

CITY OF FRANKLIN
COMMITTEE OF THE WHOLE MEETING
MONDAY, MARCH 2, 2015, 6:30 P.M.
COMMON COUNCIL CHAMBERS, FRANKLIN CITY HALL
9229 W. LOOMIS ROAD, FRANKLIN, WISCONSIN
AGENDA*

- I. Call to Order and Roll Call
- II. Presentation and Discussion on the Classification and Compensation Study and Study Components by GovHR USA.
- VI. Adjournment

*Notice is given that a majority of the Personnel Committee may attend this meeting to gather information about an agenda item over which the Personnel Committee has decision-making responsibility. This may constitute a meeting of the Personnel Committee per State ex rel. Badke v. Greendale Village Board, even though the Personnel Committee will not take formal action at this meeting.

[Note: Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information, contact the City Clerk's office at (414) 425-7500.]

<p>APPROVAL</p> <p><i>Slw</i> <i>MWJ</i></p>	<p>REQUEST FOR COUNCIL ACTION</p>	<p>MEETING DATE</p> <p>03/02/2015</p>
<p>REPORTS & RECOMMENDATIONS</p>	<p>Presentation and Discussion on the Classification and Compensation Study and Study Components</p>	<p>ITEM NUMBER</p> <p><u>II.</u></p>

The City has entered into a professional services agreement with GovHR USA to perform a Classification Study, a Compensation Study, and an FLSA review. All are being performed together and are generally just referred to as a Classification and Compensation Study. Joellen Earl, co-owner, will be in attendance to address certain topics as called for in the contract and as necessary to complete the study. Note, however, that all aspects or components of the classification and compensation study are potential topics of discussion under this item as placed on the agenda. The primary discussion topics are as follows:

1) Provide education and gain instructions on pay philosophy. In order for the consultant to eventually prepare a proposed salary table and costing, the consultant needs to have the City establish its policy with respect to compensation, often called a pay philosophy. In summary, an organization's pay philosophy addresses how the organization wants to compare to the marketplace. This is often addressed as how competitive does the organization want to be compared to the mean of the market place. The consultant is charged with providing an education as to the significance and impacts of different compensation philosophies. Ultimately, the consultant will require the Common Council to make a preliminary determination as to the pay philosophy to incorporate into the initial draft of the report. The consultant will then structure the internal and external equity considerations around this philosophy.

2) Provide education and gain instruction on salary structures. In order for the consultant to eventually prepare a proposed pay plan, the consultant needs to have the City provide input on possible salary table structures. The pay structure is the method of administering the pay philosophy. The consultant will provide education as to the options available in current human resources practices and how those options impact operations, administration, etc. The discussion generally also addresses merit pay as a component of the salary structure. Discussions on merit pay or pay-for-performance also leads to consideration of performance evaluations and performance measurement systems.

Note on 1 and 2: These two topics are fairly broad and fairly significant. It is possible for the consultant to focus on the educational component at this meeting, answer initial questions, and return at the April Committee of the Whole meeting to address a few follow-up questions and receive their guidance at that time. In between the two meetings, I can help answer questions as you each determine your policy preferences in these areas. This would not push back the schedule any, but, per the contract, there is an extra charge of \$1,000 for the additional on-site meeting.

3) Comparable Communities. The consultant will discuss briefly their initial recommendation as to which communities should be used for comparisons. The consultant considered population, property tax levy, equalized value, spending per capita, property tax rate, proximity, general obligation debt, and total shared revenue. Attached are the results which recommended the following communities:

<u>New Berlin</u>	<u>Greenfield</u>	<u>Oak Creek</u>	
<u>Menomonee Falls</u>	Mequon	<u>Mt. Pleasant</u>	
Wauwatosa	Sun Prairie	<u>Caledonia</u>	Fond du Lac
Fitchburg	West Bend	<u>Brookfield</u>	<u>Muskego</u>

The following communities, however, were incorporated into the contract as a requirement based upon the City's past analysis and considerations. Communities on both lists are underlined.

