

CARLSON
DETTMANN
CONSULTING

A Cottingham & Butler, Inc. Company

PROPOSAL

Heart of the Valley
Metropolitan Sewerage District

**PROPOSAL FOR REVIEW & UPDATE OF EMPLOYEE
WAGE, CLASSIFICATION, & COMPENSATION PLAN**

April 4, 2019

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I. Project Overview

Heart of the Valley Metropolitan Sewerage District (HOVMSD) is seeking proposals to update their existing employee wage, classification, and compensation package. The following is our paraphrased summary of the expected services to be provided as part of this project:

- Review the current position descriptions and determine if substantial changes have occurred since 2010 and review any new positions which were not included when the current plan was created. Jobs found to have changed will be analyzed for job content and recommendations given to HOVMSD.
- Review all jobs for compliance with state and federal exempt/nonexempt status.
- Conduct a market analysis and make necessary recommendations for equitable and competitive wage practices. Consideration is expected to be given to current labor market conditions.
- Conduct appeals as defined and requested by HOVMSD.
- Work collaboratively with HOVMSD to develop recommendations, and deliver a final report and recommendations directly to the Commission.
- Provide all deliverables prior to HOVMSD's 2020 budget deliberations (September 2019).

II. Company Background & Experience

Carlson Dettmann Consulting (CDC), is a Cottingham & Butler, Inc. Company. Cottingham & Butler (C&B), founded in 1887 and headquartered in Dubuque, Iowa, is one of the larger insurance brokerages in the United States. The following is a brief synopsis of CDC's journey, including our recent acquisition by C&B. We would be happy to discuss our experiences in greater detail at your request.

- **Principal Consultants: Charlie Carlson & Scott Dettmann**
 - Our five field consultants have a combined 130+ years of management, human resources, labor relations and compensation experience.
- **enetrix (Survey Research Associates) (late-1990's – 2008)**
 - Pioneers of internet-based salary surveys, in addition to consulting and survey management. Clients included many prominent national and regional salary surveys.
- **Gallup Corporation (2008)**
 - Acquisition primarily for enetrix's technology and survey platforms.
 - Time spent with Gallup developed the roots for the importance of employee engagement, supervisor development, and strengths-based leadership.

- **Carlson Dettmann Consulting (2010)**
 - Reacquired the consulting practice, serving public, private, utility, and not-for-profit clients across the state/nation.
- **Cottingham & Butler (2018)**
 - Acquisition/partnership to enhance both companies' suite of services. The acquisition provides clients a more well-rounded approach to employee compensation, especially relating to "total rewards".

III. Project Personnel

Patrick Glynn, Senior Consultant, would be the Project Manager for this project. With nearly 25 years of professional human resources and labor/employees relations experience, Glynn is a former county human resource director, a past President of the Wisconsin Public Employers Labor Relations Association (WPELRA), and a past member of the Board of Directors of NPELRA. Glynn holds BA degrees in public administration and political science from the University of Wisconsin-Stevens Point. When not directly engaged with clients, Patrick works primarily from his home office in Chilton, WI.

Scott Dettmann, Principal Consultant for CDC, would serve as project advisor. Scott previously served as the consultant for HOVMSD, and would be responsible for providing advice and guidance in order to ensure consistency and continuity from one project to the next.

IV. Methodology

HOVMSD's RFP states this study will cover approximately 8 job classifications. CDC would utilize the appropriate best practice balance combining external market analysis to assure competitive compensation and objective job evaluation to measure internal equity. A large portion of the 8 classifications will have reliable market matches (i.e. benchmark jobs) regionally or locally as appropriate for the labor market in which HOVMSD competes for talent.

HOVMSD outlined a Scope of Services in its Request for Proposals and CDC is prepared to provide services in accordance with the defined scope. Our proposed methodology is as follows:

