City of Neenah

Committee of the Whole Agenda

Wednesday, November 4, 2026 at 5:00 PM
Neenah City Hall – 211 Walnut Street
Council Chambers

I. Call to Order
The Committee of the Whole was called to order by Council President Steiner at 5:00 PM.

II. Roll Call
Present: Mayor Borchardt, Aldermen Bruno, Erickson, Linski, Defferding, Neuman, Pollnow, Ellis, Weber, and Council President Steiner.

Also Present: Human Resources Director Barber, Deputy Human Resources Director Schott, Finance Director Rasmussen, City Clerk Nagel, and those listed on the attached sign-in sheet.

III. Public Appearances
None.

IV. Unfinished Business

V. New Business

A. Presentation of a compensation market review study by Cottingham & Butler. Discussion by the Common Council thereon may be had. Council action is to receive and place on file the compensation market review study by Cottingham & Butler. Cottingham & Butler presented the results of their compensation market review study. A copy of that presentation is attached to the minutes.

Motion by Weber/Ellis to receive and place on file the Cottingham & Butler compensation market review study. Motion carried in a voice vote, 9-0.

B. Presentation of funding options for compensation market review implementation. The Directors of Human Resources and Finance may propose, for discussion, alternative strategies for funding of different approaches discussed in Cottingham & Butler compensation market study. Implementation recommendations based on Council input will be presented through the upcoming operations budget amendment process.

There is no action to be taken on this item at this meeting. This item is for Council members to consider through the operations budget amendment process.

Both the Finance Director and the Human Resources Director presented different funding options to bring staff to the market wage rate. A copy of the presentation is attached to the minutes.

VI. Adjournment
Motion by Pollnow/Bruno to adjourn. No further discussion. Motion carried in a voice vote, 9-0. Meeting adjourned at 5:54PM.

Respectfully submitted,

Charlotte K. Nagel

Charlotte K. Nagel, WCMC

Compensation System Market Update

PRESENTED BY

Jenna Bidwell| Director, Total Rewards Consulting

City of Neenah, WI

November 4, 2026



Agenda

Internal Alignment Validation

Market Review

Market Placement Strategies and Reimplementation Consideration

Internal Alignment Validation

- 11 Positions from across the City were submitted for internal alignment review
  - Request made by managers/departments heads
  - Updated job documentation submitted for some; validation of current grade placement for others

- Review is to ensure that as positions evolve their grade placement in the City's hierarchy is confirmed and market benchmarking is still valid

- Based upon the review, two positions were recommended for grade adjustment and were supported with market data for the increase in grade placement.


Cottingham & Butler
Market Review

City of Neenah

Benchmark Positions

- Benchmark positions are positions that were market priced and are used for the regression analysis

- CD ADMIN ASSIST 29/WK
- CD ASST PLANNER
- CD BLDG INSPECTOR
- CD CHIEF BLDG INSPECTOR
- CD DIRECTOR CD/ASSESSMENT
- CD GIS COORDINATOR
- CD PLUMBING INSPECTOR
- CD PROPERTY APPRAISER I
- CD PROPERTY APPRAISER II
- DOLAS CITY ATTORNEY
- DOLAS CITY CLERK
- DOLAS DEPUTY CITY CLERK
- DOLAS LEGAL ASST/PARALEGAL
- FD CHIEF
- FD DEPUTY CHIEF
- FINANCE ASST TREASURER
- FINANCE DEPUTY DIRECTOR
- FINANCE DIRECTOR
- FINANCE PAYROLL-A/P-A/R COORD
- HR & SAFETY ASSISTANT 80%
- HR & SAFETY DIRECTOR
- IS DIRECTOR
- IS HELP DESK-COMPUTER TECH
- IS NETWORK ADMIN
- IS SYSTEMS ADMIN
- MAYOR COMMUN & COMM ENGAG SPEC
- MUNICIPAL CLERK OF COURTS
- NPL ASST LIB YTH SVC 53%
- NPL DIRECTOR
- NPL LIBRARY ASST 53%
- NPL YOUTH SERVICES MANAGER
- P & R DIRECTOR
- P & R OFFICE MANAGER
- P & R SUPERINTENDNT OF RECR
- PARKS ARBORIST
- PARKS TECHNICIAN
- PD ASSISTANT CHIEF
- PD CAPTAIN
- PD CHIEF
- PD COMM TECH
- PD EXECUTIVE ADMIN ASSISTANT
- PD FLEET MAINT SPECIALIST 53%
- PW BUILDING MANAGER
- PW CIVIL ENGINEER III
- PW CONSTR INSP/ENG AIDE
- PW DIRECTOR
- PW ENGINEERING TECH I
- PW FLEET SUPERVISOR
- PW MECHANIC
- PW STREET TECH II
- PW SUPERINTENDENT
- WD DIRECTOR
- WD DIST MAINT TECH I
- WD DIST MAINT TECH II
- WD FILTR PLANT ELECT TECH
- WD FILTR PLANT MECH TECH
- WD FILTR PLANT RELIEF OPER II
- WD TREATMENT MANAGER
- WD UTIL BILLING COORDINATOR

