

REVISED 2016 NON-REPRESENTED PAY SCHEDULE

OSHKOSH PUBLIC LIBRARY PAY PLAN		---- RATES/STEPS AS OF 01/01/2016									
GRADE	EMPL #	POSITION	2016 PAY PLAN RATES FOR SALARIED EMPLOYEES					100% CONT PT	CURRENT RATE *	120% MAX	
			MINIMUM	STEP 2	STEP 3	STEP 4	STEP 5				
N			51.85	53.33	54.82	56.30	57.78	59.26		71.11	
M			47.14	48.48	49.83	51.18	52.52	53.87		64.64	
L		LIBRARY DIRECTOR	42.83	44.06	45.28	46.50	47.73	48.95		58.74	
K			38.94	40.05	41.16	42.28	43.39	44.50		53.40	
J			35.39	36.40	37.41	38.42	39.43	40.44		48.53	
I		LIBRARY ASSISTANT DIRECTOR	32.16	33.08	33.99	34.91	35.83	36.75		44.10	
H		MANAGING LIBRARIAN	29.22	30.05	30.89	31.72	32.56	33.39		40.07	
G		LIBRARY DEVELOPMENT MGR	26.56	27.32	28.07	28.83	29.59	30.35		36.42	
F		LIBRARIAN	24.13	24.82	25.51	26.20	26.89	27.58		33.10	
E		LIBRARY SUPERVISOR									
D		LIBRARY MAINTENANCE ENGINEER	21.92	22.55	23.17	23.80	24.42	25.05		30.06	
C		LIBRARY ASSISTANT II	19.63	20.19	20.75	21.31	21.87	22.43		26.92	
B		BUILDING MAINTENANCE CUSTODIAN	17.33	17.83	18.32	18.82	19.31	19.81		23.77	
A		LIBRARY ASSISTANT I	14.43	14.84	15.25	15.67	16.08	16.49		19.79	
			11.34	11.66	11.99	12.31	12.64	12.96		15.55	

NOTES: 1) PAGE PAY SCHEDULE BASE IS \$9.10; INCREASES \$0.10/HOUR/YEAR IF MEETING EXPECTATIONS

2) DIRECTOR 2016 SALARY SET AT \$122,140 ANNUALLY AT LIBRARY BOARD MTG 31 MAR 2016

3) ALL LIBRARY EMPLOYEES IN PAY GRADES F,G,H,I & L ARE EXEMPT; THUS, PAID ON SALARY BASIS

4) UNSHADED PAY GRADES NOT CURRENTLY USED BY THE LIBRARY

CARLSON
DETTMANN
CONSULTING

April 22, 2016

MEMORANDUM

TO: Jeff Gilderson-Duwe

FR: Charlie Carlson

RE: Oshkosh Public Library Pay Plan Review

As with our earlier study of compensation for the City of Oshkosh, the Public Library participated in the most recent review, as well. We reported our findings to the City Council in March, and the Council approved all recommended plan adjustments at its March 22 session.

Essentially our analysis confirmed the overall market competitiveness of the current pay structure. We did find that the City was lagging the market particularly for craft and maintenance classifications, and the Council approved creation of a new pay range with reallocations for those selected classifications.

For the Library analysis, we again market-priced three managerial and professional classifications, and I am summarizing the results as follows:

<u>Classification</u>	<u>Plan Control Point</u>	<u>Market Estimate</u>
Library Director	\$101,816	\$103,417
Managing Librarian	69,451	67,205
Librarian	57,366	55,036

We also reviewed market data for support level staff (Grade B and C level classifications) that are linked by job analysis, and the same conclusion applies – the Oshkosh Public Library's current pay plan is competitive. In summary, as with the City managerial and professional staff, the Oshkosh Library benchmarks are competitive.

I also reviewed current staff pay rates relative to your pay plan and note the Library has an appropriate distribution of pay within the range, so the plan appears to be working well. You also indicate turnover is minimal, and on the occasions when you've had to recruit staff, the plan is competitive.

