

**LRB-RESEARCH AND ANALYSIS SECTION**

**FINANCE & PERSONNEL COMMITTEE**  
**June 13, 2007**

**ITEM 4, FILE # 061429**  
**LESLIE SILLETTI**

File # 061429 transmits a report from DER relative to changes to the Management Pay Plan. The report recommends amending the Salary Ordinance to implement a general salary increase of 2% for Management Pay Plan employees, effective Pay Period 1, 2007.

**Discussion**

There are currently 708 employees in the Management Pay Plan, and 20 pay grades. The following table shows historical general salary increases:

<b>Year</b>	<b>Salary Increase</b>
1991	3.5%
1992	3.5%
1993	2.5%
1994	2.5%
1995	3.0%
1996	3.0%
1997	2.75%
1998	2.75%
1999	2.5%
2000	3.25%
2001	2.5%
2002	3.0% <sup>1</sup>
2003	2.5%
2004	2.5% <sup>2</sup>
2005	2.5% <sup>3</sup>
2006	2.1% <sup>4</sup>
2007	Proposed 2.0%

<sup>1</sup>Those management salary grade pay steps that exceed \$50,000 annually as of Pay Period 26, 2001, remained at 2001 rates for Pay Periods 1 – 16, 2002. Effective Pay Period 17, 2002, the 3.0% increase for 2002 was applied to all earning over \$50,000, except for elected officials; their increases were delayed until Pay Period 1, 2003.

<sup>2</sup>Effective Pay Period 1, 2004, those management employees in salary grade 11 and above, and all elected officials, were frozen at 2003 rates of pay for calendar year 2004.

<sup>3</sup>Effective Pay Period 1, 2005, an additional 2.5% adjustment was added to the base salary of all management employees in salary grade 11 and above, and all elected officials (excluding the Mayor and Common Council members) to restore pay equity with employees at salary grade 10 and below. However, there was no retroactivity for employees of salary grade 11 and above in terms of receiving a retroactive amount equal to the frozen amount from 2004.

<sup>4</sup>Effective Pay Period 1, 2004, those management employees earning at least \$90,000 and entitled to a step increase in 2006, did not receive a step increase in 2006.

**Summary of Fiscal Impact**

The cost of the 2% increase is \$1,170,870, which includes salaries/wages, pension and life insurance increases.

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