CB

Market Data Sources

Data and Surveys Utilized

Comparable Group	Competitive Market
Primary Comparable Organizations: Appleton; Beaver Dam; De Pere; Fitchburg; Fond du Lac; Green Bay; Greenfield; Kaukauna; Manitowoc; Marshfield; Menasha; Muskego; Oak Creek; Onalaska; Oshkosh; Stevens Point; Sun Prairie; Watertown; Wausau; West Bend; Wisconsin Rapids; Green Bay Metropolitan Sewerage District (NEW Water); Green Bay Water Utility; Menasha Electric & Water Utilities; Outagamie County; Grand Chute; Allouez; Ashwaubenon; Fox Crossing; Greenville; Howard; Little Chute; Menomonee Falls; Brown County; Calumet County; and Winnebago County While the primary comparable group served as the foundation for analysis, additional market comparisons were requested for certain departments to account for shared service structures and specialized operational requirements. *Fire: La Crosse, Sheboygan, Wauwatosa, and Brookfield* *Police: Caledonia, and Franklin* *Water Utility: Kaukauna Utilities, Manitowoc Public Utilities, and New London Utilities* *Municipal Court Clerk: Coulee Region, Village of Pleasant Prairie, Madison, Frankin, Village of Waterford, Racine, Kenosha, Lake Country, New Berlin, Waukesha*	• Bureau of Labor Statistics: Appleton, Oshkosh-Neenah, Cross-Industry • CompData Benchmark Pro: Green Bay, WI; Wisconsin; Midwest • Economic Research Institute: Appleton; Wisconsin • Payfactors: Neenah; Upper Midwest • Mercer: Oshkosh-Neenah; Wisconsin

