10	\$60,902.40	\$62,587.20	\$64,313.60	\$66,081.60	\$67,891.20	\$69,763.20	\$71,676.80	\$73,652.80	\$75,670.40	\$77,750.40	\$79,892.80
10	\$29.28	\$30.09	\$30.92	\$31.77	\$32.64	\$33.54	\$34.46	\$35.41	\$36.38	\$37.38	\$38.41
11	\$65,187.20	\$66,976.00	\$68,827.20	\$70,720.00	\$72,654.40	\$74,651.20	\$76,710.40	\$78,811.20	\$80,974.40	\$83,200.00	\$85,488.00

11	\$31.34	\$32.20	\$33.09	\$34.00	\$34.93	\$35.89	\$36.88	\$37.89	\$38.93	\$40.00	\$41.10
12	\$69,742.40	\$71,656.00	\$73,632.00	\$75,649.60	\$77,729.60	\$79,872.00	\$82,076.80	\$84,344.00	\$86,673.60	\$89,065.60	\$91,520.00
12	\$33.53	\$34.45	\$35.40	\$36.37	\$37.37	\$38.40	\$39.46	\$40.55	\$41.67	\$42.82	\$44.00
13	\$74,630.40	\$76,689.60	\$78,790.40	\$80,953.60	\$83,179.20	\$85,467.20	\$87,817.60	\$90,230.40	\$92,705.60	\$95,264.00	\$97,884.80
13	\$35.88	\$36.87	\$37.88	\$38.92	\$39.99	\$41.09	\$42.22	\$43.38	\$44.57	\$45.80	\$47.06
14	\$79,851.20	\$82,056.00	\$84,302.40	\$86,611.20	\$89,003.20	\$91,457.60	\$93,974.40	\$96,553.60	\$99,216.00	\$101,940.80	\$104,748.80
14	\$38.39	\$39.45	\$40.53	\$41.64	\$42.79	\$43.97	\$45.18	\$46.42	\$47.70	\$49.01	\$50.36
15	\$85,446.40	\$87,796.80	\$90,209.60	\$92,684.80	\$95,243.20	\$97,864.00	\$100,547.20	\$103,313.60	\$106,163.20	\$109,075.20	\$112,070.40
15	\$41.08	\$42.21	\$43.37	\$44.56	\$45.79	\$47.05	\$48.34	\$49.67	\$51.04	\$52.44	\$53.88
16	\$91,416.00	\$93,932.80	\$96,512.00	\$99,174.40	\$101,899.20	\$104,707.20	\$107,577.60	\$110,531.20	\$113,568.00	\$116,688.00	\$119,891.20
16	\$43.95	\$45.16	\$46.40	\$47.68	\$48.99	\$50.34	\$51.72	\$53.14	\$54.60	\$56.10	\$57.64
FIRE	\$31.39	\$32.26	\$33.14	\$34.06	\$34.99	\$35.96	\$36.94	\$37.96	\$39.00	\$40.07	\$41.17
17	\$97,822.40	\$100,505.60	\$103,272.00	\$106,121.60	\$109,033.60	\$112,028.80	\$115,107.20	\$118,268.80	\$121,513.60	\$124,862.40	\$128,294.40
17	\$47.03	\$48.32	\$49.65	\$51.02	\$52.42	\$53.86	\$55.34	\$56.86	\$58.42	\$60.03	\$61.68
18	\$104,686.40	\$107,556.80	\$110,510.40	\$113,547.20	\$116,667.20	\$119,870.40	\$123,156.80	\$126,547.20	\$130,020.80	\$133,598.40	\$137,280.00
18	\$50.33	\$51.71	\$53.13	\$54.59	\$56.09	\$57.63	\$59.21	\$60.84	\$62.51	\$64.23	\$66.00
19	\$111,987.20	\$115,065.60	\$118,227.20	\$121,472.00	\$124,820.80	\$128,252.80	\$131,788.80	\$135,408.00	\$139,131.20	\$142,958.40	\$146,889.60
19	\$53.84	\$55.32	\$56.84	\$58.40	\$60.01	\$61.66	\$63.36	\$65.10	\$66.89	\$68.73	\$70.62
20	\$119,828.80	\$123,115.20	\$126,505.60	\$129,979.20	\$133,556.80	\$137,238.40	\$141,003.20	\$144,872.00	\$148,865.60	\$152,963.20	\$157,164.80
20	\$57.61	\$59.19	\$60.82	\$62.49	\$64.21	\$65.98	\$67.79	\$69.65	\$71.57	\$73.54	\$75.56

