Intercounty Coordinating Committee Meeting Minutes  
Monday, October 17, 2016  
Marquette County Service Center  
Montello, WI


Call to Order
The meeting was called to order by Kottke at 9:30 a.m.

Certification of Wisconsin Open Meetings Law Notice
The secretary confirmed the requirements of the Wisconsin Open Meetings Law were met.

Adoption of Agenda
Motion by Columbia County, second by Green Lake County to approve the agenda. – Motion Approved.

Approval of 2016-2017 Program Schedule
Motion by Marquette County, second by Sauk County to approve the 2016-17 program schedule.

Approval of Previous Meeting Minutes
Motion by Columbia County, second by Green Lake County to approve previous meeting minutes.

Update of County Issues- WCA
  • WCA’s legislative agenda was recently approved by WCA Board and shared throughout the state capitol.
  • Feedback on the WCA conference in Milwaukee was very positive.

Open discussion of County Issues
  • None
Program Topic- County Compensation, Planning, Funding, & Implementation
  - Lisa Corbeille from WIPFLI CPAs and Consultants covered the following topics:
    o Purpose of compensation plan
    o Objectives of compensation plan
    o Components of compensation plan
  - Each county shared their experiences with their respective county compensation plans.

Next Meeting
Next meeting: Sauk County on November 21, 2016.

Adjournment
Motion for adjournment by Columbia County, second by Marquette County. The meeting adjourned at 11:30AM by Chairman Kottke.

Respectfully Submitted,

Jennifer Erickson
Community Development Educator
UW-Extension, Sauk County
Decision Band Method

Based on their approach and methodology – the
Sauck County chose Fox Lawson as the preferred vendor

- Included a comprehensive review of benefits
- Consolidation of all wage schedules (previously had 5)
  currently have merit system
- Sets the stage for developing pay for performance (we
  importune of a sound compensation philosophy that
  Act 10)
- Complexity of the compensation related issues (post
  scope – large number of positions / employees

Board identified compensation planning as a strategic issue

- Considerations

- Rational for analysis
Future years, as well as system for ongoing maintenance

Long Term Approach: Development of Long Term Compensation Strategy

• Internal and external markets
• Competitive wages: Ability to effectively recruit and retain positions relative
  Labor Groups after expiration of collective bargaining agreements
  Part of: Adopt a universal wage scale and classification system derived from various
  Consistency: Appropriate alignment of job classifications throughout the County

WAPA (clerical/courthouse personnel) and health care center workers
  Non-represented employees. Staff (social workers and public health nurses), highway,
  Consolidation of all pay plans and/or groups (except sheriff's sworn unit), including

Goals

Phase 1: Policy Study – Consultant reviewed existing policies and proposed updates to ensure
  the Salk County Board on May 12, 2014

Phase 2: Evaluation Study – Consultant applied the decision band method to the job

Phase 3: Classification Study – Consultant reviewed all job descriptions and classifications

Phase 4: Final Report – Consultant prepared a proposed wage structure that was presented to
  the wage structure

classifications

2014 Class and Comp Study Process
The salary structure is developed based directly on the market of each decision.

- Using data to anchor the salary structure.
- Market parity can be established by benchmarking the competitive labor market and methodologies, such as the Decision Band Method (DBM) or job evaluation.
- Internal equity is established through the application of a formal job evaluation.

DBM/Market Based Salary Structures

- Developing a fair and competitive salary structure requires a balance between internal equity and market parity.
- Decision-making is measurable.
- Decision-making is common to all jobs.
- The importance of a job is directly related to the decision-making requirements of the job.
- The value of a job should reflect the importance of the job.

Three-step process ensures fair and equitable salaries.

Decision Band Method of Job Evaluation

- The foundation of a salary structure.
- A tool for blending internal equity with market parity.
- A method used to determine the relative value of jobs.
- What is Job Evaluation?
Step 1: Determine Appropriate Band
- Policy
- Board E

Step 2: Determine Appropriate Grade
- Resourcing resources and programs
- Appropriately project management
- Interpretable
- Process:
- Operationalized
- Determined how and when

Step 3: Determine Appropriate Subgrade
- Jobs without responsibility: same band are placed in the lower grade
- Jobs with coordinating or supervisory responsibility: same band are placed in the higher grade
COSTS

for 2017

across the board adjustments (1.0%)

Maintenance of plan throughout annual

implementation

2014 for costs affiliated with

2.0% of payroll expenses budgeted in
addressed
additional $1 million if length of service costs would have added at least an
relative to length of service implementation
the pay band closest to existing pay – not
employees were placed on the step within
– tenure not taken into consideration

individual perceptions of "worth" or "value"

Conflicts between concepts of pay equity and

wage matrix based on method of adoption

All employees essentially "reset" within
Employee appraisal process

Process - work is needed to achieve a more mature process based in conjunction with the performance appraisal (after effects of union practices), but are intended to be

Step increases are expected as a result of passage of time,

Vertical movement difficult in the higher pay bands

Members debate making incremental adjustments and retains the integrity of the matrix, but each year, board

Adjustments. Using a percentage is easier to implement matrix up to date through annual across the board

Board members are somewhat resistant to keeping the

and requirements of the position contributions rather than considering the role, function

Reclassification requests - want to consider individual

Managers struggle to remain objective when considering
Creating a Compensation System

Our Agenda

- Purpose of a Compensation Plan
- Objectives of a Compensation Plan
- Compensation Plan Development Strategy
- Plan Design Process
- Plan Maintenance

