

Common Council File #151209
Proposals for Salary Adjustments for
certain City employees for 2016

December 9, 2015

Background

- AT DER BUDGET HEARING I HIGHLIGHTED:
 - * Problems with our ability to attract and retain employees
 - * Difficulty competing with other employers for qualified talent
 - * Ability to replace workforce given increase in separations

HOW WE GOT HERE:

- * Pay Progression Practices Frozen since 2010
- * No ATB increases from 2010 to 2012
- * Impact of Wisconsin Act 10 - 2012
- * Increases in healthcare contributions & plan design changes since 2012.
- * ATBs of 1.5% and 1% granted in 2013 and 2014
- * In 2015 - Mandatory Pension Contribution 5.5% and Pension Offset of 3.9% (or less) for most employees.

Impact of Pay Practices and Benefit Changes

- Difficulty attracting and retaining qualified personnel
 - **Technical and Supervisory positions - examples**
- Increase in turnover – voluntary resignations
 - **From 131 in 2012 to 184 in 2014 – 40% increase**
- Difficulty replacing high number of employees who are currently able to retire
 - **Retirement eligible 675 – in 5 years an additional 697 will be eligible to retire**
- Low employee morale
- Employees are reluctant to accept promotions or positions of higher level of responsibility.

Career Ladders

- Shift in pay philosophy started with the implementation of Career Ladders since 2012
- Career ladders identify specific licenses, credentials, or certificates that along with the achievement of performance standards, allow employees to receive salary adjustments.
- Employees in approved Career Ladders are the only ones eligible for pay progression in the City

Basic premise

- The ability to receive a salary adjustment is based not on length of service but the acquisition and application of new KSAs that impact productivity, efficiency, quality of services, and a more flexible workforce.

Salary Increase Funding

- **Funding for pay progression has been included in the 2016 Budget.**
- **We recognize that Career Ladders are not the answer for every position.**
- **However, salary increases should not be administered as ATB increases**
 - ATBs move the pay range structure for everyone without consideration to market or employee's status
 - Whether on probation, PIP, or discipline
 - ATBs exacerbate pay differentials that are based on length of service – everyone gets the same

Pay Progression Recommendations are designed to:

- Assist the city **compete** for top talent to fill vacant positions;
- Improve **retention rates** of recent hires and reduce turnover of fully trained contributors;
- Continue the implementation of pay practices that **recognize employee contributions** and performance standards (instead of length of service); and,
- **Minimize pay differentials** created by years of frozen wages among employees performing similar work at comparable levels of proficiency.

Recommendations

Principles and Assumptions

- As we move to reinstate pay progression we should continue to link opportunity for salary advancement to factors others than length of service - performance , contributions and behavior standards .
- Pay Structures should only be adjusted when necessitated by the labor market.
- Pay practices should accelerate progression of lowest paid employees within each range
- Employees who are not in good standing or receive an unsatisfactory appraisal should not be eligible for salary increases.
- The type and amount of the increase will vary by type of position.

Groups of Employees

GROUP A

- **Section 3 - Technicians**
- **Section 5 - Paraprofessionals**
- **Section 6 - Admin Support**
- **Section 7 - Skilled Craft**
- **Section 8 - Service & Maintenance (Excludes ODWs)**

- **Group B**
- **Section 1- Officials & Administrators**
- **Section 2 – Professionals**
- **Section 4 – Protective Service Non-represented**

Type of Salary Adjustment

GROUP A - REQUIRES A DETERMINATION THAT AN ELIGIBLE EMPLOYEE IS IN GOOD STANDING

- 2% of the minimum of the pay range (or recruitment rate) for employees in good standing as defined by guidelines established by DER.
- Factors to use in making eligibility determinations include: productivity, knowledge, initiative, dependability, interpersonal skills.

GROUP B – REQUIRES A RATING OF FULLY SATISFACTORY OR OUTSTANDING UNDER A MERIT PAY PLAN

- 2% of the midpoint of the pay range for employees who achieve a “fully satisfactory” rating
- 4% of the midpoint of the pay range for employees who achieve an “outstanding” rating
- Legislative Assistants - adjustment of 3% of the midpoint of pay range provided they meet all other requirements. (unique hiring and employment conditions of these positions within the Common Council).
 - *Funding restrictions will limit the number of employees who will be elig to receive increases of 4% of the midpoint.*

Disqualifiers

- Probationary Status

Group A

- Employee Assessment result is unsatisfactory
- Employee is subject to terms of a Performance Improvement Plan
- Employee has received Discipline within 6 months of anniversary date.