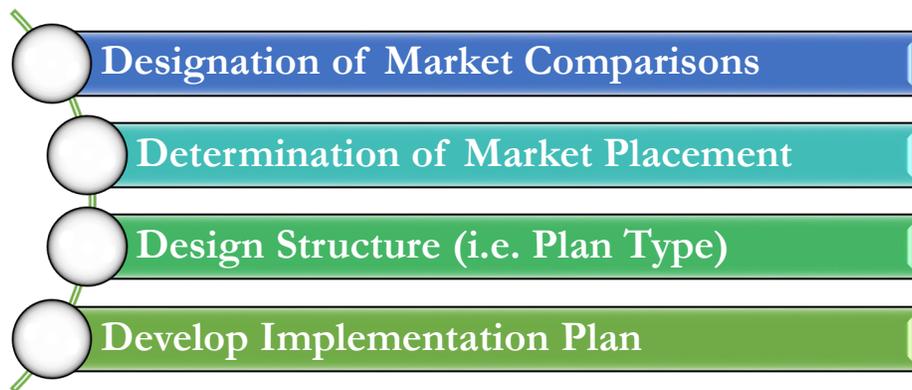
Project Definition and Orientation

The first step in this project would be refinement of the project plan to meet the specific needs of the parties. An initial meeting with the appropriate key decision-makers, will help ensure mutual understanding concerning the scope and task sequence of the study and each party's role. Specific items to be addressed would include:

- An agreed upon, detailed timetable for the project — overall and interim steps.
- The system and process our firm utilizes to determine the relative value of each position using CDC’s Point Factor Job Evaluation System.
- The policy and intentions of the parties with respect to correcting inequities that may be identified;
- The manner of communicating project progress to HOVMSD decision-makers and staff.

We are willing, as part of our services, to conduct project orientation session(s) for covered staff to explain the project. In terms of project explanation, we could: outline the reasons for the study, explain how we would conduct the project, establish the responsibilities of the participants, detail the timetable, and identify the expected deliverables. The meeting also serves to manage expectations and to minimize feelings of concern or anxiety on the part of the employees. *Due to the limited size of this project, it would be at the discretion HOVMSD to determine if formal orientation sessions are desired or needed.*

At the outset of the study, and throughout the process, we would ask HOVMSD’s decision-makers to provide guidance on four key policy questions:



We would lead a discussion on potential answers to these questions, offer our experience and suggestions, and develop the pros and cons of the various alternatives.

Client Data Collection

CDC would require certain additional information from HOVMSD. The data fields required for the wage analysis include the following individual data for the employees subject to the study:

- First Name, Last Name, Job Title, Department, Current Rate of Pay, Current FLSA Status, FTE, Annual Work Year, Gender, Current Grade, Current Minimum, Current Market Rate / Midpoint, Current Maximum, Hire Date, Job Date, Birth Date, and W-2 wage data for the prior fiscal year (if compression is a concern).

CDC would request other information relevant to our analysis, including:

- Organizational charts / tables of organization
- Current policies related to compensation

- Current wage schedules, including collective bargaining agreements
- Budget/revenue forecasts
- Prior year costs of employee compensation, including overtime data
- Past, present & projected future health insurance data
- Other benefit costs tied to payroll
- Special pay issues (e.g. on call pay; out of class pay; overtime rules; FLSA issues)
- Current performance evaluation documentation

Job Evaluation

Position analysis is the formal process we use to gather and assess information about the duties, responsibilities and requirements of each position. In order to evaluate job content objectively and classify jobs, we need proper documentation with position responsibilities. This is the first part of the job evaluation portion of the project.

CDC can conduct position analysis using either of two methods. The first method—and one anticipated with this project— involves review of up-to-date job descriptions provided by the client. The alternative method requires completing our Job Description Questionnaire (JDQ). Assuming HOVMSD’s job documentation is indeed up-to-date, we are comfortable utilizing existing documentation, supplemented by JDQ’s at HOVMSD’s direction. If HOVMSD determines the quality of existing job documentation is not sufficient for accurate evaluation, then the best way to obtain accurate information for projects such as this is to have employees describe their own jobs in a systematic, complete manner using the CDC JDQ. The sections of the JDQ correspond to the CDC Job Evaluation System factors to support system content reliability and validity. We are happy to provide a copy of our JDQ at your request.

After we have had an opportunity to review the job documentation, we would interview HOVMSD’s leadership team to better understand job responsibilities, the dynamics of each work unit, and any observations regarding compensation issues that leadership may wish to share.

The purpose of job evaluation is to provide an objective means of ranking each position in an organization, independent of individual performance, into a hierarchy. We could conduct this portion of the project either by conducting the evaluations independently as your consultant, or by using an employer-appointed job evaluation committee.