Appendix B: Classification Listing - Alphabetical

RECOMMENDED TITLE	GRADE	DEPT
Accountant	8	FINANCE
Accounting Assistant	5	FINANCE
Accounting Assistant	5	STREETS
Accounting Manager	12	FINANCE
Accounting Specialist	6	FINANCE
Accounting Specialist	6	WATER
Administrative Assistant	4	RECREATION
Administrative Specialist	5	ENGINEERING
Administrative Specialist	5	PLANNING
Administrative Specialist	5	AIRPORT
Administrative Specialist	5	RECREATION
Administrative Specialist	5	FIRE
Administrative Specialist	5	FIRE
Airport Operations and Maintenance Manager	12	AIRPORT
Airport Operations Coordinator	7	AIRPORT
Appraiser I	9	ASSESSOR
Appraiser I	9	ASSESSOR
Appraiser II	10	ASSESSOR
Arborist	6	PARKS
Assistant Circulation Manager	8	LIBRARY
Assistant City Attorney	15	ATTORNEY
Assistant Clerk	4	CITY CLERK
Assistant Fire Chief	17	FIRE
Assistant Police Chief	17	POLICE
Assistant Superintendent	12	SEWER
Assistant Superintendent	12	STREETS
Assistant Superintendent	12	SEWER
Assistant Superintendent	12	WATER
Assistant Supervisor - Building Operations	9	LA X CTR
Assistant Supervisor - Food & Beverage	9	LA X CTR
Associate Librarian I	6	LIBRARY
Associate Librarian II	7	LIBRARY
Battalion Chief	16	FIRE
Benefits Specialist	10	PERSONNEL
Box Office Supervisor	9	LA X CTR
Budget Analyst	11	FINANCE

RECOMMENDED TITLE	GRADE	DEPT
Building Representative	5	LA X CTR
Business Manager	12	LA X CTR
Business Manager	12	LIBRARY
Business Manager	12	AIRPORT
Business Services Specialist	6	LIBRARY
Certified Arborist	8	PARKS
Chief Assessor	12	ASSESSOR
Chief Building Inspector	15	FIRE
City Attorney	19	ATTORNEY
City Clerk	16	CLERK
City Surveyor/Construction Manager	13	ENGINEERING
Civil Engineer EIT	12	ENGINEERING
Civil Engineer PE	14	ENGINEERING
Code Enforcement Technician	8	FIRE
Communications Coordinator	11	MAYOR
Community Development Manager	14	PLANNING
Community Program Specialist	10	PARKS
Community Service Officer	3	POLICE
Community Service Officer	3	PARKING UTILITY
Crew Leader - Parks	8	PARKS
Crew Leader - Sewer	8	SEWER
Crew Leader - Sign Shop	8	STREETS
Crew Leader - Streets	8	STREETS
Crew Leader - Utility Mechanic	8	WASTEWATER
Crew Leader - Utility Opening	8	STREETS
Crew Leader - Vac Truck	8	SSU-WWT
Crew Leader - Water Supply	8	WASTEWATER
Crew Leader - Water Utility	8	WATER
Crime Analyst	11	POLICE
CRR Specialist	10	FIRE
Custodial & Maintenance Worker	4	WASTEWATER
Custodial & Maintenance Worker	4	GROUNDS & BLDS
Custodial & Maintenance Worker	4	LIBRARY
Custodian	3	AIRPORT
Custodian	3	GROUNDS & BLDS
Custodian	3	PARKING UTILITY
Customer Service Assistant	3	FINANCE
Customer Service Assistant	3	POLICE