Group B

- Unsatisfactory rating as a result of performance appraisal
- Subject to a PIP
- Employee has received Discipline (including Warning Notices) during the review period.
- Failure to complete employee assessments or appraisals of direct reports.

Timing and Effective Dates

Group A

- Employee assessment is done near anniversary date and adjustment is retroactive to PP 1 of 2016.

Group B

- For employees with anniversary date during pay periods 1 – 13, appraisals will be completed in PP 14. Salary adjustment will be effective PP 14.
- For employees with anniversary date during pay periods 14 – 26, appraisals shall be completed near or on their anniversary date. Salary adjustment will be effective PP 14.

Important Considerations

- **TRANSITION YEAR 2016**

Eligibility of employee who is on a PIP or has Disciplinary action is re-established after 6 mos. However adjustment is not retro.

- **EMPLOYEES AT THE MAX**

- No employee will be allowed to exceed the max as a result of the salary adjustment
- If otherwise eligible, employees at the max will receive a non-pensionable lump sum payment

DER WILL DEVELOP GUIDELINES TO IMPLEMENT AND ADMINISTER ADJUSTMENTS.

ADMINISTRATIVE REVIEW

- by Dept or DER for denied adjustments

Proposed Changes for Salary Adjustments after Promotion

- Growth Promotions – 4% sal adjustment (after working with the CSC)
- For promotions into Section 1- Officials and Administrators and Section 2- Professionals (OR equivalent non-represented Pay Ranges in Section 4- Protective Services) a 7% increase or the minimum of the pay range or recruitment rate, whichever is greater, for positions in Pay Ranges up to 1GX and 2KX or equivalent non-represented Pay Ranges in Section 4- Protective Services; and,
- A 10% increase or the minimum of the pay range, or recruitment rate, whichever is greater, for promotions into positions in Pay Ranges 1HX or higher and 2LX or higher (OR equivalent non-represented Pay Ranges in Section 4- Protective Services)

Adjustment Example Group A

- Examples of Positions in Pay Range 445
 - Account Clerk, Accounting Assistant I, Administrative Assistant II, Communications Assistant III, Customer Service Representative III, Library Circulation Assistant, Office Assistant IV, Personnel Payroll Assistant II, Teller, Tow Lot Assistant III
- Salary Range: \$37,080 - \$41,863
 - 2.0% of min = \$742
- Person making \$37,080 receives \$742 (2.0%)
- Person making \$41,863 receives \$556 (1.77%)



Reference Only

Pay Progression Officials/Administrators

Salary Grade	Midpoint	Max	# of GC Managers	Below Midpoint	Above Midpoint	At Max or Above
2	\$47,852	\$52,391	28	13	5	10
3	\$50,962	\$55,824	9	7	0	2
4	\$54,275	\$59,496	80	31	6	43
5	\$57,803	\$63,426	48	20	8	20
6	\$61,560	\$67,615	57	35	9	13
7	\$65,561	\$72,062	80	37	8	35
8	\$69,823	\$76,806	59	27	9	23
9	\$74,361	\$81,844	55	25	10	20
10	\$79,195	\$87,270	32	12	4	16
11	\$84,343	\$93,009	30	13	5	12
12	\$89,825	\$105,669	43	17	16	10
13	\$95,663	\$112,262	17	3	8	6
14	\$101,882	\$120,063	16	9	2	5
15	\$108,504	\$127,961	8	5	2	1
16	\$115,557	\$136,395	7	0	5	2
17	\$123,068	\$145,381	5	2	3	0
18	\$131,067	\$154,960	11	1	10	0
19	\$139,587	\$165,165	2	0	2	0
			587	257	112	218
				44%	19%	37%

