

# Department of Employee Relations 2014 Proposed Budget

October 10, 2013



# DER Staff and Functions

DER Area	Staff Members	Responsibilities/Functions
Employee Relations/CSC/Admin	4	Policy Development/Administration, Compliance, Employee Relations, Administrative Support to Boards and Commissions (CSC/ERC)
Staffing/Certification	13	Recruitment, Job Analysis, Exam Development and Administration, Certification of Eligible Lists, Referrals
Compensation/Pay Admin	5	Classification Studies, Pay Administration Practices, Job Descriptions, FMLA Consultations, Salary Ordinance
Benefits/Risk Management	6	Health and Dental Insurance, LTD Benefits, FSA Benefits, EAP, Risk Management
Training	1	Tuition and Membership Dues Benefit Administration
Labor Relations	2	Bargaining with Protective Service Unions, Grievance Administration, Meet and Confer
Worker's Compensation	14	Injury Claims Processing, Case Management, Litigation, Safety

# 2012/2013 DER Highlights

- ▶ Successfully participated in 3 Departmental Audits by the Comptroller's Office
  - Worker's Compensation
  - Tuition Reimbursement
  - Health Care
- ▶ Implemented Management Trainee Program
  - 208 applications for the positions and 7 proposals from City Departments
  - The current eligible list is being reviewed by other departments for City-wide positions
  - The Program is being expanded in 2014 and will have 2 additional positions for a total of 5
- ▶ Continued enhancement of various Worker's Compensation/Risk Management Program components and positive data/metric trends for 4 consecutive years
- ▶ Reached Voluntary Agreements with all certified General City groups for base wages
- ▶ Collaborated with ERS to revamp Life Insurance program
  - Secured a new vendor through RFP with lower rates and improved benefits for employees
  - Saved over \$1.5 million by selecting new vendor

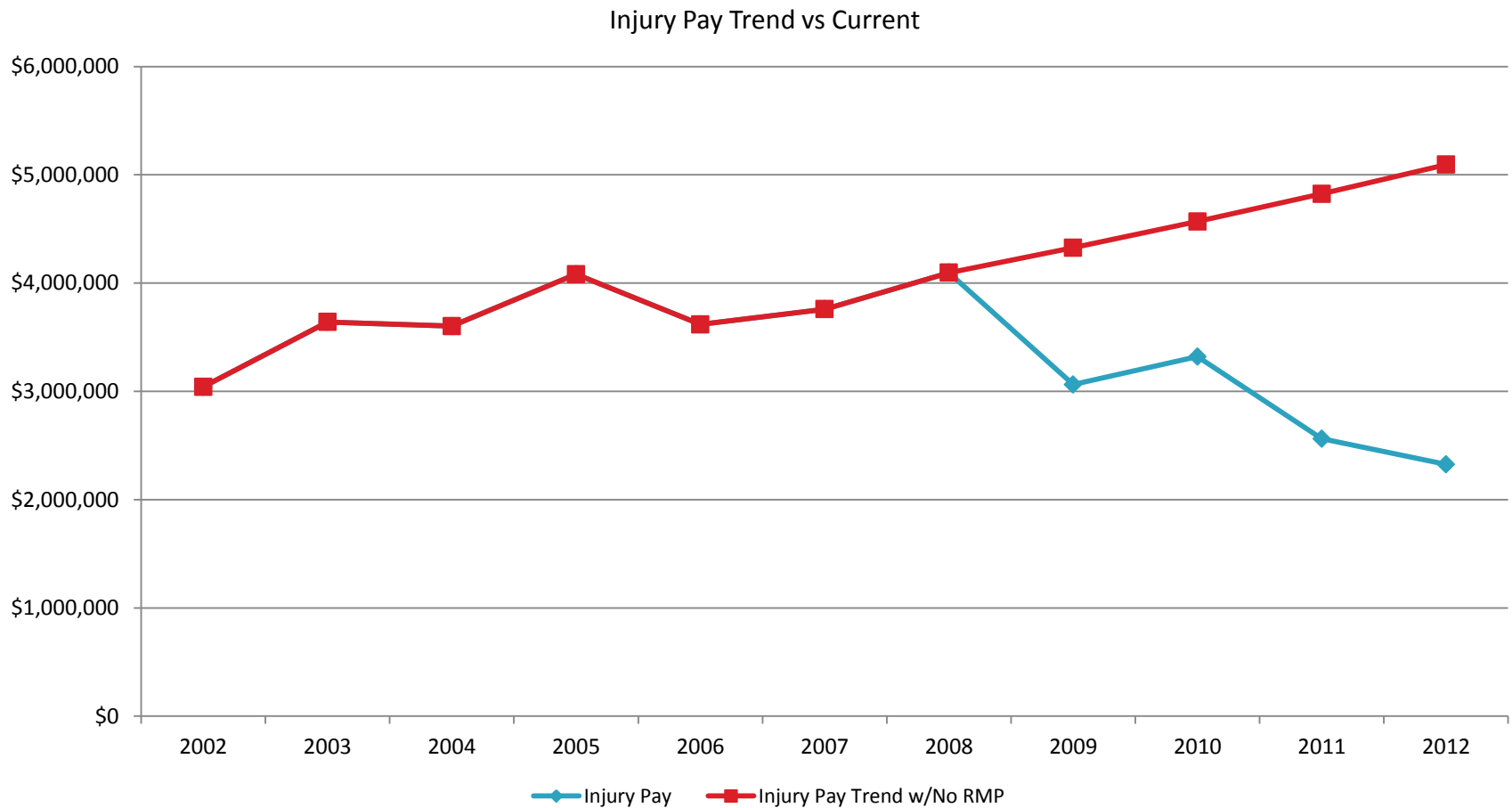
# 2012/2013 DER Highlights Cont.

- ▶ Continued development and implementation of competency/skill based pay systems
- ▶ Collaborated with County and MPS on EAP services and Dental RFP
- ▶ Opened onsite Wellness Center in Zeidler Municipal Building
- ▶ Established Healthcare Reserve Fund to reduce the City's risk of being fully self-insured
- ▶ Continue to manage and oversee Employee Relations issues post Act 10
- ▶ Continue complying with meet and confer under Chapter 340 for Employee Relations issues
- ▶ Completed succession planning model for the Comptroller's office with intent to use with other departments