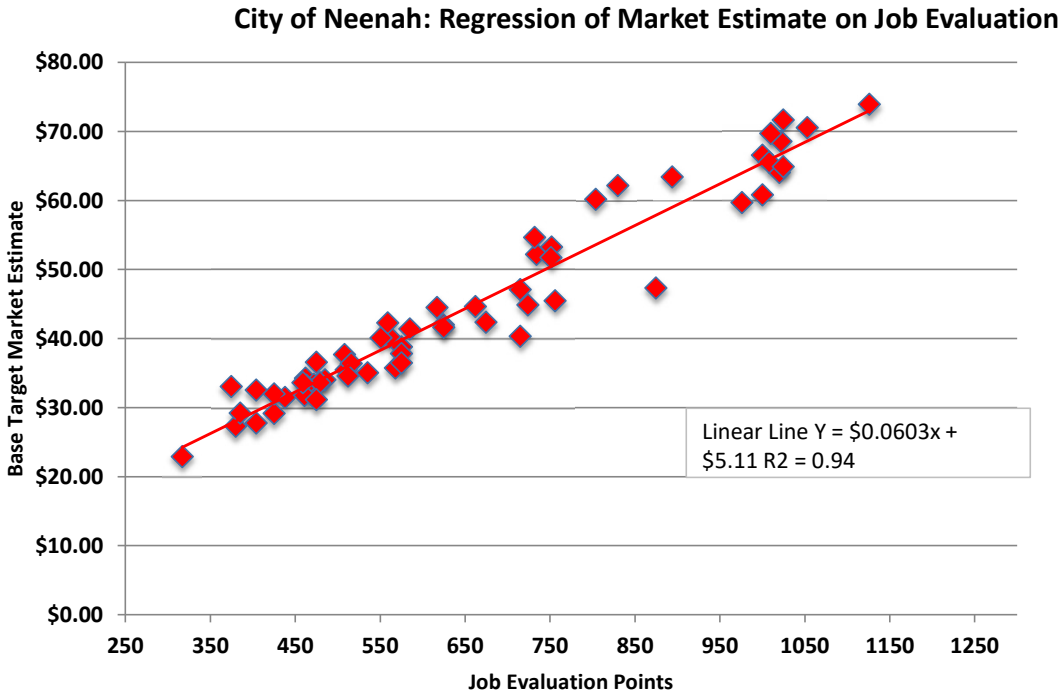
Formal Sustainable System

Pay Structure Design = **Market** vs. **Job Evaluation**

Methodology

- Measured the correlation between job evaluation results vs. market analysis for benchmark positions.
- Job evaluation results are an excellent predictor (R^2) of market value for the organization's positions.
- Used the market linear regression analysis, or line-of-best fit results, to set the "midpoint" or "control point" of the recommended pay grades.
- Represents the best approximation of the market for a given job in a given pay grade.
- Allows placement of non-benchmark jobs into structure

R squared value = 94%



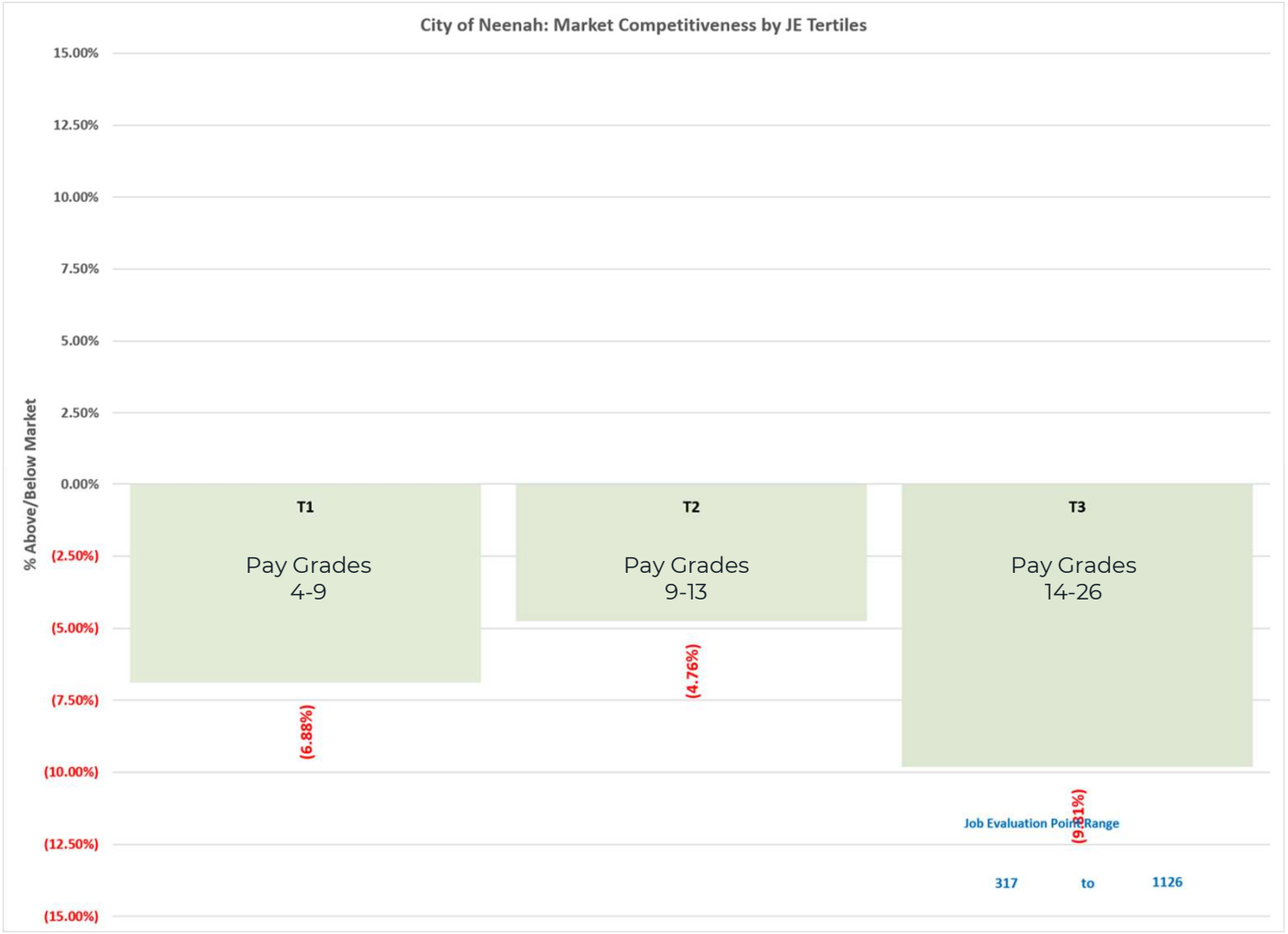
Overall Market Summary & Findings

- 59 Benchmark positions matched
  - 51% of positions covered
  - 57% of employees covered

