



KEWAUNEE COUNTY ADMINISTRATOR'S OFFICE

Scott Feldt
County Administrator

Pay Plan Summary

On November 10, the County Board will be asked to approve a new county employee pay plan. The plan was reviewed by the Personnel Committee and approved unanimously on October 12. This proposed plan took months of data collection and analysis prior to being presented to the Personnel Committee for approval. The pay plan was also shared with Department Heads to obtain feedback. The following summary will try to explain the process and rationale used in creating the pay plan. I thought it might be easiest to do this through a series of question and answer segments. If there are additional questions, they can be emailed to me and I will answer them as simply and clearly as I can.

What prompted creating a pay plan?

Since I became County Administrator, I have spoken with numerous staff regarding employee pay and benefits. Employee concerns have been raised as to the years in which employees received no wage increase. Similarly, concerns regarding wage and benefit costs were raised as to their impact on the county budget, especially since Kewaunee County continues to have to operate under strict levy limits.

In reviewing employee wages, it became apparent that no clear pay plan existed for those employees not represented by a union, nor was there an objective method as to how hourly and salaried employees received annual increases. Often the decision was made subjectively which lead to uncertainty and resentment amongst employees.

Because of all of these factors, I decided that an employee pay plan needed to be created. The pay plan would help to provide clarity to employees with regards to the wages for the upcoming year and for years in the future. Also, the pay plan would assist department heads, the county administrator and the county board in planning their budgets, as well as help the county to attract and retain quality employees.

I had heard about past challenges in trying to create and approve a county pay plan. Hiring a consultant to do the analysis was expensive. The cost of implementing a new pay plan would be too high. The County Board would never approve such a plan. Regardless of the concerns of the past, I thought the plan is too important if we as a county are going to move forward. So, I decided to do the process on my own.

How did you go about the process?

I started the process in the beginning of 2016. I began with the idea that the plan needed to include as many county positions and employees as possible. In addition, the plan needed to be clear and well thought out as the plan needed to balance the need to address employee wages with the county's ability to pay.

I started by collecting data, lots of data. I requested data from 19 different governments. Those governments were separated into four distinct groups:

Neighbors – those counties adjacent to Kewaunee – Brown, Door, Manitowoc;

Region – those counties in the northeast region – Calumet, Marinette, Oconto, Outagamie, Shawano, Sheboygan, Waupaca;

Peers – those counties comparable in population size and adjacent to populous counties – Green Lake, Iowa, Jackson, Waushara; and

Local – local governments within Kewaunee County – City of Algoma, City of Kewaunee, Algoma School District, Kewaunee School District and Luxemburg-Casco School District.

I requested wage scales for each position and not current wage or salary. Wage scales provide a better indication of compensation for the position instead of an employee's current wage because pay scales level out years of experience from the calculation.

I collected pay scales for all county employee positions. I reviewed the data and began grouping positions in Kewaunee County departments with similar positions in the other counties' corresponding departments. I also compared the pay grade information from Kewaunee and other counties amongst the various positions. Job descriptions were not compared as it would be extremely difficult to compare each position job description from each county. Also, positions which have the exact same job title often do not perform the exact same job duties. These duties vary slightly from county to county.

All position wage scales were calculated except for elected officials, members of Teamsters Local 662, Radio Operator/Jailer positions in the Sheriff's Department, the Sheriff Command staff, and persons listed in Wage Schedule III (Commission and Council member compensation). A wage study for the Radio Operator/ Jailer positions and command staff will be conducted in 2017.

Pay scales received from responding counties and local governments were collated for each position. The highest and lowest hourly wages were eliminated to remove outliers. The remaining hourly wages were aggregated and averaged.

In reviewing the wage scales from the other counties, it was apparent that Kewaunee County had a different scale from all of the other counties. Kewaunee County currently uses a 5 step plan for employees (6 steps for Human Services) from which wages are determined. The scale increases an employee's wage for each year an employee completes with the county up to 5 years. All other counties utilize an 11 step wage scale. The pay scales with 11 steps include a Minimum/Start wage, a Midpoint wage, and a Maximum wage. I determined an 11 step wage

scale would be a better framework in which create a new pay plan, as well as it would allow us a better way to compare ourselves with other counties in the future.