# Worker's Compensation Data & Trends

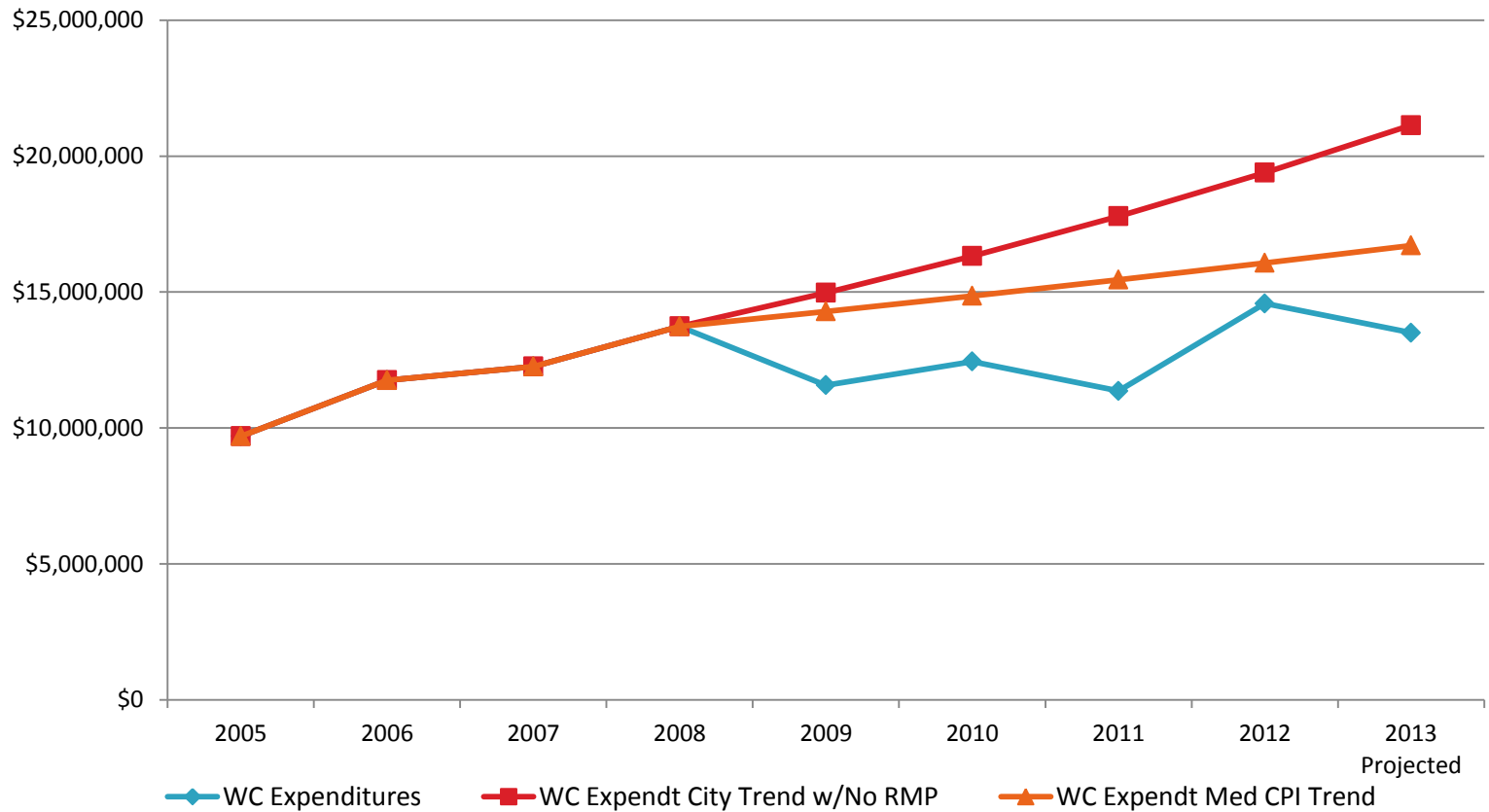
	2008	2009	2010	2011	2012	% Change Over Prior	% Change Since 2008
<b>CITY WIDE DATA</b>							
Claims	2,688	2,345	2,225	1,903	1,869	-1.8%	-30.5%
Medical/Indemnity Claims	1,686	1,470	1,401	1,193	1,208	1.3%	-28.4%
Recordable Cases	1,073	927	872	744	656	-11.8%	-38.9%
Incidence Rate	16.01	14.22	13.82	12.14	10.69	-11.9%	-33.2%
Lost Workdays	24,817	15,441	16,421	15,432	12,995	-15.8%	-47.6%
Injury Hours	217,584	152,596	165,083	124,874	111,125	-11.0%	-48.9%
Injury Pay	\$4,096,525	\$3,062,781	\$3,320,411	\$2,562,425	\$2,325,391	-9.3%	-43.2%
WC Expenditures	\$13,737,635	\$11,575,195	\$12,444,770	\$11,362,821	\$14,575,235	28.3%	6.1%
<b>MFD</b>							
Claims	627	566	614	432	441	2.1%	-29.7%
Recordable Cases	294	270	298	197	195	-1.0%	-33.7%
Incidence Rate	24.55	22.49	26.99	17.86	17.79	-0.4%	-27.5%
Lost Workdays	10,136	3,625	5,755	4,614	4,652	0.8%	-54.1%
Injury Hours	107,094	72,401	86,670	52,670	43,749	-16.9%	-59.1%
Injury Pay	\$1,956,139	\$1,442,241	\$1,726,734	\$1,013,112	\$882,209	-12.9%	-54.9%
<b>MPD</b>							
Claims	865	775	663	636	663	4.2%	-23.4%
Recordable Cases	251	244	177	166	164	-1.2%	-34.7%
Incidence Rate	10.69	10.78	7.88	7.28	7.35	1.0%	-31.2%
Lost Workdays	3,441	3,885	2,833	3,726	3,629	-2.6%	5.5%
Injury Hours	35,116	32,241	29,201	34,540	40,002	15.8%	13.9%
Injury Pay	\$824,790	\$786,083	\$718,955	\$867,494	\$1,034,462	19.2%	25.4%
<b>DPW All Divisions</b>							
Claims	1075	887	862	740	688	-7.0%	-36.0%
Recordable Cases	474	374	359	343	264	-23.0%	-44.3%
Incidence Rate	26.01	21.25	20.99	21.74	16.42	-24.5%	-36.9%
Lost Workdays	10,341	7,567	7,061	6,822	3,895	-42.9%	-62.3%
Injury Hours	66,553	47,064	44,198	35,007	22,335	-36.2%	-66.4%
Injury Pay	\$1,164,474	\$814,767	\$786,257	\$641,111	\$334,203	-47.9%	-71.3%

# Worker's Compensation Data & Trends



# Worker's Compensation Data & Trends

WC Expenditure Trend vs Current



# Assessment of Employee Relations Post Act 10

## ▶ Disciplinary Action Activities

	2010	2011	2012	2013 to date
Discharges	13	6	12	9
Suspensions	92	90	99	74

## ▶ Disciplinary Grievances 2012 to present

- Total of 8 written warning grievances filed, 5 were reduced
- Total of 10 disciplinary actions grieved, 2 were reduced

## ▶ Disciplinary Appeals—City Service Commission

- 6 discharge appeals filed in 2012, 2 reduced to suspensions
- 3 suspensions appealed and 2 reduced in 2012
- 0 discharge appeals filed in 2013
- 1 suspension appealed and reduced so far in 2013

## ▶ Workplace Safety Grievances

- Total of 3 workplace safety grievances filed, 2 were settled and 1 denied

## ▶ Employee Complaints

	2010	2011	2012	2013
Formal Complaint Investigations	6	6	7	12

## ▶ Complaints filed with the State Wage and Hour Division

- Since 2012, 8 wage complaints filed (vacation, steps, payouts at time of retirement)
- All complaints have been dismissed



# 2014 Proposed Budget Overview

- ▶ Healthcare
- ▶ Wellness Program
- ▶ Worker's Compensation and Safety Initiatives
- ▶ Addressing Pay Compression and Other Compensation Challenges
- ▶ New Applicant Tracking and Test Management System

# 2014 Healthcare

- ▶ 2014 Projected Healthcare Expenditures increase by 4%
- ▶ Budget Assumptions
  - Rate increase for both actives and retirees
  - Utilization pattern by members is returning to a more normal level
  - Carryover funds will be used to fund a portion of the 2014 Health Care budget to cover total expenditures in \$115–116M range
  - Goal: Better align 2014 Budget numbers with anticipated expenditures based on a more normal utilization trend for 2013 and 2014
- ▶ For Active Employees
  - No changes in benefit plan design for 2014
  - 2014 employee premium rates equal 2012 levels
  - Average member will continue to pay 12% premium for Choice Plan
  - The City will pay a lower percentage for the high cost PPO/Choice Plus Plan
    - City will pay 88% equivalent of low cost/EPO plan for the PPO
    - Employees who choose the PPO plan will pay a premium of approximately 25%
    - Minimal difference between the provider network offered under the EPO vs. PPO
  - Average member will pay another 12% for deductibles and co-insurance
- ▶ City employee benefit structure is comparable to other local public entities
  - National trend for employee premium is 18% for single and 29% for family

# 2014 Healthcare Rate Comparison

	CHOICE PLAN (EPO)						CHOICE PLUS PLAN (PPO)					
	2012		2013		2014		2012		2013		2014	
HEALTH PLAN	UHC Monthly Premium	Employee Monthly Rate*	UHC Monthly Premium	Employee Monthly Rate*	UHC Monthly Premium	Employee Monthly Rate	UHC Monthly Premium	Employee Monthly Rate*	UHC Monthly Premium	Employee Monthly Rate*	UHC Monthly Premium	Employee Monthly Rate
Single	\$624	\$75	\$537	\$64	\$622	\$75	\$794	\$95	\$655	\$79	\$731	\$184
Employee + Spouse	\$1,248	\$150	\$1,074	\$129	\$1,244	\$149	\$1,587	\$190	\$1,309	\$157	\$1,463	\$369
Employee + Child(ren)	\$935	\$112	\$805	\$97	\$933	\$112	\$1,191	\$143	\$982	\$118	\$1,097	\$276
Family	\$1,872	\$225	\$1,610	\$193	\$1,865	\$224	\$2,381	\$286	\$1,964	\$236	\$2,194	\$553

\*Employee Monthly Rates for 2012 and 2013 do not include the \$10/\$20 monthly premium reduction for wellness participation

# Healthcare Expenditures/Proposed Budget

	2011 Expenditures	2012 Expenditures	2013 Projected Expenditures	2014 Projected Expenditures
BP Claims (S114)	\$19,132,094	\$14,124,162	\$11,800,000	\$10,000,000
HMO (S140)	\$111,113,165	\$78,266,451	\$89,200,000	\$93,500,000
Dental (S121)	\$1,917,162	\$2,178,102	\$2,100,000	\$2,200,000
Admin (S101)	\$6,674,781	\$7,439,687	\$8,300,000	\$9,500,000
Carry Over from Prior Year	\$164,058	\$6,072,373	\$5,500,000	\$5,000,000
<b>HC Expenditures</b>	<b>\$138,837,201</b>	<b>\$102,008,402</b>	<b>\$111,400,000</b>	<b>\$115,200,000</b>
<b>HC Budget</b>	<b>\$144,782,330</b>	<b>\$116,200,000</b>	<b>\$118,700,000</b>	<b>\$110,200,000</b>

- Healthcare utilization/expenditure trends following “Rush, Hush, Crush” phenomenon
- The City’s utilization increased significantly when healthcare benefit changes were announced in 2011
- The City experienced an abnormally low utilization trend in 2012
- The City’s utilization is returning to a more normal level in 2013

