

FINANCE AND PERSONNEL COMMITTEE

City of Kaukauna
Council Chambers
Municipal Services Building
144 W. Second Street, Kaukauna



Monday, April 14, 2025 at 6:15 PM

AGENDA

In-Person and Remote Teleconference via ZOOM

1. Correspondence.
2. Discussion Topics.
 - [a.](#) Step Increase Process Change.
 - [b.](#) Merit Incentive Program.
 - [c.](#) 2025 Budget Amendment.
3. Adjourn.

NOTICES

Notice is hereby given that a majority of the City Council will be present at the meeting of the Finance and Personnel Committee scheduled for Monday, April 14, 2025, at 6:15 P.M. to gather information about a subject over which they have decision making responsibility.

IF REQUESTED THREE (3) DAYS PRIOR TO THE MEETING, A SIGN LANGUAGE INTERPRETER WILL BE MADE AVAILABLE AT NO CHARGE.



MEETING ACCESS INFORMATION:

You can access this meeting by one of three methods: from your telephone, computer, or by an app. Instructions are below.

To access the meeting by telephone:

1. Dial 1-312-626-6799
2. When prompted, enter Meeting ID 234 605 4161 followed by #
3. When prompted, enter Password 54130 followed by #

To access the meeting by computer:

1. Go to <http://www.zoom.us>
2. Click the blue link in the upper right hand side that says Join a Meeting
3. Enter Meeting ID 234 605 4161
4. Enter Password 54130
5. Allow Zoom to access your microphone or camera if you wish to speak during the meeting

To access the meeting by smartphone or tablet:

1. Download the free Zoom app to your device
2. Click the blue button that says Join a Meeting
3. Enter Meeting ID 234 605 4161
4. Enter Password 54130
5. Allow the app to access your microphone or camera if you wish to speak during the meeting

Members of the public will be muted unless there is an agenda item that allows for public comment or if a motion is made to open the floor to public comment.



MEMO

Human Resources

To: Finance & Personnel Committee
From: HR Director Hodge
Date: April 14, 2025
Re: Step Increase Process Change

Background information:

Pay Scale Conversion

The process for step pay increases had changes that went into effect for 2025 based on a new structure for the time in a step and overall eligibility based on the annual review score. These changes were recommended and approved by the previous HR Director, however, they did not account for the conversion effects on some employees.

The 2024 Pay Schedule had several steps where the employee was only required to be in that step on the chart for 6 or 9 months before being eligible to move to the next step in the pay schedule. The 2025 Pay Schedule changed all but one to have a 12-month waiting period for time in a step before being eligible for the next step. This has resulted in twelve (12) employees who would have been eligible in 6 or 9 months for an increase from the prior schedule now being delayed an additional 6 or 3 months, respectively, to meet the 12-month requirement for 2025. It is proposed to grandfather those affected by this change to step eligibility timing and to allow those to receive their 2025 step at the 6 or 9-month interval from their 2024 step date.

Minimum performance rating requirement

Additionally, the 2025 Pay Schedule also implemented a minimum annual rating that an employee must have received with their 2024 review to be eligible for a step increase, depending on where in the scale they currently are for pay. There are now employees who are ineligible for a step increase because their summer 2024 Performance Review scores were below the thresholds implemented for 2025's eligibility. See the sample schedule on the last page for scale and step reference. Through leadership conversations regarding those affected, it has been an unintended consequence of the new processes and lack of training, and understanding from changes to the performance review process. To mitigate

this issue and ensure fairness, it is proposed to waive the performance score rating requirement for 2025 step increase eligibility and provide the step pay increases to those who did not meet the score eligibility but who still received above a three (3) performance rating for their summer 2024 Performance Review. Those employees who are affected by this do not have a performance problem and would be recommended for the step by their manager.

Strategic Plan:

People Management: Building Performance Management

The updates and changes to building performance management and tying it back to pay are an important strategy for the City to build into the culture. Growing the strength of the performance process and how it will affect pay builds on responsibility, action, and continuous improvement to recognize and reward those employees who meet and exceed expectations. However, the implementation of going to new processes must be balanced with adequate training and communication to ensure there aren't unforeseen consequences for the employees. The Human Resource Director will also come back with a revised format that connects pay and performance, which will not cause skewed responses and will include constructive feedback for employees.

Budget:

There is no additional budget impact. These increases were included in the 2025 budget.

Staff Recommended Action:

Recommendation 1

It is recommended that the affected employees (12) who were originally planned for a 6 or 9-month step increase be eligible at their date based on the 2024 timing. Pay rates will be updated with the original effective date, and any applicable retro pay will be calculated and paid for those who have dates that have passed.

Recommendation 2

It is recommended that the affected employees (4) who did not receive the minimum 3.25 or 3.5 performance rating but where scores were still above 3.0 be given their 2025 step increase.

Sample Schedule:

2025									
	1	2	3	4	5	6	7	8	9
Step	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I
Min time on step	6 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	
Performance Score	2.75	2.75	2.75	3.00	3.00	3.25	3.25	3.50	3.50
2024									
Step	Entry	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	
Min time on step	6 months	6 months	6 months	9 months	9 months	12 months	12 months		

*No performance rating factor



MEMO

Human Resources

To: Finance & Personnel Committee
From: HR Director Hodge
Date: April 14, 2025
Re: Merit Incentive

Background information:

Merit Incentive Program

The Merit Incentive Program was proposed in 2024 to take effect in 2025 as a replacement for the Longevity Pay Program. The Merit Incentive was intended to reward high-performing employees with either additional paid time off or with an extra step pay increase. Leaders were required to nominate an employee for the incentive and to provide supporting information as to the merit for the award.

