



MEMORANDUM

DATE: August 21, 2017

TO: Daniel Duchniak, PE

FROM: Donna Scholl, CPA

RE: Salary Surveys for 2018 Budget

As you will recall, last year the Commission revisited the salary surveys that they approved in 2013. That same list of surveys had been used for four years in order to produce budgeted compensation packages that could be compared from year to year. The list of surveys included four national surveys and three regional surveys.

In 2016 the Commission asked whether the list included too many national surveys. In order to assess whether the list was producing a fair increase, the Utility's budgeted increase was compared to increases proposed by the utilities in Green Bay and Racine. The comparison found that the increase proposed by staff was in line with the others.

Remembering the discussion from last year, and in preparation for this year's budget, I analyzed the effect of moving to a list that contained one national survey and two regional surveys. Those three surveys would suggest the following increase to wages.

| WWU | | | | | | | |
|------------------------|---------------------------------------|----------|------|------|------|------|------|
| Proposed Surveys | | | | | | | |
| 2018 | | | | | | | |
| Date | Source | Market | 2018 | 2017 | 2016 | 2015 | 2014 |
| July | Society for Human Resource Management | National | 3.10 | 3.10 | 3.10 | 3.05 | 3.10 |
| August | WI Employment Relations Commission | State | 1.84 | 0.68 | 1.62 | 1.52 | 1.66 |
| October | Management Resources Association | Local | 2.60 | 2.60 | 3.00 | 2.80 | 3.00 |
| | | Average | 2.51 | 2.13 | 2.57 | 2.46 | 2.59 |
| Last updated: 8/9/2017 | | | | | | | |

The full list of seven surveys from 2017 proposed an increase to wages of 2.20% versus the 2.13% that the shorter list would have produced if it had been used.

As a result, I am recommending that the Commission adopt the three surveys listed above. I believe the mix of surveys addresses the Commission's concern from last year. Furthermore, the reduced list produces only a slightly lower increase. Finally, it is easier to obtain the results of three surveys, instead of seven.

This list of three surveys has the same ability to produce an equitable compensation budget that is comparable from year to year, and has the added advantage of being more efficient to produce.

As a reminder, the actual increase produced by the surveys will come before the Commission in October. After the MRA results come in, the Commissioners will review and vote on the recommended increase as part of the budget process.

Recommended Motion: Move to approve the annual salary surveys from the Society for Human Resource Management, the Wisconsin Employment Relations Commission and the Management Resources Association for the purposes of producing the Utility's annual salaries budget.