# Healthcare Initiatives

- ▶ Increase enrollment in the Flexible Spending Program
- ▶ City intends to do RFP with MPS and the County for Health Plan Administrator and Drug Vendor in 2014
- ▶ Continue to mitigate long term Healthcare expenditure increases with thoughtful plan design and other strategies
  - Evaluate utilization data to determine next steps
- ▶ Examine ways to better control prescription drug costs
- ▶ Work with UHC on healthcare interventions
  - Increase the number of members using Premium Designated Providers
    - Coordinate with UHC to communicate the value of the 2 Star or Premium Doctors in terms of quality of care and better cost
    - Impacts utilization and expenditure trend which in turn impacts employee premium rates
  - Increase engagement in medical care and disease management
    - Reach more individuals through telephonic contact
    - HealtheNotes to address Gaps in Care
- ▶ Continue work with Labor/Management Committee to improve and expand wellness program
  - Phase II of the Wellness Program: Healthy Rewards recently launched

# HC Flexible Spending Enrollment

	2011	2012	2013	% Change Over Prior
Avg Amount Per Participant	\$1,209	\$1,306	\$1,330	1.84%
>\$3,000	56	93		
>\$2,000	57	157	286	**14.4%
>\$1,000	263	543	664	22.3%
>\$500	300	610	544	-10.8%
>\$1	219	361	253	-29.9%
<b>Total</b>	<b>895</b>	<b>1,764</b>	<b>1,747</b>	<b>-.96%</b>
<b>Total City FTEs</b>	<b>7,311</b>	<b>7,280</b>	<b>7,189</b>	<b>-1.25%</b>
<b>Enrollment as % of Total FTEs</b>	<b>12.2%</b>	<b>24.2%</b>	<b>24.3%</b>	

*\*\*Includes 2012 participants from \$2,000 and \$3,000 range*

# Flexible Spending Program

## Save up to \$600 per Year

- ▶ **Example 1:**
- ▶ Employee Earning \$39,000 with \$1,040 FSA Account
  - \$1,500 bi-weekly paycheck
  - \$40 deducted from each paycheck ( $\$40 \times 26 = \$1,040$ )
  - \$1,040 available on January 1 for out of pocket medical expenses, including deductibles and co-insurance
- ▶ Employee w/FSA has **\$260 extra dollars** to spend
  - Employee w/out FSA  $\$39,000 \times 25\% \text{ tax} = \$9,750$
  - Employee w/FSA  $\$37,960 \times 25\% \text{ tax} = \$9,490$
  - $\$9,750 - \$9,490 = \$260$  Extra Dollars
- ▶ **Example 2:**
- ▶ Employee Earning \$46,800 with \$2,500 FSA Account
  - \$1,800 bi-weekly paycheck
  - \$96 deducted from each paycheck ( $\$96 \times 26 = \$2,500$ )
  - \$2,500 available on January 1 for out of pocket medical expenses, including deductibles and co-insurance
- ▶ Employee w/FSA has **\$625 extra dollars** to spend
  - Employee w/out FSA  $\$46,800 \times 25\% \text{ tax} = \$11,700$
  - Employee w/FSA  $\$44,300 \times 25\% \text{ tax} = \$11,075$
  - $\$11,700 - \$11,075 = \$625$  Extra Dollars

# Wellness Program Update Phase I

## 3 Step HRA Process

- ▶ 2013 Progress To Date (compared to 2012)
  - 5 less employees have completed labs
  - 248 less employees have completed health assessment sessions
  - 90 more employees have completed online questionnaire
  - 43 more employees have completed tobacco education session
- ▶ 2013 Key Steps and Dates
  - August 1<sup>st</sup> program begins
  - October 31<sup>st</sup>
    - Lab work must be completed
    - Health Assessment meeting with Health Coach scheduled
    - Tobacco Education sessions scheduled
  - All Health Assessment coaching sessions must be completed in December
- ▶ Onsite Wellness Center established in Zeidler Municipal Building
  - Employees can follow-up on issues identified through coaching sessions or other healthcare concerns
  - Services include blood pressure and weight checks
  - Nutritionist and Other Specialists on site to meet with employees



# Wellness Program Update Phase I

## 3 Year Data Overview from 2010 to 2012

- ▶ Employee Tobacco Use: Positive Trend
  - 24% decrease in number of tobacco users
  - Results in \$1.25M annual savings (\$3,391 extra cost per user)
- ▶ Blood Pressure: Positive Trend
  - 47% normal in 2012, increase of 6.3% over 2010
- ▶ Weight: Negative Trend
  - Less than 22% at healthy weight, statistic worsened and decreased by 6% over 3 years
- ▶ Diabetes: Negative Trend
  - 35% excellent/doing well
  - 40% needs improvement
  - 25% high risk
  - **Diabetes and associated complications account for 25% of current health care expenditures**
- ▶ No Significant improvement in other health outcomes
- ▶ Time to take Wellness Program to next level
  - Shift from participatory program to a model that engages employees throughout the year

# Wellness Program Phase II

## Healthy Rewards Program

- ▶ DER recently announced the Council approved expansion of the City's Wellness Your Choice Program
- ▶ The second phase of the program is called Healthy Rewards
  - Adds an outcomes based wellness incentive program
- ▶ The program is completely voluntary and will provide employees and spouses/partners with the opportunity to earn \$150/each for reaching certain biometric and activity related goals
  - The \$150 will be deposited in an employee Health Reimbursement Account to use for medical expenses
- ▶ Employees must participate in the initial 3-step Health Assessment process to be eligible for the Healthy Rewards program
- ▶ Employees can participate in the Healthy Rewards program whether or not they are enrolled in the City's Health Insurance program
- ▶ Program Communication
  - Email announcing the program was sent at the beginning of September
  - Postcard mailed at the end of September
  - Employees given program flyer during coaching sessions
- ▶ Workforce Health is implementing online system to help employees track progress/points for the program

# Wellness Program Phase II Healthy Rewards Program

The screenshot displays a website for the Wellness Program Phase II Healthy Rewards Program. At the top left is the logo, which features a colorful circular emblem with the text 'WELLNESS YOUR CHOICE MILWAUKEE'. To the right of the logo is a navigation menu with the following items: 'MYHEALTHYREWARDS', 'SCHEDULE', 'USEFUL FORMS', 'WELLNESS RESOURCES', 'FAQ', and 'CONTACT US'. Below the navigation is a large banner image of a city skyline with a prominent white, sail-like building (the Pritzker Pavilion) and a body of water in the foreground. The main content area is divided into several sections: a 'LOGIN' section with input fields for 'username' and 'password'; a 'LAST NEWS' section with three news items, each with a date (Oct 02, Oct 01, Sep 25) and a 'Read more' link; and three promotional boxes for 'MYHEALTHYREWARDS', 'SCHEDULE', and 'USEFUL FORMS', each containing placeholder text and a 'Read more' link. The footer is a solid blue bar containing the text 'Froedtert & The Medical College of Wisconsin © 2013 Privacy Policy', social media icons for Facebook and Twitter, and contact information: 'Phone: (414) 777-3410', 'points submission Fax: (414) 908-3038', 'physician release forms Fax: (414) 253-5152', and 'Email: cityofmke@froedtert.com'.

**WELLNESS**  
YOUR CHOICE MILWAUKEE

MYHEALTHYREWARDS | SCHEDULE | USEFUL FORMS | WELLNESS RESOURCES | FAQ | CONTACT US

**LOGIN**

username  
password

**LAST NEWS**

Oct 02  
DOLOR  
Read more

Oct 01  
IPSUM  
Read more

Sep 25  
LOREM  
Read more

**MYHEALTHYREWARDS**  
Lorem ipsum dolor sit amet, consectetur adipiscing elit.

**SCHEDULE**  
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**USEFUL FORMS**  
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Phone: (414) 777-3410  
points submission Fax: (414) 908-3038  
physician release forms Fax: (414) 253-5152  
Email: cityofmke@froedtert.com

# Worker's Compensation/Safety Initiatives

Although significant progress has occurred since implementation of the Risk Management Program, DER recognizes the need to continue working with departments to:

- ▶ Identify and track operational initiatives that are linked to worksite safety/injury prevention.
  - For example, Impact on Injuries from DPW Winter Set-Out and Automated Garbage Collection
- ▶ Increase accountability for safety at the supervisory level for injury prevention and investigation by implementing an Incident Investigation Protocol
  - Requires the Supervisor to collect, analyze, and report incident data, investigation steps and outcomes
- ▶ Create a stronger link between claims processing/management and the identification of hazards related to policies, practices, skill sets.
  - WC liability associated with injuries occurring off duty and when participating in department sponsored events
  - Appropriateness of Performance Exams at the time of hire and pre-employment medical after offer of employment
  - Need to establish stronger standards when re-hiring or promoting employees into more physically demanding jobs
  - DER Representative to attend Department Injury Review Process for repeat offenders
- ▶ Explore possibility of Pilot Program for Early Intervention/Injury Prevention
  - Target preventable injuries related to job hazards and problematic job behaviors
  - Some advantages of this program include:
    - Effective interventions are timely, job specific and done onsite by Occupational or Physical Therapist
    - Early treatment of symptoms can prevent more serious/costly long term injuries and reduce lost work time

# Worker's Compensation/Safety Initiatives

## Supervisor's Incident Fact Sheet

Employee Name: \_\_\_\_\_ Phone Number: \_\_\_\_\_  
 Department: \_\_\_\_\_ Division: \_\_\_\_\_

