City of Columbus Merit Pay Policy

1) Purpose

The City of Columbus will use merit pay to:

- Reward sustained high performance, achievement of strategic goals, and demonstration of City values.
- Strengthen accountability and service quality for residents.
- Support market competitiveness and retention.
- Promote fairness, consistency, and fiscal responsibility.

2) Scope

This policy applies to:

- **Non-represented employees** (regular full-time/part-time).
- **Represented employees** only if merit compensation is expressly allowed under applicable labor agreements and administered in accordance with the contract.

Exclusions: Seasonal/temporary employees; elected officials; volunteers; interns; employees on performance development plans (PDP) who have not met plan requirements by the evaluation cutoff date.

3) Guiding Principles

1. **Performance-Based:** Merit pay is awarded based on documented results and behaviors, not tenure alone.
2. **Equitable & Consistent:** Ratings, calibration, and payouts follow standardized criteria.
3. **Transparent:** Employees know expectations, rating standards, timelines, and how merit is calculated.
4. **Budget-Disciplined:** Merit awards operate within Council-approved funding and fiscal constraints.
5. **Legally Compliant:** Adheres to Wisconsin law, federal law (FLSA, EEOC), and open records requirements.
6. **Market-Aware:** Integrates with the City's compensation structure and market pay analysis.

4) Definitions

- **Merit Pay:** Compensation awarded based on performance (base salary adjustment and/or lump-sum bonus).
- **Merit Matrix:** A table linking performance ratings and compa-ratio (pay vs. midpoint) to recommended award levels.
- **Compa-Ratio:** Employee's base pay divided by the pay range midpoint (e.g., 0.95 = 95% of midpoint).
- **Calibration:** A structured review ensuring rating consistency across departments.
- **Performance Cycle:** Annual period used for setting goals, monitoring, and evaluating performance.

5) Eligibility

To be eligible for merit consideration, an employee must:

- Complete **6 months** of service in the current role before the evaluation cutoff date.
- Have no active **disciplinary actions** in the last 6 months (unless explicitly waived by the City Administrator for exceptional improvement).
- Complete required **training** and compliance activities.
- Have an approved **performance plan** (goals/KPIs) on file by March 31 of the cycle year.

Employees on a development plan may be eligible only if they have met plan requirements by the evaluation cutoff date and have at least a "Meets Expectations" rating.

All employee evaluations are done utilizing the PERFORMANCE software via NeoGov.

6) Performance Management Cycle & Timeline (Calendar-Year Fiscal)

- **Feb-Mar:** Goal setting & performance plan finalization (SMART goals aligned to Strategic Objectives).
- **Apr–Dec:** Quarterly check-ins; coaching and documentation.
- **Jan-Feb:** Supervisor evaluations; **Calibration** meetings; Citywide consistency checks.
- **Mar-Apr:** Final ratings due; merit recommendations compiled.
- **May-June:** merit notifications issued; awards effective with first payroll in July (unless otherwise specified).

7) Performance Ratings (Standardized Scale)

- **3 – Exceeds Standards:** Often exceeds goals; strong results and behaviors.
- **2 – Meets Standards:** Fully meets goals and City values; reliable and competent performance.
- **1 – Does Not Meet:** Falls short of expectations; significant improvement required.

Ratings must be evidence-based, using documented goals, metrics, work samples, service measures, and feedback. Supervisors must provide narrative justification and attach supporting documentation.

8) Merit Award Structure

8.1 Components

- **Base Adjustment:** Ongoing increase to base salary.
- **Lump-Sum Bonus:** One-time payment; does not change base salary (may be used when pay is at/above range midpoint or to maintain internal equity).

8.2 Merit Budget

- The city will set an annual **merit pool**, separate from cost-of-living adjustments (COLA). Council authorizes the pool during budget adoption.

8.3 Merit Matrix (Example)

Use both **rating** and **compa-ratio** to steer awards. The City Administrator/Human Resources may refine percentages annually.