Purpose of a Compensation Plan

- To ensure pay is established and administered according to fair and equitable principles
- To ensure the organization is paying competitive wages consistent with its compensation philosophy
- To provide guidelines for the day-to-day administration of employee's compensation
Objectives of a Compensation Plan

- Fair and equitable
  - Recognize the value of compensation
    in the organization
  - Pay scale should be
    commensurate
  - Market analysis and
    competitive
- Top talent
  - Maintain competitive
    packages
  - Competitive job roles
    and position
- Consistency and accountability
  - Implement consistent
    policies
  - Monitor performance

Compensation Plan Development Strategy

Create an understanding and definitions of the organization’s compensation philosophy
  - Determine desired market position
    - Lag, meet, or lead market
  - Identify the components of compensation:
    - Base, incentives, benefits, perquisites

Traditional Compensation System

- Create compensation committee
- Develop job descriptions
- Conduct internal equity analysis
- Conduct external market analysis
- Design salary structure
- Develop administrative policies
- Create and execute communication plan
Internal Equity Analysis

**What**
- Determines the relative value of each position to every other position within the organization on the basis of compensable factors

**When**
- Establishes a position's relative worth within the organization before conducting an internal analysis

**Who**
- Conducted by the compensation committee or an independent third party

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Point Factor Evaluation Method

- Breaks jobs down into identifiable compensable factors by assigning levels and points within the evaluation criteria
- Provides uniformity of evaluations, determines relative value of different positions, and addresses comparable worth issues

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Point Factor Evaluation Method

**Choose and define compensable factors:**

<table>
<thead>
<tr>
<th>Skills</th>
<th>Responsibilities</th>
<th>Physical demands</th>
<th>Mental or visual demands</th>
<th>Working conditions</th>
<th>Unfavorable hazards</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Education</td>
<td>- Experience</td>
<td>- Physical demands</td>
<td>- Mental or visual demands</td>
<td>- Working conditions</td>
<td>- Unfavorable hazards</td>
</tr>
<tr>
<td>- Complexity</td>
<td>- Initiative</td>
<td>- Physical demands</td>
<td>- Mental or visual demands</td>
<td>- Working conditions</td>
<td>- Unfavorable hazards</td>
</tr>
<tr>
<td>- Creativity</td>
<td>- Promotion</td>
<td>- Physical demands</td>
<td>- Mental or visual demands</td>
<td>- Working conditions</td>
<td>- Unfavorable hazards</td>
</tr>
</tbody>
</table>

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Establish and define levels within factors

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Point Factor Evaluation Factors and Levels

- Assign points to factors and levels

<table>
<thead>
<tr>
<th>FACTORS</th>
<th>WEIGHT</th>
<th>LEVEL 1</th>
<th>LEVEL 2</th>
<th>LEVEL 3</th>
<th>LEVEL 4</th>
<th>LEVEL 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skills</td>
<td>55.5</td>
<td>25</td>
<td>40</td>
<td>60</td>
<td>100</td>
<td>150</td>
</tr>
<tr>
<td>Experience</td>
<td>25.9</td>
<td>25</td>
<td>40</td>
<td>60</td>
<td>100</td>
<td>150</td>
</tr>
<tr>
<td>Knowledge</td>
<td>15.2</td>
<td>25</td>
<td>40</td>
<td>60</td>
<td>100</td>
<td>150</td>
</tr>
<tr>
<td>Responsibility</td>
<td>9.5</td>
<td>25</td>
<td>40</td>
<td>60</td>
<td>100</td>
<td>150</td>
</tr>
<tr>
<td>Internal Market</td>
<td>1.6</td>
<td>25</td>
<td>40</td>
<td>60</td>
<td>100</td>
<td>150</td>
</tr>
</tbody>
</table>

External Market Analysis

- Determines the market value of each position by comparing it to published compensation data and/or to customized survey results
- Finding data is rarely a problem. Finding the "right" data can be the challenge.
  - Secure, reputable and reliable surveys
  - Match job descriptions, not titles
  - Consider demographics – industry, geographic location, number of staff, budget, sample size
  - Date of the survey – may need to be aged

Example External Market Pay Worksheet

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Salary Structure Creation

The external market analysis serves as the primary consideration for the development and placement of positions within the salary structure.

Sort positions by external market value and calculate a midpoint average for that particular group of positions.

This midpoint average will assist you in defining the pay groups throughout the salary structure.

Salary Structure Design Sample

Comparative Ratio Analysis

Allows the organization to determine where current rates of pay fall in relationship to the newly established salary structure midpoints. A highly effective tool for compensation administration to ensure fairness and equity.
Comparative Ratio Analysis Sample

Pay Adjustments
- Market Equity and Administrative Adjustments – Made to correct inequities due to internal or external conditions, bring compensation to the minimum of the range or up to the level of other employees.
- Merit Increases – Strong performance is recognized.
- Step Plan
- Cost of Living Adjustments

Pay Administration
- New Hires
- Job Reclassification
- Promotions
- Demotions
- Transfers
Salary Structure Pay Range Adjustments

- Review pay ranges annually to ensure they are still reasonable and competitive within the marketplace.
  - Adjust midpoints (and resulting minimums and maximums) based on survey information from valid and reliable surveys.
- Internal and external equity for jobs should be reviewed every two to three years to maintain equity and consistency with the organization's compensation philosophy.

Plan Maintenance

Develop a plan to ensure, at a minimum, the following are addressed on a regular and ongoing basis:
- Keep job descriptions current
- Conduct internal equity analysis on new or revised job descriptions
- Review pay ranges on an annual basis
- Conduct a full review at least every three years
- Manage employees falling outside the established salary structure ranges

Thank You!

Thank You!

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WIPFLI
CPAs and Consultants

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