### Section 1 The Incident

- 1) Date/Time of Incident: \_\_\_\_\_ 2) Location of Incident \_\_\_\_\_  
 3) Description of Incident: \_\_\_\_\_  
 4) What was the Cause of the Incident: \_\_\_\_\_  
 5) Witnesses to Incident: \_\_\_\_\_  
     Name Phone Number  
 6) Describe the Employee's Assigned Duties \_\_\_\_\_  
 7) What specific tasks was the employee performing immediately before the incident? \_\_\_\_\_  
 8) What type of Injury Occurred? (Ex. Slip & fall, Laceration, etc) \_\_\_\_\_  
 9) What body part(s) was/were affected? \_\_\_\_\_

### Section 2 Incident Investigation

- 1) Describe any unsafe conditions: \_\_\_\_\_  
 2) Describe any unsafe Equipment: \_\_\_\_\_  
 3) What preventative action was taken? \_\_\_\_\_  
     By whom: \_\_\_\_\_ When: \_\_\_\_\_  
 4) Description of investigation findings: \_\_\_\_\_  
 5) Describe any inconsistent statements & how they were clarified: \_\_\_\_\_

### Supervisor Action Steps Taken

Yes	No	N/A	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Section 3 Safety Review

#### 1) Management Review

- Yes No N/A  
   Does your Department have an active injury review program?  
   Should the employee be subject to the Injury Review Process?  
   Were consequences of continued unsafe behavior explained to employee?  
   Was employee subject to drug testing following the incident?  
   Is there any need to modify or add to existing rules or instructions?  
   Has the investigation identified any training need?  
   Has training been planned/done?  
   Were actions taken in respect to this incident? Explain: \_\_\_\_\_

#### 2) Environmental Factors

- Yes No N/A  
   Are floors & work area free of any hazards? (water, oil, ripped carpet, overhead objects, etc)  
   Was snow or ice a factor?  
   Were weather conditions a factor?  
   Was exposure to chemicals, fumes, or dust a factor?  
   Was exposure to communicable disease a factor?  
   Was fire/electric current a factor?

#### 3) Working Conditions

- Yes No N/A  
   Was employee working alone? Why? \_\_\_\_\_  
   Are there safety procedures in place for employees working alone?  
   Was repetitive motion a factor?  
   Were steps taken to reduce noise exposure?  
   Were excavations a factor?  
   Do workers have a way of quickly and easily contacting management or emergency personnel?  
   Is there a surveillance or security system in place?

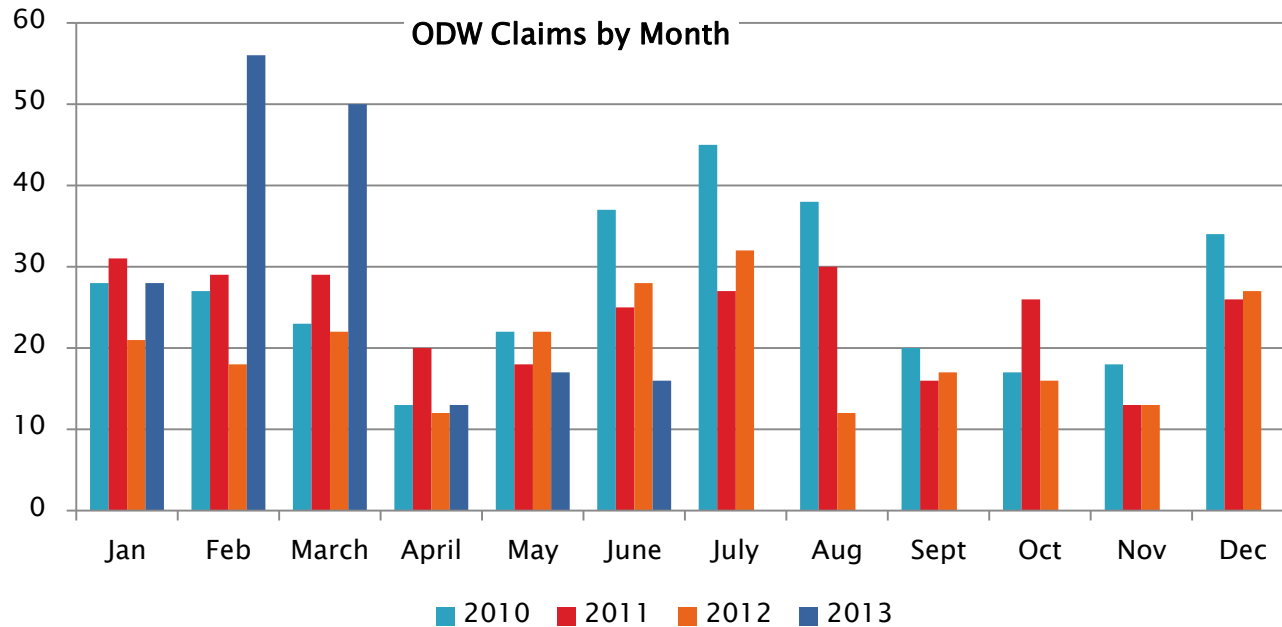
#### 4) Equipment Safety

- Yes No N/A  
   Was all involved machinery and equipment kept clear of obstruction and in good working order?  
   Were workers trained on safe operation of all equipment involved in the incident? If not, why: \_\_\_\_\_  
   Was safety equipment & training provided to the employee? (eyewear, footwear, hearing protection, etc)  
   Were safety rules and procedures consistently enforced?  
   Are regular safety update meetings held?

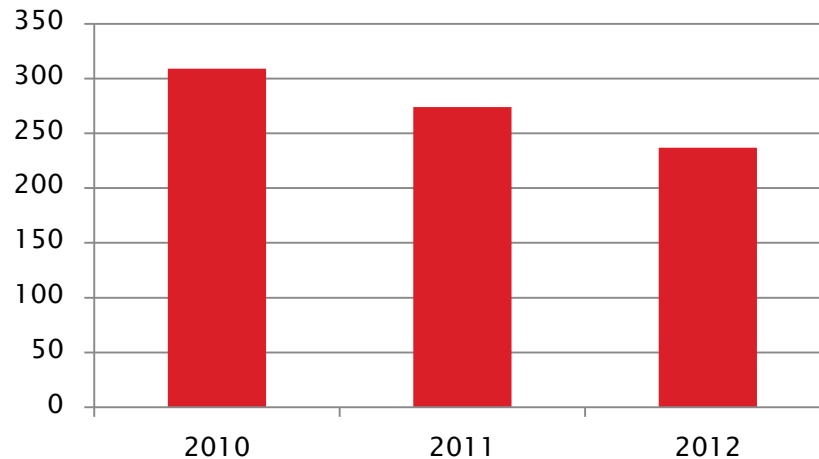
Please add any additional information or comments that you have here or call the Worker's Compensation Section at (414)286-2020. \_\_\_\_\_

Team/Crew Leader Name (Please print or type)	Telephone Number	Date
Supervisor Name (Please print or type)	Telephone Number	Date
Manager Name (and signature)	Telephone Number	Date