My recommendation is that you attach a copy the City report to this memo, share all the documents with the Board of Directors, and recommend the plan continue through 2016 and continue to follow the City policies on plan management. Please note, however, that the City changed its range identifiers to accommodate the grade addition, so I suggest you will want to change the Library's, as well.

Charles E. Carlson
charles.carlson@carlsondettmann.com
608.239.7991



March 1, 2016

MEMORANDUM

TO: John Fitzpatrick, Assistant City Manager/Director of Administrative Services

FR: Charles E. Carlson

RE: Non-Represented Staff Compensation Review

BACKGROUND

The City of Oshkosh retained our firm to update its non-represented staff pay plan with a market review and recommendations for any positions that should be re-evaluated for allocation within the plan. This is a major pay plan, covering over 300 staff in 170 unique job classifications with an annual payroll exceeding \$7 million. These city employees provide a wide range of services.

In 2010, the State of Wisconsin enacted sweeping legislation (Acts 10/32) dramatically restricting collective bargaining, as we knew it, and placed much greater financial responsibility on municipalities, counties, and the state government. These enormous changes came as the local economy was in the midst of the Great Recession of 2008. It was a challenging time, and the Oshkosh City Council responded by adopting changes to its compensation systems in 2012 that included four major features:

- Replaced multiple pay plans with a uniform plan encompassing both management and non-exempt positions.
- Benchmarked the plan to market data from both the public and the private sector.
- Emphasized performance as a key criterion in pay plan advancement.
- Substantially improved benefit and cost controls on its health plans.

The City has kept the overall plan current with a combination of general increases to the schedule and performance awards. In summary, the City implemented performance-based pay gradually, beginning with a re-design of its evaluation instruments and training for managers. The City Council supported this development with modest performance raises or bonuses for top performers.

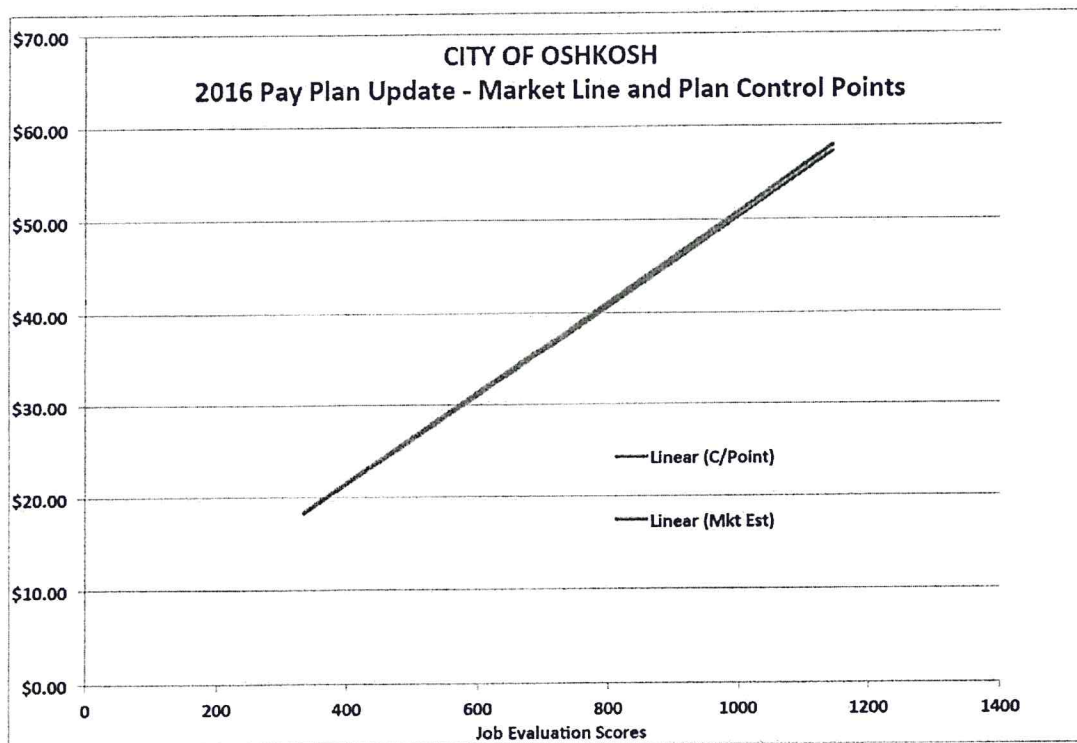
In addition, the City has made major strides toward controlling its health insurance costs, having moved to an insured plan, creating a joint-employer clinic, and managing coverage options.

