McGrath
HUMAN RESOURCES GROUP

Compensation Study Update
Executive Report

For

Winnebago, WI

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McGrath Consulting Group, Inc.
P.O. Box 865
Jamestown, TN 38556
Office (815) 728-9111
www.mcgrathconsulting.com

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Introduction

Winnebago (County) solicited the assistance of McGrath Human Resources Group (Consultants) in 2016 to develop and update its compensation system (System). That System was not fully implemented at the time but has been slowly implemented over several years after the study completion. In 2022, the County again asked the Consultants to update the System to see if it has stayed consistent with both external and internal equity.

To accomplish the project, the Consultants conducted a market survey. The comparables were updated from the initial study. In all, 16 organizations provided data. The Consultants, in consultation with the County added five (5) more comps to assist in data for Health and Human Services.

Table 1: Comparable Organizations

Rank	County	Population	
4	Brown County	262,559	
29	Calumet County	50,005	
14	Eau Claire County	104,132	
16	Fond du Lac County	102,654	
55	Green Lake County	18,807	
8	Kenosha County	168,998	
12	La Crosse County	118,168	DNP
11	Marathon County	135,485	
6	Outagamie County	186,829	
5	Racine County	195,859	
9	Rock County	162,532	
13	Sheboygan County	115,152	
15	Walworth County	103,391	
10	Washington County	135,529	
28	Waupaca County	50,997	
47	Waushara County	24,256	
7	Winnebago County	170,924	Not Included

DNP = Did Not Participate (Winnebago for illustrated purposes only)

Added on November 4, 2022	FOR HHS Dept only
Adams County	
Marquette County	
St Croix County	
Dodge County	
Door County	

Summary of Recommendations

It is highly recommended to read the entire report. The following is a summary of the recommendations made within this report.

- Modify the salary schedule through a combination of changing percentages between pay ranges, and movement of positions to a different paygrade.
- Develop a model of increase that allow the employee to reach the control point within three – five years.
- Develop a plan to alleviate in-range compression of current employees. Try to get employees into the proper quartile based upon their years in the position.
- Institute shift differentials for all positions that are required to work a non-traditional work week; work evenings, weekends, or holidays. The policy should be consistently applied among all departments that have a shift differential.
- Employees and first line supervisors in Human Services working in Child Welfare or Youth Justice should receive a stipend of $1 - $2.00 per hour due the challenge and stress of the position. If the employees move to a different area of HS, the stipend would be eliminated. Other positions may be considered; however, HR and the Director should make the determination.
- Tool allowance should be increased to $500 per year and paid as the employee turns in receipts, or two checks of $250 per year.
- Health insurance benefits are competitive, but Winnebago does not lead the pack. Health insurance benefits would not be an enticement to work with Winnebago County.
- Vacation, sick leave, floating holidays, etc. Consider adding the four (4) floating holidays along with bereavement into vacation. Sick leave is not competitive – consider increasing the amount of sick leave, or consider moving to PTO.
- PTO has been recommended, and incorporate vacation, floating holiday, bereavement, and a small portion of sick leave. The remaining sick leave should be placed into an extended sick leave bank eligible for a prorated pay out in to a Health Retirement Savings Account.
- Bilingual Pay policy should be developed within the county. A stipend should be determined based on the amount of translation time required.
- A flex-time policy should be established for all exempt level employees who are not eligible to receive overtime. This allows the employee, when needed to flex the work schedule due the extended hours or late-night meetings. A flex-time allows exempt employees to flex their work schedule due to evening commitments, committee meetings, etc. This is not a one-for-one program – two (2) extra hours does translate to two (2) hours of flex time.
- Hiring Bonus should be considered by the County. It has assisted some recruiting and retaining employees, whereas other organizations have found after the required time to stay with the municipality the employee leaves. Another option is a referral bonus, where employees receive a bonus for referring an employee and that employee making it past a designated period of time. Thus, the County may either one or both programs should only be on a one-year trial period and see if assists in recruitment and retention.

Compensation Analysis

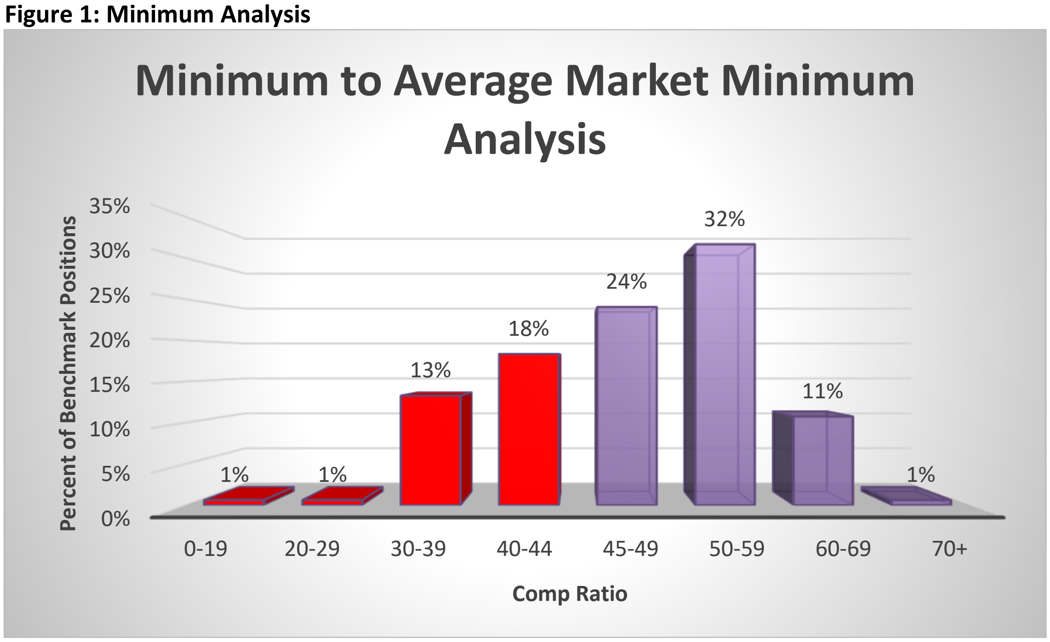
To ascertain if the County's salary schedule has remained within market parameters, several analyses were performed: 1) Review of the 2022 and 2023 salary schedule (Schedule) minimum to the *average* minimum of the external market; 2) Review of the Schedule's identified average market rate (Control Point) to the average external market rate; and 3) Review of the current average incumbent salary to the average market rate.