- Overall, **current structure is 92.8%** of the median market
- Overall, **current pay is at 92.5%** of the median market

Overall Market Competitiveness of Midpoints by Tertiles

- Breaking down benchmarks by tertiles can help assess if sections of the system are lagging market
- Neenah data indicates that the top third of the structure is most significantly behind at nearly 10% below the median.




Cottingham & Butler
Target Market Placement

Market Position Considerations

- Where does the organization see itself in the labor market?
- Financial sustainability – being able to provide system adjustments and steps (wage movement)
  - 2025 – Schedule was adjusted 3%
  - 2026 – Schedule was adjusted 1.5%
- Current target is median market
- Recruiting and retention considerations
    - Total rewards package & benefit spend
    - Don’t forget to consider the importance of time off

Control Point Comparison – Target: Median

Grade	Current Control Point	Market Proposed Control Point	% Change
21	$66.74	$74.45	12.7%
20	$62.80	$69.93	12.5%
19	$60.19	$66.91	12.3%
18	$57.56	$63.89	12.1%
17	$54.93	$60.88	11.9%
16	$52.32	$57.86	11.7%
15	$49.69	$54.85	11.5%
14	$47.07	$51.83	11.2%
13	$44.44	$48.81	10.9%
12	$41.82	$45.80	10.6%
11	$39.19	$42.78	10.3%
10	$36.57	$39.77	9.8%
9	$33.96	$36.75	9.3%
8	$31.33	$33.73	8.7%
7	$28.70	$30.72	8.1%
6	$26.08	$27.70	7.3%
5	$24.12	$25.44	6.5%
4	$22.81	$23.93	6.0%

Target Market Strategies

Grade	Current Control Point	Strategy 1	Strategy 2	Strategy 3 – Median
21	$66.74	$69.78	$70.44	$74.45
20	$62.80	$65.56	$66.19	$69.93
19	$60.19	$62.75	$63.35	$66.91
18	$57.56	$59.92	$60.50	$63.89
17	$54.93	$57.10	$57.65	$60.88
16	$52.32	$54.31	$54.83	$57.86
15	$49.69	$51.50	$52.00	$54.85
14	$47.07	$48.72	$49.19	$51.83
13	$44.44	$45.93	$46.37	$48.81
12	$41.82	$43.16	$43.58	$45.80
11	$39.19	$40.39	$40.78	$42.78
10	$36.57	$37.63	$38.00	$39.77
9	$33.96	$34.89	$35.23	$36.75
8	$31.33	$32.14	$32.46	$33.73
7	$28.70	$29.40	$29.69	$30.72
6	$26.08	$26.68	$26.94	$27.70
5	$24.12	$24.64	$24.88	$25.44
4	$22.81	$23.27	$23.49	$23.93

Average +3.3%

Average +4.3%

Average +10.2%


Cottingham & Butler
Re-Implementation
Consideration

Employee Impact

- After determining the control points for 2027 and maintaining the City's current pay structure design, the next step is to determine how to place employees into the updated system

- City has been provided with a costing tool to explore the structure and implementation options
    - This includes adjusting for employees on steps 1-6

- Cost impact typically drives re-implementation strategy
    - Balance between getting the structure market competitive and moving employees forward in their compensation at sustainable rate

Any Cell Highlighted In Yellow May Be Updated

City of Neenah, WI

		Date of Implementation:	01/01/2027				
Step Schedule:	Current Design			Total Base Wages (Estimated)	Cost of Wage Implementation (Estimated)	% Base Wage Increase Estimated	Average Employee Increase
Implementation Method:	Current Structure Aged 3%-5.55% (Ave 4.3%)						
Step that Provides at Least a 3.00% Increase	3.00%			$11,165,847.68	$384,088.18	3.56%	4.11%

Questions

Investing in Our Workforce:

