

RESOLUTION NO. 2021-23

RESOLUTION AUTHORIZING THE WAGE COMPRESSION POLICY

WHEREAS, the Village of Caledonia has identified that wage compression exists between wages of represented and non-represented Police and Fire Department Employees;

WHEREAS, the Village of Caledonia has identified that base wages of eligible represented and non-represented Police and Fire Department Employees need to be adjusted to fix the wage compression;

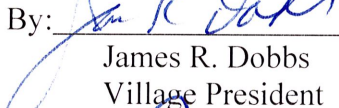
WHEREAS, the Village has drafted a Wage Compression Policy, and is attached hereto as **Exhibit A**;

WHEREAS, the Personnel Committee of the Caledonia Village Board has reviewed the Wage Compression Policy and recommends adopting the new Policy.

NOW, THEREFORE, BE IT RESOLVED by the Caledonia Village Board the Wage Compression Policy is effective as of January 1, 2021.

Adopted by the Village Board of the Village of Caledonia, Racine County, Wisconsin, this 23rd day of February 2021.

VILLAGE OF CALEDONIA

By: 
James R. Dobbs
Village President

Attest: 
Joslyn Hoeffert
Deputy Village Clerk

Wage Compression Policy

Purpose

Wage compression exists when there is an unacceptable difference identified by the Village Administration and Board in annualized wages between a supervisor and a direct subordinate. Compression can exist under a base salary comparison, under a total gross earnings comparison, or both. In determining whether compression is an issue that must be resolved through a wage adjustment, the Village may examine the differences in total compensation between the supervisor and subordinate positions. Unless the total compensation package, including wages, benefits, and working conditions, of the supervisor is determined to compensate for the wage compression, the Village may provide an acceptable base pay differential between a supervisory position and the position directly supervised. The Village may first rely on merit adjustments whenever possible.

Wage compression within the Police and Fire Departments are created and compounded by the fact that lower-level positions continue to maintain collective bargaining rights, and their annual wage increases and compensation do not always mirror that of the rest of the Village employees. At times, this creates compensation issues between represented and non-represented Police and Fire Department employees.

Village Administration has identified that the compression analysis below provides a base wage adjustment for a Fire and Police supervision and will occur as outlined below. The Village recognizes that compression adjustments do disrupt some of the internal equity in the compensation for all Village employees.

This policy does not affect compensation adjustments made by the Village based on creation of a new or reclassified position, elimination of a position, or market-based adjustments.

Employee Eligibility

Unless otherwise included by the Village Board, eligible positions include only the Fire Department Battalion Chiefs and the Police Department Sergeants, Lieutenants, Captains, and Deputy Chiefs.

Calculation for Eligible Police Department Command Staff:

The wages and longevity amounts outlined in the Caledonia Professional Police Association collective bargaining agreement serve as a base point for considering compression using the rate of the highest base hourly rate for a detective plus the highest longevity dollar amount. This amount will equal the compression base wage of a Detective.

Example from the 2018-2020 Caledonia Professional Police Association collective bargaining agreement:

- Highest Hourly Rate: \$37.36 per hour ($\$37.36 * 2080 \text{ hours} = \$77,708.80$)
- Highest Longevity Rate: \$1,000
- Total "compression base wage" used for calculations: $\$77,708.80 + \$1,000 = \$78,708.80$

The Village will strive to avoid compression within the command ranks based on the following comparisons:

Sergeants. The Police Sergeant base annualized rate will be 5% above the compression base wage of the Detectives.

Example from the 2018-2020 Caledonia Professional Police Association collective bargaining agreement:

- Detectives compression base wage: \$78,708.80
- Sergeant compression base wage: $(\$78,708.80 * 5\%) = \$82,644.24$

Lieutenants. The Police Lieutenant base annualized rate will be 5% above the compression base wage of the Sergeants.

Example from the 2018-2020 Caledonia Professional Police Association collective bargaining agreement:

- Sergeants compression base wage: \$82,644.24
- Lieutenant compression base wage: $(\$82,644.24 * 5\%) = \$86,776.45$

Captains. The Police Captain base annualized rate will be 5% above the compression base wage of the Lieutenants.

Example from the 2018-2020 Caledonia Professional Police Association collective bargaining agreement:

- Lieutenant compression base wage: \$86,776.45
- Captain's compression base wage: $(\$86,776.45 * 5\%) = \$91,115.27$

Deputy Chief. The Police Deputy Chief base annualized rate will be 5% above the compression base wage of the Captain.

Example from the 2018-2020 Caledonia Professional Police Association collective bargaining agreement:

- Captain compression base wage: \$91,115.27
- Deputy Chief's compression base wage: $(\$91,115.27 * 5\%) = \$95,671.03$

Anytime there is a wage adjustment agreed to by the Village and the Caledonia Professional Police Association for a successor collective bargaining agreement, the wages of the eligible employees in this policy will be reviewed for compression adjustment, considering timing of wage adjustments agreed to by the Village and CPPA.

Calculation for Eligible Fire Department Command Staff:

The wages and longevity amounts are as outlined in the Village of Caledonia Local 2740 collective bargaining agreement serve as a base point for considering compression using the rate of the highest base salary rate for a Captain including the highest Paramedic premium pay plus the highest longevity dollar amount. This amount will equal the compression base wage of a Captain.

Example from the 2018-2020 Village of Caledonia Local 2740 collective bargaining agreement:

- Annual Captain Rate: \$85,431.54
- Paramedic Rate: 6%
- Annual Rate with Paramedic Rate: ($\$85,431.54 * 6\% = \$90,557.43$)
- Highest Longevity Rate: \$750
- Total "compression base wage" used for calculations: $\$90,557.43 + \$750 = \$91,307.43$

The Village will strive to avoid compression within the command ranks based on the following comparisons:

Battalion Chiefs. The Battalion Chief base annualized rate will be 5% above the compression base wage of the Captain.

Example from the 2018-2020 Village of Caledonia Local 2740 collective bargaining agreement:

- Captains compression base wage: \$91,307.43
- Battalion Chief's compression base wage: ($\$91,307.43 * 5\%$) = \$95,872.80

Anytime there is a wage adjustment agreed to by the Village and Local 2740 for a successor collective bargaining agreement, the wages of the eligible employees in this policy will be reviewed for compression adjustment, considering timing of wage adjustments agreed to by the Village and Local 2740.

Merit:

In addition to the compression adjustments described above, employees outlined under this policy may be eligible for merit-based pay adjustments.

Annual Performance evaluations are due each year by January 31 for performance in the preceding year with any applicable merit adjustments being effective on or after January 1 of the current year based on the effective date set by the Village Board. Each eligible employee receiving a compression adjustment will also have an opportunity to earn more than the base compression wage based on their annual performance evaluation overall rating:

- Outstanding: up to the Maximum Merit Amount set by the Board during the Budget process
- Very Good: Up to Two thirds of the Outstanding merit amount
- Satisfactory: Up to One third of the Outstanding merit amount
- Needs Improvement: No Merit factor
- Unsatisfactory: No Merit Factor

This merit wage factor will change annually and is only valid for the calendar year immediately following the performance evaluation. The merit amounts are based on the Village Board's approval of a merit increase and the amount of maximum merit allowed. The merit factor is non base building and ends annually on December 31 of the year.

Created: February 12, 2021

Effective: January 1, 2021

Resolution: 2021-23