Now that all of the wage information had been collected, average hourly rates were calculated for the Minimum/Start wage step, the Midpoint step and the Maximum step. These average Min, Mid and Max steps were reviewed as starting points for pay scale construction. After review, it was determined the Min/Start wage would be the starting point.

How do I understand the new wage scale/step plan?

With the pay scales constructed, each position's current wage rate was compared to the newly constructed scale. Because no position's current wage matched with any step on new pay scale, all current wage rates were increased to the next step.

For example if your position is Child Support Worker and your current hourly wage is \$19.94, that wage rate is between Step 6 (\$19.83) and Step 7 (\$20.22). Your wage rate would be increased to match Step 7.

Some employees are at the Maximum hourly rate. These employees will receive a cost-of-living increase of 0.68%

Schedule II employees (Salaried Employees) will be incorporated into the new pay plan. Salaried employees will still receive an annual salary, but their annual increase will be determined through the new pay scale. Salaried employees shall not be considered hourly employees. The hourly wage listed in the new pay scale is for annual salary determination and should not be construed as designating those persons as hourly employees.

Do I receive a step increase every year?

No. At the top of the proposed pay plan document are two lines. The first line is titled "STEP" and the second line is titled "YEARS(s)". The STEP line indicates each of the 11 steps within the pay plan. The YEAR(s) line indicates the number of years the employee has been in that specific position, **not** the number of years the employee has been with the County.

When reviewing the two lines, it indicates that there will be years in which the employee will not receive a step increase even though another year of service has been completed. This occurs 4 times throughout the 11 step plan. Therefore, an employee will have to have completed 15 years in the same position to reach Step 11 (Maximum).

How are the step increases determined?

When the pay plan was being constructed, pay scale percentages were also compared amongst counties with ranges beginning as low as 80% and topping out at 120% for the maximum. All Midpoint wage rates were at 100%.

It was determined that the Min/Start wage would begin at 85% and the Maximum would be 110%. The Midpoint wage rate would be 100%. Therefore, employees would see a 3% step increase from steps 1 through 6 and a 2% step increase for steps 6 through 11. This is seen on

the third line at the top of the proposed pay plan. The line is not titled, but starts with 85% and ends with 110%

Do I receive a cost of living (COLA) increase every year?

In addition to your step increase, it is the intention that all employees receive a cost of living increase regardless of which step they are at within the pay plan. The County will determine the cost of living increase by utilizing the Consumer Price Index calculation for collective bargaining agreements made by the Wisconsin Department of Revenue for the Wisconsin Employment Relations Commission. This website can be accessed at http://werc.wi.gov/doaroot/cpi-u_chart.htm. The County will use the projected CPI percentage for January of the upcoming year to determine the COLA percentage. The CPI percentage for January 2017 is 0.68%.

I looked at the plan and I am not receiving the 2%/3% step increase indicated in the plan?

You are correct. Because this is the first year of the plan, all employees are being slotted into their respective steps. As explained before, when the plan was constructed no employee wage matched exactly with the step wage. Therefore, all employees are moved up to the higher step, or if the employee is at the maximum step, they keep their current hourly wage and receive the COLA increase only.

I have more years at the position than the step I have been placed in? Why?

There will be a number of employees who will have worked more years in their position than where they have been slotted into the pay plan. When transitioning from a 5 step plan to an 11 step plan and calculating the average hourly wage rates, there are employees that have been slotted in step 6 or step 7 that would be at a higher step if the plan had always been in place. From a cost perspective, it would be very difficult to place employees in those higher steps. To maintain the balance of providing employees a clear and stable pay progression and the county's ability to pay, those employees will begin at the lower step and work their way forward through the plan.

For example, an employee that makes \$19.94 per hour and has worked in their position for 16 years would start 2017 slotted in Step 7 at \$20.22 per hour. They would not be slotted in Step 11 even though their years of service would indicate so. The employee would continue to move through the plan as structured. They would not see a step freeze at steps 9 and 10 because they have served the required years in the position. Please remember that the pay plan is trying to balance both employee and county financial concerns.

Can the County Board or Personnel Committee modify this plan?

Yes. The Personnel Committee will determine the COLA increase each year, so the plan will change as well. Subsequently, the County Board will approve those changes as a part of the county budget. The Committee and the Board may make other changes as they deem appropriate, but the purpose of the pay plan is be utilized as a basis for objectively determining wages.