RECOMMENDED TITLE	GRADE	DEPT
Deputy City Attorney	16	ATTORNEY
Deputy City Clerk	9	CLERK
Deputy Court Clerk	5	COURT
Deputy Director - Airport	15	AIRPORT
Deputy Director - Finance	16	FINANCE
Deputy Director - Forestry, Building and Grounds Manager	14	RECREATION
Deputy Director - IT / Cyber Security Coordinator	16	IT
Deputy Director - Library	15	LIBRARY
Deputy Director - Parks & Rec	15	RECREATION
Deputy Director - Transit	15	TRANSIT
Deputy Director -Engineering & Public Works	16	ENGINEERING
Development Analyst	11	PLANNING
Director of Engineering & Public Works	19	ENGINEERING
Director of Finance	19	FINANCE
Director of Human Resources	18	PERSONNEL
Director of Information Technology	18	IT
Director of La Crosse Center	18	LA X CTR
Director of La Crosse Regional Airport	19	AIRPORT
Director of Parks & Recreation	19	RECREATION
Director of Planning, Development and Assessment	19	PLANNING
Director of Public Works	19	STREETS
Director of Transit	18	TRANSIT
Division Chief	16	FIRE
Economic Development Administrator	13	PLANNING
Electrician	10	WASTEWATER
Electrician	10	STREETS
Engineering Technician	8	ENGINEERING
Equipment Operator I	6	STREETS
Equipment Operator I	6	SEWER
Equipment Operator I	6	PARKS
Equipment Operator II	7	STREETS
Equipment Operator II	7	SEWER
Equipment Operator II	7	PARKS
Exec Asst to the Chief	6	POLICE
Executive Assistant to the Mayor	8	MAYOR
Facilities Manager - Library	13	LIBRARY
Facility Maintenance Supervisor	9	LIBRARY
Finance Analyst	11	FINANCE

RECOMMENDED TITLE	GRADE	DEPT
Fire Chief	19	FIRE
Fleet and Maintenance Manager - PW	11	STREETS
Fleet and Maintenance Manager - Transit	11	TRANSIT
Food and Beverage Manager	12	LA X CTR
GIS and Development Services Manager	13	IT
GIS/CAD Specialist	10	ENGINEERING
Homeless Services Coordinator	9	PLANNING
Housing Specialist	10	PLANNING
Human Resources Assistant	4	PERS-ADMIN
Human Resources Generalist	8	PERS-ADMIN
Industrial & Operations Specialist	8	SSU-WWT
Inspector I	9	FIRE
Inspector II - Electrical	10	FIRE
Inspector II - Housing	10	FIRE
Inspector II - Plumbing	10	FIRE
Inventory/Parts Technician	5	STREETS
IT Helpdesk Manager	12	IT
IT Helpdesk/Administrative Specialist	6	IT
IT Manager - Library	13	LIBRARY
IT Programmer/Analyst	10	INFOSYSTEMS&TECHN
Lab Specialist	7	SSU-WWT
Lead Customer Service Assistant	4	FINANCE-TREA
Lead Maintenance Technician - Airside	10	AIRPORT-MTCE
Lead Maintenance Technician - Landside	8	AIRPORT-MTCE
Legal Assistant	6	ATTORNEY
Librarian I	9	LIBRARY
Librarian II	10	LIBRARY
Library Archivist	10	LIBRARY
Library Assistant I	4	LIBRARY
Library Assistant II	5	LIBRARY
Library Clerk	1	LIBRARY
Library Community Resource Specialist	9	LIBRARY
Library Director	18	LIBRARY
Library Manager - Access and Engagement	12	LIBRARY
Library Manager - Archives	12	LIBRARY
Library Manager - Circulation Services	12	LIBRARY
Library Manager - Youth Services	12	LIBRARY
Library Supervisor - Collection Development	11	LIBRARY