In this comparison, 50% is the average market rate. Since one cannot arrive at that exact number, a range around the market of 5-10% is utilized. Therefore, if the comp-ratio is at or above 45%, the salary range is within the market.

Minimum Analysis

In the analysis of the County's minimum salary to the average market minimum salary, 33% of the positions surveyed appear to have slipped below the average market minimum. Thus, 67% of the positions would be considered within an acceptable market range. Thus, the schedule minimum, for the most part, is within range; however, there are positions that will need to be adjusted.

Figure 1: Minimum Analysis



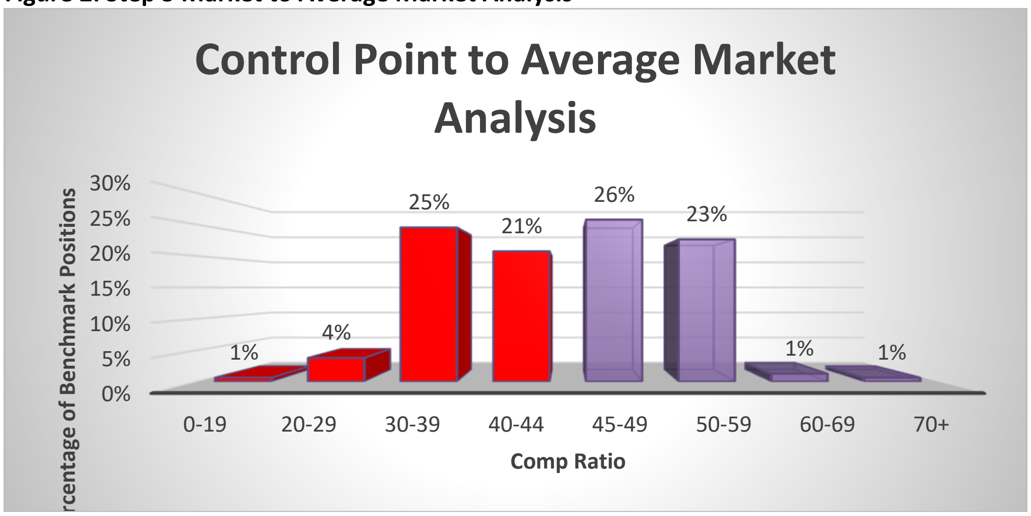
Total may not equal 100% due to rounding

The positions that fall below an acceptable market rate and need to be adjusted include:

Control Point to Average Market Analysis

The original compensation plan was set up so that the Control Point represented the average market rate for a position. Thus, an analysis to see if the Control Point still represents this rate was conducted. Of the benchmark positions 50% no longer have the Control Point as the average market rate, and 50% of the benchmark positions are represented by the Control Point.

Figure 2: Step 5 Market to Average Market Analysis

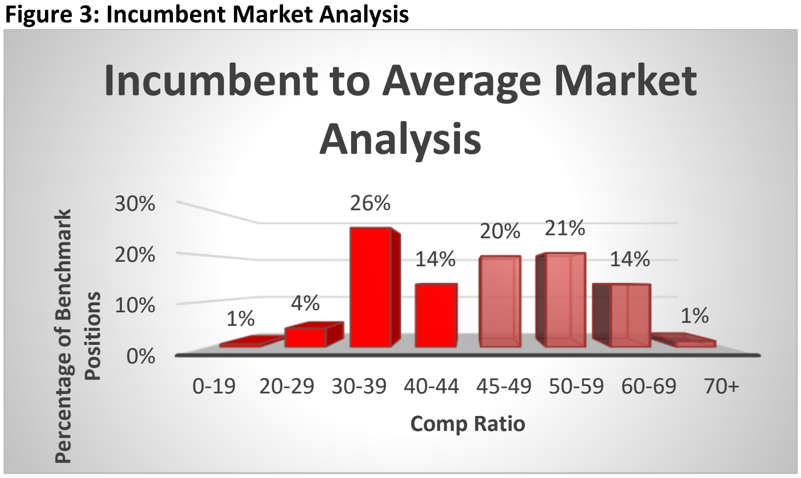


Total may not equal 100% due to rounding

Incumbent Analysis

An analysis of current incumbents' earnings compared to the average incumbent salaries of similar positions, indicates if the compensation system has kept employees close to the average market rate. An employee with three (3) to five (5) years should be at the average market rate. Thus, the Consultants compared the current incumbents' salaries to the average market rate. This analysis indicates there are 45% of the positions that are below the average market rate, some of which can be attributed to the tenure of County employees. Thus, 55% of employees are at or above the average market rate.