MARKET ANALYSIS OF OVERALL PLAN POLICY

As in 2011, the market analysis included benchmark data from both other cities and private sector data. The ten cities used in the analysis were consistent and included: Green Bay, Kenosha, Racine, Appleton, Eau Claire, Janesville, La Crosse, Fond du Lac, Beloit, and Wausau. At least seven of the ten cities adopted new plans subsequent to the City of Oshkosh, so this subject has received a lot of attention post-Acts 10/32.

In addition to the city benchmark comparisons, we analyzed area data from the U.S. Department of Labor Bureau of Labor Statistics, primarily for FLSA non-exempt positions and Towers Watson for management level jobs where comparisons were possible. We weighted city data and other survey data equally.

We were able to develop comparisons on forty-two of the 170 classifications covering approximately two-thirds of the employees. The benchmark data is included with this report as Appendix A. We regressed both the current pay plan Control Points (the market target adopted by policy) and our market estimates against benchmark position job evaluation scores, and the result was that the current pay policy of the City and market practices are virtually the same.



The market analysis is based on job evaluation scores after movement of the classifications recommended for reallocation.

In addition to benchmark measurement for policy and market estimates, we also evaluate pay plan performance using a statistic called a “compa-ratio.” This is defined as the ratio between base pay for each incumbent and the pay plan Control Point for the incumbent’s allocated pay range. The overall compa-ratio for this pay plan is approximately 1.05, meaning that, on average, current employee pay is 105% of the market. Considering that the City of Oshkosh’s overall policy is to employ a skilled, experienced workforce, we believe this is an excellent position for the City.

POSITION REALLOCATION

When the City adopted the new pay schedule in 2012, it had to balance several competing interests. Paramount was the need to try to protect city services, which required maintaining current employment levels wherever warranted and possible. In doing so, the City Council adopted a policy of basing its competitive position on both public and private sector employment comparisons. This represented a very significant change in approach because former collective bargaining regulations effectively precluded using private sector data for public sector analysis.

Our finding then was that for many hourly-based occupations, municipal wages exceeded private sector levels. It is our belief and experience this disparity was due to two factors. First, private sector wages stagnated over the preceding decade. Second, public sector collective bargaining at least protected public sector wages and benefits and, in some cases, increased disparities. As a result, with the City of Oshkosh providing relatively secure employment and superior fringe benefits, the City was in a very preferred market position. The number and quality of applications for vacant positions validated this observation.

As the economy recovered from the Great Recession of 2008, the employment climate in the Fox River Valley improved substantially, and the labor market for trades, public works operator, and technical positions has tightened across the Valley. Accordingly, we have been recommending our area clients address this changing market by making selective classification adjustments as employment conditions warrant.

Accordingly, in this project, we re-evaluated position responsibilities for non-exempt classifications in these affected market areas. We also reviewed the relationship between supervisory classifications and incumbent employees in those classifications proposed for reallocation to assess potential pay compression. The result is we are recommending pay range allocations for twenty-three classifications (14% of the 170 classifications in the plan) covering seventy-three employees (25% of all employees). The affected classifications are identified on a revised pay schedule attached as Appendix B.

In terms of implementation, the City does not have an adopted policy on range reallocations resulting from a study like the present one. Our recommendation is that the City modify its employee handbook to provide the following direction in these circumstances:

1. If an employee's current rate of pay is between a step in the new range, then the employee be placed on the step that provides an increase.
2. If an employee's current rate is between the Control Point of the new range and the Maximum rate of the range, then no increase is required.
3. If an employee's current rate is "red-circled" and would be higher than the Maximum rate of the new range, then the employee would continue to be "red-circled."