RECOMMENDED TITLE	GRADE	DEPT
Maintenance Technician - Facility/Grounds	7	LA X CTR
Maintenance Technician - Facility/Grounds	7	GROUNDS & BLDS
Maintenance Technician - Facility/Grounds	7	AIRPORT
Maintenance Technician - Facility/Grounds	7	PARKING UTILITY
Maintenance Technician - Parks	7	PARKS
Maintenance Worker - Parking	5	PARKING UTILITY
Maintenance Worker - Parks	5	PARKS
Maintenance Worker - Streets	5	STREETS
Mechanic Assistant	5	STREETS
Mechanic I	6	STREETS
Mechanic II	8	STREETS
Mechanic II	8	AIRPORT
Meter and Service Technician	6	WATER
Municipal Court Clerk	7	COURT
Neighborhood Housing Development Coordinator	9	PALNNING
Network Analyst - Library	9	LIBRARY
Network Specialist	11	IT
Operations & Sales Manager	13	LA X CTR
Ordinance Technician/Floodplain Coordinator	9	FIRE
Outdoor Recreation & Conservation Specialist	10	PARKS
Paralegal	9	ATTORNEY
Parking Utility Supervisor	9	PARKING UTILITY
Payroll Coordinator	8	FINANCE
Payroll Specialist	6	FINANCE
Planner	9	PLANNING
Planning Manager	14	PLANNING
Police Captain	16	POLICE
Police Chief	19	POLICE
Police Records Specialist	5	POLICE
Police Records Supervisor	11	POLICE
Printing / Storeroom Assistant	4	FINANCE
Project Specialist - Parks	11	PARKS
Project Specialist - Utilities	11	WATER
Property Room Technician	7	POLICE
Purchasing Assistant	4	FINANCE
Purchasing/Buyer	7	FINANCE
Recreation and Facilities Supervisor	11	RECREATION
Recreation Program Coordinator	8	RECREATION

RECOMMENDED TITLE	GRADE	DEPT
Sales & Event Coordinator	9	LA X CTR
Senior Engineering Technician	10	ENGINEERING
Senior Human Resources Generalist	9	PERSONNEL
Senior Support Technician	9	IT
Sidewalk and ADA Coordinator	10	ENGINEERING
Special Projects Coordinator	8	WASTEWATER
Stormwater Coordinator	9	STORM WATER
Streets Superintendent	14	STREETS
Streets Supervisor/Recycling Coordinator	11	STREETS
Systems Analyst & IT Training Coordinator	12	IT
Transit Operations Manager	12	TRANSIT
Transit Supervisor	9	TRANSIT
Treasury Supervisor	10	FINANCE
Utilities Accounting Manager	13	WATER
Utilities Maintenance Mechanic	7	WASTEWATER
Utilities Manager	17	WATER
Utility Locator	7	WATER
Utility Locator	7	SEWER
Vac Truck Operator	7	WASTEWATER
Water Distribution Specialist	6	WATER
Water Superintendent	14	WATER
Water Supply Specialist	7	WATER
Wellness Coordinator	8	MAYOR
WWT Operator	7	WASTEWATER
WWT/Sewer Superintendent	14	WASTEWATER

Appendix C: Compensation Policy Guidelines

These guidelines are provided to the City to utilize in conjunction with the new compensation system. City Human Resources is recommended to assess these guideline recommendations as the current City Compensation Policy is 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 Director, can start experienced individuals up to Step 6. Any requests for placement above Step 6 may occur only with the approval of the Common Council.

Cost of Living Adjustment

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

Annual Step Increases

On July 1st of each year, employees should receive an incremental step increase based on performance, to the Maximum Rate. Employees on a Performance Improvement Plan will have their annual increase held until such time as performance improves, or when approved by the Human Resources Director.

