

To: Finance Committee  
From: Mark Stevens  
Date: August 12, 2024  
RE: 2024 Compression Review – July Revisit

Salary compression exists when there is an unacceptable difference in salary between a supervisor and a direct subordinate.

From Employee Handbook:

Once the City has determined there is a compression issue, the City will review the differences in total gross wages between the supervisor and subordinate positions. If it is determined the gross wages of the supervisor is not sufficient to compensate for the wage compression and the City has determined the best course of action is a pay raise for the supervisor, the City will calculate an acceptable base pay differential between the exempt supervisory position and the average gross earnings of the subordinates the supervisor supervises.

Average gross earnings of subordinate employees at the top of their pay range will be calculated excluding outliers such as an employee with a much greater amount of overtime than others or an employee new to the position and not yet at the maximum of that pay grade. Using this average, a rate will be calculated as one hundred eight percent (108%) of the average gross pay and the employee will be placed at the next step that provides an increase. At the City's discretion, one of two actions will be available:

- Adjust the employee's pay upward in the range if the current pay grade range allows for sufficient earnings growth consistent with the intent of the compensation plan. If this is not possible, the City may consider the second option.
- Adjust the position up one pay grade temporarily and only while compression conditions are still causing a problem. All documents and communications are retained to reflect temporary assignment of the position and the earnings differential situation will be analyzed every year. If conditions change such that the actual pay grade provides an adequate differential and opportunity for sufficient earnings growth, these positions will be moved back to their correct grade.

In light of the fire and police union increases that raised pay rates as of July 1, I have again reviewed the supervisory pay rates for compression between supervisor and subordinate positions. I am providing this summary for your knowledge.

**Fire Department**  
Battalion Chief

The 2024 assigned pay rate is **N7Adj** [\$31.0294 (incl Par Prem) or 29.89]. This was increased to **N10Adj** [\$33.2194/hr incl paramedic premium of \$1.1394] with a 1/1/24 effective date. An adjustment to **O9Adj** [\$34.304/hr incl paramedic premium of \$1.204] has been made as of 7/1/24. The BCs are Chad Butler, Chad Butzine, and Bradley Fox.

Deputy Chief

The 2024 assigned pay rate of **Q6** [\$49.3156/hr incl paramedic premium of \$1.6856] for David Johnsen has been adjusted to **Q8** [\$51.7056/hr incl paramedic premium of \$1.6856] effective 7/1/24.

Chief

The 2024 assigned pay rate of **T4** [\$53.4056/hr incl paramedic premium of \$1.6856] for Tayna Reynen has been adjusted to **T6** [\$56.1256/hr incl paramedic premium of \$1.6856] effective 7/1/24.

The additional cost for fire department compression is estimated to be \$29,572 for 2024.

**Police Department**

Sergeant

The 2024 assigned pay rate is **M6** [\$39.07/hr]. This was increased to **M7** [\$40.04/hr] with a 1/1/24 effective date. An adjustment to **M10** [\$42.97/hr] has been made as of 7/1/24. The sergeants are Laura Bohlman, Pedro Gallegos, Jeremy Lingle, and Michael Roehl.

Captain

The 2024 assigned pay rates are **P4** [\$43.10] for Jon Caucutt and **P5** [\$44.24] for Jeff Meloy. The pay rate was adjusted to **P7** [\$46.50] for both captains with a 1/1/24 effective date. An adjustment to **P8** [\$47.64/hr] has been made as of 7/1/24.

Assistant Chief

The 2024 assigned pay rate is **Q5** [\$46.44] for Ben Olsen. The pay rate was adjusted to **Q8** [\$50.02/hr] with a 1/1/24 effective date. An adjustment to **Q9** [\$51.21/hr] has been made as of 7/1/24.

Chief

The 2024 assigned pay rate is **T2** [\$49.00/hr] for Dave Brower. The pay rate was adjusted to **T6** [\$54.44/hr] with a 1/1/24 effective date. An adjustment to **T7** [\$55.81/hr] has been made as of 7/1/24.

The additional cost for police department compression is estimated to be \$53,619 for 2024.

Compression adjustments are considered temporary assignments to a higher grade/step. A new-year calculation will be conducted in early 2025, incorporating any approved changes in the pay table, to determine what adjustments might be required for 2025.



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CITY OF WATERTOWN

PAY TABLE EFFECTIVE: 1/1/2024 - HOURLY FORMAT (2080 HOURS)

1.50% COLA increase from 2023

Grade	Control Point										
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
Y	\$66.51	\$68.41	\$70.31	\$72.21	\$74.11	\$76.01	\$77.91	\$79.81	\$81.71	\$83.61	\$85.52
X	\$62.53	\$64.32	\$66.11	\$67.89	\$69.68	\$71.47	\$73.25	\$75.04	\$76.83	\$78.61	\$80.40
W	\$58.56	\$60.24	\$61.91	\$63.58	\$65.26	\$66.93	\$68.60	\$70.28	\$71.95	\$73.62	\$75.30
V	\$54.59	\$56.15	\$57.71	\$59.27	\$60.83	\$62.39	\$63.95	\$65.51	\$67.07	\$68.63	\$70.19
U	\$50.62	\$52.07	\$53.52	\$54.96	\$56.41	\$57.86	\$59.30	\$60.75	\$62.19	\$63.64	\$65.09
T	\$47.64	\$49.00	\$50.36	\$51.72	\$53.08	\$54.44	\$55.81	\$57.17	\$58.53	\$59.89	\$61.25
S	\$45.66	\$46.96	\$48.27	\$49.57	\$50.88	\$52.18	\$53.49	\$54.79	\$56.09	\$57.40	\$58.70
R	\$43.68	\$44.93	\$46.17	\$47.42	\$48.67	\$49.92	\$51.17	\$52.41	\$53.66	\$54.91	\$56.16
Q	\$41.68	\$42.87	\$44.06	\$45.25	\$46.44	\$47.63	\$48.82	\$50.02	\$51.21	\$52.40	\$53.59
P	\$39.70	\$40.83	\$41.97	\$43.10	\$44.24	\$45.37	\$46.50	\$47.64	\$48.77	\$49.91	\$51.04
O	\$37.72	\$38.80	\$39.87	\$40.95	\$42.03	\$43.11	\$44.18	\$45.26	\$46.34	\$47.42	\$48.50
N	\$35.72	\$36.74	\$37.76	\$38.78	\$39.80	\$40.82	\$41.84	\$42.86	\$43.89	\$44.91	\$45.93
N (2912 Hrs) Battalion Chief	\$25.52	\$26.24	\$26.97	\$27.70	\$28.43	\$29.16	\$29.89	\$30.62	\$31.35	\$32.08	\$32.81
M	\$33.74	\$34.70	\$35.67	\$36.63	\$37.60	\$38.56	\$39.52	\$40.49	\$41.45	\$42.42	\$43.38
M (2053 Hrs) Sgt	\$34.18	\$35.16	\$36.14	\$37.11	\$38.09	\$39.07	\$40.04	\$41.02	\$42.00	\$42.97	\$43.95