Our job evaluation methodology is based upon determination of clear or discernible differences in job content. Our system measures job content at objective levels in the following dimensions (otherwise known as “compensable factors”):



Each of these factors is broken down into sub-factors with point levels associated with measured levels on each factor. We have used the system in thousands of applications, and it consistently yields valid results. These factors of internal job worth have proven to be consistent with values found in our client organizations. Because of their breadth, they cover all main aspects of a job and are seen as relevant to employees at all levels in the organization. A summary explanation of the system is attached.

Market Analysis

We would collect and analyze relevant labor market information for HOVMSD to determine competitiveness of base salaries. HOVMSD would have significant input into the selection of comparable public-sector employers to be surveyed. We would utilize this custom survey data, as well as excellent published data to augment the custom survey (e.g. AWWA). CDC maintains an extensive survey library for this purpose.

As it specifically relates to the selection of comparable employers for this compensation engagement, we typically request data from at least ten comparable organizations for each unique project, and we employ survey practices that ensure a high rate of data collection. The reasons for the large sample size are varied, but include the following:

- It guarantees that no single organization will influence the final results. This is equally true for high and low-paying organizations. Our final result is a representation of the true marketplace.

- Not every entity in the selected comparable pool has a similar position within their organization. A larger grouping provides a greater possibility that we'll have sufficient matches.
- In line with best practices for a compensation study, our goal is to achieve market matches (i.e. benchmark jobs) for between 40% and 70% of the jobs covered by the study, and over 50% of the employees covered by the benchmark jobs. A comprehensive pool of comparable employers increases the likelihood of meeting this target.
- Finally, a larger pool allows for a deeper analysis if different comparables are selected for different levels of positions. For example, many of our clients select a more local list of comparables for non-exempt positions, a more local/regional blend for professional and technical positions, and a regional/statewide (or national) grouping for managerial and department head positions.

We would engage HOVMSD in a dialogue, and provide professional guidance, to arrive at a list of public organizations for the custom survey consistent with HOVMSD's demographic characteristics. We also would provide suggestions to HOVMSD on potential sources and use of private sector data for analysis in this project. Ultimately, the choice of comparisons will be HOVMSD's responsibility; our role is to advise. However, we will lead HOVMSD through a discussion of potential answers to these questions, accompanied by recommendations, to help HOVMSD make its policy choices.

Pay Plan Design

Using the results of the job evaluation process (internal relationships), market data (external competitiveness), HOVMSD's current pay practices, current performance evaluation system, and strategic objectives, we would design an appropriate salary structure and provide to HOVMSD the policy recommendations necessary to develop the supporting policies. The two key policy elements to consider in the design of a structure are:



We would provide pay plan implementation alternatives to fit HOVMSD's financial capacity. If there are positions deemed to be overpaid, then some version of "red-circling" would be the suggested method of moving forward with those situations.

Adoption/Presentations

At Carlson Dettmann Consulting, we are proud of our record of adoption and system continuation. We develop and present solutions that are sound, understood, and stand the test of time. We believe this is largely because we actively engage our clients in the decision-making process.

We advocate transparency in our consultations, so HOVMSD can expect an articulate, detailed discussion of our findings and recommendations. We not only encourage our clients to emphasize communication with employees at all steps of the process, but we would anticipate distinct conversations/presentations with HOVMSD leadership (e.g. leadership, committee, board, etc.) as it relates to market selection and placement, mid-project findings and update, review of policy questions, and a final report and presentation(s).

Employee Appeals (OPTIONAL)

We recommend that HOVMSD consider an appeal procedure so that an employee can request a review of the job evaluation and position classification outcome of this study. This appeal process can be critical to the validity and the acceptance of the process, especially in an environment where the outcomes are public information. An appeal of the job evaluation result refers to an objection to the pay grade in which the position has been placed.

If agreed upon, we would conduct this appeal process after study recommendations are adopted by HOVMSD. The reasons why we recommend handling the appeal process in this way is that there is nothing to appeal until the recommendations are adopted. The appeal process is keyed toward individual cases, not the system itself.

This approach keeps the appeals process manageable. We believe the standard for an appeal should be that the job has changed substantially during the study so that it could not have been evaluated accurately or there has been a gross error.

