



Department of Employee Relations

Tom Barrett
Mayor

Maria Monteagudo
Director

Michael Brady
Employee Benefits Director

Troy M. Hamblin
Labor Negotiator

December 5, 2008

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

Dear Committee Members:

Re: Common Council File Number 081034

This file includes proposed changes to the Management Pay Plan for 2009. Consistent with efforts undertaken by the City and supported by the Council over the last several years, the proposed changes continue to shift pay practices to place stronger emphasis on performance and contributions in lieu of length of service.

The proposed changes are cost neutral when compared to the pay practices in place for 2008 because the level of funding allocated to departments is based on increments of 3.1% for eligible managers. However, greater flexibility is provided to departments to grant salary increments based on performance ratings. Instead of being limited to increases of 0 or 3.1%, the Salary Ordinance will allow adjustments of up to 4% based upon performance reviews. While greater flexibility is provided, it is important to recognize that greater accountability in managing and monitoring performance assessments is expected given funding allocation for the proposed changes.

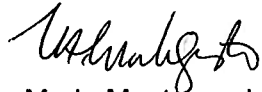
Attached please find salary ordinance changes and a chart that shows a comparison between the current 2008 and proposed 2009 Management Pay Plans. Specific language is also included for the positions of Legislative Assistants, Staff Assistant to the Council President, Legislative Coordinator – Senior, and Executive Administrative Assistant II in the Common Council - City Clerk's Office.

As with past proposals, the Department of Employee Relations has sought feedback from City department representatives on these changes. Comments on this proposal include positive feedback on the stronger link between pay and performance. Departments have also voiced concerns regarding funding limitations for salary increases; the difference in across-the-board increases granted to management versus union employees and the resulting pay compression; the difficulty in recruiting for management positions; motivating employees who are paid at the top of their salary grade; and the emphasis on individual performance versus teamwork.

While this proposal does not address all concerns, it does provide departments with more flexibility in determining salary increments linked to performance; less emphasis on salary increments related to length of service; and more emphasis on job performance and

competencies. The proposal also continues an exceptional performance award for eligible managers at the top of the salary grade; a lump sum award for earning a job related professional degree, designation or certification; and flexibility in hiring rates and promotional increases without increasing the overall level of funding for salary increases.

Sincerely,



Maria Monteaugudo
Employee Relations Director

Attachments