Figure 3: Incumbent Market Analysis



Total may not equal 100% due to rounding

Maximum Analysis

An analysis of the maximums isn't that significant due to the ways compensation systems are constructed. It is, to some extent, an indicator of the earning capacity of the position. The maximums of the current salary schedule has 61% in line with the average market; with 45% of the benchmark positions showing slightly lower than average maximums.

Summary

Overall, the salary schedule of non-represented positions is still in line with the average market rates. Some positions need adjustment as well as adjustments to the salary schedule.

In-Range Compression

In the 2016 study, the Consultant recommended a salary structure and placement within the schedule to the minimum if the current salary was below. No recommendations were made for employees already within the adjusted pay range. However, identified in the report was the issue of in-range compression – where longer tenured employees are now lower within the salary range.

In range compression causes a couple of issues:

- Longer tenured employees are below the control point – which should be achieved within three (3) to five (5) years of service.
- Causes problems in recruitment as the competitive hiring range is not available as current employees are in this part of the salary range.

The consultant made a recommendation in the last study, that after the schedule implementation, a plan be established for subsequent budget years to move tenured employees further within the salary range. This would get these employees at or higher than the control point, and thus, free up the range for competitive hiring.

The County implemented the initial recommended salary over a couple of years; however, did not implement any plan to minimize in-range compression. In an analysis of current salaries in relation to the 2022 salary schedule, approximately 38% or 381 employees are below the control point with six (6) or more years of service.

The County needs to find the resources to ensure employees move through the salary schedule and develop a plan to move employees with five (5) or more years in the position into the salary schedule between the Control Point and the Top of the Range.

Current Compensation System

The County has one salary schedule constructed as a range. The County has increased the salary structure by 0.0-3.0% the past three (3) years. At this time, employees do not receive the schedule increase. Rather, in January, employees receive a performance-based increase, which is about 1% over the schedule increase. Thus, the merit increase is both the cost of living and the performance increase. The budget for these two increases has averaged 2.73% from 2020 - 2022 and employees receive an average increase around 2.5%. Thus, the combined merit increase is at or slightly more than the increase to the salary schedule.

Under the current Cost of Living/Performance scenario, and employee will not reach the control point. This illustration the salary structure is adjusted 3% each year and employees receive a 1.0% COLA/Performance increase. The external market is trended up annually at 2.5%. In addition to not moving into the salary schedule, the employee continues to fall below the average market rate.

Figure 4: Cost of Living/Merit Scenario

	Employer Salary Range Minimum	Employer Salary Range Control Point		Employee with 1% Increase		Market Minimum (2.5% Trend)	Market Midpoint (2.5% Trend)
Hire	$34,070.40	$37,564.80		$34,070.40		$34,070.40	$37,564.80
Yr. 2	$35,092.51	$38,691.74		$34,411.10		$34,922.16	$38,503.92
Yr. 3	$36,145.29	$39,852.50		$34,755.22		$35,795.21	$39,466.52
Yr. 4	$37,229.65	$41,048.07		$35,102.77		$36,690.09	$40,453.18
Yr. 5	$38,346.54	$42,279.51		$35,453.79		$37,607.35	$41,464.51
Yr. 6	$39,496.93	$43,547.90		$35,808.33		$38,547.53	$42,501.12
Yr. 7	$40,681.84	$44,854.34		$36,166.42		$39,511.22	$43,563.65
Yr. 8	$41,902.29	$46,199.97		$36,528.08		$40,499.00	$44,652.74
Yr. 9	$43,159.36	$47,585.96		$36,893.36		$41,511.47	$45,769.06
Yr. 10	$44,454.14	$49,013.54		$37,262.29		$42,549.26	$46,913.29
Yr. 11	$45,787.77	$50,483.95		$37,634.92		$43,612.99	$48,086.12
Yr. 12	$47,161.40	$51,998.47		$38,011.27		$44,703.32	$49,288.27
Yr. 13	$48,576.24	$53,558.42		$38,391.38		$45,820.90	$50,520.48
Yr. 14	$50,033.53	$55,165.18		$38,775.29		$46,966.42	$51,783.49
Yr. 15	$51,534.54	$56,820.13		$39,163.05		$48,140.58	$53,078.08
Yr. 16	$53,080.57	$58,524.73		$39,554.68		$49,344.10	$54,405.03
Yr. 17	$54,672.99	$60,280.48		$39,950.22		$50,577.70	$55,765.16
Yr. 18	$56,313.18	$62,088.89		$40,349.73		$51,842.14	$57,159.29
Yr. 19	$58,002.58	$63,951.56		$40,753.22		$53,138.20	$58,588.27