# Worker's Compensation Data

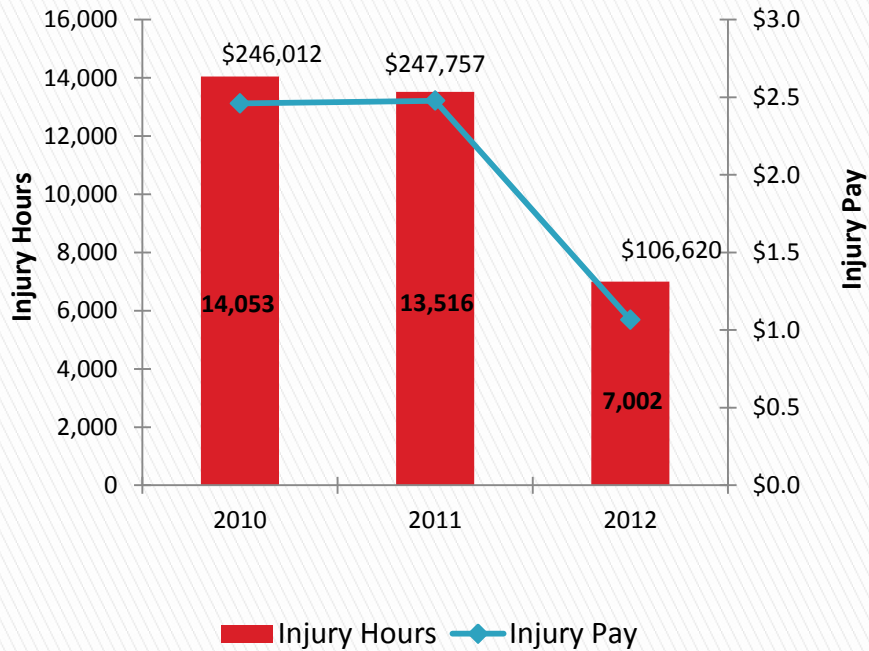


**ODW Claims by Year**

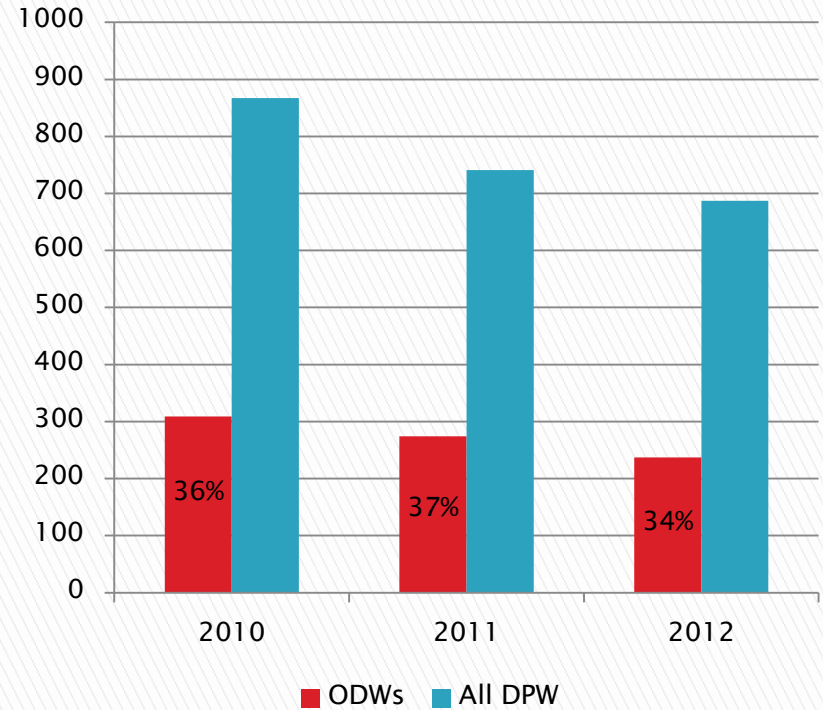


# Worker's Compensation Data

Operations Driver Worker



Total Claims by Year ODW & DPW



ODW Injury Hours & Pay

Claims for ODW/DPW

# Addressing Pay Compression and Other Compensation Challenges

- ▶ Pay Compression – pay differentials that are too small to be considered equitable
- ▶ Pay Compression creates:
  - Low morale, potential liability (equal pay claims), turnover, high replacement costs
- ▶ Types of Pay Compression
- ▶ Causes of Pay Compression
  - Disconnect between pay schedules or adjustments to pay schedules for subordinate employees and their supervisors.
    - From 2003 to 2009 salary increases negotiated for represented employees were higher than increases granted to supervisors and managers
    - This has reduced pay differentials and increased overlap between pay ranges
    - Reduced incentive for employees to take promotional opportunities
  - Recruitment of individuals at rates above the minimum (labor market has had pay progression while the City has not)
    - Applicants expect a salary increase when they shift employers.
  - Lack of a pay delivery system that takes into account performance
    - If everyone gets the same increase, pay compression and pay inversion will not be resolved
  - Pay Structure and Design Flaws
    - Too many titles and grades within occupational groups
    - Too much overlap between pay ranges.
    - Pay structures not systematically tied to the labor market
  - Reorganizations change peer relationships without careful review and analysis of the jobs and compensation levels



# Addressing Pay Compression and Other Compensation Challenges

## ▶ Available Tools

- Footnotes in the Salary Ordinance that allow recruitment above the minimum
  - IT, Sanitation Supervisors, Financial Positions
- Salary Ordinance provision that allows the Finance Chair and DER Director to approve appointments (new hires and promotions) above the levels authorized

2008	2009	2010	2011	2012	2013	Total
19	5	13	18	35	9	99

*(Compt 15%, MPD/ERS 9%, MHD 7%, DPW 10%)*

- Salary Ordinance provision that allows internal equity adjustments up to 10% to address salary inversion issues
  - 1 in 2013
  - 4 in 2012
- Salary Ordinance provision that allows 3% salary adjustment upon transfer

2011	2012	2013
5	0	2

- Department specific/occupation specific reclassifications and reallocations to address recruitment difficulty, pay compression and retention issues

# Addressing Pay Compression and Other Compensation Challenges

## INITIATIVES/RECOMMENDATIONS

- ▶ Continue development and implementation of Competency/Skills Based Pay systems for vocational positions. Pay progression is authorized upon meeting performance standards and attaining pre-defined credentials that add value to the job and the organization.
  - Implemented Plans: DNS Inspectors, DPW Vehicle Services Techs, CC License Specs
  - In Progress: Health Inspectors, Property Appraisers, TEAM
  - 2014 Projected: Librarians, Nurses, Port Mechanics, Forestry, Water Plants/Distribution, IT
- ▶ Review classification/compensation framework by occupational profiles
  - Identify opportunity for consolidation of titles and pay ranges
  - Identify mechanisms to reduce overlap between pay ranges
  - Establish internal equity pay link between supervisory and subordinate classifications
- ▶ Identify and recommend pay administration practices that address recruitment, retention, and progression challenges
  - Identify viable and sustainable funding sources and options to allow pay progression practices for positions that do not lend themselves to Competency based or Skills Based pay systems
    - Professional/Managerial, Administration, Laborer
  - Develop and recommend use of equity/performance pay progression to address compression and inversion problems
  - Review appropriateness of 5% rule on promotions. Assess the need to take other factors into consideration
    - Grade increase, location in range, salary of others
  - When appropriate tie pay ranges to relevant market and adjust the structure when necessary (only people below minimum would be adjusted)

# DER Initiatives: Applicant Tracking & Test Management System

	SELECTION PROCESS STEP	DER	HIRING AUTHORITY
1	Submit personnel requisition and current job description to DER to initiate selection process		X
2	Determine and evaluate possible alternatives such as use of comparable eligible lists	X	
3	Plan and discuss selection process and timeframe	X	X
4	Develop draft job announcement	X	
5	Develop draft job application/T&E	X	
6	Review draft job announcement and application		X
7	Review and final approval of job announcement	X	
8	Develop recruitment plan with input from hiring department	X	X
9	Post announcement and application on DER website, bulletin board, job hotline, e-Notify, etc.	X	
10	Implement recruitment plan	X	X
11	Conduct job analysis of position	X	
12	Participate in job analysis interviews; complete job analysis questionnaires,		X
13	Review and screen job applications with input from department if needed	X	X
14	Contact and notify candidates throughout process	X	
15	Appeals from rejected applicants heard by City Service Commission	X	
16	Determine test components and develop test content based on the job analysis	X	
17	Review test components and test content; develop test questions/ material if appropriate		X
18	Determine raters for training & experience rating and oral exam panels. Elicit suggestions from department for raters.	X	X
19	Conduct orientation of raters for T&E and oral exam panels	X	X
20	Administer exam components (tests)	X	
21	Score the test(s)	X	
22	Create eligible lists	X	
23	Conduct criminal background checks	X	
24	Contact candidates with the top 5 scores and invite to hiring interview		X
25	Conduct hiring interviews		X
26	Conduct other background/reference checks; request candidate removal from eligible list based on background/reference checks, if applicable		X
27	Appeals from candidates removed from the eligible list heard by City Service Commission	X	
28	Make final hiring decision		X
29	Notify unsuccessful candidates		X
30	Inform DER which candidates expressed interest, were interviewed, and were hired		X

# DER Initiatives: Applicant Tracking & Test Management System

	2011			2012		
Staffing Performance Measures	City	MPS	Total	City	MPS	Total
Number of Applications Processed	8,927	1,666	10,593	8,553	5,202	13,755
Number of Positions filled from all eligible lists	174	89	263	309	213	522
Number of Original Exams	49	15	64	66	17	83
Number of Promotional Exams	23	7	30	25	2	27
Number of Exam Sessions	146	47	193	141	65	206

# DER Initiatives:

## Applicant Tracking & Test Management System

- ▶ Applicant Tracking and Test Management System
  - Current application (Sigma) was implemented over 10 years ago
  - In 2008 vendor bought out by another company (Neogov) that has chosen not enhance or upgrade the application and will discontinue support at some point in the future
  - Neogov wants to migrate Sigma clients to their product but after doing research the City decided to conduct an RFP
  - Contract was awarded to Job Apps and their web based Applicant Tracking and Test Management System will be implemented late Spring of 2014
- ▶ System Functionality
  - On line recruitment, testing, applicant tracking, examination planning and scoring, applicant flow analysis
- ▶ Process Enhancements
  - Automate requisition and candidate certification functions
  - Automate candidate notification processes and share information with applicants about the status of their application
  - Search applicant pool using filters and keywords
  - Integration with HRMS
  - Automate and expedite referral of eligibles to departments for interviews

