



Department of Employee Relations

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November 22, 2005

To the Honorable
The Committee on Finance and Personnel
Common Council
City of Milwaukee

Dear Committee Members: Re: Common Council File Number 050953

SUMMARY

This report recommends, effective Pay Period 1, 2006, amending Part I, Section 2 of the Salary Ordinance to implement a general pay increase of 2.1% for Management Pay Plan employees effective Pay Period 1, 2006, and amending Part II, Section 12.f.(1) involving the calculation of promotional increases under the Management Pay Plan. This report also recommends amending Part II, Section 12.e.(2) of the Salary Ordinance to implement Common Council File #050784, Budget Amendment #83a, regarding Management Pay Plan employees earning a salary above \$90,000 as of the end of Pay Period 27, 2005.

BACKGROUND

This report recommends the following pay rate adjustments and changes to the pay administration section of the Salary Ordinance for Management Pay Plan employees, effective Pay Period 1, 2006:

Base Salary

Effective Pay Period 1, 2006, an increase of 2.1% over Pay Period 27, 2005 rates of pay (See attached Salary Ordinance amendments to rates.)

Salary Administration Changes

Part II, Section 12.e. (2) Annual Salary Increments:

For fiscal year 2006, Management Pay Plan employees earning a salary above \$90,000 as of the end of Pay Period 27, 2005, will remain in their current pay step.

Part II, Section 12.f. (1) Promotion:

Allow the consideration of footnoted rates and other pay practices when determining the base pay from which the minimum of 3% promotional increase will be calculated. Determinations regarding such considerations must be authorized by the Department of Employee Relations.

ANALYSIS

Annual Salary Increments

Common Council File #050784, Budget Amendment #83a, provides that for fiscal year 2006, Management Pay Plan employees earning a salary above \$90,000 as of the end of Pay Period 27, 2005, will remain in their current step. The attached salary ordinance language for Part II, Section 12.e. (2) Annual Salary Increments implements this file.

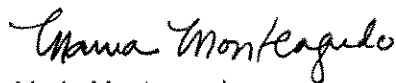
Promotional Increases

The Department of Employee Relations is currently assessing the Management Pay Plan to improve the City's ability to attract, maintain, and motivate qualified individuals in these critical positions. The Salary Ordinance currently dictates that employees promoted within or into a Management Pay Plan salary grade receive a pay rate that is at least three percent above the pay rate the employee is receiving at the time of the promotion.

City of Milwaukee hiring representatives have expressed their concerns regarding the difficulty in recruiting current employees into Management Pay Plan positions. In some instances, represented employees are unwilling to take management positions because of the loss of overtime and differences in benefit costs. In other instances, represented employees are unwilling to take a reduction in total pay because task rates and other premium pay amounts are not included in determining base pay. Certain management employees may experience a reduction in pay when promoted to a higher-level position involved in snow and ice operations that does not receive the 'snow pay' footnote.

Based upon the recruitment difficulties expressed by City of Milwaukee hiring representatives, we recommend a change in how base pay is calculated for determining a promotional increase of at least three percent above the employee's salary at time of promotion. This salary calculation would allow consideration of footnoted rates and pay practices in the previous position. The Department of Employee Relations must review and authorize the calculation of the salary rate prior to promotion.

Sincerely,



Maria Monteagudo
Employee Relations Director

Attachment: Salary Ordinance Changes
Fiscal Note