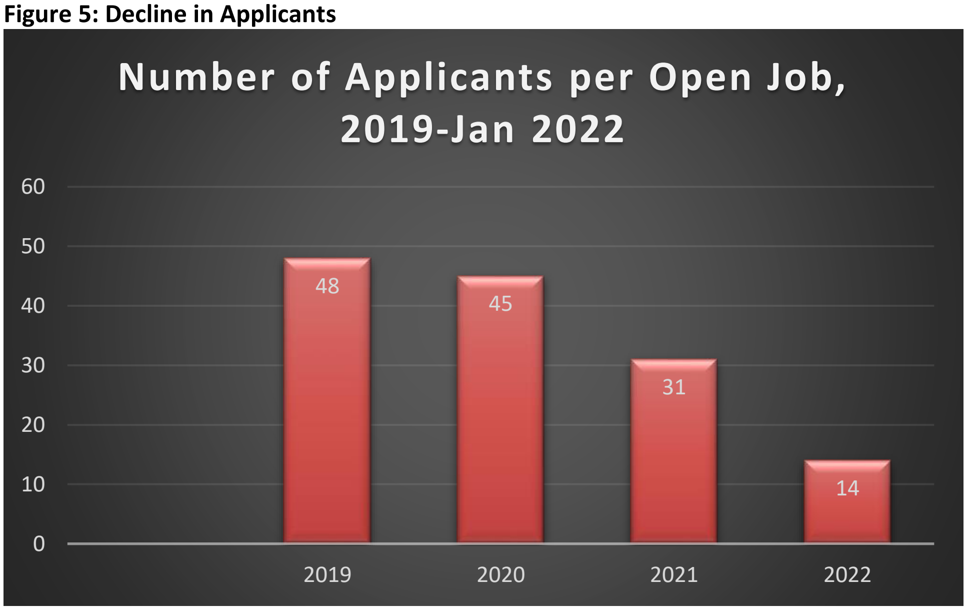
As a result of the lack of a COLA increase, what tends to happen is there is a move to 're-grade the position. 'New' duties are developed so that the position is pay graded higher, resulting in an increase for the employee. In reviewing some of the positions, one questions if there is really a need for this higher position, and concerns over internal equity among positions within the County.

Other Factors

Public Sector Turnover/Recruitment Challenges

A report was recently released from NEOGOV titled 'The Quiet Crisis in the Public Sector.' In past years, the public sector faced some of the most significant challenges in this labor market. There has been a mass exodus of workers to the private sector, increased competition in the labor market and a rise in job openings due to retirements.

Figure 5: Decline in Applicants



Source: 2022 applicants from 67,000 applications on GovernmentJobs.com

NEOGOV reported that since 2021, there has been a 45% increase in public sector job openings and a 56% decrease in applicants per job.

This is not a new issue. Public employers have been experiencing ongoing challenges of this nature for almost a decade. Governments historically have had a compelling proposition to offer workers with secure lifetime employment and generous health benefits followed by a robust pension for retirement – however, this is no longer the case. Public employers are now battling for talent because:

- Long term employment has less appeal to the younger workforce;
- There is a real or perceived decline in public support for government workers;
- Public employers do not feel they can compete with salaries and benefits as benefits erode and the private sector becomes more competitive;
- There is a growing skills gap. Many government jobs now require specialized education or training, and fewer positions are "learn on the job";

- Public employers are not able to offer the same level of flexible work arrangements to all employees;
- Limitations in technologies prevent or substantially reduce efficiencies and automation; and
- There are limited financial resources.

Drivers for Increased Job Openings

NEOGOV surveyed 299 public sector organizations to gain first-hand insight into the hiring situation. Eighty percent of those surveyed responded that the number of job openings is higher than an average year although it took longer to find applicants to fill the positions. Reasons for these increased job openings were:

- 83% Voluntary turnover
- 63% Unable to Fill Previous Openings
- 60% Retirement

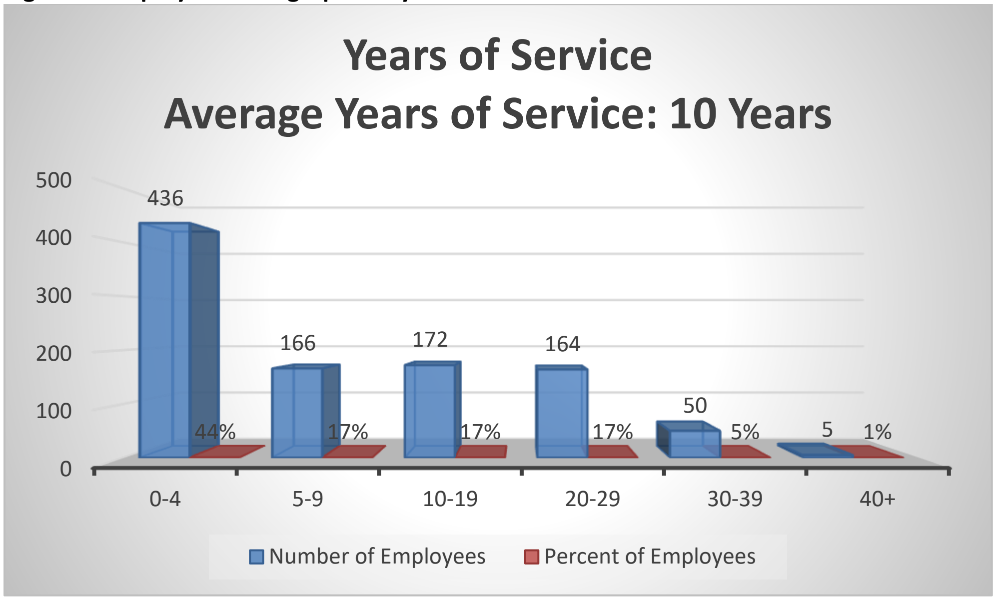
Sixty-six percent of voluntary employee turnover was directly related to pay, with employees citing salary as the main reason for their exit.