Comparable Communities Based Upon Similarity of Characteristics:

<u>Oak Creek</u>	<u>New Berlin</u>	<u>Menomonee Falls</u>
<u>Greenfield</u>	<u>Caledonia</u>	<u>Mt. Pleasant</u>
<u>Muskego</u>	<u>Brookfield (City)</u>	Greendale
Hales Corners	North Shore Fire Department	

Additional Comparable Communities Based Upon Geographic Location:

Cudahy	St. Francis	South Milwaukee
West Allis	West Milwaukee	

Department and division heads met to review the consultant's recommendation and agree that the consultant's recommendation is more valid. Department heads generally believed that the small communities not recommended by the consultant for inclusion should be excluded because the limited size and complexity of the organizations and community would limit their comparability to Franklin, which would result in few comparable jobs between the organizations and/or inconsistent results by including jobs with similar titles but not similar complexity. These smaller communities were previously incorporated as comparables because of their proximity and their past inclusion as comparable communities in labor actions. Act 10 has changed that environment, so past labor actions no longer need to be considered a primary consideration.

As can be seen, none of the smaller communities that were added based upon these labor considerations were recommended by the consultant based upon their own evaluation of factors. In retrospect, staff recommends that the consultant be approved to use their list of recommended communities, with one deviation. The North Shore Fire Department should be included given its proximity and similar structure to the FFD. The result would be that the consultant would use 15 organizations, compared to the 16 initially required, which involves a similar workload. The consultant had consented to add the required communities to their recommendation for a total of 21 communities, but department heads and the consultant recommend sticking with the communities that were truly most comparable is the best strategy. Therefore, the results, as compared to the RFP, are as follows:

<u>Communities to Drop</u>		<u>Communities to Add</u>	
West Milwaukee	St. Francis	Mequon	Wauwatosa
Cudahy	Hales Corners	Sun Prairie	Fitchburg
Greendale	South Milwaukee	West Bend	Fond du Lac
West Allis			

A copy of their analysis is attached. They will be prepared to explain their methodology and recommendations. Final guidance on comparable communities needs to be provided by the Common Council meeting Tuesday night or the project could be delayed.

Additional Background:

In general, the timeline for the project is as follows:

February:	Project Kick-off and set up
March:	Initial Common Council education sessions and preliminary guidance Distribute salary and benefit survey tools Distribute, complete, and collect employee position questionnaires
April:	GovHR's analysis of questionnaires and on-site employee interviews
April 27:	Target date for preliminary analysis to the City
May 11:	Target date for Final draft of report to the City
After May 11:	Presentation of findings to the City

Note that the dates are subject to the timely receipt of survey data from comparable communities and private sector companies.

The Common Council may also wish to discuss potential private industry salary survey partners. The data for this will be distributed separately prior to the Common Council meeting.

The Personnel Committee has been invited to be in attendance for this meeting for the purpose of participating in the discussion and providing their recommendations and comments as individual members.

COUNCIL ACTION REQUESTED

- 1) Provide guidance to GovHR USA relative to components of the study.
- 2) Authorize attendance at the April Committee of the Whole by GovHR USA to collect additional guidance from the Common Council as to components of the study.
- 3) Provide guidance to GovHR USA relative to comparable communities.

