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**Muskingum Watershed  
Conservancy District**

**COMPENSATION PLAN  
STRUCTURE AND  
ADMINISTRATION**



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## TABLE OF CONTENTS

	Page
INTRODUCTION .....	3
DEFINITIONS .....	3
PLAN STRUCTURE .....	3
HIRING .....	4
TYPES OF PAY ADJUSTMENTS .....	4
MOVEMENT BETWEEN PAY GRADES .....	6
PLAN MAINTENANCE .....	7

## INTRODUCTION

The Muskingum Watershed Conservancy District (MWCD), in an effort to provide fair and equitable compensation for employees, hereby adopts the following compensation plan and administration procedures with an effective or implementation date of December 24, 2023. The plan is intended to cover both full-time and part-time non-bargaining unit employees. The plan does not cover bargaining unit, variable, or seasonal employees.

## DEFINITIONS

Base Pay: The initial rate of compensation an employee receives, excluding additional payments such as overtime, bonuses, and benefits.

External Equity Analysis: Typically evaluated by a market study. Allows an employer to determine how their pay compares to other “like” organizations.

Internal Equity Analysis: The use of a point factoring system to place positions within the appropriate pay grade.

Lump Sum: A single payment given at a particular time in lieu of recurring payments distributed over a period of time.

## PLAN STRUCTURE

A pay range schedule has been developed to include sixteen (16) pay grades from 1N-16CE. Each position has been assigned to a pay grade. Pay grades were created based on external equity analysis and positions were assigned to pay grades using internal and external equity analyses. Please see Appendix A for the pay range schedule.

To provide for on-going appropriate placement of employees within assigned pay ranges and to provide for appropriate equitable employee advancement within pay ranges, a Pay Range Penetration Plan has been developed.

The Pay Range Penetration Plan is shown below:

Years of Service	Range Penetration
1+ year	10%
3+ years	20%
6+ years	30%
20+ years	50%

## HIRING

New employees shall be paid at a pay rate that is at least the minimum of the assigned pay range up to the midpoint of the assigned pay range, based on their experience and education.

Careful consideration should be given to any starting pay rate that is higher than the mid-point of the assigned pay range. **If a hiring supervisor is considering an applicant for a starting pay rate that is higher than the mid-point of the assigned pay range, a summary of the outstanding qualifications and experience justifying the rate must be sent to Human Resources and the pay rate higher than mid-point will require Executive Director approval.** No applicant should be offered a pay rate which exceeds the maximum of the assigned pay range.

Employees who are hired in the assigned pay range for their position at the first level of the Pay Range Penetration Plan (1+ year = 10%) or higher, will not be eligible for a pay increase after completion of their probationary period. This is done to contribute toward equitable pay among employees.

## TYPES OF PAY ADJUSTMENTS

### Probationary Pay Adjustments

New employees or promoted employees shall normally serve a one hundred eighty (120 ) or (180) calendar day probationary period. Upon successful completion of the probationary period the new or promoted employee shall be eligible for a probationary period pay increase of up to 2% if they are being paid less than the first level of the Pay Range Penetration Plan (1+ year = 10%). If the new or promoted employee is still in their probationary period during the time annual pay adjustments are made (effective the first pay date in January), and their probationary period ends within the first quarter after the annual adjustment is made, they will receive the annual adjustment to their pay at the time their probationary period ends.

### Annual Pay Adjustments

The Compensation Plan is designed to allow the movement of an employee through their position pay grade assignment with the goal of reaching the maximum for their position pay grade with the organization by the end of their career. To achieve this, the Board of Directors may approve an annual pay increase for eligible employees.

Eligible employees who have completed their probationary period will be considered for the Board approved annual pay increase effective on the first pay date in January. If an eligible employee has a retirement, resignation or termination date in December, they will not receive the annual increase approved for the following year.

### Pay Range Penetration Adjustments

Pay rates of eligible employees who have completed their probationary period will be reviewed annually (after any annual board approved increase is applied) to consider appropriate placement in their assigned pay range according to the Pay Range Penetration Plan. There are two types of employee pay adjustments that may be made as a result:

- “Pay Range Minimum” Pay Adjustment

Eligible employees whose pay rates fall below the minimum of their assigned pay range will receive a “Pay Range Minimum” adjustment.

- “Pay Range Placement” Pay Adjustment

Adjustments to pay resulting from the Pay Range Penetration Plan review are called “Pay Range Placement” increases and will be effective on the first pay date in January.

**For initial implementation of this plan in 2024, please see the “Implementation Plan – 2023 compensation Review document, attached to this policy (Appendix B).**

### “Interim Position Assignment” Pay Adjustment:

An interim pay adjustment may be approved by the Executive Director when an employee is named to an interim management role. The amount of an interim pay increase will be up to 10% as approved by the Executive Director and will end as directed by the Executive Director.