V. Prior Experience / References

Carlson Dettmann Consulting has completed projects for hundreds of clients over the years. Our public sector projects include counties, cities, villages, school districts, technical colleges and utilities. While we can provide additional references, if needed, we recommend the following recent utility projects managed by Patrick Glynn and/or Scott Dettmann:

Client Name	Contact Info
Green Bay Water Utility	Nancy Quirk, General Manager 920.448.3499 nancyqu@greenbaywi.gov
Menasha Utilities	Melanie Krause, General Manager 920.967.3412 mkrause@wppienergy.org
Waupun Utilities	Randy Posthuma, General Manager 920.324.7920 rposthuma@wppienergy.org
NEW Water	Trisha Brown, Human Resources Manager 920.438.1052 tbrown@newwater.us
Racine Water & Wastewater	Keith Haas, General Manager 262.636.9181 keith.haas@cityofracine.org
Milwaukee Metro Sewerage District	Candice Richards, Human Resources Manager 414.272.2117 crichards@mmsd.com

VI. Tentative Timeline

Our anticipated timeline for completion of this project is between 10 and 12 weeks, largely dependent on availability of market data and ability to align calendars for purposes of mid-project meetings.

Regardless, we are confident in our ability to deliver the final recommendation by the date established in HOVMSD’s RFP; September 2019.

VII. Professional Fees

Classification & Compensation Study:

The total professional fee for the classification and compensation study would be \$10,000, inclusive of business travel expenses. While our approach to pricing projects tends to be based on a reasonable overall project fee—as opposed to an hour-by-hour billing—we have provided an estimate of our work required to complete this project:

Project Task	Estimated Effort (Hours)
Classification Review (Including FLSA Analysis)	4 to 8 hours
Market Data Collection & Analysis	8 hours
Management/Employee Meetings	4 to 8 hours

Project Task	Estimated Effort (Hours)
Drafting / Revising Findings & Recommendations	10 hours
Commission Preparation & Meeting	4 hours
Misc. Meetings, Review, and Data Preparation	8 hours

The project fee would include project orientations (*if desired*), meetings with HOVMSD staff, on-site management interviews and walkthrough(s), and meetings with the appropriate parties (e.g. leadership, Board etc.) to review findings and recommendations and process adoption. We anticipate four (4) trips for: (1) employee project orientations (*to the extent desired or necessary*) and/or initial meeting(s) with HOVMSD’s project team; (2) onsite management interviews and walkthroughs to ensure internal ratings are accurate and concerns are addressed; (3) an onsite meeting with the appropriate parties (e.g. leadership, board, committee, etc.) to review tentative findings and recommendations; and (4) presentation to the appropriate decision-making body for action. Periodic status conferences and/or ad hoc meetings would be conducted via phone conferences or web-based technology (e.g. Zoom).

Classification Appeals: [OPTIONAL]

Many of our projects include an appeals/review process following adoption of a new plan. Because the approach to appeals varies from client-to-client, we have found it easiest to include this as an optional add-on to a project. If HOVMSD desires to incorporate an appeals process, HOVMSD will be invoiced \$200 per appeal/review submitted for our review and recommendation, plus travel expenses.

Additional Work / Hourly Rates: [OPTIONAL]

Any additional work may be requested and agreed upon and would be invoiced at either our standard hourly rates of \$225, or for an additional project fee as mutually agreed upon by HOVMSD and CDC.

Post-Project Job Evaluation: [OPTIONAL]

Once we enter the ongoing maintenance phase of the project, any classification reviews conducted for HOVMSD will be at our standard client-rate of \$250 per classification.

Payment Schedule:

The project fee would be paid in two (2) equal installments of the agreed upon project fee: initial payment due upon execution of a professional services agreement and the final payment due upon delivery of CDC’s findings and recommendations to HOVMSD.

This proposal is valid until June 7, 2019. Thank you for the opportunity to submit this proposal, and we hope to have the opportunity to serve the Heart of the Valley Metropolitan Sewerage District on this project and thereafter.

Respectfully submitted on April 4, 2019.

Patrick Glynn, Senior Consultant

A handwritten signature in black ink, appearing to read 'P. Glynn', written in a cursive style.

Attachments

- Résumés of CDC Project Staff
- Summary of CDC Job Evaluation System
- CDC Public-Sector Project Map



PATRICK GLYNN

Over two decades of leadership experience in public sector administration, human resources management, and professional consulting, including the past five years as lead consultant on dozens of public sector projects successfully implemented and managed.

As a leader in the profession, recently completed five years as a member of the Board of Directors of the National Public Employers Labor Relations Association.