So why is this important? If employees are treated differently or perceived to be treated unfairly, there is a large market they can turn to. Therefore, the challenge for the County is to determine how to attract and retain its employees.

Employee Demographics

In reviewing the County's employee demographics for positions covered in the Study, the tenure of the organization ranges from new hire to 44 years. The overall tenure average of the non-represented employees is 10 years. The national average in the public sector is currently six and one-half (6.5) years (*Local Government-Bureau of Labor Statistics, September 2020*), showing the County is higher than the average in overall tenure.

Figure 6: Employee Demographics by Years of Service



Date of birth was not provided, but one can guess that those under the age of 40 make up the majority of employees with less than five (5) years of service. Employees under the age of 40 are seen as more mobile in today's workforce, focus heavily on work/life balance, consider non-compensatory benefits for the purposes of retention, and change jobs quickly because it results in earning higher wages as opposed to remaining with one organization for a longer period of time. Although age 40 and above are considered a more stable workforce, this group is now seeing the monetary potential of moving to other organizations rather than staying in an organization that they perceive does not "value" them. This group is also more likely to retire. The County needs to ensure retention of these individuals in addition to developing a succession plan to replace the retirees.

The County is recommended to monitor its demographics periodically to properly respond to shifts within the organization as needed. Although the Consultants acknowledge compensation is not the only reason for unwanted turnover, it is a consideration of the overall picture.

Top Motivators for Employee Retention

With an increasing unemployment rate and the effects of the pandemic, strategies for recruitment and retention have changed. The usual methods of attracting job seekers and/or retaining employees are no longer applicable in today's market. In addition, job seekers are more likely to leave for better opportunities than in the past.

NeoGov 2022 report, "The Quiet Crisis in the Public Sector" 67% of voluntary employee turnover was directly related to pay, with employees citing salary as the main reason for their exit. Opportunities in the private sector, non-profit, and options for remote work, with greater work flexibility remain the other significant reasons for employees departing the public sector.

According to the NEOGOV 2021 Job Seekers Report, job motivators for the age group 18-34 are job security, meaningful work, advancement opportunities and work/life balance. Forty-eight percent of respondents mentioned higher salary (as the top reason for pursuing a new job) while twenty-eight percent of respondents mentioned the difference in public versus private sector salaries and benefits. In addition, respondents pointed out that the private sector, especially during the past year, responded quicker to the changing needs of the new workforce. Other areas that are critical for recruitment and retention are:

- Job skill improvement
- An organization that shares “my” values
- Job that allows working remotely
- Flexible work hours

The pandemic illustrated that there are a variety of ways to conduct business, and while not all jobs have the ability to work from home, many do. These options need to be pursued to meet the needs of the new workforce. In addition to work at home, the County has the opportunity to provide flexible work schedules for those positions that cannot work from home, e.g., working a four-day, 10-hour schedule.

Schedule and Position Changes

The consultant has utilized a combination of changing the percentage between ranges so that the salary schedule better aligns with the market data. This resulted in ensuring most of the positions that were out of line with the market are now in a suitable pay range. In addition, when this change to the schedule alone was insufficient, some positions are recommended to go to a new pay grade.

In addition, the consultant has provided the County with suggested costing that moves longer tenured employees further in the salary range. The County may need to consider repeating this process one more year to ensure alignment of an employee to the proper quartile within the pay scale.

Other Considerations

Shift Differentials

Many organizations are adding and/or increasing shift differentials for non-traditional work hours, evenings, weekends, and holidays. One system of stipends should be developed and provided to all employees who are required to work evenings, weekends and holidays.

In addition, the positions within Child Welfare – case managers and supervisors, are beginning to receive a stipend for all work hours due to the nature and high stress of the position. Several of the surrounding counties are providing $1 - $2.00 per hour for these positions. This is easier than moving this position into a higher pay grade. The stipend is easier to remove if the employee needs to move to different position in human services.

Tool Allowance

For mechanic positions, employees are required to provide their own tools. This can be a costly practice when hiring as some may not have financial means to purchase those needed. Consideration should be given to providing a tool loan when hiring entry level mechanics.

The current tool allowance is $200 per year, in today's market that can barely cover one or two pieces of equipment. The Consultant suggest either a pay as new equipment is purchased, thus the employee provides the receipt and the County reimburses up to $500 per year; or a tool allowance of $250 every six months.