### Lump-Sum Payments:

MWCD may decide to award lump-sum payments that are not intended to increase an employee’s base pay and that are in addition to a base pay increase or in place of a base pay increase. Lump-sum payments shall be the equivalent percentage of the base pay increase of the individual’s regular wages, payable as determined by MWCD and approved by the Board of Directors.

Employees who are at rates of pay that exceed the maximum for their pay grade are considered red-circled. Red-circled employees shall receive no base pay increase, until their rate of pay no longer exceeds the maximum rate (i.e., until such time MWCD increases the maximum of their position pay grade). However, a red-circled employee shall receive the annual board approved increase awarded as a lump-sum amount that will not increase their base rate of pay. Such lump sum amounts can be awarded as determined by the MWCD (i.e. monthly, quarterly, yearly, etc).

The Board of Directors, upon the recommendation of the Executive Director, may approve other types of lump sum payments annually for eligible employees such as one-time inflationary adjustments.

### License, Certification, or other Credential Adjustments

MWCD recognizes the benefits and competitive advantage of having a skilled and credentialed workforce in areas directly relating to their positions. The following schedule outlines common licenses, certifications, and other credentials that may result in a pay adjustment for employees. This schedule is not all-inclusive. Employees are required to confirm with Human Resources and their supervisor prior to pursuing any of these licenses, certifications, and other credentials to ensure that it is appropriate for their position to acquire such. Any pay adjustment will be effective the first pay beginning date after the license, certification or other credential is acquired and such license or certification is provided to Human Resources.

<b>License, Certification, or other Credential</b>	<b>Pay Adjustment</b>
Masters degree in related field	5%
Professional Engineer (PE)	5%
Professional Surveyor (PS)	4%
Bachelors degree in related field	4%
Associates degree in related field	3%
EPA Water or Wastewater I, II, III	3% per license
Industry Specific License/Certification/Credential not already listed	2%-4%*

\*as determined by the Director of Human Resources and Executive Director

### **MOVEMENT BETWEEN PAY GRADES**

#### Promotions (Employee moves into a position higher than current pay grade)

A promotion is the act of placing an employee in a position which requires greater skills, knowledge, experience and abilities to perform more complex and responsible work than the employee was required to perform in their previous position. An employee who receives a promotion one pay grade above their current pay grade will receive at least a five percent (5%) pay increase or be placed at the minimum of the new pay range, whichever is greater. If an employee is promoted more than one pay grade above their current pay grade, they will receive a ten (10%) pay increase or be placed at the minimum of the new pay range, whichever is greater.

#### Demotions

A demotion is the act of reducing an employee to a position which requires the performance of less complex or less responsible work than the employee was required to perform in their previous position. A demotion is also the reduction of an employee to a lower pay grade. If a demotion occurs for any reason, the employee's wages may be reduced after review of factors including the new pay ranger, service time, and Executive Director approval.

## Transfers

A transfer is the act of moving an employee from a position in a department or location to a position with the same position title in another department or location. A transfer may also result in a change in work location and/or supervisor, but not a change in significant job duties. An employee's rate of pay will not change as a result of this type of action.

## Lateral Movement

A lateral movement is when an employee is assigned to a different position, but the positions are assigned to the same pay grade. An employee's rate of pay will not be change as a result of this action.

## Movement in Pay Grades due to a Revision of the Compensation Plan

Placement of a position in a different pay grade due to a Compensation Review or revision to the Compensation Plan will be addressed by an accompanying board approved Compensation Implementation Plan.

## **PLAN MAINTENANCE**

Maintenance of the compensation system is an important task which cannot be neglected. All managers and supervisors play an important role in communicating to Human Resources changes in the job duties of their staff that may require position updates.

Failure to properly maintain the plan may eventually result in recruitment problems, pay inequities between positions, lowered employee morale, higher employee turnover, and other related organizational problems.

Adjustments to the pay range schedule will be considered annually by the Board of Directors, at the same time as annual employee pay increases. The Chief Financial Officer, the Director of Human Resources, and the Executive Director will recommend amounts for both the annual employee pay increase and adjustments to the pay range schedule.

### **A. Changes in Position Functions and Responsibilities**

There are numerous factors and influences which may contribute to the erosion of a compensation plan's validity. Common factors and influences generating change include:

1. Addition of new functions or responsibilities to a position;
2. Abolishment or elimination of a position's functions or responsibilities;
3. Reorganization of an organizational function, resulting in the consolidation of work activities;

4. Gradual change of a position by addition, deletion, or modification of duties and responsibilities; or
5. New or revised licensure or certification requirements.