Sample Employee Assessment Form

City of Milwaukee		Employee Assessment Form		<div style="border: 1px solid black; width: 100px; height: 20px; margin-bottom: 5px;"></div> DER REPORT NO. Copy to: <input type="checkbox"/> Employee <input type="checkbox"/> Department
Board of City Service Commissioners				
INSTRUCTIONS: Complete this form and return the original to the Department of Employee Relations – Pay Services Section				
1. Employee's Name (First, MI, Last)		2. Employee ID		
3. Job Title		4. Department/Division		
5. Appointment Date		6. Date Assessment Completed		
7a. Complete First Review by:	8a. Complete Second Review by:	9a. Complete Final Review by:		
7b. Enter Factor Rating: (O, EJR, MJR, BJR, U)	8b. Enter Factor Rating: (O, EJR, MJR, BJR, U)	9b. Enter Factor Rating: (O, EJR, MJR, BJR, U)		
PRODUCTIVITY ____ KNOWLEDGE ____ INITIATIVE ____ DEPENDABILITY ____ INTERPERSONAL SKILLS ____ OTHER ____ OTHER ____	PRODUCTIVITY ____ KNOWLEDGE ____ INITIATIVE ____ DEPENDABILITY ____ INTERPERSONAL SKILLS ____ OTHER ____ OTHER ____	PRODUCTIVITY ____ KNOWLEDGE ____ INITIATIVE ____ DEPENDABILITY ____ INTERPERSONAL SKILLS ____ OTHER ____ OTHER ____		
7c. Supervisor's Comments:	8c. Supervisor's Comments:	9c. Supervisor's Comments:		
7d. Employee's Initials/Date	8d. Employee's Initials/Date	9d. Employee's Initials/Date		
Listed below are the factors on which you are to evaluate the employee. Next to each factor are examples that describe performance at the MEETS JOB REQUIREMENTS level. These are provided as reference points for evaluating performance. Indicate your rating for each factor by entering the appropriate letters (O, EJR, MJR, BJR, U) in the boxes in items 7b through 9b. If you have not observed how this person performed on a given factor, or if the factor is not relevant to the position which you are rating, enter "NO" (NOT OBSERVED). Comments should be recorded in the boxes in items 7c through 9c for any factors that are rated BELOW JOB REQUIREMENTS OR UNSATISFACTORY . Attach additional page(s) as necessary.				
O = OUTSTANDING	EJR = EXCEEDS JOB REQUIREMENTS	MJR = MEETS JOB REQUIREMENTS	BJR = BELOW JOB REQUIREMENTS	U = UNSATISFACTORY
Factor	*MEETS JOB REQUIREMENTS* Standards and Expectations			
A. PRODUCTIVITY	<ul style="list-style-type: none"> ▪ Manages own time and uses appropriate work methods, techniques, and equipment to achieve the most effective and efficient result in the time available. ▪ Demonstrates skill and proficiency in carrying out assignments. ▪ Work product is accurate, thorough and effective, and meets quality standards. ▪ Work output matches expectations within established timelines. 			
B. KNOWLEDGE	<ul style="list-style-type: none"> ▪ Understands the needs and requirements of the job and applies skills and knowledge to perform the job competently. ▪ Understands the purposes, objectives, practices and procedures of the department. ▪ Demonstrates understanding of job procedures, methods, facts, and information related to assigned work. 			
C. INITIATIVE	<ul style="list-style-type: none"> ▪ Plans, organizes and prioritizes workload with little or no assistance. ▪ Offers suggestions on improving work methods and procedures. ▪ Willingly accepts suggestions for improvement and occasionally seeks counsel on performance and work habits. ▪ Accepts additional challenges and responsibilities, and adapts to changes. 			
D. DEPENDABILITY	<ul style="list-style-type: none"> ▪ Accepts responsibility for completing assignments and meeting deadlines. ▪ Reliably completes assignments on time with minimal follow-up from supervisor. ▪ Consistently punctual and regular in attendance and follows policy when requesting and reporting time off. ▪ Practices workplace safety rules and procedures on a consistent basis. 			
E. INTERPERSONAL RELATIONSHIPS	<ul style="list-style-type: none"> ▪ Establishes and maintains effective and productive working relationships with peers. ▪ Works cooperatively with supervisor(s) and as part of a team. ▪ Builds and maintains customer satisfaction by responding to the needs of internal and external customers. ▪ Readily accepts and applies constructive feedback to improve job performance. 			
10. In view of the performance of the employee rated above:				
<input type="checkbox"/> I certify that the employee's performance has been satisfactory for pay progression				
<input type="checkbox"/> I				
<input type="checkbox"/> I				

Pay Compression

(no significant movement in rates of pay)