Benefit Considerations

Health Insurance

Plan Design Overview

The County offers one (1) health plan design. The health plan is summarized as follows:

Table 2: Health Plan Summary

PLAN DESCRIPTION	DEDUCTIBLE AMOUNTS	EMPLOYEE CONTRIBUTION (S/F)
PPO	$750/$1,500	$49.53-$231.12 S (% of health risk assessment) * $130.20 - $607.57 F (% of health risk assessment) * $70.16 - $241.44 S (% of No health risk assessment) * $184.44 - $634.69 F (% of No health risk assessment) *

*Premium varies on percent of participation in either the Health Risk or No Health Risk programs

Multiple plan designs would allow employees the opportunity to select from the coverage that best matches their personal situation, such as a high deductible health plan with a Health Savings Account (HSA) to build a medical account Most organizations have added higher deductibles and coinsurance limits onto at least one health plan to force better and more active consumerism by those who utilize the health plan with the option of building a portable HSA fund for unreimbursed medical expenses for current or future use. This is something the County should consider in future years.

Premiums

It is extremely difficult to compare health insurance, as the number of plans and the plan designs are significantly different among organizations. What can be compared is the amount the employee contributes toward the cost of that insurance. As the County is aware, the cost of health insurance is a large budget item for any organization. Health insurance is also often the single largest benefit looked at by potential new hires with the County, so a review of employee contributions to this benefit is imperative for offering a comprehensive benefit package.

The Consultants compared Winnebago's 2022 health plan with the comparable organization's health plans for a more accurate reflection of insurance in this geographical region. The following are the results from comparable entities that provided benefit data, broken down into single and family coverage. Wellness incentives are identified for the County.

Table 3: Single Plan Premium Comparison

Comparable	Health Plan Description	Single Monthly Premium	Single Annual Premium	In Network Deductible
Waukesha	PPO2	$0.00	$0.00	$1,450.00
Rock	POS (Wellness)	$0.00	$0.00	$500.00
Jefferson	High Deductible 2.1	$35.32	$423.84	$1,500.00
Jefferson	High Deductible 2.0	$37.78	$453.36	$1,500.00
Rock	POS-Dean (no wellness)	$65.47	$785.64	$500.00
Rock	POS-Mercy (no wellness)	$66.48	$797.76	$500.00
Outagamie	High Deductible	$80.66	$967.92	$2,000.00
Washington		$93.68	$1,124.16	$1,500.00
Winnebago	FT Health Risk	$99.06	$1,188.72	$750.00
Janesville		$115.00	$1,380.00	Not provided
Janesville		$115.00	$1,380.00	Not provided
Walworth	Tier 2	$116.92	$1,403.04	$1,500.00
Walworth	Tier 1	$127.50	$1,530.00	$1,000.00
Winnebago	FT No Health Risk	$140.32	$1,683.84	$750.00
Waukesha	PPO1	$141.56	$1,698.72	$750.00
Outagamie	Low Deductible	$153.02	$1,836.24	$1,000.00
Kenosha	Blue/Bronze	$167.84	$2,014.08	$500.00
Sheboygan	Without Health Assessment	$221.50	$2,658.00	$1,350.00
Jefferson	Low Deductible	$259.42	$3,113.04	$500.00

Table 4: Family Plan Premium Comparison

Comparable	Health Plan Description	Family Monthly Premium	Family Annual Premium	In Network Deductible
Waukesha	PPO2	$0.00	$0.00	$2,650.00
Rock	POS (Wellness)	$0.00	$0.00	$1,500.00
Jefferson	High Deductible 2.1	$88.31	$1,059.72	$3,000.00
Jefferson	High Deductible 2.0	$94.45	$1,133.40	$3,000.00
Outagamie	High Deductible	$196.74	$2,360.88	$4,000.00
Outagamie	Low Deductible	$206.86	$2,482.32	$2,000.00

Comparable	Health Plan Description	Family Monthly Premium	Family Annual Premium	In Network Deductible
Rock	POS-Dean (no wellness)	$215.98	$2,591.76	$1,500.00
Rock	POS-Mercy (no wellness)	$219.38	$2,632.56	$1,500.00
Washington		$233.44	$2,801.28	$4,000.00
Janesville		$246.76	$2,961.12	Not provided
Janesville		$246.76	$2,961.12	Not provided
Winnebago	FT Health Risk	$260.40	$3,124.80	$1,500.00
Walworth	Tier 2	$282.04	$3,384.48	$3,000.00
Walworth	Tier 1	$314.94	$3,779.28	$3,000.00
Winnebago	FT No Health Risk	$368.88	$4,426.56	$1,500.00
Kenosha	Blue/Bronze	$402.80	$4,833.60	$1,000.00
Waukesha	PPO1	$443.00	$5,316.00	$1,250.00
Sheboygan	Without Health Assessment	$479.91	$5,758.92	$2,700.00
Jefferson	Low Deductible	$674.58	$8,094.96	$1,000.00

The above information indicates that Winnebago is in the middle to lower portion of the market in terms of premium only. However, that is not a comprehensive picture because employees have actual claims costs as well.

Expected Employee Cost

Because premiums and deductibles are varied in the region, when considering the cost of the monthly premium plus the deductible, this is a truer look at the expected employee cost. This calculation shows the County's true position in the market as shown in the Tables below.

