

# CITY OF APPLETON

## HUMAN RESOURCES DEPARTMENT



100 N. Appleton St.  
Appleton, WI 54911



(920) 832-6458



(920) 832-5845



[humanresources@appleton.org](mailto:humanresources@appleton.org)

To: Human Resources/IT Committee and Appleton Common Council Members

From: Jay Ratchman, Human Resources Director 

Date: January 14, 2022

Re: Compensation Study Update

The City of Appleton completed a comprehensive compensation study in 2012, with a market analysis update completed in 2017. In a normal labor market, it is recommended that employers engage in a study every 5-7 years, with a market analysis every 3 years. Due to today's competitive labor market, industry recommendations are to complete a study every 3 years, with a market analysis update annually. The purpose of the study is to analyze current pay practices to determine if they are competitive for our industry and geographic location. The study also helps determine if employees' salaries remain in compliance with current state and federal laws.

After review of our current compensation practices and based on feedback from our leadership team (Department Directors), it was determined that it was time to update our compensation plan. For this reason, we engaged in a compensation study request for proposal (RFP) process. Proposals were received from BakerTilly, Carlson Dettmann Consulting, McGrath Human Resources Consulting, and USI Insurance Services. The proposals were reviewed by representatives from the departments of Public Works, Utilities, Parks/Recreation/Facilities Management, Police, and Human Resources. Presentations of the top two organizations were made to the entire leadership team.

Based on this review, it is the recommendation of the leadership team that we contract with BakerTilly to complete an updated comprehensive compensation study. Upon approval, this study will begin in February, with an anticipated completion date of July 2022.

As a supplement to this document, I am including the scope of services requested in the RFP, the RFP selection factors considered, and a score/cost summary. The cost of this study with BakerTilly will be \$62,500. Funding for this project is already included in the 2022 budget.

Please contact me if you have any questions regarding this recommendation.

## SCOPE OF SERVICES

- To review the Non-Represented Classification Compensation Grade Order to quantitatively evaluate and determine market competitiveness and to recommend updates to the grade order as determined by the market analysis. This pay plan includes approximately 188 positions comprised of executive, professional, administrative, technical and clerical positions, including elected officials in the positions of Mayor and Attorney.
- To review the Non-Represented Classification Compensation Grade Order positions for proper classification in accordance with current Fair Labor Standards Act provisions relative to exempt and non-exempt status.
- To review and make recommendations to the current pay for performance management compensation system for non-represented employees.
- To review and recommend changes to the current Performance Management and Salary Administration policies.
- To complete a DEI salary analysis of existing employees to identify areas of inequity in the Non-Represented Classification Compensation Grade Order.
- To review the Seasonal/Recreation Pay Schedule to determine market competitiveness and to recommend updates to the grade order as determined by the market analysis.
- To review positions on a continuing basis as requested by the employer in response to market pressure, turnover, and for retention purposes.

## EVALUATION OF PROPOSALS: SELECTION FACTORS

- Experience of the firm and proposed project team with regards to compensation studies, particularly with government agencies.
- Demonstrated understanding of City's needs with respect to the compensation study, quality of the firm's described approach, and the ability to meet/exceed the criteria set forth in scope of services section of the RFP.
- Compliance with Contract Terms and Conditions and overall quality and completeness of proposal submission.
- References.
- Cost of services.
- Local business advantages (if applicable).

## COST SUMMARY COMPARISON

<u>Company</u>	<u>Score</u>	<u>Cost Proposal</u>
BakerTilly	507	\$62,500
Carlson Dettmann Consulting	289	\$75,200 (plus \$6,000 for DEI analysis and \$2,500 for seasonal employee pay plan review)
McGrath Human Resources Consulting	499	\$69,875
USI Insurance Services	368	\$64,000