Successfully implemented a transition from a traditional health insurance plan to a high-deductible health plan stacked with a health savings account (HSA) and a health reimbursement arrangement (HRA). This program was recognized by the WCA with a Foth Good Government Award

Also, led the transition from Wisconsin Act 10 (2011) whereby four collective bargaining units transitioned to non-union status including comprehensive changes in employee benefits, compensation, and personnel policies; developed and implemented a comprehensive Paid Time Off (PTO) plan to replace an inflexible leave plan (vacation, sick leave, holidays, etc.); developed and implemented an Early Retirement Incentive Program (ERIP) allowing the employer to strategically downsize its operations without resorting to layoffs or furloughs; assisted with the transition related to the sale of a county-run nursing home to a private owner including the “impact bargaining” with the collective bargaining unit.

Summary of Professional Experience

- | | |
|--|-----------------|
| Senior Consultant, Carlson Dettmann Consulting, LLC | 2013 to present |
| Advise clients on matters relating to employee compensation and benefits, organizational planning, labor relations, and other human resources matters. | |
| Human Resource Director, Calumet County | 2000-2013 |
| Duties and responsibilities included, but were not limited to, the following: administration of all personnel related activities; job analysis, job evaluation, and compensation systems; employee recruitment and selection processes; personnel policies and procedures; employee and labor relations matters including collective bargaining; and employee benefit programs. | |
| Human Resources Director, Sauk County | 1998-2000 |
| Duties and responsibilities included, but were not limited to, the following: administration of all personnel related activities; personnel ordinances, policies, handbooks, and manuals; human resource assistance and guidance to supervisors, employees, and board members; employee recruitment and selection processes; bargaining and administration of collective agreements; job analysis, job evaluation, and compensation systems; employee benefit programs; and employee records and data. | |
| Administrative Coordinator, Marquette County | 1996-1998 |
| Duties and responsibilities included, but were not limited to, the following: County budget development; administration of all personnel related activities; county insurance programs (e.g. property, liability, etc.); employee benefit programs; Board communications liaison; risk management and loss control; and computer networking, procurement, and planning. | |



PATRICK GLYNN

Personnel/Computer Coordinator, Marquette County 1994-1996
Duties and responsibilities included, but were not limited to, the following: develop and maintain human resources systems; employee and labor relations matters including collective bargaining; preparation of the payroll and associated reports; recruitment and selection process; needs analysis for purchase of equipment and software; planning and maintenance of computer systems and networks.

Education and Background

University of Wisconsin-Stevens Point, Bachelor of Arts 1994
Public Administration/Political Science

University of Wisconsin-Milwaukee 2000
Certificate in Human Resource Management

Honors and Awards

NPELRA Pacesetter Award (2001); NPELRA President's Award (2009); NPELRA Pacesetter Award (2011)

Organizations

WPELRA (President: January 2012 to January 2014); NPELRA (Board of Directors: April 2013 to April 2017); IPMA-HR; World@Work; Fox Valley SHRM; Milwaukee Area Compensation Association (MACA)

Select Presentations

“Panel Discussion: Classification and Compensation – What does it Mean in 2013?” Wisconsin City/County Manager Association (February 28, 2013)

“Webinar: Take it to the Bank - Paid Time Off (PTO) as an Option for Providing Employee Leave Banks” National Public Employer Labor Relations Association (October 17, 2012)

“Webinar: Compensation Studies in the Post-BRB World (Panelist)” Wisconsin Public Employer Labor Relations Association (September 4, 2012)

“Presentation: Union Negotiations in the New Landscape” Wisconsin Counties Association (September 26, 2011)



SCOTT M. DETTMANN

Over thirty years of professional service as a human resource consultant, executive and teacher. Direct consulting experience includes providing human resource/compensation consultation to public, private and not-for-profit employers. Services provided include design and implementation of comprehensive pay systems, executive compensation, employee relations assistance, personnel policy development, organizational design, staffing, and management and supervisory training.

Summary of Professional Experience

Principal, Carlson Dettmann Consulting, a Cottingham & Butler Company 2010 to present

Provides leadership of human resource and management consulting firm. Clients include for-profit, public, and not-for-profit organizations. Carlson Dettmann Consulting became a Cottingham & Butler Company in July 2018,

Principal Consultant, enetrix, LLC 2008-2010

Provided leadership of management consulting firm and survey research divisions. Gallup, Inc. acquired enetrix in December 2008, and enetrix became an operating division of Gallup. After the acquisition, provided services as a Strategic Consultant for the Gallup Consulting division (transition agreement expired in September 2010).