Your Rating	Increase/Lump-Sum Bonus
☆ **Exceeds**	Increase/Lump-Sum Bonus Recommended
☑ **Meets**	Increase/Lump-Sum Bonus Considered

Amounts provided subject to change based on budgetary needs of the city

Notes:
- If an employee is **above midpoint** (>1.00 compa-ratio), favor **lump-sum** to prevent compression.
- If an employee is **below midpoint**, favor **base adjustments** to move toward market competitiveness.
- Departments may propose exceptions only with **written justification** and City Administrator approval to ensure equity.
- For 2025 Reviews and Merit Pay:
  Because KPI's have not been defined for 2025, I suggest that we award merit pay based on 2025 performance reviews.
  For Meets Expectations raises: an employee may not have any 1's on their performance review (only 2's or higher)
  For Exceeds Expectations: an employee may not have any 1's on their performance review and must have an average of 2.5 or higher

9) Goal & KPI Design

Each employee's plan will include **3–5 SMART goals** drawn from:
- **Operational excellence:** e.g., service response times, permit turnaround, preventive maintenance completion rates.
- **Financial stewardship:** e.g., grants secured, cost savings, audit findings resolved.
- **Community impact:** e.g., program participation, customer satisfaction ratings.
- **Compliance & safety:** e.g., training completion, incident reductions, OSHA adherence.
- **People/leadership:** e.g., team development, cross-department collaboration, DEI initiatives within legal bounds.

Supervisors must specify **measures, targets, data sources, and weightings** (e.g., 25% service, 25% financial, 20% compliance, 15% community, 15% people).

10) Calibration & Review

- **Department-Level Calibration:** Supervisors present draft ratings and rationales; reconcile inconsistencies.
- **Citywide Calibration:** HR/City Administrator review distributions and equity across departments.
- **Controls:** Identify rating inflation/deflation, ensure documentation quality, confirm alignment with budgets.

11) Award Approval & Communication

1. Supervisors submit merit recommendations.
2. HR validates eligibility, compa-ratio, pay range, and internal equity; City Administrator reviews and presents to Council in closed session where direction is provided to the City Administrator.
3. HR communicates awards to employees with a **Merit Notification Letter** including rating, award type (base/lump-sum), percentage, amount, effective date, and brief rationale tied to documented achievements.
4. Individual ratings and payroll changes are **public records** subject to Wisconsin Open Records Law; HR will handle requests in compliance with applicable exemptions and privacy redactions.

12) Appeals & Resolution

- Employees may file a **written appeal** within **10 business days** of notification, limited to:
  - Procedural errors (e.g., missing documentation, misapplied matrix).
  - Factual errors in performance evidence.
- **Process:** Appeal → HR review → City Administrator final decision within **20 business days**.
- Appeals do **not** guarantee changes to ratings or awards and must be substantiated.

13) Interaction with COLA, Market, and Promotions

- **COLA:** Applied separately to maintain purchasing power; not performance based.
- **Promotions/Reclassifications:** Governed by classification plan; merit may still apply for periods worked in prior role.

14) Compliance & Risk Management

- **FLSA:** Ensure non-exempt overtime calculations are based on correct regular rate; lump-sum bonuses may affect overtime rate for the period.
- **EEOC/Title VII/ADA/ADEA:** Ratings and awards must be free from discrimination.
- **Wisconsin Law (Act 10 & labor contracts):** Merit for represented employees must conform to contract language; otherwise apply to non-represented staff only.
- **Open Records:** Treat performance documents as records; apply statutory exemptions and privacy redactions where applicable.
- **Data Integrity:** Maintain audit trails; store documentation per records retention schedules.

15) Funding Controls & Oversight

- Council approves the **annual merit pool** during budget adoption.
- City Administrator/HR ensure payouts do not exceed the pool.
- Council makes final determinations on any and all increases in compensation.

16) Training

- **Supervisors:** Mandatory annual training on goal setting, feedback, rating standards, documentation, calibration, and legal considerations.

- **Employees:** Orientation to the performance cycle, expectations, and how merit works.

17) Policy Review & Continuous Improvement

- **Annual review** by HR/City Administrator to adjust the merit matrix, KPIs, and processes.
- Solicit feedback via post-cycle surveys and incorporate lessons learned.
- Conduct periodic **pay equity analyses** to ensure fairness across gender, race/ethnicity, and age within legal constraints.

Optional Add-On: Spot Awards (One-Time Recognition)

If the City wishes to add **Spot Awards**, adopt a companion mini-policy enabling small, immediate lump-sum recognition (e.g., $250–$750) for extraordinary contributions, with controls (quarterly cap, documentation, HR approval).