Compensation Options, Funding Capacity & Tax Impact

Common Council Discussion| City of Neenah| November 4, 2026

2027 Proposed Budget Impact on Taxpayer

This budget includes an increase of 1.5% in January and 1% in July

	Increase	$ Impact on $275k Home	$ Impact on $350k Home	
Sanitary Sewer (for a typical family of 4)	20%	$ 85.00	$ 85.00	
Storm Water	$ 5.00	5.00	5.00	
Property Taxes (Estimated)	8.31%	166.35	211.72	*$.6049 per $1,000 of Assessed Value*
Increase to Taxpayer		**$ 256.35**	**$ 301.72**	

Strategy: Use the Wisconsin Joint Fire levy-limit exemption

- A provision in state law that allows a municipality to increase its property tax levy limit to pay for increased assessments from a qualifying joint fire department, even when that increase would otherwise exceed the municipality's normal levy limit - Wis. Stat. § 66.0602(3)(h).

- The joint fire department's <u>total</u> assessment increase cannot exceed CPI plus 2%.

  For the 2027 budget year:

  - CPI increase: 3.3%
  - Additional statutory allowance: 2.0%
  - Maximum allowable increase: 5.3%

City of Neenah Portion

	2026	2027	$ Increase (Decrease)	% Increase (Decrease)
Operating	$ 6,511,395	$ 6,598,064	$ 86,669	1.33%
Capital	1,165,919	1,465,422	299,503	25.69%
Total	**$ 7,677,315**	**$ 8,063,486**	**$ 386,171**	**5.03%**
Share of Expenses	**60.82%**	**60.68%**		

NMFR Levy Limit Exception

Total Budget

	2026	2027	$ Increase (Decrease)	% Increase (Decrease)
Net Operating	$ 10,706,010	$ 10,873,540	$ 167,530	1.56%
Shared Capital	1,917,000	2,415,000	498,000	25.98%
Total	**$ 12,623,010**	**$ 13,288,540**	**$ 665,530**	**5.27%**
			Threshold	5.3%

Proposed Funding Strategy:
Joint Fire Levy-Limit Exemption

Utilize the Wisconsin Joint Fire levy-limit exemption to fund implementation of the Compensation Market Review.