**City of Franklin, Wisconsin
Top Comparable Communities
(Communities Scoring 70 Points or More)**

Municipality	Pop.	Max. Points	Prop. Tax Levy (Ths.)	Max. Points	EA Value (Millions)	Max. Points	Spending Per Capita	Max. Points	Prop. Tax Rate	Max. Points	Proximity Miles	Max. Points	Gen. Oblig. Debt	Max. Points	Shared Revs. (Ths.)	Max. Points	Total Points
Franklin	35,520	15	\$20,509	15	\$3,414	15	\$554	15	\$6.19	15	0	15	\$610	5	\$856	5	100
New Berlin	X 39,770	15	\$24,436	15	\$4,524	15	\$547	15	\$5.40	15	10	15	\$1,179	3	\$648	3	98
Greenfield	X 36,740	15	\$22,185	15	\$2,741	15	\$591	15	\$8.12	15	5	15	\$968	4	\$1,502	3	97
Oak Creek	X 34,530	15	\$19,202	15	\$2,922	15	\$745	10	\$6.72	15	7	15	\$675	5	\$6,195	0	90
Menomonee Falls	X 35,680	15	\$22,199	15	\$4,245	15	\$558	15	\$5.54	15	22	10	\$2,846	0	\$476	3	88
Mequon	23,225	10	\$19,612	15	\$3,950	15	\$549	15	\$4.98	15	26	10	\$1,275	2	\$341	2	84
Mt. Pleasant	X 26,220	10	\$16,917	15	\$2,315	10	\$626	15	\$7.51	15	22	10	\$1,672	0	\$322	0	75
Wauwatosa	46,320	15	\$37,950	5	\$4,933	10	\$793	10	\$8.18	15	11	15	\$1,299	2	\$1,785	2	74
Sun Prairie	29,840	15	\$19,068	15	\$2,369	10	\$473	15	\$8.42	10	75	5	\$1,652	0	\$1,343	4	74
Caledonia	X 24,731	10	\$13,232	10	\$1,922	5	\$495	15	\$6.93	15	11	15	\$1,444	0	\$598	4	74
Fitchburg	25,246	10	\$18,274	15	\$2,504	10	\$510	15	\$7.87	15	87	3	\$1,733	0	\$924	5	73
West Bend	31,380	15	\$19,250	15	\$2,378	10	\$575	15	\$8.61	10	41	5	\$2,254	0	\$1,847	2	72
Brookfield	X 37,870	15	\$35,835	5	\$5,998	5	\$731	15	\$6.04	15	16	10	\$1,287	2	\$973	5	72
Fond du Lac	43,100	15	\$21,501	15	\$2,566	10	\$615	15	\$8.48	10	69	5	\$1,789	0	\$6,136	0	70
Muskego	X 24,217	10	\$12,096	5	\$2,535	10	\$389	10	\$4.91	15	6	15	\$1,399	2	\$428	3	70

Communities noted in YELLOW (with an X) were supplied by Franklin as comparable communities used prior to this study.