Table 5: Single Plan Comparable Review

Comparable	Health Plan Description	Single Annual Premium	In Network Deductible	Expected Annual Risk to Employee
Rock	POS (Wellness)	$0.00	$500.00	$500.00
Rock	POS-Dean (no wellness)	$785.64	$500.00	$1,285.64
Rock	POS-Mercy (no wellness)	$797.76	$500.00	$1,297.76
Waukesha	PPO2	$0.00	$1,450.00	$1,450.00
Jefferson	High Deductible 2.1	$423.84	$1,500.00	$1,923.84
Winnebago	FT Health Risk	$1,188.72	$750.00	$1,938.72
Jefferson	High Deductible 2.0	$453.36	$1,500.00	$1,953.36
Winnebago	FT No Health Risk	$1,683.84	$750.00	$2,433.84
Waukesha	PPO1	$1,698.72	$750.00	$2,448.72
Kenosha	Blue/Bronze	$2,014.08	$500.00	$2,514.08
Walworth	Tier 1	$1,530.00	$1,000.00	$2,530.00
Washington		$1,124.16	$1,500.00	$2,624.16
Outagamie	Low Deductible	$1,836.24	$1,000.00	$2,836.24
Walworth	Tier 2	$1,403.04	$1,500.00	$2,903.04
Outagamie	High Deductible	$967.92	$2,000.00	$2,967.92

Jefferson	Low Deductible	$3,113.04	$500.00	$3,613.04
Sheboygan	Without Health Assessment	$2,658.00	$1,350.00	$4,008.00

*Comparables that did not provide deductible and out of pocket amounts excluded

Table 6: Family Plan Comparable Review

Comparable	Health Plan Description	Family Annual Premium	In Network Deductible	Expected Annual Risk to Employee
Rock	POS (Wellness)	$0.00	$1,500.00	$1,500.00
Waukesha	PPO2	$0.00	$2,650.00	$2,650.00
Jefferson	High Deductible 2.1	$1,059.72	$3,000.00	$4,059.72
Rock	POS-Dean (no wellness)	$2,591.76	$1,500.00	$4,091.76
Rock	POS-Mercy (no wellness)	$2,632.56	$1,500.00	$4,132.56
Jefferson	High Deductible 2.0	$1,133.40	$3,000.00	$4,133.40
Outagamie	Low Deductible	$2,482.32	$2,000.00	$4,482.32
Winnebago	FT Health Risk	$3,124.80	$1,500.00	$4,524.80
Kenosha	Blue/Bronze	$4,833.60	$1,000.00	$5,833.60
Winnebago	FT No Health Risk	$4,426.56	$1,500.00	$5,926.56
Outagamie	High Deductible	$2,360.88	$4,000.00	$6,360.88
Walworth	Tier 2	$3,384.48	$3,000.00	$6,384.48
Waukesha	PPO1	$5,316.00	$1,250.00	$6,566.00
Walworth	Tier 1	$3,779.28	$3,000.00	$6,779.28
Washington		$2,801.28	$4,000.00	$6,801.28
Sheboygan	Without Health Assessment	$5,758.92	$2,700.00	$8,458.92
Jefferson	Low Deductible	$8,094.96	$1,000.00	$9,094.96

*Comparables that did not provide deductible and out of pocket amounts excluded

Couple the Expected Annual Risk to an Employee with the Count's out of pocket maximum amount of $2,000 single/$4,000 family in network, this makes Winnebago's health insurance in the middle of the pack with the surrounding public entities. Thus, the health insurance benefits would not be considered an enticement to work at Winnebago County.

Time Off Benefits

Time off and work life balance continue to be top areas candidates (and employees) look at when considering employment and retention. Therefore, the County's paid time benefits were also reviewed.

Holidays

Currently the County offers ten (10) observed holidays; whereas Park View Health employees receive only seven (7) holidays. In addition, the County offers 2 – 4 floating holidays depending on the position classification. The comparables that provided holiday information reported combined totals between 10-12 days, with one County offering 15 days.

The County may want to consider offering a consistent two (2) floating holiday which is beneficial when a County does not observe a federal holiday, or for an individual religious holiday or traditional practices that do not align with the County's holiday schedule. Another consideration is the elimination of floating holidays and add the amount to vacation. See the Vacation section.

Vacation

The County has four (4) vacation schedules: General Schedule, Park View, Bridgetenders, and Managerial/Administrative staff.

Because time off and work/life balance is a major component of today's Total Compensation package due to the shifting values in the workforce, the County should continue the amount of vacation in the first year to a prorated portion of 10 days. In addition, the County should consider eliminating the floating holidays and convert them to vacation days. The County is a bit behind in the accumulation of vacation in relation to its comparable organizations.

Sick Leave

The County offers eight (8) days of sick leave per year, as compared to its comps which offer one day per month – or 12 days per year. There is no maximum for sick leave accrual. The comps provide sick leave accruals from 72-96 hours per year, with most at 96 hours. Payout of sick leave is limited to accrued; unused time earned before applicable "freeze dates" specific to different employee groups. Employees hired after the "freeze date(s)" do not qualify for any type of payout. No recommendations to change sick leave is recommended; however, consideration of a Post-Employment Health Plan and reinstituting a prorated sick leave pay out.

Bilingual Pay

There are some positions in the County that require or would prefer employees with translation skills. The County should consider a stipend for positions that can provide these services.