Vice President and Principal Consultant, Carlson Dettmann Consulting 1996-2008

A division of enetrix LLC. Provides compensation management counsel to employers throughout the Upper Midwest. Services provided include development of total compensation programs, with particular emphasis on executive and incentive compensation, job evaluation, competitive review, organizational planning, and performance management systems. Provides administrative direction to operation of the consulting and survey practices. Adjunct Professor, Graduate School of Banking, University of Wisconsin, Madison.

Co-founder and Principal of, enetrix a Gallup Company. enetrix is a database development and application management firm that includes internet based salary survey research and administration as a key offering.

President, Wisconsin Division, DCA, Inc. 1995-1996

Vice President/Consultant, Wisconsin Division, DCA, Inc. 1993-1995

Principal Consultant, Wisconsin Division, DCA, Inc. 1991-1993

Senior Consultant, Wisconsin Division, DCA, Inc. 1985-1991

Shareholder/Consultant, Wisconsin Division, DCA, Inc. 1988-1995

Compensation and Benefits Consulting, Actuarial and Administrative Services. Specifically responsible for the development of DCA's compensation consulting and survey practice throughout Wisconsin. Supervised two offices, 23 professional and clerical staff members.



SCOTT M. DETTMANN

Director of Human Resources, Mid America Tag and Label Company 1982-1985

Responsible for the development of total Human Resource function of an entrepreneurial, 360 employee manufacturing concern. Employed as first Human Resource professional in company history. Developed necessary employment, compensation, benefits, employee relations, and EEO/AA programs. Led corporate quality improvement effort in addition to Human Resource duties.

Manager, Foremost-McKesson Foods Group 1981-1982

Responsible for the personnel function of the Whey Operations, a twelve-facility, 373-employee business unit. Specifically responsible for implementing and administering corporate personnel policies and procedures, and developing necessary programs in the area of labor and employee relations, safety, wage and salary administration, recruitment, and EEO/AA. Served as chief spokesman for the company in multi-union collective bargaining.

Personnel Manager, Ampco Foods, Inc. 1979-1981

Directly responsible for employee relation functions of a 650-employee vegetable dehydration plant. Supervised a personnel staff of five. Specific functions include plant employment, labor relations, safety, employee benefit administration, manpower planning and development, and nursing service functions. Participated in multi-employer/multi-union collective bargaining within the dehydration industry. Management trustee, Industry Medical Exam Trust.