**City of Franklin, Wisconsin
Comparable Communities**

Municipality	Pop.	Max. Points	Prop. Tax Levy (Ths.)	Max. Points	EA Value (Millions)	Max. Points	Spending Per Capita	Max. Points	Prop. Tax Rate	Max. Points	Proximity Miles	Max. Points	Gen. Oblig. Debt	Max. Points	Shared Revs. (Ths.)	Max. Points	Total Points
Franklin	35,520	15	\$20,509	15	\$3,414	15	\$554	15	\$6.19	15	0	15	\$610	5	\$856	5	100
New Berlin	X 39,770	15	\$24,436	15	\$4,524	15	\$547	15	\$5.40	15	10	15	\$1,179	3	\$648	5	98
Greenfield	X 36,740	15	\$22,185	15	\$2,741	15	\$591	15	\$8.12	15	5	15	\$968	4	\$1,502	3	97
Oak Creek	X 34,530	15	\$19,202	15	\$2,922	15	\$745	10	\$6.72	15	7	15	\$675	5	\$6,195	0	90
Menomonee Falls	X 35,680	15	\$22,199	15	\$4,245	15	\$568	15	\$5.54	15	22	10	\$2,846	0	\$476	3	88
Mequon	23,225	10	\$19,612	15	\$3,950	15	\$549	15	\$4.98	15	26	10	\$1,275	2	\$341	2	84
Mt. Pleasant	X 26,220	10	\$16,917	15	\$2,315	10	\$626	15	\$7.51	15	22	10	\$1,672	0	\$322	0	75
Wauwatosa	46,320	15	\$37,950	5	\$4,933	10	\$793	10	\$8.18	15	11	15	\$1,299	2	\$1,785	2	74
Sun Prairie	29,840	15	\$19,068	15	\$2,369	10	\$473	15	\$8.42	10	75	5	\$1,652	0	\$1,343	4	74
Caledonia	X 24,731	10	\$13,232	10	\$1,922	5	\$495	15	\$6.93	15	11	15	\$1,444	0	\$598	4	74
Fitchburg	25,246	10	\$18,274	15	\$2,504	10	\$510	15	\$7.87	15	87	3	\$1,733	0	\$924	5	73
West Bend	31,380	15	\$19,250	15	\$2,378	10	\$575	15	\$8.61	10	41	5	\$2,254	0	\$1,847	2	72
Brookfield	X 37,870	15	\$35,835	5	\$5,998	5	\$731	15	\$6.04	15	16	10	\$1,287	2	\$973	5	72
Fond du Lac	43,100	15	\$21,501	15	\$2,566	10	\$615	15	\$8.48	10	69	5	\$1,789	0	\$6,136	0	70
Muskego	X 24,217	10	\$12,096	5	\$2,535	10	\$389	10	\$4.91	15	6	15	\$1,399	2	\$428	3	70
Sheboygan	49,110	10	\$21,677	15	\$2,448	10	\$563	15	\$9.26	10	68	5	\$927	4	\$11,770	0	69
Janesville	63,480	5	\$30,455	10	\$3,793	15	\$487	15	\$8.28	10	62	5	\$1,169	3	\$5,126	0	63
Oshkosh	66,325	5	\$32,029	10	\$3,759	15	\$522	15	\$9.28	10	91	3	\$2,078	0	\$10,808	0	58
Manitowoc	33,750	15	\$14,470	10	\$1,869	5	\$630	15	\$8.24	10	93	3	\$2,036	0	\$5,725	0	58
West Allis	X 60,300	5	\$39,167	5	\$3,701	15	\$738	10	\$10.84	5	9	15	\$1,300	2	\$8,856	0	57
Stevens Point	27,129	15	\$14,103	10	\$1,523	3	\$606	15	\$9.47	10	157	0	\$1,142	3	\$3,799	0	56
Neenah	25,723	10	\$15,745	15	\$1,663	3	\$613	15	\$9.27	10	102	3	\$1,824	0	\$2,119	0	56
Waukesha	71,020	5	\$53,099	0	\$5,390	10	\$587	15	\$10.19	10	15	15	\$1,638	0	\$3,547	0	55
DePere	23,944	10	\$10,844	5	\$1,758	5	\$438	15	\$6.56	15	118	0	\$1,332	2	\$1,611	3	55
South Milwaukee	X 21,103	5	\$10,537	5	\$1,133	0	\$597	15	\$9.76	10	9	15	\$1,188	3	\$3,169	0	53
Greendale	X 12,808	0	\$9,247	3	\$1,251	0	\$627	15	\$7.84	15	4	15	\$1,240	2	\$468	3	53
Beloit	36,850	15	\$14,182	10	\$1,377	0	\$686	15	\$12.18	5	67	5	\$1,505	0	\$16,833	0	50
La Crosse	51,590	10	\$34,684	5	\$3,103	15	\$694	15	\$12.11	5	212	0	\$1,724	0	\$11,555	0	50
Hales Corners	X 7,683	0	\$5,045	0	\$635	0	\$576	15	\$7.97	15	4	15	\$981	4	\$240	0	49
Appleton	72,810	0	\$37,984	5	\$4,651	10	\$540	15	\$8.48	10	111	0	\$457	5	\$10,929	0	45
Cudahy	X 18,247	5	\$9,060	0	\$1,177	0	\$609	15	\$8.30	10	11	15	\$2,307	0	\$3,664	0	45
Watertown	23,691	10	\$10,834	5	\$1,257	0	\$416	10	\$9.47	10	50	5	\$1,737	0	\$2,980	0	40
St. Francis	X 9,452	0	\$5,725	0	\$572	0	\$751	10	\$10.01	10	10	15	\$0	0	\$2,140	0	35
West Milwaukee	X 4,200	0	\$3,682	0	\$358	0	\$1,209	3	\$12.96	3	9	15	\$2,420	0	\$965	5	26

Communities noted in YELLOW (with an X) were supplied by Franklin as comparable communities used prior to this study.

