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## **EMPLOYEE RELATIONS COMMITTEE MEETING**

Tuesday, April 30, 2013  
Back of Council Chambers

**PRESENT:** Aids. Causier, Berdan, Hanson, Organ, Wilson (7:08 p.m.) - 5

**ALSO PRESENT:** J. Archambo, City Admin.; A. Kesner, City Atty.; B. Aldana, HR Director/Asst. City Atty.

Ald. Causier as Chair called the meeting to order at 7:04 p.m.

### **Compensation study update**

The committee reviewed a memo from the Asst. City Atty./HR Director; and Charles Carlson, Carlson Dettmann Consulting regarding committee input on the following questions.

Mr. Carlson updated the committee on the project status. He said they are in the data collection analytical phase of the project. There are two critical questions that need to be studied.

The questions asked of the committee were: what are our markets and for which jobs, what position does the City wish to take in its markets, and how to decide pay increases in the future.

Mr. Carlson said he hoped to accomplish a couple of things tonight including the committee's comfort with the external analysis and the pay plan design. Included in this is what role will performance play in future pay increases.

The consultant discussed the projected turnover which he felt was hard to tell. Just because someone is of age doesn't mean they will retire. He felt as the economy starts to improve there will be more retirements.

Mr. Carlson said that down the road, public employers will see fewer people staying for a career, particularly if the State alters the pension program. National Health Care will provide more mobility which locks people in for employment. Mr. Carlson suggested that the City look at 'an early out program', which will be a conversation for a subsequent meeting.

Mr. Carlson discussed the two-tier plan and the savings that have been seen. The City feels it has been highly successful and has saved money. He said that morale wise not necessarily so.

Mr. Carlson expressed that the hourly employees, the lower half of the plan, tend to be paid above other private sector and some public sector markets. Prior to Act 10, he said it was virtually impossible to compare to the private sector. He is finding that the private sector is paying less. The primary data suggests it is stronger for mid-management and above. Mr. Carlson said the Bureau of Labor Statistics data base is very robust and has a good idea what the private sector is doing. He noted that it is a very political question with economic implications. He suggested using the private sector as a comparable for the lower level jobs. He felt the wages being paid for upper management is a competitive blend of public and private.

Mr. Carlson said the question is what to do with the lower end of the pay scale. He said he would use the public

sector comparison for dispatchers and for the library. He suggested that the laborer, mechanics, equipment operator, and clerical positions match up very closely with the private sector.

Ald. Wilson felt it would be a benefit to the City to have a less transient employee base. Mr. Carlson suggested the difference in public versus private pay is the rate at which a person gets to the market rate. Public sector seems to have quicker increases. Saving money over time by broadening the period of time where you earn money should be looked at. With this uniform pay you are seeing longer pay lengths, lower starting rates and you are able to recruit as the City has an attractive benefit program. Increase pay over time instead of quickly.

Ald. Wilson agreed with the economic impact, but was more curious from the Human Resources standpoint; how do you encourage and keep good people in these jobs since it will be just as easy to find a private sector job. Mr. Carlson said that turn-over is healthy. When you have an employee you want to keep you have to find a way to keep them. He said if an employee is performing very well do you want to give them money to stay or do you want them locked into a step system where there is no flexibility or promotion available. Most of the public sector is pretty rigid, not a lot of flexibility or discretion. Ald. Wilson said he doesn't want to over-pay people but how do you support the idea of encouraging people to come work here and stay. He suggested he'd rather have people working here who are looking for advancement in the future.

Mr. Carlson suggested there is an argument for performance based pay. Ms. Aldana advised that the City is rolling out a new employee development program which would take a different approach to employee and professional development. Ald. Wilson hoped this could be merged in a smart way. He is all for saving money but at the same time how does this fit into the overall system to keep the talent the City needs.

The consultant said one thing he looks at during the study is how much money there is to work with. It seemed to him that as the Council makes a decision it has to be fiscally prudent, if not, it will be trading off jobs for pay.

Ms. Aldana handed out a 2013 comparability analysis which is generally compared to similar type organizations, then geographical proximity and then population similarity, which was discussed.

The committee asked for additional municipalities to be included for comparables. They are Hales Corners, Brown Deer, Greendale, Whitefish Bay, Shorewood and Bayside. It was felt the more information presented the better when making this decision. It was not clear to some on the committee what this analysis was telling them. Mr. Carlson added that when hiring for upper management you'd use this comparable analysis, but probably not for a refuse driver, laborer or municipal clerk. Ald. Wilson questioned how the organizations compare apple to apples. What is the police to fire fighter ratio, number of laborers, etc. Mr. Carlson said he won't know this until he studies it.

Ald. Hanson said he is really interested in an apple to apples comparison. Mr. Carlson said he will pick positions in the municipalities and survey them bringing back the data to come up with a benchmark.

Ald. Causier questioned if the turnover rate should be reviewed and Mr. Carlson said not in the public sector because quite frankly there hasn't been any. In the private sector you will see movement.

Ald. Hanson said based on the information presented, that employees are no longer going to stay due to national healthcare and a different pension system. He said it has to be determined what our stomach is for turnover. Mr. Carlson said regarding hourly employees that some turnover is healthy. Ald. Hanson said that wholesale is not acceptable and asked what an acceptable number of turn-over would be.

Mr. Carlson suggested bringing back a pay for performance plan for middle and upper management. This would include a lower starting rate and a managed maximum rate.

The committee expressed their concerns and asked that this be done across the board for all employees. Mr. Carlson cautioned that you'd be making a political commitment if across the board. If you want to do this you have to find the money to pay for it. Ald. Hanson said that across the board would be the fairest way to do this. Ald. Berdan agreed as well as Ald. Wilson.

The committee asked for more information from the consultant. They didn't feel they have enough information to make a decision. They want employees coming to work for the City that want to advance. If you do a good job you should be rewarded. They didn't feel there was enough information about the process to say exclusively, "go with the pay for performance plan". They hoped for a broader picture.

Mr. Carlson said since ACT 10 in doing these survey types he is getting different reactions from different municipalities. He noted that resources will have to be dedicated. He said that plans will be brought back to the committee in June.

Meeting adjourned at 8:00 p.m.

Carla A. Ledesma, City Clerk  
City of Wauwatosa

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