



CITY OF WAUWATOSA
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EMPLOYEE RELATIONS COMMITTEE MEETING

Tuesday, February 26, 2013
Back of Council Chambers

PRESENT: Alds. Berdan, Hanson, Organ, Wilson – 4

EXCUSED: Ald. Causier

ALSO PRESENT: J. Archambo, City Admin.; B. Aldana, Human Resources Dir./Asst. City Atty.

Ald. Organ as Vice-chair called the meeting to order at 7:00 p.m.

Discussion with Dettmann Consulting regarding policy decisions regarding compensation study

The Human Resources Director re-introduced the committee to Charlie Carlson from Carlson Dettmann Consulting who is here tonight to discuss policy decisions that will need to be made during the compensation study. He suggested that a base foundation be made for future decisions that will be brought to the committee.

Mr. Carlson updated the committee on the progress of the study. He said that he has met with the employees answering their sessions. The employees have completed their questionnaires and have turned them in. The analysis of these questionnaires should start soon. Mr. Carlson said he has been meeting with department heads and having discussions relating to their departments, positions, and pay for performance.

Mr. Carlson observed that the City has a very talented group of department heads and was impressed with the quality and diversity of talent that the City has. Mr. Carlson suggested that there are three major policy questions that need to be resolved:

1. Who are we comparing the City to, what are our markets
2. What is our position in these markets, does the City want to be a high, medium, or low payer
3. How to pay employees- how do they receive a raise

Mr. Carlson noted that although the City is fortunate to have an experienced group of department heads, they are going to retire and the City will be in the market place recruiting, maybe internally, for these positions. He mentioned with the level of quality this community expects, you will need to be able to recruit good people to replace them.

Mr. Carlson suggested studies be made outside the boundaries of the state. He recommended surveying similar size communities in Illinois and possibly Iowa. The Twin Cities was also suggested as a comparable survey city.

Mr. Carlson asked the committee to understand the complexity of his assignment, taking this from post ACT 10 where there was a variety of play plans through collective bargaining into a uniform pay policy. He said he told staff he would not make recommendations for pay cuts, possibly freeze wages if necessary. Mr. Carlson talked about the two-tier plan that is being used and how that has saved the City

money. A current water position is open and testing is ongoing with a pay scale 20% less than with the former union pay.

Mr. Carlson touched on three steps to transform an organization from one way of doing things to another. Some communities say they want to have performance based pay, but how do you get there. Sometimes what they are really saying is what they don't want, don't pay employees for non-performance. He felt the City is on their way of accomplishing that. The pay for performance is generally a public sector model. He talked about three distinct models on paying employees:

1. Tenure – notion is that you are entitled to a job in most of the public sector
2. Meritocracy – your performance is secure in that you meet high level of expectations; general notion is that once you are in the club, it is likely that you would retire from the club – only hire the best and only keep the best
3. Tournament model – fixed sum of money available and go compete for it – pay for performance - could be a very dysfunctional model for rank and file employees

Mr. Carlson said his suspicion is that meritocracy would be preferred and that the tenure model is no longer of interest.

There are three objectives in establishing a pay plan:

1. Lay a solid foundation to build from
2. Manage and measure performance – this is being worked on
3. Payouts - how do you earn this

Mr. Carlson said in discussion he had with department heads there were some bad experiences within the City previously on pay for performance as it was not done fairly. When developing a payout system, he encouraged the committee to think about pay in a currency that matters; it doesn't necessarily have to be financial. He suggested it could be flexibility, training to do your job better, certification, three-day or four-day work week. Incentives were discussed. It is important to find the currency to pay for the results. Find out what people want, it doesn't just have to be about getting a raise, there may be other things. He said the real challenge right now is how to measure performance. Mr. Carlson said this will be asked as a Council. He will design a plan and Council will be asked to fund the plan. A strategic planning process is most important.

Financial deliverables were briefly discussed. Mr. Carlson responded to a question that this number could possibly go down, not in pay, but maybe in numbers. He told the committee that with the premiums the employees are paying for insurance and pension, their checks are smaller today than in 2008. A consistent plan needs to be established to weather the storms.

Mr. Carlson told the committee he will be back around the end of March with comparable survey data. The pay plan would follow in another 30 days from then. He wanted to have the study wrapped up sometime in May in preparation for the 2014 budget cycle.

The meeting adjourned at 7:47 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

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