Payout Provisions

Currently, the County has a payout provision for "pre-freeze date" balances, when eligible for a retirement annuity, through a Post-Employment Health Plan (PEHP) in which the dollars may be used for post-employment insurance premiums. This program was eliminated. This enhanced payout process is a way to assist employees with their future health care needs since the main reason employees choose not to retire is because they financially are not able to or cannot afford to continue health care coverage. This program is tax free for both the employee and employer and is not considered income to the employee. The employee could also, as an alternative, use a deferred compensation 457(b) program, in which the payouts could be placed into a qualified tax deferred retirement plan for the employee. This last option may be restrictive since the IRS provides for annual contribution limits on individual deferred compensation accounts, and large payouts may exceed annual IRS limits. Both payout options should be retained by the County.

It is not recommended to have a time off payout as a cash disbursement, which has a tax consequence to both the employee and employer. The County could further enhance the payout process for non-retirements by considering a 401(a), which is a nondiscretionary employer driven tax-deferred option, at time of termination. This option allows the former employee to then take a distribution with the funds, maintain the account, or roll the account into other qualified plans they may have.

Flex Time

Exempt employees do not receive overtime. Most organizations provide exempt employees to flex their hours to meet other obligations. This is not a one-for-one trade, i.e., work 5 hours beyond 50 does not mean 5 hours of flex time. Obviously, department coverage needs to be maintained. Recommend a Flex-time policy added to the County's personnel manual.

Paid Time-Off

Although the County has sufficient time-off benefits, work-life balance, flexibility, and paid time -off topics are very important to the total compensation package. Having the rules and variations for each of the traditional methods of time-off may be confusing and frustrating for employees and managers, and it is likely a significant administrative burden to the administrative staff who setup and monitor the use of these forms of leave. Many organizations add stringent rules for the use of benefits to help the employees manage their personal situations, but that often makes programs more difficult to manage, so considering an alternative time-off program option may be beneficial to the County. This may also be very advantageous for future recruitment when candidates are looking for increased flexibility with time-off.

Paid Time-Off (PTO) is a single bank of time-off, which is then used for sick, vacation, and even floating holidays or bereavement time, instead of having different banks of time for different purposes. Some organizations include holidays into this program, while others do not. Generally, PTO has a larger overall rate than vacation, but less than vacation and sick time combined as a tradeoff for the increased flexibility provided under a PTO program, and there is an overall payout on the benefit. The benefit has administrative ease, simplification, and new flexibility for employees. Oftentimes the biggest challenge is transitioning accumulated sick and vacation hours into a new program, but this can be done successfully without loss of accumulated time. Organizations that have done this are satisfied with the end result, once the transition is complete. Although few comparable organizations identify PTO as a program they offer, the County could consider the concept of PTO to offer more flexibility within their benefits in the future.

Hiring Bonus

Many organizations have begun the use of recruitment/hiring bonuses for very difficult positions. Many have had limited success with such programs and have a specified amount of time the employee must be employed with the organization, or the bonus must be re-payed. The County may wish to consider this type of program on a limited basis, and track to see if it aids in not only the recruitment of employees, but their retention within the County as well.

General Operational Guidelines

Maintenance of Salary Schedule

It is important for the County to have a standardized procedure to adjust the salary schedules for consistency and for budgetary forecasting. It is the Consultants strongly recommend that on a set date each year (January 1 is recommended), the salary schedules be increased by the national Consumer Price Index – Urban (CPI -U) percentage or by a local economic indicator. For example, since budgeting is done at approximately the same time each year, the County should establish a specific month in which to capture the average of the previous 12 months of the selected economic indicator for a recommended adjustment. The County will still maintain control if conditions and finances fluctuate in a specific year. All employees receive either all or a portion of the salary schedule increase. It is recommended the adjustment to the salary schedules be done on a different date than the date of the salary increases, so employees understand there are two (2) separate adjustments per year.

Salary Schedule Adjustments

The salary schedules should be adjusted annually for economic reasons. Without maintaining the salary schedule, it will fall below the market and the County will end up having to pay to get it updated. Annual salary schedule adjustments will keep a competitive, fair, and fiscally sound salary schedule. It is important the County also budget dollars for increases to the overall schedule each year. There may be years when the economy cannot support such increases; however, that should be the exception, not the norm.

Annual Performance Adjustments

The salary schedule is based on a premise of annual salary adjustments. Each year employees can receive the salary increase set by County Administration with acceptable performance unless an employee is on a Performance Improvement Plan. The Consultant recommends the Performance Increase to become effective in the first pay period in July.

Employee Market Adjustments

The salary schedule has been designed to move employees through the salary range. Benchmarks have been established for Human Resources to evaluate the County's ability to move employees through the system. The County may need to provide a market adjustment annually to employees who are falling short of these compensation targets. This may or may not occur each year, but analysis of movement though the range will work to ensure that employees remain at a competitive salary level.

Market Updates

One of the main concerns in any salary schedule is the ability to keep it current. Organizations often spend time and resources to review and reevaluate their salary schedule, resulting in providing employees or pay grades significant increases because either the positions or the schedule is not in line with the external market. A salary schedule has a typical life span of three (3) to five (5) years, at which time market conditions typically necessitate a review. The County can strive to prolong the life of their Schedule if it continues to commit to maintaining its competitiveness with the external market by ensuring market updates occur. Given the current competitive market, the County is recommended to initially conduct a market update in three (3) years. In addition, maintaining metrics should help indicate if an external market update is required even sooner.