B. Changes in Market Conditions

In addition to the above factors, ever-changing market conditions may dictate that the compensation plan or a particular position/s be reviewed and revised in order for MWCD to remain in a competitive position with comparable organizations.

C. Updates to Compensation Plan

The compensation plan will be updated on a periodic basis in order to remain internally equitable and externally competitive. The following general procedures will be followed in order to achieve these results:

1. On any occasion when a position's duties are substantially changed, either added or removed, it is the responsibility of the employee's supervisor to notify Human Resources so that the position's pay grade assignment and position description can be reviewed in order to ensure that equity between positions is maintained.
2. In addition to the continual compensation maintenance process, MWCD will conduct a wage survey of benchmark positions on a periodic basis as recommended by the Director of Human Resources and the Chief Financial Officer to the Executive Director. It is recommended that such a survey be conducted at least every three (3) years. Wage surveys help to ensure that wage rates paid to employees are competitive and continually reflective of changing labor market conditions.
3. A review of the entire plan should occur at least once every five (5) years.

The MWCD Board of Directors reserves the right to freeze wages in the event of a budget deficit as defined and documented by the Chief Financial Officer and recommended by the Executive Director.



# Pay Range Schedule (Appendix A)

Effective 1/1/2024

Pay Grade	Point Range	Min	Mid	Max
1N	141-170	\$14.43	\$17.32	\$20.20
2N	171-183	\$15.87	\$19.05	\$22.22
3N	184-237	\$17.46	\$20.95	\$24.44
4N	238-283	\$19.21	\$23.05	\$26.89
5N	284-349	\$21.13	\$25.36	\$29.58
6N	350-384	\$23.24	\$27.89	\$32.53
7N	385-436	\$25.56	\$30.68	\$35.79
7E	385-436	\$55,823.04	\$66,994.20	\$78,165.36
8N	437-535	\$27.35	\$32.82	\$38.30
8E	437-535	\$59,730.65	\$71,683.79	\$83,636.94
9N	536-555	\$29.26	\$35.12	\$40.98
9E	536-555	\$63,911.80	\$76,701.66	\$89,491.52
10N	556-600	\$31.31	\$37.58	\$43.84
10E	556-600	\$68,385.62	\$82,070.78	\$95,755.93
11E	601-654	\$73,172.62	\$87,815.73	\$102,458.84
12E	655-710	\$78,294.70	\$93,962.83	\$109,630.96
13E	711-793	\$83,775.33	\$100,540.23	\$117,305.13
14CE	794-850	\$95,000.00	\$118,750.00	\$142,500.00
15CE	851-895	\$115,000.00	\$143,750.00	\$172,500.00
16CE	896-924	\$135,000.00	\$168,750.00	\$202,500.00

N: Non-exempt

E: Exempt

CE: Contract-exempt

## Implementation Plan: 2023 Compensation Review (Appendix B)

***Any pay increases as a result of the 2023 Compensation Review will be based upon an employee's 2024 pay rate, which includes a planned 3% annual increase for eligible employees.***

### **Types of Pay Adjustments:**

#### **Pay Range Minimum Adjustments**

- Eligible employee whose 2024 pay rate falls ***below the minimum of assigned pay range***:

Employees will receive a “Pay Range Minimum” adjustment which will adjust their 2024 base rate of pay to the minimum of their assigned pay range.

#### **“Green Circle” Adjustments**

- Employees who are not at the appropriate range penetration based on years of service are considered “**green circled**.” The following is the range penetration schedule:

Years of Service	Range Penetration
1+	10%
3+	20%
6+	30%
20+	50%

All employees will be at the proper range penetration based on this study in a maximum of 3 years.

- Green circled employees will receive a “Pay Range Placement” adjustment in 2024. Green circled employees will receive their pay range placement amount equally divided over three years or 3% annually whichever occurs first.

Implementation Plan: 2023 Compensation Review

- In 2025 and 2026, employees who are still green circled will receive their standard board approved increase and the “pay range placement” adjustment.

“Red Circle” Pay Rates

- Eligible employees whose 2024 pay rate is ***above the maximum of their assigned pay range effective December 24, 2023:***  
Employees will receive an increase in their pay up to the maximum of their assigned pay range. Any dollar amount of the 3% annual increase that is over the maximum of their assigned pay range will be paid in a lump sum.

These employees are considered “**red circled**” and will continue to have their annual pay increase paid in a lump sum until their rate of pay no longer exceeds the maximum rate of their assigned pay range (i.e., until the maximum of their assigned pay grade is adjusted).