Department KPI Examples

Public Works

- Complete 95% of scheduled pothole repairs within 5 business days of report.
- Achieve 100% compliance with snow route clearance within 8 hours of snowfall end.
- Maintain 90% fleet availability for operational needs.
- Zero preventable accidents during snow/ice operations.

Utilities

- Maintain compliance with all DNR water testing standards (100% pass rate).
- Respond to water main breaks within 2 hours of notification.
- Complete 95% of scheduled hydrant flushing and valve inspections annually.
- Resolve billing inquiries within 3 business days.

Police (non-sworn)

- Process 100% of incident reports within 24 hours of submission.
- Fulfill public records requests within statutory timelines.
- Ensure 100% completion of annual CJIS security training.
- Achieve 90% positive feedback on public interactions.

Library

- Increase program participation by 10% year-over-year.
- Maintain a circulation-to-hold ratio of at least 3:1.
- Grow e-book and digital resource usage by 15%.
- Achieve 95% positive ratings on patron surveys.

Administration

- Submit annual budget with less than 1% variance from adopted figures.

- Secure at least 2 new grants or funding sources annually.
- Deliver agenda packets 5 days before meetings 100% of the time.
- Conduct quarterly check-ins and achieve 90% completion rate.

Finance
- Deliver proposed annual budget by statutory deadlines.
- Achieve zero material findings in annual financial audit.
- Process 95% of vendor invoices within 30 days of receipt.
- Maintain property tax collection rate of 98% or higher by January 31.

Parks & Recreation
- Increase recreation program enrollment by 10% compared to prior year.
- Complete 95% of scheduled park and facility inspections on time.
- Achieve 90% positive feedback from participants in City-sponsored events.
- Meet or exceed annual revenue goals for programs and facility rentals.

Clerk's Office
- Publish 100% of Council agendas at least 5 days before meetings; finalize minutes within 10 business days.
- Process 95% of license/permit applications within statutory timelines.
- Achieve 100% compliance with Wisconsin election laws and deadlines.
- Fulfill public records requests within statutory timelines.

2026 Wage Scale

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Adopted by Council 1/6/2026

Pay Grade	Title	Min	Mid	Max	2026	
1	Police Clerk/FD Admin Asst	$20.53	$25.67	$30.80	23.09	Below Mid
	Admin & Billing Clerk (Finance)				23.46	Below Mid
	Utility Billing Clerk				24.87	Below Mid
	Senior Center Manager				26.92	Above Mid
2	Maint Worker II (4)	$21.95	$27.44	$32.93	27.79	Above Mid
	Recreation & Aquatics Asst				27.33	Below Mid
	Deputy Treasurer				27.92	Above Mid
	PD Administrative MGR				26.58	Below Mid
	Communications & Econ Dev Coord				28.91	Above Mid
3	Maint Worker I (2)	$26.89	$33.61	$40.33	28.91	Below Mid
	Wastewater Operator B (3)				32.12-32.41	Below Mid
	Water Operator				35.90	Above Mid
	Utility Accounting Clerk				33.26	Below Mid
	HR Generalist				31.70	Below Mid
4	Recreation Director	$28.54	$35.68	$42.82	30.65	Below Mid
	City Clerk				35.99	Above Mid
5	Lead Water Operator	$33.66	$42.08	$50.49	41.09	Above Mid
	Wastewater Operator A				41.09	Above Mid
	Public Works Director				42.20	Above Mid
	Community/Economic Dev Director				43.15	Above Mid
6	Finance Director	$36.48	$45.60	$54.72	46.13	Above Mid
	Lieutenant (2)				46.81	Above Mid
	Lineman (3)				54.66	Above Mid
	Utility Business Manager				49.57	Above Mid
7	Police Chief	$44.88	$56.10	$67.32	54.36	Below Mid
	Lead Lineman				56.54	Above Mid
	Utilty Director				59.13	Above Mid
8	City Administrator	$46.89	$58.61	$70.33	63.45	Above Mid

Note: Library positions are not included as Library Board controls staff wages

Note: Union positions of the Police Department are not included as wages are negotiated via collective bargaining