Through the review of the program and of the nominations received, it was determined by the review committee that the program had gaps in definition, criteria, and application as it was originally intended. The review committee agreed that it was appropriate to put the Merit Incentive Program on pause and to re-evaluate if the program should remain, and to reserve the funds originally budgeted for this program for future use. The Review Committee was comprised of Finance Director Van Rossum, Mayor Penterman, Alder Antoine, and HR Director Hodge.

Strategic Plan:

People Management: Building Performance Management

The updates and changes to building performance management and tying it back to pay are an important strategy for the City to build into the culture. Pay and time off as a component of total compensation are an integral part of this process, but the application of a new program must have a more robust process for implementation to ensure equity and achieve the intention of the new program for the use of funding.

The Human Resource Director will come back with a revised format that connects pay and performance, which will not result in subjective interpretations or leaders having to go through a nomination process for their employees.

Budget:

The budget for the Merit Incentive Program for 2025 is \$16,000

The estimated cost for paying the Longevity Incentive in November 2025 is \$18,975

This is a difference of an additional \$2,975

Staff Recommended Action:

It is recommended that the Longevity Incentive be paid in November 2025 as a one-year replacement program for the Merit Incentive not being implemented in 2025.



MEMO

Department

To: Finance and Personnel
From: Finance Director, Van Rossum
Date: 04/14/2025
Re: 2025 Budget Amendment

Background information:

During the 2025 budget year, the city had earmarked \$510,000 to address the staffing assessment needs. The budget process at the time didn't allow for a comprehensive analysis of how the additional state-shared revenue should be allocated. Staff presented the committee of the whole on January 6, the staffing assessment result, as well as a recommendation for the staffing requests in the 2025 year to use the earmarked funds. Approval was granted at that meeting to add three firefighter-paramedics, one Police Officer, and a Summer Intern for Human Resources, and to restructure two part-time positions to full time at the Library.

Reference Material:

January 6, 2025, Presented Material

<https://mccmeetings.blob.core.usgovcloudapi.net/kaukaunawi-pubu/MEET-Packet-39c79937d8ad484c97047b8c311a49dc.pdf>

January 6, 2025, Committee of the Whole Minutes

<https://mccmeetings.blob.core.usgovcloudapi.net/kaukaunawi-pubu/MEET-Minutes-39c79937d8ad484c97047b8c311a49dc.pdf>

Strategic Plan:

The recommendation of this action doesn't have a real impact on the strategic plan, however, the action causing this recommendation did. The people management plan was a substantial portion of the strategic plan that the allocated funds addressed.

Budget: There is no overall budget impact to this action. This will align the spending to where it is accounted for based on the approved positions mentioned above.

Staff Recommended Action:

Approve the 2025 budget amendment as laid out in the attached resolution.

RESOLUTION NO. XXXX-2025**RESOLUTION AUTHORIZING VARIOUS BUDGETARY ADJUSTMENTS**

BE IT RESOLVED by the Common Council of the City of Kaukauna, Wisconsin, that the said Council hereby approves and authorizes the following budget adjustments to the 2025 adopted budget to allocate the earmark funds to address the approved staffing assignment.

Account Name	Fund	Reason	Expenditure Budget Increase (Decrease)
Earmarked Funds	General	Earmark Funding-Staffing Assessment Allocation	(\$510,000.00)
Police Department			
Salary	General	One Police Officer	\$62,143.00
WRS	General	One Police Officer	\$8,898.88
Social Security	General	One Police Officer	\$4,753.94
Works Compensation	General	One Police Officer	\$2,349.01
Health Insurance	General	One Police Officer	\$27,900.00
Group Life Insurance	General	One Police Officer	\$100.00
Fire Department			
Salary	General	Three Fire Fighter/Paramedic	\$182,637.00
WRS	General	Three Fire Fighter/Paramedic	\$34,920.19
Social Security	General	Three Fire Fighter/Paramedic	\$13,971.73
Works Compensation	General	Three Fire Fighter/Paramedic	\$6,903.68
Residency Incentive	General	Three Fire Fighter/Paramedic	\$10,958.22
Health Insurance	General	Three Fire Fighter/Paramedic	\$83,700.00
Group Life Insurance	General	Three Fire Fighter/Paramedic	\$300.00
Library			
Salary	General	Library Restructure PT to FT Positions	\$49,550.00
WRS	General	Library Restructure PT to FT Positions	\$3,220.75
Social Security	General	Library Restructure PT to FT Positions	\$3,790.58
Works Compensation	General	Library Restructure PT to FT Positions	\$1,872.99
Residency Incentive	General	Library Restructure PT to FT Positions	\$2,973.00
Group Life Insurance	General	Library Restructure PT to FT Positions	\$50.00
Human Resources			
Temporary Payroll	General	Temporary Summer Intern	\$8,631.68
Workers Comp	General	Temporary Summer Intern	\$375.35

Total Expenditure Budget Increase/(Decrease) **\$0.00**

Introduced and adopted this the 15th day of April 2025.

APPROVED:_____

Anthony J. Penterman, Mayor

ATTEST:_____

Kayla Nessman, Clerk