# DER Initiatives:

## Applicant Tracking & Test Management System

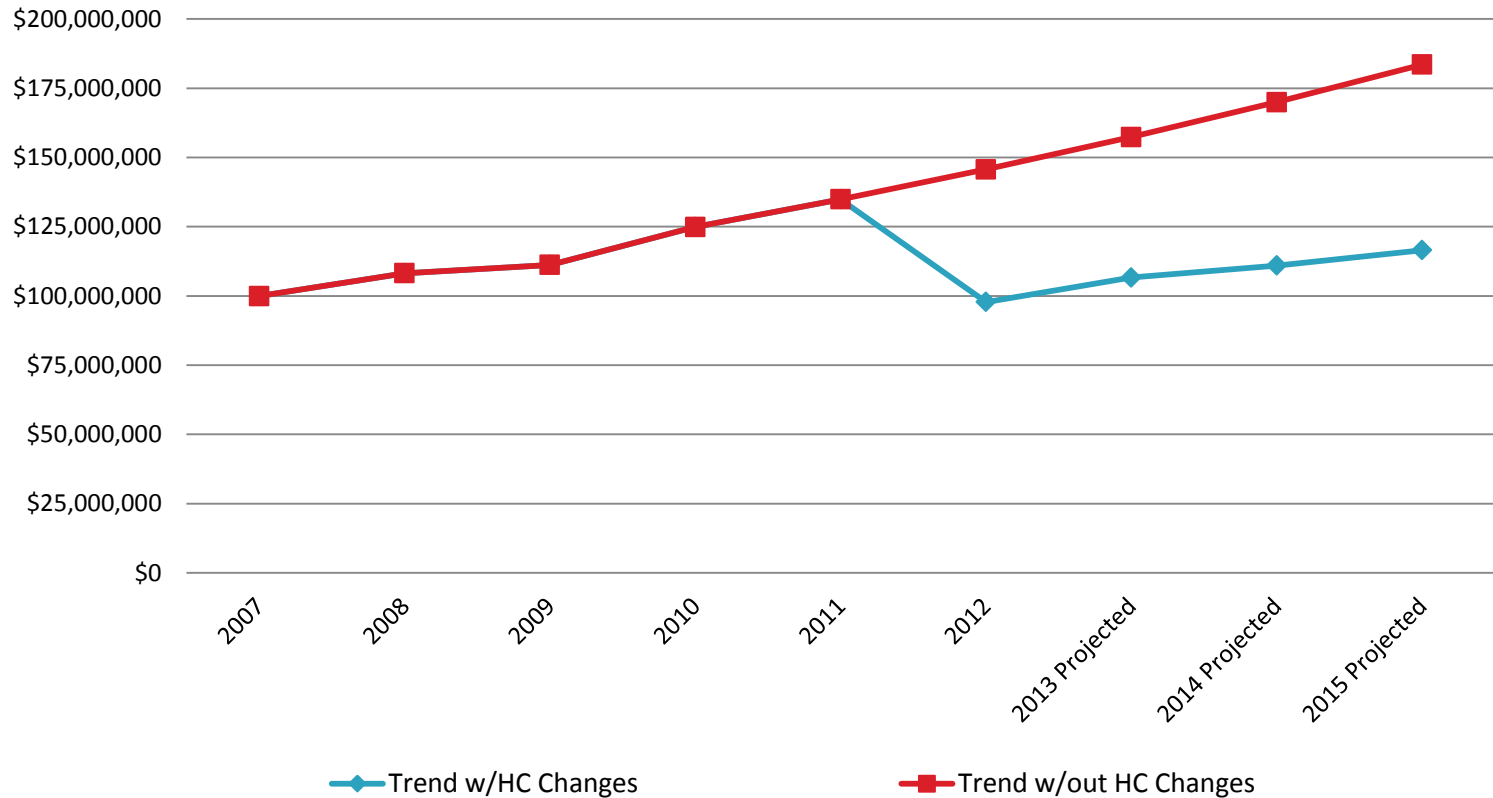
### ▶ Goals

- Continue decreasing the amount of time from vacancy approval to creation of eligible list
  - 2011/6 months
  - 2012/5 months
  - 2013/4 months
  - GOAL: 2 to 3 months
- Work with Departments to better anticipate vacancies and start working on identifying hiring options and recruitment and exam components prior to vacancy approval
- Maximize the use of eligible lists by increasing number of hires per list

# Reference Only

# Healthcare Expenditure Trend

Expected Trend without HC Changes vs Actual Expenditures





# 2014 Healthcare Comparison

2014 Local HC Comparison				
	City	MPS	County	State
<b>Employee Premium (Monthly)</b>				
Employee	\$75	\$52 Avg	\$165	\$88
Employee & Spouse	\$149	\$137 Avg	\$280	\$219
Employee w/Child(ren)	\$112	\$137 Avg	\$225	\$219
Family	\$224	\$137 Avg	\$365	\$219
<b>Deductibles</b>				
Employee	\$500	\$350	\$800	\$0
Employee & Spouse	\$1,000	\$700	\$1,600	\$0
Employee w/Child(ren)	\$1,000	\$700-\$1050	\$1,050	\$0
Family	\$1,000	\$1,050	\$1,850	\$0
<b>Coinsurance (%) &amp; Copays (\$)</b>				
Office Visit	10%	\$20	\$30	10%
Specialist	10%	\$35	20%	10%
Hospital	10%	20%	20%	10%
ER	10%	\$125	\$200	\$75 w/10% Coins after
<b>Out of Pocket Maximum (OOPM)</b>				
Employee	\$1,000	\$1,000	\$2,500	\$500
Employee & Spouse	\$2,000	\$2,000	\$5,000	\$1,000
Employee w/Child(ren)	\$2,000	\$1,000-\$3,000	\$5,000	\$1,000
Family	\$2,000	\$3,000	\$5,000	\$1,000
<b>Drugs</b>				
Retail Generic	\$5	\$8	\$10	\$5 w/OOPM
Retail Preferred Brand	\$25	10% w/\$25 min	\$30	\$15 w/OOPM
Retail Non-Preferred Brand	\$50	20% w/\$50 min	\$50	\$35 w/OOPM
Mail Order Generic	\$10	\$16	\$25	\$5 w/OOPM
Mail Order Preferred Brand	\$50	\$50	\$75	\$15 w/OOPM
Mail Order Non-Preferred Brand	\$100	\$100	\$125	\$35 w/OOPM
*MPS Out of Pocket Maximums do not include Deductibles and Co-Pays				

# 2014 Healthcare Costs

## Active employees in Choice Plan

Tier	Total Projected Annual Premium Cost	12% Employee Annual Premium	Average Employee Annual Share (for deduct, co-ins) 12%	Amount per Paycheck (24%) Average Employee pays for Total HC
Single	\$7,461	\$895	\$895	\$68
Employee + Spouse	\$14,922	\$1,791	\$1,791	\$137
Employee + Children	\$11,192	\$1,343	\$1,343	\$103
Family	\$22,383	\$2,686	\$2,686	\$206

- National trend for employee premium is 18% for single and 29% for family
- Proposed Milwaukee County Budget for total employee Healthcare share is 30%