City of Franklin, Wisconsin
Criteria used to Determine Survey Comparables

1. 2012 Population: ~ Maximum 15 points

35,520

<u>Factor</u>	<u>Minimum</u>	<u>Range</u>	<u>Maximum</u>	<u>Range</u>	<u>Points</u>
1.33	26,707	35,520	35,520	47,242	15
1.67	21,269	26,706	47,243	59,318	10
2.00	17,760	21,268	59,319	71,040	5
All Others					0

2. Municipal Property Tax Levy (Thousands): ~ Maximum 15 points

\$20,509

<u>Factor</u>	<u>Minimum</u>	<u>Range</u>	<u>Maximum</u>	<u>Range</u>	<u>Points</u>
1.33	\$15,420	\$20,509	\$20,509	\$27,277	15
1.67	\$12,281	\$15,419	\$27,278	\$34,250	10
2.00	\$10,255	\$12,280	\$34,251	\$41,018	5
2.33	\$8,802	\$10,254	\$41,019	\$47,786	3
All Others					0

3. Equalized Value (Millions): ~ Maximum 15 points

\$3,414

<u>Factor</u>	<u>Minimum</u>	<u>Range</u>	<u>Maximum</u>	<u>Range</u>	<u>Points</u>
1.33	\$2,567	\$3,414	\$3,414	\$4,541	15
1.67	\$2,044	\$2,566	\$4,542	\$5,701	10
2.00	\$1,707	\$2,043	\$5,702	\$6,828	5
2.33	\$1,465	\$1,706	\$6,829	\$7,955	3
All Others					0

4. Basic Spending (per capita): ~ Maximum 15 points

\$554

<u>Factor</u>	<u>Minimum</u>	<u>Range</u>	<u>Maximum</u>	<u>Range</u>	<u>Points</u>
1.33	\$417	\$554	\$554	\$737	15
1.67	\$332	\$416	\$738	\$925	10
2.00	\$277	\$331	\$926	\$1,108	5
2.33	\$238	\$276	\$1,109	\$1,291	3
All Others					0

5. Municipal Property Tax Rate: ~ Maximum 15 points

\$6.19

<u>Factor</u>	<u>Minimum</u>	<u>Range</u>	<u>Maximum</u>	<u>Range</u>	<u>Points</u>
1.33	\$4.65	\$6.19	\$6.19	\$8.23	15
1.67	\$3.71	\$4.64	\$8.24	\$10.34	10
2.00	\$3.10	\$3.70	\$10.35	\$12.38	5
2.33	\$2.66	\$3.09	\$12.39	\$14.42	3
All Others					0

**City of Franklin, Wisconsin
Criteria used to Determine Survey Comparables**

6. Proximity in Miles to Franklin ~ Maximum 15 Points

<u>Factor</u>	<u>Points</u>
0 to 15 miles	15
16 to 40 miles	10
41 to 75 miles	5
76 to 110 miles	3
111 miles +	0

7. General Obligation Debt (per capita): ~ Maximum 5 points

<u>Factor</u>	<u>Minimum</u>	<u>Range</u>	<u>Maximum</u>	<u>Range</u>	<u>Points</u>
1.33	\$459	\$610	\$610	\$811	5
1.67	\$365	\$458	\$812	\$1,019	4
2.00	\$305	\$364	\$1,020	\$1,220	3
2.33	\$262	\$304	\$1,221	\$1,421	2
All Others					0

8. Shared Revenues (Thousands): ~ Maximum 5 points

<u>Factor</u>	<u>Minimum</u>	<u>Range</u>	<u>Maximum</u>	<u>Range</u>	<u>Points</u>
1.33	\$644	\$856	\$856	\$1,138	5
1.67	\$513	\$643	\$1,139	\$1,430	4
2.00	\$428	\$512	\$1,431	\$1,712	3
2.33	\$367	\$427	\$1,713	\$1,994	2
All Others					0

Geographic region: South of Green Bay to State line (West and South)

Data Source: MunicipalFacts 14 (Wisconsin Taxpayers Alliance)

**2012 population (screen: 20,000 to 75,000 population)

**Municipal Property Tax Levy (2013/14)

**Equalized Value (2013) per million \$

**Basic Spending Per Capita (2012) General Government; Streets; Law Enforcement; Fire-Ambulance

**General Obligation Debt (2012) per capita

**Municipal Property Tax Rates (2013/14)

**State Shared Revenues (2012) per thousands \$

Mileage: MapQuest