



CITY OF WAUKESHA

Administration

201 Delafield Street, Waukesha, WI 53188
 Tel: 262.524.3701 fax: 262.524.3899
 www.ci.waukesha.wi.us

Committee: Human Resources	Date: 2/17/2016
Common Council Item Number: 16-162	Date: 3/1/2016
Submitted By: Kevin Lahner, City Administrator	City Administrator Approval: Kevin Lahner, City Administrator KML
Finance Department Review: Rich Abbott, Finance Director Click here to enter text.	City Attorney's Office Review: Brian Running, City Attorney Click here to enter text.
Subject: Review and act on revisions to Policy D-3 – Employee Performance and Development Appraisals, approving a Pay-for-Performance Policy and Employee Performance Feedback System.	

Details:
 In April, 2015, a Pay Policy and Performance Evaluation Task Force was formed consisting of City Administrator Kevin Lahner, Department of Public Works Director Fred Abadi, Parks Recreation and Forestry Director Ron Grall, Human Resources Director Donna Whalen, Police Chief Russ Jack, Water Utility Director Dan Duchniak, Human Resources Chair Joan Francoeur and Council Member and Human Resources Committee Member Vance Skinner. The group met over the period of several months and reviewed several studies, performance evaluation methods and policies from other communities. The attached revision reflects the culmination of the Pay Policy and Performance Evaluation Task Force's work. The new policy stresses two important concepts – 1) All compensation related decisions are tied to performance; and 2) The establishment of a performance feedback culture with our employees. The adoption of the revised policy is the first step in a multi-step process of establishing a performance based culture. Upon adoption, a group of management staff and employees will develop a new evaluation tool for use in the organization. Additionally, multiple trainings will be completed throughout the remainder of this year before the evaluation tools are launched, effective January 1, 2017.

Options & Alternatives: The Common Council could elect to deny the policy changes. This would leave in place the current compensation models. Under current practice, pay decisions are based upon market increases (COLA) and a system of linking compensation to performance is not widely implemented.

Financial Remarks: The new system will have budgetary impacts, in that a portion of dollars each year will need to be set aside to fund merit-based increases. Merit-based budget increases will be based upon estimates, as each individual will receive a different increase in pay, based upon their performance.

Executive Recommendation:
 Adopt revisions to Policy D-3 – Employee Performance and Development Appraisals, approving a Pay-for-Performance Policy and Employee Performance Feedback System.