The purpose of reallocation due to market factors is to place classification in competitive ranges; the intent is not to grant a pay increase unless it is to bring the rate into conformity with the new range so progression can continue. In all cases, each of the seventy-three employees classified in the reallocated pay ranges would have an improved pay horizon. In adopting the new pay plan in 2011, no one's pay was reduced. Instead, if an employee's current pay was higher than the new pay range maximum, the employee's pay was frozen, or "red-circled."

Even though no one's pay was reduced and jobs were saved, implementation was painful for the 170 employees whose pay was frozen. We are pleased to note that, assuming adoption of the allocation recommendations in this report, the number of employees with frozen pay rates will be reduced to seventeen – a very substantial change.

THE CHALLENGES AHEAD

There are major challenges ahead, however. The City's workforce is aging, as the table on the following page shows. Almost 50% (124 employees) of the City of Oshkosh workforce covered by this plan are over age 50. Understanding that these employees have access to an outstanding retirement system, the City needs to prepare for a significant turnover of very experienced staff. The challenge is even more dramatic because the City of Oshkosh, like most public employers, pursues an employment policy of long-serving public service from its staff. This usually results in the more experienced staff transitioning into leadership roles. For example, when a senior staff member retires, the City typically faces more than one staffing change because for every retirement, as it promotes a supervisor to a manager, a lead worker to a supervisor, and a worker to a lead worker, the impact cascades throughout the organization.

Grouping	Number	Percent of Whole	Cumulative Percent
Age 60 or Older	27	9.9%	9.9%
Age 55 to Age 60	33	12.1%	22.1%
Age 50 to Age 55	64	23.5%	45.6%
Age 45 to Age 50	41	15.1%	60.7%
Age 40 to Age 45	37	13.6%	74.3%
Age 35 to Age 40	24	8.8%	83.1%
Age 30 to Age 35	19	7.0%	90.1%
Age 30 or Less	27	9.9%	100.0%
Total	272	100%	


Most other Wisconsin public employers have similar workforce profiles and face similar challenges. As this story unfolds, there will be tremendous competition for the same types of staff throughout Wisconsin. The significance for the City of Oshkosh is it will need a substantial development and succession plan, and it also will need to continue to monitor market conditions closely.

RECOMMENDATIONS

Based on our analysis, we are confirming the market validity of the current pay plan. Furthermore, we recommend reallocating twenty-three job classifications one grade higher in the plan (14% of the total classifications) affecting seventy-three employees (approximately 25% of the employees in the plan). Most of the affected classifications include operators, technicians, and trades positions where local labor market conditions are pressing.

If the Council approves these recommendations, we assume implementation would occur at the start of the next pay period following Council action. It is our understanding the Human Resources division will prepare a fiscal note based on these recommendations.

One of our project tasks was a review of position status under the terms of the U.S. Fair Labor Standards Act (FLSA). The Department of Labor is expected to issue new regulations in the next few months. Therefore, we have agreed to delay further consideration of the FLSA as it applies to positions in this pay plan until the final regulations are announced and appear permanent. We will provide our recommendations separately on this matter at a later date.

A handwritten signature in black ink, appearing to read "Charles E. Carlson". The signature is fluid and cursive, with the first name "Charles" being the most prominent.