Direct Report to Supervisor

Direct Report	Salary Range	Supervisor	Salary Range
PHN	\$53,044 - \$59,497	PHN Supervisor	\$54,864 - \$76,806
Building Construction Inspector	\$52,749 - \$63,810	Building Construction Inspector Supervisor	\$62,338 - \$87,270
Librarian III	\$55,381 - \$59,498	Management Librarian	\$54,864 - \$76,806
Network Analyst Sr.	\$54,864 - \$76,806	Network Administrator	\$58,462 - \$81,844
Sanitation Supervisor	\$56,746 - \$63,426	Sanitation District Manager	\$54,864 - \$76,806
Urban Forestry Tech	\$52,750 - \$61,296	Urban Forestry Manager	\$54,865 - \$76,806

Problems

- Not enough differential at the bottom
- Rates of pay for EEs hired on or after 2009 have not moved and may be below market
- Insufficient incentive for EEs to consider promotions
- Poor Morale among employees especially those hired/promoted since 2009

2015 City Salary Distribution

General City and Civilian, No Sworn

Average Salary: \$52,684 (52% make below that amount)

2015 Salary Ranges	Number in Range	Percent of Total
\$20,000 - \$30,000	68	2%
\$30,000 - \$40,000	717	20%
\$40,000 - \$50,000	1,196	33%
\$50,000 - \$60,000	765	21%
\$60,000 - \$70,000	455	12%
\$70,000 - \$80,000	185	5%
\$80,000 - \$90,000	104	3%
\$90,000 - \$100,000	59	1.5%
\$100,000+	96	2.5%
Total	3,645	100%

22%

54%

24%

***Salary ranges include 2015 increase to offset pension contribution*

Salary Comparison Data

City of Milwaukee Jobs Compared to ERI Survey Data (within 30-Mile Radius of Milwaukee). Employees With a Minimum of 8 Years Experience

City of Milwaukee Title	ERI Job Title	Position Fill Rate (Max Recruitment Rate)	City of Milwaukee Average Annual Salary	ERI Survey Data 30-Mile Radius From Milwaukee©	Milwaukee Avg Salary Compared to ERI Annual
Chemist II, Chemist III, Water Chemist	Chemist, Clinical	\$57,588 & \$66,761	\$52,933	\$70,691	75%
Public Health Nurse	Public Health Nurse	\$53,044	\$52,306	\$66,677	78%
Programmer Analyst	Programmer Analyst	\$60,138	\$58,116	\$72,766	80%
Heating and Ventilating Mechanic II, III	HVAC Mechanic	\$41,700 & \$43,400	\$47,047	\$53,555	88%
Legal Assistant III, IV	Legal Secretary	\$40,800	\$46,452	\$52,137	89%
Administrative Assistant II	Administrative Assistant	\$37,830	\$40,702	\$41,998	97%
Librarian II/III	Librarian	\$46,347 & \$55,381	\$52,255	\$52,959	99%
Civil Engineer II/III	Civil Engineer	\$58,373 & \$74,620	\$68,480	\$66,228	103%
Accounting Assistant II	Account Clerk	\$37,830	\$40,491	\$38,845	104%
Vehicle Services Technician II	Automotive Mechanic	\$47,351	\$52,360	\$48,145	109%

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Generations in the Workforce

	TRADITIONALISTS 1922 - 1945	BABY BOOMERS 1946 -1964	GENERATION X 1965 - 1980	MILLENNIALS 1981 - 2000
Current age	70 – 93	51 – 69	35 – 50	15 - 34
% of Workplace in the Nation	5%	45%	40%	10%
% In City Workforce	1.2%	35.2%	45.4%	18%
Number in City Workforce	83	2,411	3,103	1,234

Career Ladders Approved to Date

CAREER LADDERS APPROVED	
<u>Department</u>	<u>Titles</u>
Assessor	Property Appraiser Senior Property Appraiser
City Clerk License Division	License Specialist I, II, III
DPW-Operations-Fleet	Auto body Repair/Painting Technician Automotive Electrician Fleet Services Welder Fluid Power Systems Technician Vehicle Service Technician I, II
Health Department	Environmental Health Specialists I & II
Neighborhood Services	Commercial Code Enforcement Inspector Environmental Risk Officer Residential Code Enforcement Inspector Special Enforcement Inspector
Police	Police Records Specialist I, II, III