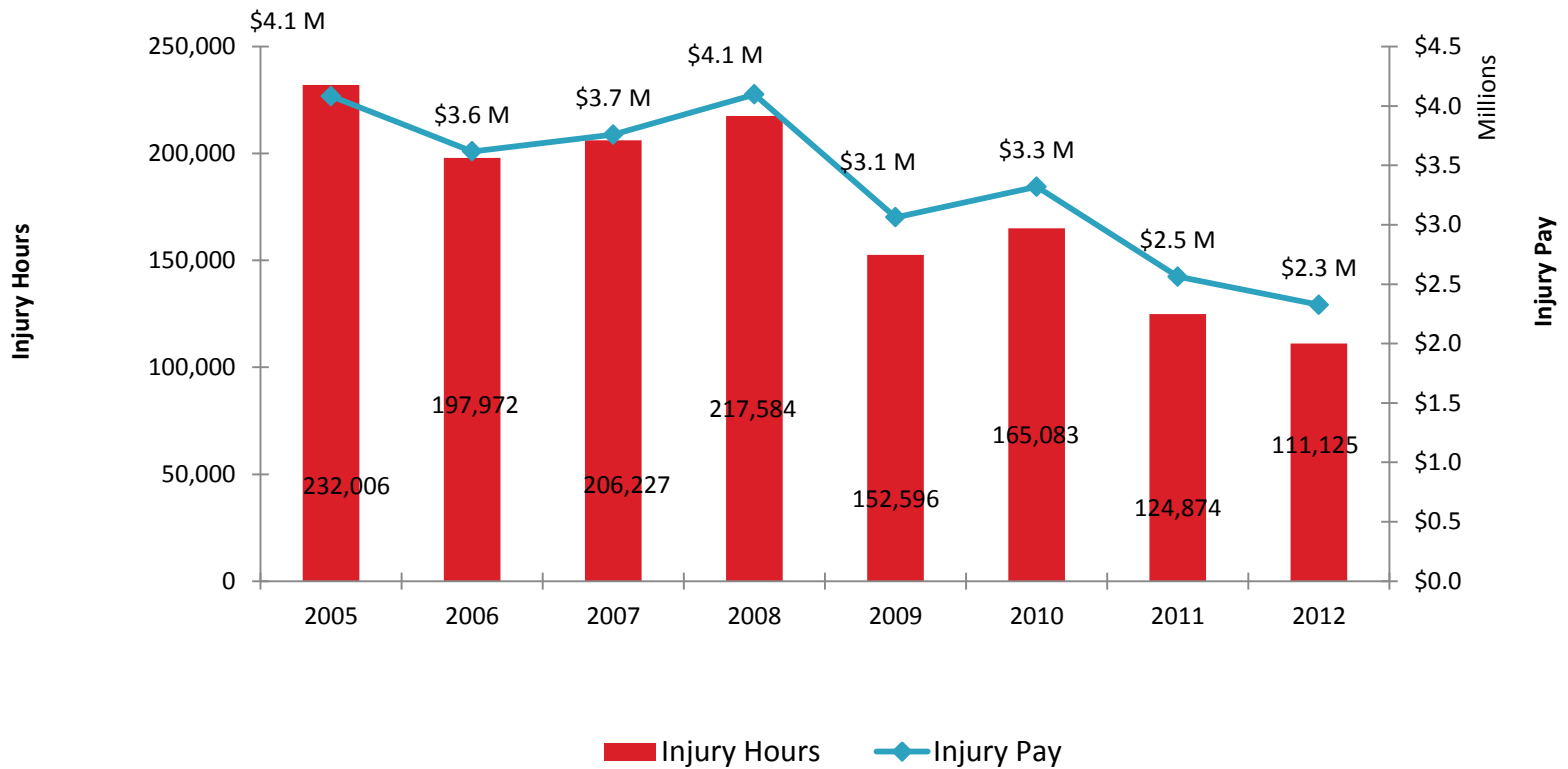
# HC Benefit Design Summary

Plan Components	EPO/Choice Plan Benefits	PPO/Choice Plus Plan Benefits
Preventive Care	Covered at 100%	Covered at 100%
Deductible in network*	\$500 Single/\$1,000 Family	\$750 Single/\$1,500 Family
Deductible out of network*	No Coverage	\$1,500 Single/\$3,000 Family
Hospital in network*	90% after deductible	90% after deductible
Hospital out of network*	No Coverage	70% after deductible
Co-Insurance in network*	90% after deductible	90% after deductible
Co-Insurance out of network*	No Coverage	70% after deductible
Out of Pocket Maximum in network*	\$1,000 Single/\$2,000 Family	\$1,500 Single/\$3,000 Family
Out of Pocket Maximum out of network*	No Coverage	\$3,000 Single/\$6,000 Family
Emergency Room Visits	\$150 co-pay after deductible and out of pocket maximum reached	\$150 co-pay after deductible and out of pocket maximum reached
Drug Co-Pays	\$5/\$25/\$50 Co-Pay	\$5/\$25/\$50 Co-Pay
Employee Premiums	12% of projected monthly cost	25% of projected monthly cost
Premium Tier Structure	Four Tier	Four Tier

