



Department of Employee Relations

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

Re: Common Council File # 171293: Communication from the Department of Employee Relations amending Part II Section 4 of the Salary Ordinance – Salary Advancement and Salary Anniversary Dates.

Dear Committee Members:

-SUMMARY-

This report recommends changes to Part II of the Salary Ordinance to implement pay progression practices for eligible Group A and Group B city employees in 2018. Per the guidelines developed and administered by the Department of Employee Relations, these pay progression practices require Group A employees to be in good standing to be eligible for a salary adjustment. Salary adjustments for Group B employees will again be based on achievements and contributions as part of the performance management model implemented in 2016.

BACKGROUND

Since 2016, pay progression practices for general city employees who are not represented by a certified bargaining unit or are part of an official career ladder have assisted the City in competing for top talent in the labor market to improve retention rates of new hires, to reduce turnover rates of fully trained contributors, and to minimize pay differentials created by years of frozen wages among employees performing similar work at comparable levels of proficiency.

The recently approved 2018 City of Milwaukee Budget includes adequate funding to continue pay progression practices in 2018 consistent with provisions approved for Group A and B employees for 2017 (Common Council Files #161034 and #179580). This report recommends the necessary amendments to Part II, Section 4 of the Salary Ordinance to implement such recommendations.

ACTION NEEDED

In the Salary Ordinance, under Part II, delete the narrative under SECTION 4 - SALARY ADVANCEMENT AND SALARY ANNIVERSARY DATES and substitute with the following:

Salary advancement above the rate of initial appointment shall be as authorized in this Ordinance. Salary advancement in this section refers to pay progression practices within a pay range. Some City Departments are authorized to implement salary adjustments for employees in specific employee groups based on employees meeting core competencies, certification credentials and/or performance standards per approved Career Ladders effective Pay Period 2, 2012 or later.

Except for practices stemming from labor bargaining agreements in full force and effect or provisions approved in conjunction with the implementation of Career Ladders approved by Common Council action, salary advancement practices in 2018 will fall under one of the following categories:

Group A

Employees holding positions in one of the sections identified below and who are in "good standing" as defined in guidelines developed and administered by DER.

Section 3 - Technicians

Section 5 - Paraprofessionals

Section 6 - Administrative Support

Section 7 - Skilled Craft

Section 8 - Service and Maintenance

Group B

Employees holding positions in one of the sections identified below and who, based on merit principles, achieve an overall minimum performance rating of "meets performance expectations", per guidelines developed and administered by DER.

Section 1 - Officials and Administrators

Section 2 - Professionals

Section 4 - Protective Service (management sworn)

A. Amount of Salary Adjustments: In 2018, salary adjustments for eligible employees will be as follows:

Group A

Eligible employees shall receive a salary adjustment of 2% of the employee's biweekly rate of pay effective on the employee's salary anniversary date.

Group B

Eligible employees shall receive a salary adjustment based on their overall performance rating as specified below under a performance merit plan established by DER.

- 2% of the midpoint of the pay range the position is assigned to when the employee receives an overall rating of "meets performance expectations", or
- 3% of the midpoint of the pay range the position is assigned to when the employee receives an overall rating of "often exceeds performance expectations" or for Legislative Assistants in the Common Council - City Clerk's Office provided they are otherwise eligible, or
- 4% of the midpoint of the pay range the position is assigned to when the employee receives an overall rating of "consistently exceeds performance expectations."

Increases granted under this section shall be base building up to the maximum of the pay range. Any salary adjustment granted to employees near or at the top of the pay range will be capped by the pay range maximum. Any excess adjustment due to the employee will be awarded via a non-pensionable lump sum payment consistent with guidelines developed and administered by DER. Employees who are above the maximum of their pay range as a result of the pension offset authorized by Common Council File #110740 shall be eligible to receive such non-pensionable, lump sum payments provided that they meet all other requirements and conditions.

B. Salary Anniversary Dates and Timing of Salary Adjustments: A determination regarding an employee's eligibility for a salary adjustment will be made near or on the employee's salary anniversary date. For Group A employees, the salary adjustment resulting from that process will be effective the pay period of the employee's salary anniversary date. Salary adjustments for Group B eligible employees will be effective Pay Period 20, 2018 or on their anniversary date if it occurs after Pay Period 20. Lump sum payments due to eligible employees will be paid in accordance with guidelines developed and administered by DER.

An employee's original salary anniversary date is based on 26 pay periods after appointment. A new salary anniversary date is established upon promotion or demotion. A salary anniversary date shall be adjusted for unpaid time off.

C. Eligibility Considerations: An employee's eligibility for salary advancement after the initial appointment or promotion is contingent upon the completion of 26 biweekly pay periods of active service. To be eligible for salary adjustments, non-probationary employees in Group A must be in good standing as documented in an "Employee Assessment" form to be completed by their supervisor. Employees who are subject of a performance improvement plan (PIP) or have received discipline during the 26 pay periods immediately preceding their anniversary date shall be ineligible for a salary adjustment.

Non-probationary employees in Group B must receive a minimum "meets performance expectations" rating as part of a performance merit plan established by DER. Employees who are under a performance improvement plan (PIP) or

have received discipline during the 26 pay periods immediately preceding their salary anniversary date shall be ineligible for an adjustment.

The Department of Employee Relations shall develop guidelines and procedures to administer pay progression practices authorized in this section, including establishing administrative review procedures for non-probationary employees who are deemed ineligible to receive a salary adjustment.

D. Funding: Salary increases shall be limited to the funding allocation established by the Budget and Management Division for each department.

E. Exceptions and Exclusions: The following positions are not eligible for salary adjustments established under this section:

- 1) Positions in approved Career Ladders - salary adjustments or advancement within a career ladder, including lump sum payments, shall be consistent with the guidelines established by DER for the Career Ladders.
- 2) Assistant City Attorney positions in the City Attorney's Office - incumbents who are subject to pay progression practices per an approved performance merit plan are subject to the conditions and restrictions of that plan. The City Attorney is authorized to create a performance merit pay with salary adjustments that shall not exceed 4% of an eligible employee's salary. Salary adjustments for eligible employees shall be contingent upon the availability of funds within the City Attorney's Office budget as determined by the Budget and Management Analysis Division.
- 3) Positions in the Employee Retirement System with a footnote authorizing their compensation to be at any rate in the pay range upon approval of the Annuity and Pension Board.
- 4) Sworn Represented positions in SECTION 4 - Protective Services
- 5) Positions in SECTION 9 - Hourly, Part-time, Intermittent.
- 6) Positions in SECTION 10 - Boards and Commissions.
- 7) Positions in SECTION 11 - Elected Officials.

Respectfully submitted,


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