Wauwatosa, WI

Financial Affairs Committee

Meeting Agenda - Final

7725 W. North Avenue
Wauwatosa, WI 53213

Tuesday, October 13, 2026 **6:30 PM** **Committee Room #1 and Zoom: https://servetosa.zoom.us/j/82091946645, Meeting ID: 820 9194 6645**

Regular Meeting

HYBRID MEETING INFORMATION

Members of the public may observe and participate in the meeting in-person or via Zoom at the link above. To access the Zoom meeting via phone, call 1-312-626-6799 and enter the Meeting ID.

CALL TO ORDER

ROLL CALL

FINANCIAL AFFAIRS COMMITTEE ITEMS

1. Review and Adoption of the 2027 Proposed Budget **26-1615**

* Compensation
* Library
* Fire
* Metro Fire
* Development
* TID
* Debt

ADJOURNMENT

NOTICE TO PERSONS WITH A DISABILITY
Persons with a disability who need assistance to participate in this meeting should call the City Clerk's office at (414) 479-8917 or send an email to tclerk@wauwatosa.net, with as much advance notice as possible.

File #: 26-1615 **Agenda Date:** 10/6/2026 **Agenda #:** 1.

Review and Adoption of the 2027 Proposed Budget

* Compensation
* Library
* Fire
* Metro Fire
* Development
* TID
* Debt

Submitted by:
John Ruggini
Department:
Finance Department

A. Issue

The Mayor and City Administrator have presented their Executive Budget for the Financial Affairs Committee review.

B. Background/Options

The Mayor and City Administrator have presented their Executive Budget for the Financial Affairs Committee review over the course of the following meetings:

October 6th:	Police, Public Works, Health, Tourism
October 13th	Compensation, Library, Fire, Metro Fire, Development, TID, Debt
October 20th	Amendments and Approval

Any member of the committee can contact me to schedule other departments to present. These departments were chosen based on their size and significance of changes to their budgets.

We respectfully ask that if any member of the committee would like to propose an amendment, they contact me or the appropriate department director no later than October 16th.

A link to the Executive Budget is attached.

C. Strategic Plan (Area of Focus)

All areas

D. Fiscal Impact

Please review the 2027 Budget for the financial impact

E. Recommendation

Following review of the 2027 Budget and 2026 Re-estimate and any amendments, I recommend approval of the 2027 Budget, changes to the fee schedule and final property tax levy for consideration by the Common Council as the Proposed Budget.

2027 Compensation Plan Update

Non-Represented Employees

FINANCIAL AFFAIRS COMMITTEE | OCT. 2026

✳ | Why We Re-Measured the Market

The City adopted its current pay system in 2023 following a comprehensive classification and compensation study with Cottingham & Butler Total Rewards Consulting (TRC). To keep that system competitive and equitable, the City re-measures the market every two to three years. TRC completed a full market re-measurement in early 2026.

- 99 benchmark roles
- 86% of staff covered
- Non-represented only
- Includes command staff in the Fire Dept and Sergeant and above in Police Department

- 46 public employers
- Same peers as 2023
- BLS (Federal Bureau of Labor Statistics), Mercer, CompData
- ERI and Payfactors

Same peers, new data

1 **2023**
Comprehensive classification & compensation study

2 **2024–25**
Periodic benchmark checks to maintain internal alignment

3 **Early 2026**
Full market re-measurement by TRC

4 **2027**
Budget request: 4% structure adjustment

Our Pay Philosophy

Set with the 2023 study: pay above the market average, but not at the top of the market.

Below the 50th

Pays less than the typical peer. Harder to attract and keep qualified staff.

50th–75th blend

Above average. Competitive enough to recruit and retain, while staying fiscally responsible.

Above the 75th

Top of the market. Not the City's goal.

Market = 46 comparable public employers: 32 cities, 3 counties and 11 villages, plus national survey sources.