*\*Can be pre-tax through flexible spending*

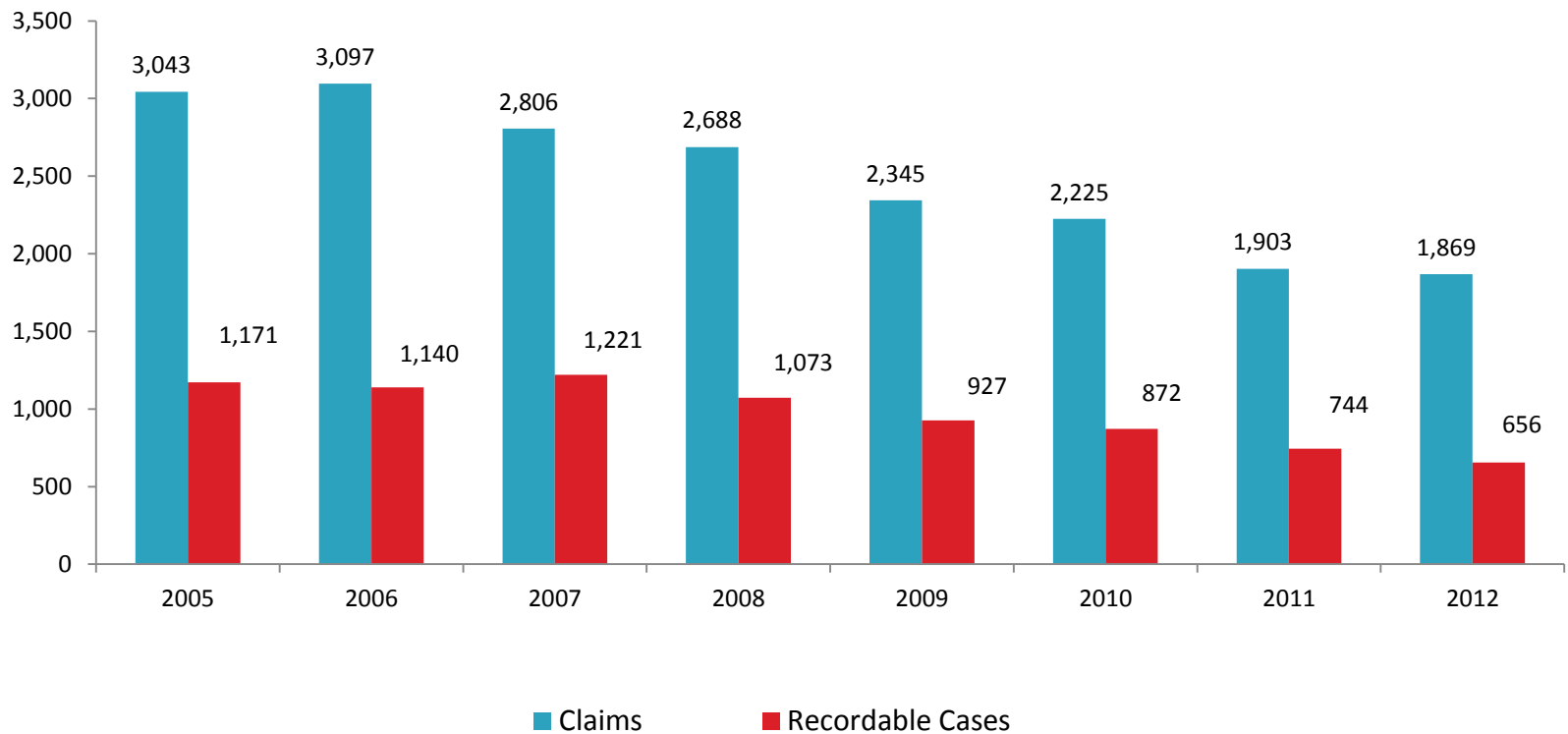
# Worker's Compensation Data & Trends

All City Departments

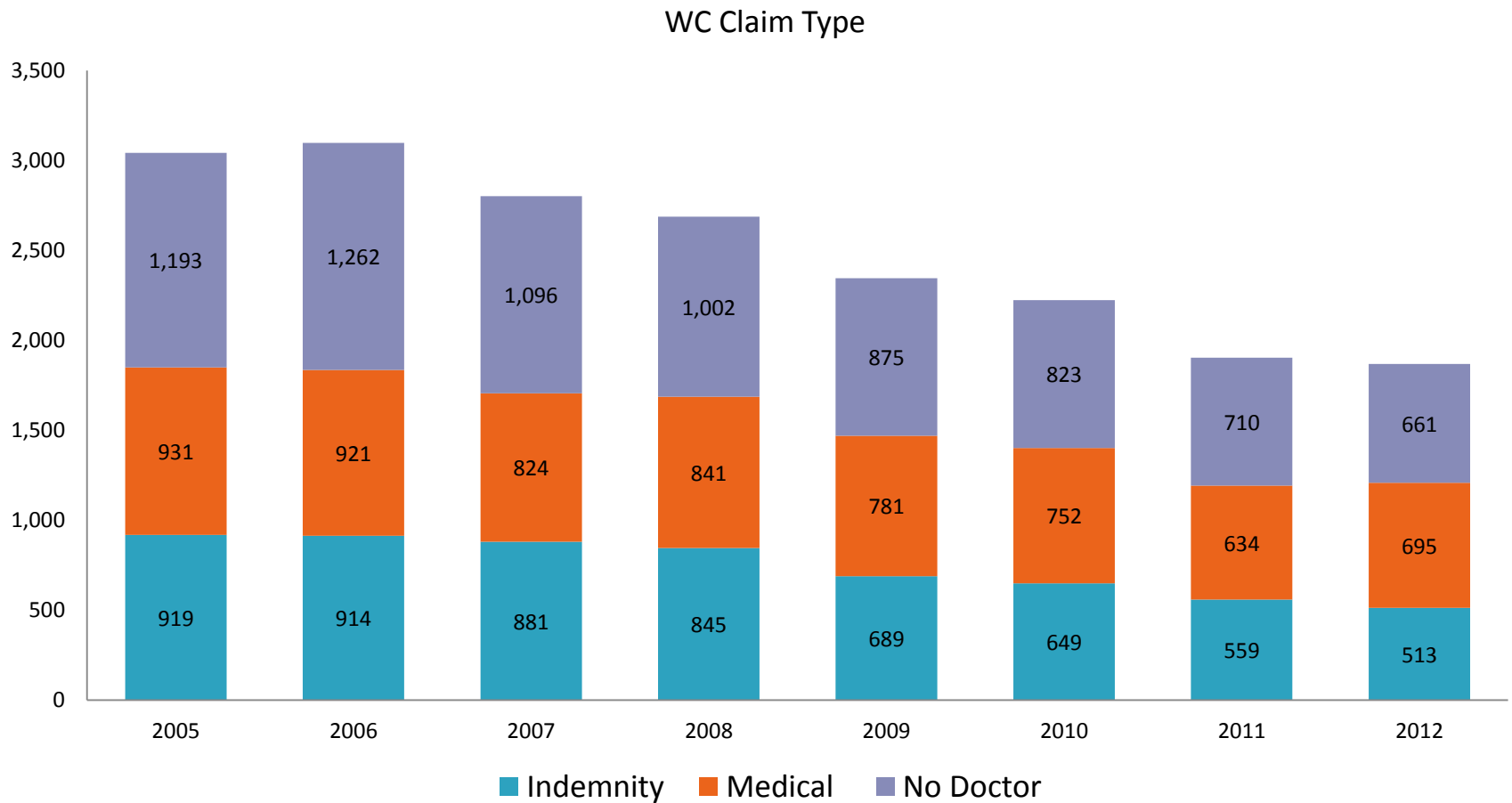


# Worker's Compensation Data & Trends

WC Claims & Recordable Cases

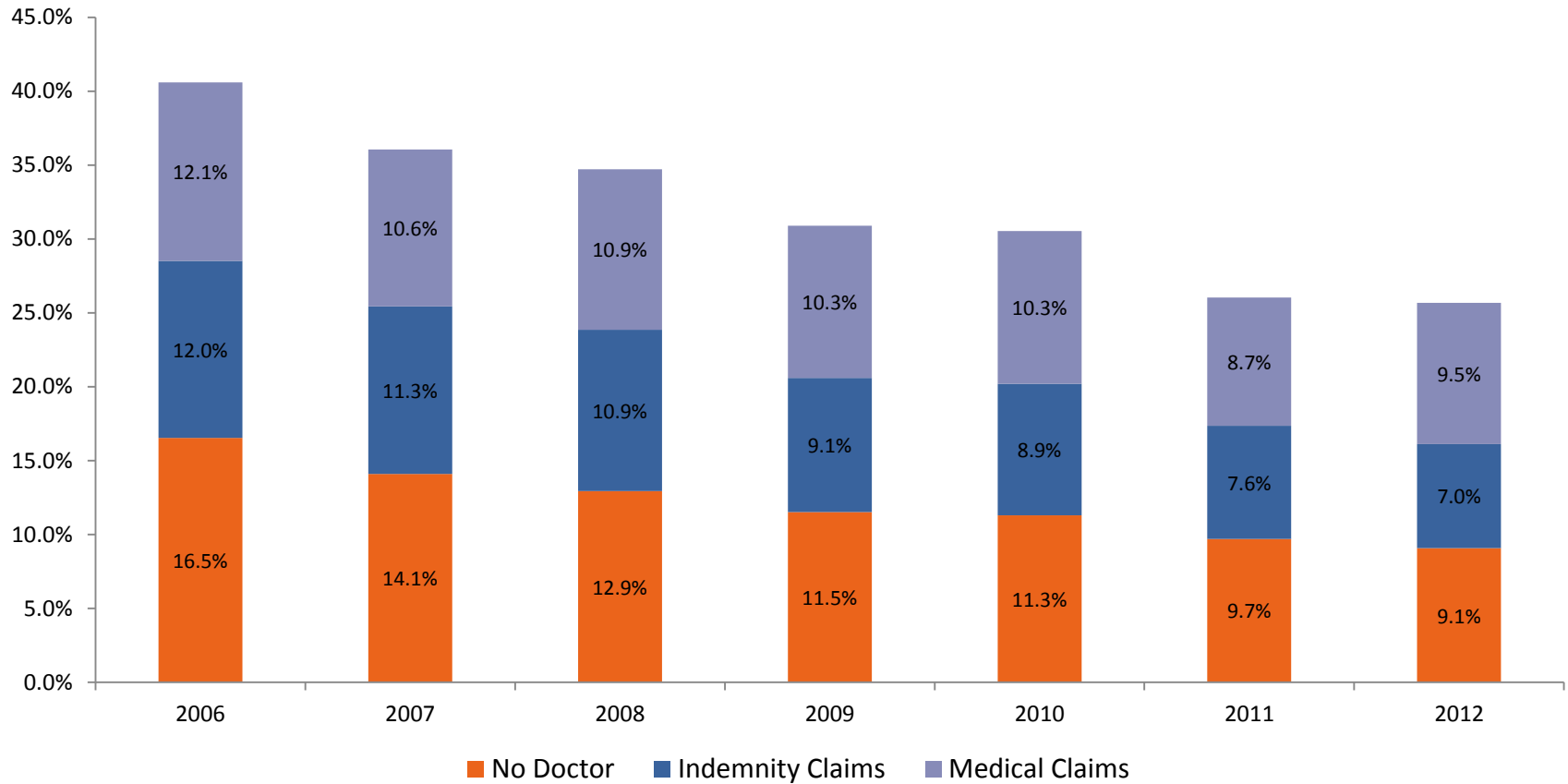


# Worker's Compensation Data & Trends



# Worker's Compensation Data & Trends

Claim Frequency Rate



# Worker's Compensation Data & Trends

WC Expenditures as Percentage of Gross Payroll					
	2008	2009	2010	2011	2012
All City	3.2%	2.6%	2.9%	2.7%	3.5%
MFD	4.5%	3.8%	5.1%	4.5%	4.7%
MPD	2.3%	1.8%	1.7%	2.3%	2.7%
DPW Infra	4.9%	3.8%	3.4%	3.1%	4.3%
DPW Ops	9.0%	7.8%	9.1%	6.6%	9.3%
DPW Total	5.9%	4.9%	5.2%	4.2%	5.8%



# DER Initiatives: Succession Planning

- ▶ Succession Planning Model created for Comptroller's Office in 2013
- ▶ The Succession plan had a number of components to address critical positions where turnover is expected in upcoming years
  - Succession plan identified key positions and competencies required for successful performance
  - Rating scales for each competency
  - Eligibility criteria for participation
  - Defined roles and responsibilities for participants and mentors
- ▶ DER plans to share the Succession Plan with other City Departments as the need arises

# Separation Data

Separation Category	2010	2011	2012	2013
Discharge	26	17	45	24
Resignation	67	96	133	111
Regular Retirement	261	180	117	85
Duty Disability Retirement	0	1	1	0
<b>TOTAL</b>	<b>354</b>	<b>294</b>	<b>296</b>	<b>220</b>

# Disciplinary Grievance Data

2012 Data						
Type of Discipline	Settled and/or Reduced	Withdrawn	In-Process	Denied	Untimely	Total
Written Warnings	5			3		8
Suspension 1 day				2		2
Suspension 3 day				2		2
Suspension 5 day				1		1
Suspension 10 day	2	1		2		5
Workplace Safety	2			1		3
Compensation				1*		1
<b>TOTALS</b>	<b>9</b>	<b>1</b>	<b>0</b>	<b>12</b>	<b>0</b>	<b>22</b>

\*As of Jan 1, 2012 General City Employee may not grieve compensation

2013 Data (thru Oct 7 <sup>th</sup> )						
Type of Discipline	Settled and/or Reduced	Withdrawn	In-Process	Denied	Untimely	Total
Written Warnings	19		1		4	24
Suspension 1 day	1		2	1	2	6
Suspension 3 day						0
Suspension 5 day						0
Suspension 10 day					1	1
Workplace Safety						0
Compensation						0
<b>TOTALS</b>	<b>20</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>7</b>	<b>31</b>

# Disciplinary Action Data

2010 – 2013

DEPARTMENT	2010			2011			2012				2013 (Jan – Sept)			
	Susp	Dischrg	Term	Susp	Dischrg	Term	Susp	Dischrg	Term	Involunt Demote	Susp	Dischrg	Term	Involunt Demote
CC/City Clerk	1	1	0	0	0	1	0	0	1	0	0	0	1	0
Comptroller	0	0	0	0	0	0	1	0	0	0	0	0	0	1
City Attrny	0	0	0	0	0	0	1	0	0	0	0	0	0	0
DCD	2	0	0	7	0	0	1	0	0	0	1	0	0	0
DNS	6	0	0	0	0	0	2	1	0	0	4	1	1	0
DPW-ADMIN	6	3	2	4	0	0	8	3	5	0	5	0	0	0
DPW-FORESTRY	4	2	1	5	0	0	2	0	0	0	4	0	0	0
DPW-INFRA	10	4	2	11	3	0	16	2	5	0	9	3	1	0
DPW-OPS	43	1	2	42	2	6	41	2	6	1	26	0	3	0
DPW-WATER	10	0	1	11	0	1	11	2	5	0	22	2	0	0
HEALTH	1	0	0	4	0	0	4	1	2	0	2	2	1	0
LIBRARY	7	2	2	4	0	1	12	1	3	0	0	1	2	0
MUNI COURT	0	0	1	0	0	0	0	0	1	0	1	0	0	0
PORT	1	0	0	0	0	0	0	0	0	0	0	0	0	0
TREASURER	1	0	0	2	1	0	0	0	1	0	0	0	0	0
<b>Subtotal</b>	<b>92</b>	<b>13</b>	<b>11</b>	<b>90</b>	<b>6</b>	<b>9</b>	<b>99</b>	<b>12</b>	<b>29</b>	<b>1</b>	<b>74</b>	<b>9</b>	<b>9</b>	<b>1</b>
<b>TOTAL BY YEAR</b>	<b>116</b>			<b>105</b>			<b>141</b>				<b>93</b>			