Charles E. Carlson, Partner

APPENDIX A

**CITY OF OSHKOSH
BENCHMARK MARKET ANALYSIS**

Benchmark Class	Grade	N	Points	C/Point	Mkt Est
Entry Level Clerical	B	18	334	\$16.49	\$17.40
Acct Clerk I	B	3	334	\$16.49	\$18.09
Groundskeeper	B	1	342	\$16.49	\$15.89
PC Hardware Tech	D	1	424	\$22.41	\$22.46
Account Clerk II Finance	C	4	389	\$19.81	\$20.76
Building Maint Cust	C	5	399	\$19.81	\$19.32
Equipment Ops/Maint Wkr	D	42	410	\$22.41	\$21.53
Parks Maintenance Tech	D	8	410	\$22.41	\$23.01
Office Assistants	C	7	361	\$19.42	\$17.24
Admin Asst	E	10	435	\$25.05	\$23.45
Civil Engineer Tech	E	9	437	\$25.05	\$26.14
Electrician	E	8	508	\$27.58	\$25.03
Mechanic	E	12	442	\$25.05	\$23.32
Property Appraiser II	E	2	442	\$25.05	\$25.28
Water Plant Operator	E	5	405	\$25.05	\$26.61
WW Plant Operator	E	11	432	\$25.05	\$25.17
Payroll Coordinator	F	1	545	\$27.58	\$27.11
Programmer Analyst	F	2	527	\$27.04	\$31.55
Database Administrator	G	1	562	\$30.35	\$34.32
Civil Engineer	G	2	603	\$30.35	\$30.87
Chemist	G	1	621	\$30.25	\$29.73
Office Manager	G	1	635	\$30.25	\$26.96
Principal Civil Engineer	H	2	684	\$33.39	\$35.84
Accounting Superv	H	1	684	\$33.39	\$34.22
Principal Planner	H	1	658	\$33.39	\$32.88
Public Works Street Sup	H	2	679	\$33.39	\$33.91
City Clerk	I	1	724	\$36.75	\$35.10
Water Filt Plant Supt	I	1	713	\$36.75	\$39.47
WW Treat Plnt Supt	I	1	713	\$36.75	\$37.62
Purchasing Manager	I	1	726	\$36.03	\$36.37
Asst Finance Dir	J	1	734	\$40.44	\$40.70
Director of IT	K	1	825	\$44.50	\$49.52
Police Captain	J	3	811	\$40.44	\$44.84
Street Superintendent	J	1	814	\$40.44	\$41.08
Asst City Attorney	K	1	852	\$44.50	\$41.06
Dir Community Devel	L	1	1002	\$48.95	\$52.43
Director of Parks	L	1	1018	\$48.95	\$43.22
City Attorney	M	1	1104	\$53.87	\$54.27
Director of Finance	M	1	1089	\$53.87	\$56.28
Fire Chief	M	1	1018	\$53.87	\$52.90
Police Chief	M	1	1018	\$53.87	\$53.94
Dir of Public Works	N	1	1144	\$58.10	\$59.26

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JANUARY 2016, MADISON, WI**

Res 16-165 REVISED

2016 Full Time Non Represented Pay Schedule 2%

GRADE	Exempt [E] Non-exempt [N]	87.5% MIN	90.0% STEP 2	92.5% STEP 3	95.0% STEP 4	97.5% STEP 5	100.0% CONT PT	120.0% MAX	# positions filled
N		51.85	53.33	54.82	56.30	57.78	59.26	71.11	
	E	Assistant City Manager/Director of Administrative Services							1
	E	Director of Public Works							1
M		47.14	48.48	49.83	51.18	52.52	53.87	64.64	
	E	City Attorney							1
	E	Director of Finance							1
	E	Fire Chief							1
	E	Police Chief							1
L		42.83	44.06	45.28	46.50	47.73	48.95	58.74	
	E	Director of Community Development							1
	E	Director of Parks							1
K		38.94	40.05	41.16	42.28	43.39	44.50	53.40	
	E	Assistant City Attorney							1
	E	Assistant Director of Public Works/City Engineer							1
	E	Director of Transportation							1
	E	Information Technology Manager							1
	E	Public Works Utility Manager							1
J		35.39	36.40	37.41	38.42	39.43	40.44	48.53	
	E	Assistant Finance Director							1
	E	Assistant Fire Chief							1
	E	Director of Museum							
	E	Human Resource Manager							1
	E	Information Technology Manager							
	E	Planning Services Manager							1
	E	Police Captain							3
	E	Public Works Field Operations Manager							1
I		32.16	33.08	33.99	34.91	35.83	36.75	44.10	
	E	Assistant Director Of Parks							1
	E	Chief Building Official							1
	E	City Assessor							0
	E	City Clerk							1
	E	Civil Engineering Supervisor							2
	E	Economic Development Specialist							1
	E	General Services Manager							1
	E	Senior Services Manager							1
	E	Wastewater Treatment Plant Manager							1
	E	Water Distribution Manager							1
	E	Water Filtration Plant Manager							1
H		29.22	30.05	30.89	31.72	32.56	33.39	40.07	
	E	Assistant Water Distribution Manager							1
	E	Principal Civil Engineer Senior							2
	E	Deputy Assessor							1
	E	Electrical Traffic Manager							1
	E	Financial Accounting Manager							1
	E	Financial Utility Manager							1
	E	Golf Course Manager							1
	E	Landscape Operations Manager							1
	E	Parks Operations Manager							0
	E	Parks Revenue & Facilities Manager							1
	E	Principal Planner							1
		E	Public Works Mechanic Manager						