What the Market Update Found

-6%

Pay structure vs. target

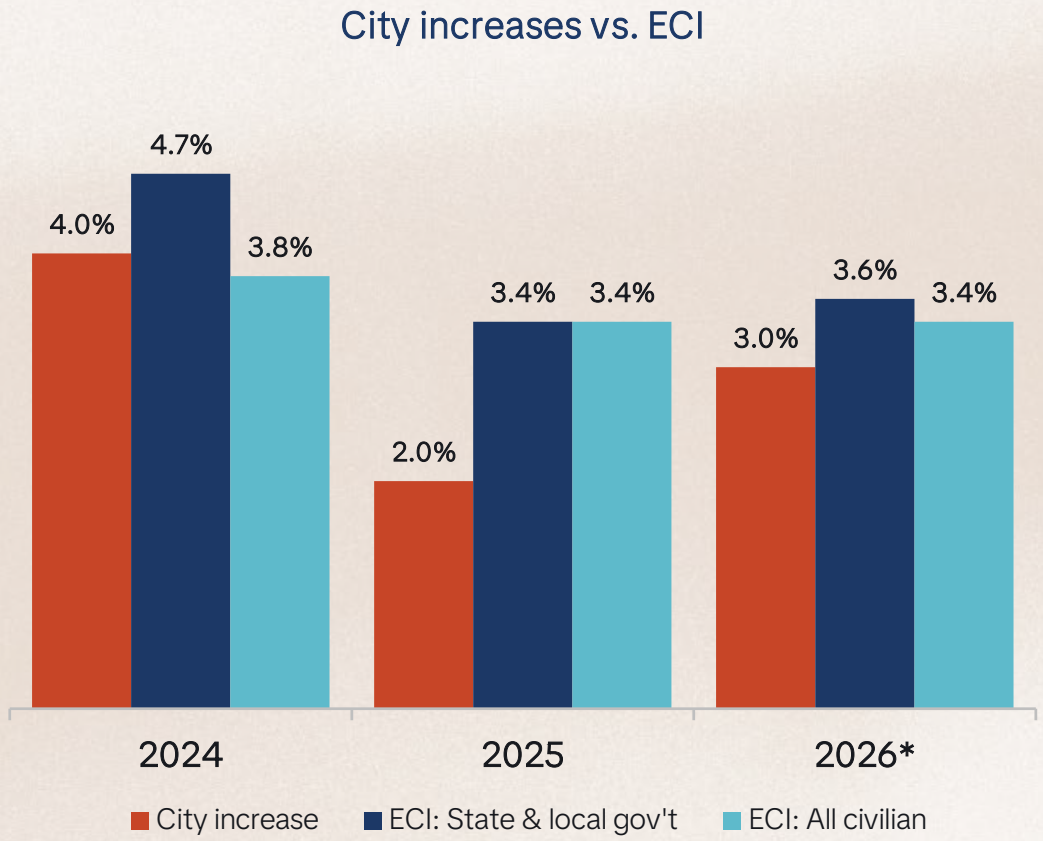
The salary ranges themselves are lagging. This is the larger risk for recruiting and retention.

Why We Fell Behind

The 2023 study aligned our structure to the 50th/75th target. Since then, the City's annual increases have trailed the growth in public-sector compensation costs, so the market has moved ahead of our ranges.

The Employment Cost Index (ECI) measures growth in employee compensation, tracked by the Federal Bureau of Labor Statistics

- 2024: City 4.0% vs. public sector 4.7%
- 2025: City 2.0% vs. public sector 3.4%
- 2026: City 3.0% vs. public sector 3.6%
- Since 2023: City +9.3% vs. public sector +12.2%



*Source: BLS Employment Cost Index, total compensation, 12-month change, not seasonally adjusted (Dec. 2024, Dec. 2025; *June 2026, latest available). City figures are annual non-represented increases.*

✳ | Recommendation: 4% for 2027

A 4% structure adjustment was set as a reasonable 2027 step: slightly more than peers are planning, but need to start closing the gap.