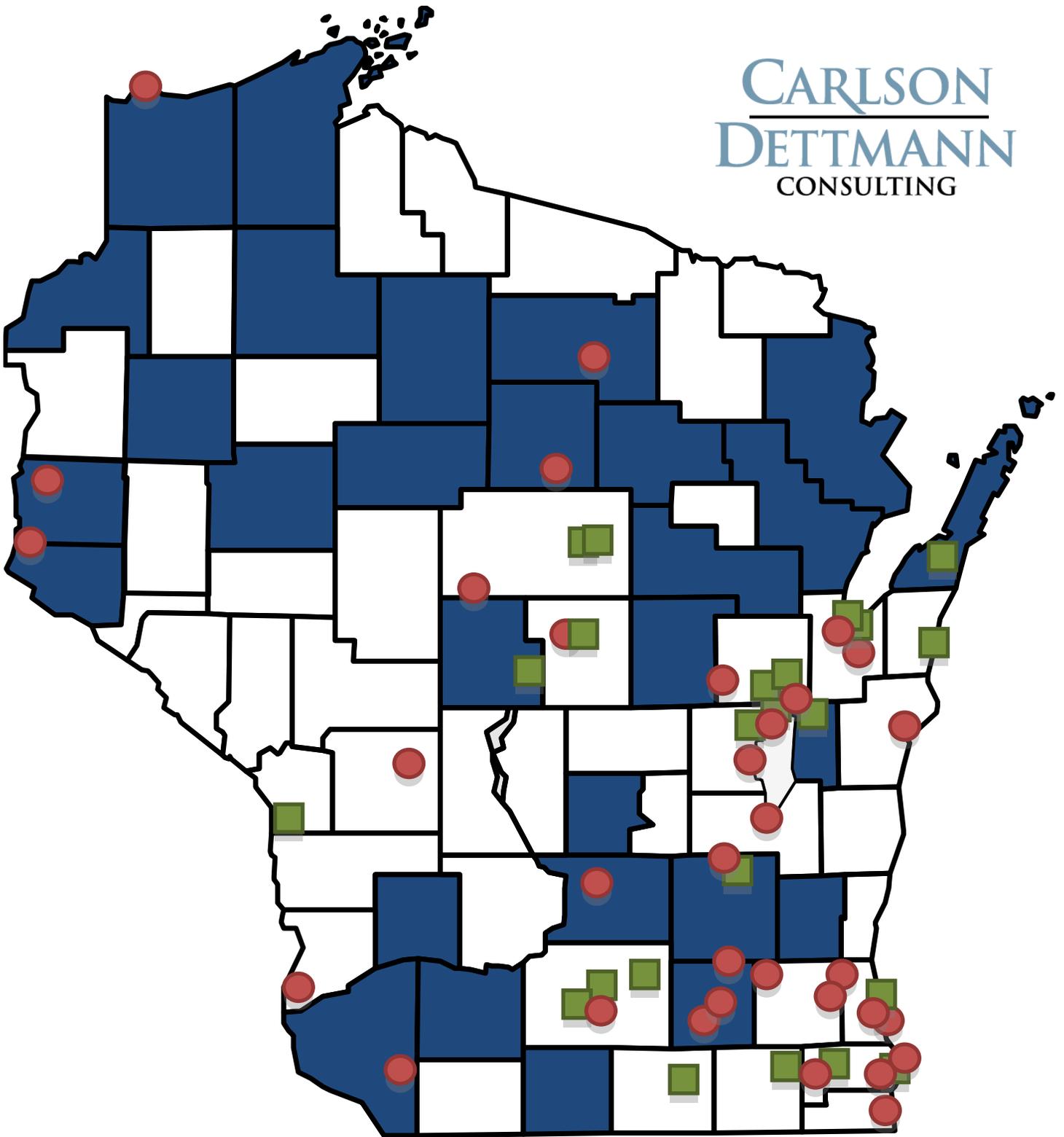
Assistant Personnel Manager, Oscar Mayer & Company 1977-1979

Generalist employee relation functions of 700-employee unionized meat-processing plant. Personnel Assistant, Davenport, Iowa, July 1977 to June 1978; Pre-Management Trainee, Madison, Wisconsin, January 1977 to July 1977.

Education and Background

Drake University, Des Moines, Iowa, MBA, General Management 1976

University of Wisconsin-Eau Claire, BBA (cum laude), General Business 1975



- Counties:** Barron, Bayfield, Burnett, Calumet, Chippewa, Columbia, Dodge, Door, Douglas, Grant, Iowa, Jefferson, Lincoln, Marquette, Marinette, Oconto, Oneida, Pierce, Price, Richland, St. Croix, Sawyer, Shawano, Taylor, Washington, Waupaca, Wood
- Cities:** Appleton, Burlington, De Pere, Fitchburg, Fond du Lac, Fort Atkinson, Green Bay, Jefferson, Kenosha, Manitowoc, Marshfield, Merrill, Neenah, New London, New Richmond, Oconomowoc, Oshkosh, Pewaukee, Platteville, Portage, Prairie du Chien, Racine, Rhinelander, River Falls, South Milwaukee, Stevens Point, Superior, Tomah, Watertown, Waupun, Wauwatosa, West Allis
- Other:** D.C. Everest (Schools), East Troy (Village), Grand Chute (Town), Green Bay (Water Utility), Janesville (Schools), Kenosha (Library), Kewaunee (Schools), Kimberly (Village), Marshfield (Schools), Menasha (Utility), Mid State Technical College, Milwaukee Metro Sewerage District (Utility), Neenah (Schools), NEW Water (Utility), Pleasant Prairie (Village), Racine Water & Wastewater (Utility), Shorewood Hills (Village), Southern Door (Schools), Stevens Point (Schools), Sun Prairie (Schools), Verona (Schools), Waterford (Village), Waupun (Utility), Waverly Sanitary District, Western Wisconsin Cares (Family Care District), Weston (Village)