2016 Full Time Non Represented Pay Schedule 2%

GRADE	Exempt [E] Non-exempt [N]	87.5% MIN	90.0% STEP 2	92.5% STEP 3	95.0% STEP 4	97.5% STEP 5	100.0% CONT PT	120.0% MAX	# positions filled
	E								2
	E								1
	E								1
	E								1
	E								1
	E								1
G		26.56	27.32	28.07	28.83	29.59	30.35	36.42	
	N								1
	E								0
	E								1
	N								1
	E								2
	E								1
	N								2
	E								1
	N								1
	E								1
	N								2
	N								1
	E								1
	E								1
	N								1
	E								1
	E								0
	E								0
F		24.13	24.82	25.51	26.20	26.89	27.58	33.10	
	E								2
	N								3
	N								1
	N								1
	E								2
	N								3
	E								1
	N								1
	N								1
	E								1
	N								1
	N								0
	N								0
	N								1
	N								1
	N								1
	N								1
	E								0
	N								1
	N								0
	N								1
	E								1
	N								2
	E								1
	E								1
E		21.92	22.55	23.17	23.80	24.42	25.05	30.06	
	N								10
	N								1
	N								1
	N								5

2016 Full Time Non Represented Pay Schedule 2%

GRADE	Exempt [E] Non-exempt [N]	87.5% MIN	90.0% STEP 2	92.5% STEP 3	95.0% STEP 4	97.5% STEP 5	100.0% CONT PT	120.0% MAX	# positions filled
	N								1
	N								0
	N								0
	N								4
	N								6
	N								0
	N								0
	N								0
	N								0
	N								1
	N								1
	N								1
	N								0
	N								0
	N								1
	N								0
	N								0
	N								3
	N								1
	N								1
	N								1
	N								1
	N								8
	N								3
	N								5
	N								1
	D	19.63	20.19	20.75	21.31	21.87	22.43	26.92	
	N								2
	N								32
	N								1
	N								8
	N								1
	N								0
	N								1
	N								0
	N								10
	C	17.33	17.83	18.32	18.82	19.31	19.81	23.77	
	N								4
	N								1
	N								1
	N								5
	N								1
	N								2
	N								1
	N								1
	N								1
	N								0
	N								1
	N								1
	N								1
	N								6
	N								6

2016 Full Time Non Represented Pay Schedule 2%

GRADE	Exempt [E] Non-exempt [N]	87.5% MIN	90.0% STEP 2	92.5% STEP 3	95.0% STEP 4	97.5% STEP 5	100.0% CONT PT	120.0% MAX	# positions filled
	N								8
	N								1
	N								2
	N								1
	N								1
	N								
	N								
	N								
	N								
	N								1
B		14.43	14.84	15.25	15.67	16.08	16.49	19.79	
	N								3
	N								2
	N								1
	N								
	N								1
	N								
	N								1
	N								0
	N								0
	N								1
	N								9
	N								4
	N								1
	N								1
	N								4
	N								4
	N								
A		11.34	11.66	11.99	12.31	12.64	12.96	15.55	
	N								1