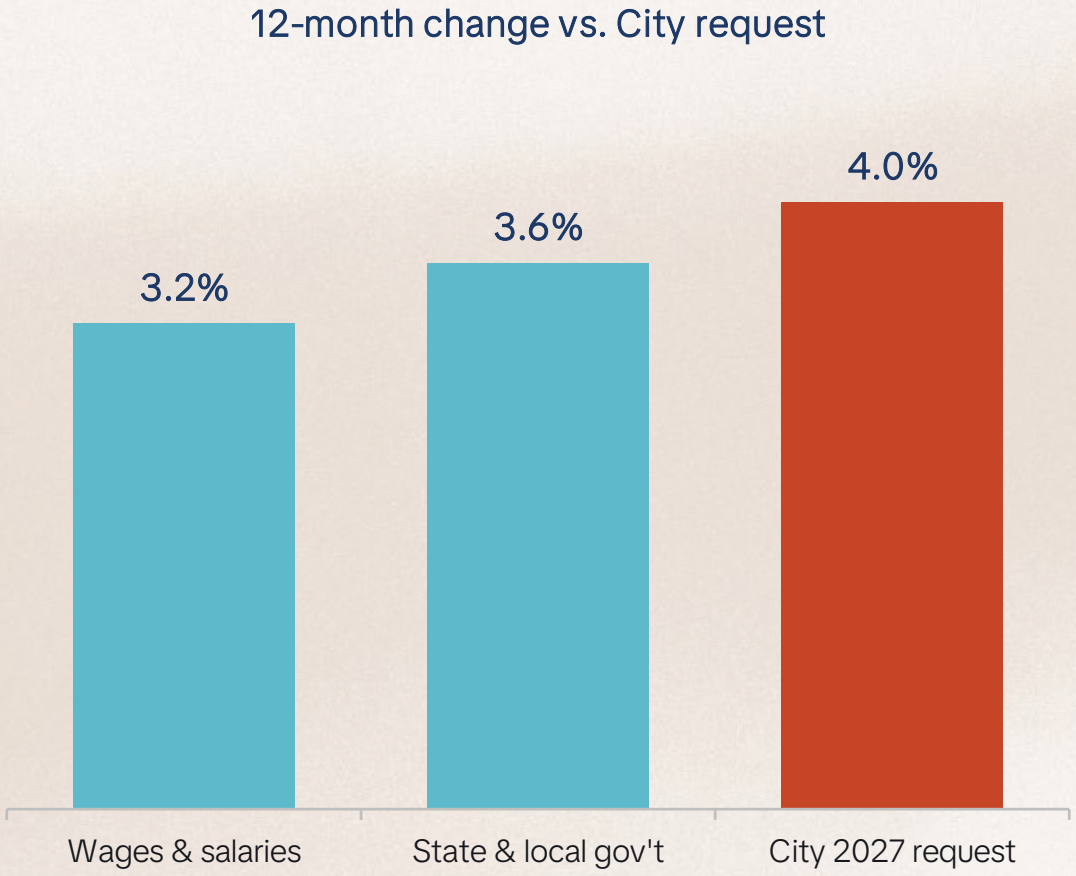
- Narrows the remaining gap to 2.1%–3.5%
- Full catch-up is a multi-year phase-in
- Total Rewards Consulting recommendation: plan 0.5%–1.0% above surveys for 2–3 years

A first step, not the finish line

How 4% Compares Nationally

The Bureau of Labor Statistics Employment Cost Index (ECI) tracks quarterly change in employer costs for wages and benefits. Over the 12 months ending June 2026:

Market pace, plus catch-up



Source: BLS Employment Cost Index, June 2026 release (12-month, not seasonally adjusted).

✳ | Requested Action

Approve a 4% structure adjustment (cost-of-living adjustment) for non-represented employees in the 2027 budget, applied to the City's non-represented wage schedule.

4%

2027 structure adjustment
non-represented employees

Keeping Wauwatosa competitive

Questions?

Beth Mbow, HR Director

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