Market Adjustments

Each budget cycle, Human Resources should evaluate the placement of current employees. 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 additional steps within the pay range. A market adjustment requires:

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

Promotions

An individual who moves to a position of a higher Pay Grade, will be placed at the Minimum Rate of the new salary range; OR the step closest that provides a 5.5% increase, if over the

Minimum Rate. There may be situations in which a 5.5% increase may be insufficient, and compression may still be a problem. In those situations, the Human Resources Director 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 Director 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 Director. 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 view this as a deterrent for tenured employees to continue to perform at the City's level of expectation. Therefore, the City should 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 Human Resources Director. 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. The Human Resources designee will meet with the parties and discuss the changes. It will be the responsibility of the Human Resources 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 Human Resources Director in order to avoid unapproved position creep.

B. Human Resources Initiation of a Pay Grade Evaluation

Human Resources 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 Human Resources Director as to whether any further adjustment occurs.

Appendix D: Definitions

The following are definitions that helped guide the development of the Compensation System for the City of La Crosse.

Benchmark Position: A job that is commonly found and defined, used to make pay comparisons, either within the organization or to comparable jobs outside the organization.

Classifications: Job titles.

Compensation System: A system developed to compensate employees. This system includes a balance between internal equity and external competitiveness.

Compensation Data: Data derived from information regarding the salary range and the rate of pay of the incumbent(s) holding a benchmark position of the identified labor market.

Comp Ratio: The ratio of an actual pay range to the established position point (or average market rate). The Comp Ratio is used to measure and monitor an individual's actual rate of pay to the Target Rate of the established pay range.

Compression: Pay differentials too small to be considered equitable. The term may apply to differences between (1) the pay of supervisors and subordinates; (2) the pay of experienced and newly hired personnel of the same job; and (3) pay range midpoints in successive job grades or related grades across pay structures.

CPI-U: Consumer Price Index – Urban: A measure of the average change over time in the prices paid by urban consumers for a market of consumer goods and services. It reflects the spending pattern for three population groups: all urban consumers, urban wage earners, and clerical workers. This group represents approximately 87% of the total U.S. population.

Demotion: The (re)assignment of an employee to a position in a lower pay grade or range in the organization's salary structure.

Labor Market: A location where labor is exchanged for wages. These locations are identified and defined by a combination of the following factors: geography; industry; education, experience and licensing or certification required; and job responsibilities.

Market Data: The technique of creating the financial value of a position based on the "going rate" for benchmark positions in the relevant labor markets.

Minimum Salary Range (Minimum): The minimum amount of compensation the organization has deemed appropriate for a position.

Maximum Salary Range (Maximum): The highest amount of compensation the organization has deemed appropriate for a position.

Market Average: Employee pay based upon the ‘average’ market rate; or the ‘average’ prevailing wage rate in the external market.

Market Rate (Market): The organization’s best estimate of the wage rate that is prevailing in the external market for a given position.

Market Average Range: A pay range in which the minimum and maximum of the range is established around the Average Market Rate.

Pay Grade: The grade, or placement of a position, within the salary structure.

Pay Grade Evaluation: The (re)assignment of a job to a higher or lower pay grade or pay range in the salary structure due to a job content (re)evaluation and/or significant change in the average market rate in the external labor market.

Promotion: The (re)assignment of an employee to a position in a higher pay grade or range in the organization’s salary structure.

Red Circle: The freezing of a rate of pay until such time that the salary schedule catches up to the pay rate. This is commonly used when implementing a new pay schedule when a tenured employee is above the range maximum or when an employee is placed on a lower pay grade that is not related to performance issues.

Salary Schedule Adjustment: An adjustment to the salary structure; the increase or decrease of a pay range, minimum – maximum. This is a method to maintain the salary range in relation to external market conditions.

Salary Schedule: The hierarchy of job grades and pay ranges established within an organization.

Step Increase: The progressive steps across a salary range that an employee may move to with satisfactory performance and progress within their job.

Step Schedule: Standardized progression pay rates that are established within a pay range. To move to the next step, one must have met acceptable performance standards.

Spread: The range of pay rates, from minimum to maximum.