City of Neenah

2027 Implementation

$386,000

Potential additional levy capacity

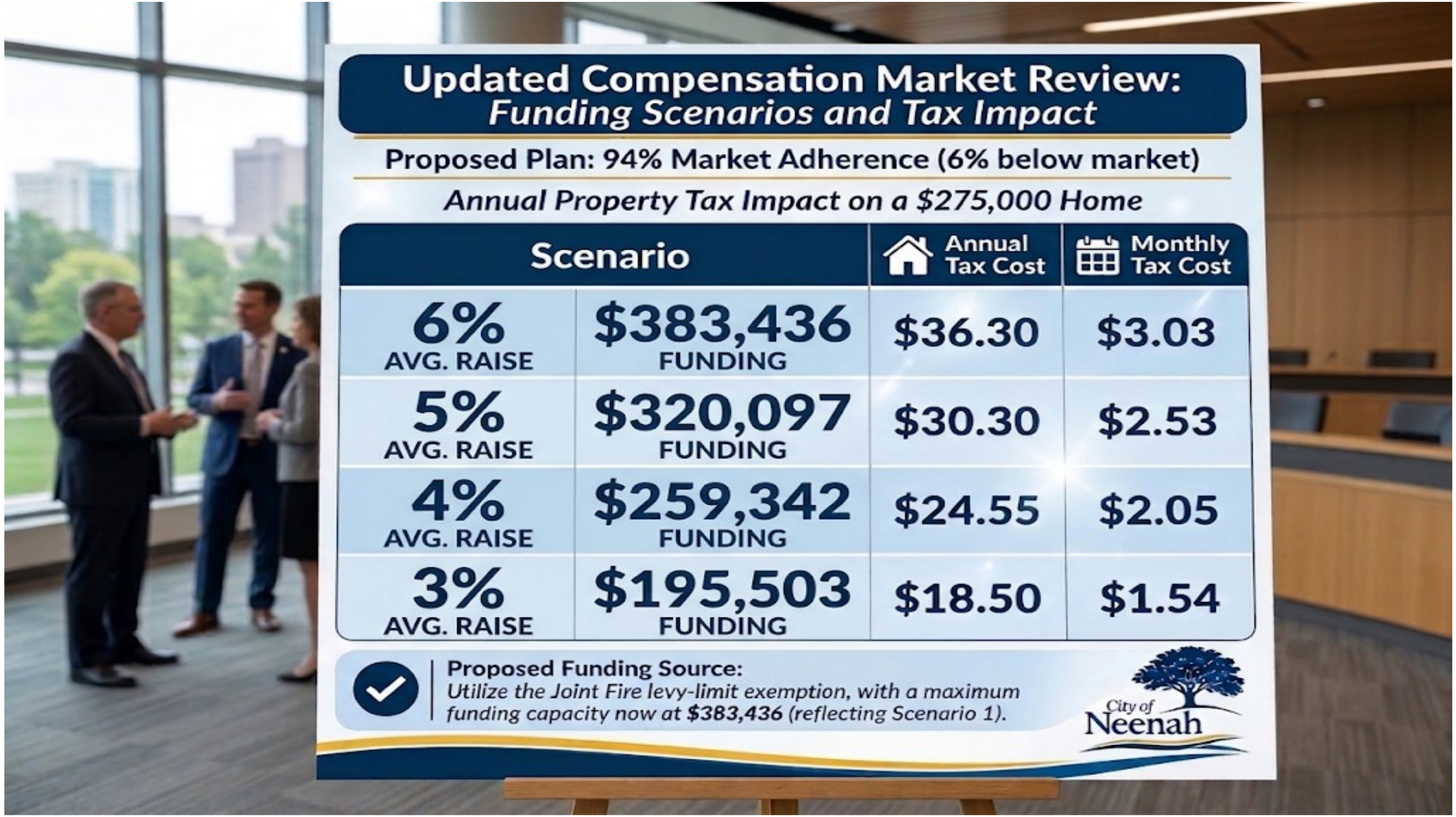
Ongoing Levy Base

Compensation implementation funding incorporated into the recurring levy

Future Years

Levy limit growth based on allowable net new construction

The proposed approach provides an opportunity to address compensation market competitiveness while establishing a sustainable ongoing funding base that can grow with the City's net new construction.


Updated Compensation Market Review:
Funding Scenarios and Tax Impact
Proposed Plan: 94% Market Adherence (6% below market)
Annual Property Tax Impact on a $275,000 Home
Scenario
Annual Tax Cost
Monthly Tax Cost
6% AVG. RAISE
$383,436 FUNDING
$36.30
$3.03
5% AVG. RAISE
$320,097 FUNDING
$30.30
$2.53
4% AVG. RAISE
$259,342 FUNDING
$24.55
$2.05
3% AVG. RAISE
$195,503 FUNDING
$18.50
$1.54
Proposed Funding Source:
Utilize the Joint Fire levy-limit exemption, with a maximum funding capacity now at $383,436 (reflecting Scenario 1).
City of Neenah

Compensation Market Position
Moving to 100% of Market

Where We Are Today

~90%
of the Market



The Market



100%
of Market

Full Implementation Cost

$602,202

$217,202
Above Available Levy

Would Require a Referendum

Achieving 100% of market would cost $602,202, which is $217,202 more than our current levy capacity, and would require a referendum.

City of Neenah

Recommendation

- Utilize the Wisconsin Joint Fire levy-limit exemption to create additional levy capacity to fund the Compensation Market Review implementation.
- Leverage up to $386,000 in additional levy capacity, as confirmed by the Wisconsin Department of Revenue.
- Establish a higher ongoing levy base, allowing future levy-limit growth to reflect allowable net new construction.
- Provide a sustainable funding approach that supports compensation competitiveness while considering long-term property tax impacts.

Next Steps – Common Council Direction

- Review the available funding options and estimated property tax impact.
- Provide direction on the desired level of compensation market implementation.
- Identify the funding Council wishes to allocate, up to the available $386,000.
- Provide guidance to the Human Resources and Finance Directors regarding implementation expectations and priorities
- Direct staff to develop a formal implementation recommendation for consideration through the 2027 Operating Budget amendment process, subject to Council approval.
- This item will be discussed during the Human Resources portion of the upcoming Budget Workshop.

Key Takeaway

- Tonight's discussion is about direction, not approval. Council is being asked to provide input on funding levels and implementation priorities, not approve individual employee compensation adjustments.

- A long-term funding opportunity exists. The proposed approach provides an opportunity to address compensation market competitiveness while establishing a sustainable ongoing funding base that can grow with the City's net new construction.

- Council input will guide the next steps. The goal is to establish the desired funding level and implementation approach so staff can help develop a formal amendment to the 2027 Operating Budget for Council consideration and approval.