

Thank you all for the opportunity to present on files #231095 (elected officials), #231364 (department head salaries), and file #231352 (a resolution to address concerns regarding accountability).

In regards to these related files, I would like to take a few moments this morning to briefly discuss:

- 1. How we got here - Here being a place where the City of Milwaukee is struggling to attract and retain top talent.**
- 2. How we landed at our recommendations?**
- 3. What does it look like going forward? What Alders should expect, and what our residents should expect?**

How we got here?

When attempting to measure employee engagement or satisfaction or the factors that attract employees, a handful of items typically rise to the top. There is usually a negotiation involving flexibility, a connection to purpose, challenging and meaningful work, an employer supporting their development, and total compensation (benefits and wages). While compensation isn't the only factor employees and applicants will consider, it is definitely an essential factor when considering staying or leaving an employer.

From talking to many of you and numerous long-term City employees, I've gained historical insight into what it previously meant to be a City of Milwaukee employee. There was a time when the City of Milwaukee was a 'choice' employer for the area. Having a City job was a passport to middle-class living – wages were competitive, and benefits were exceptional. However, years of tight budgets found the City needing to make tough decisions. While our benefits are still pretty impressive, for long-term City employees, our benefits 'aren't as good as they used to be' due to memories they cannot erase, that don't include deductibles and co-pays. Additionally, long-term employees regularly recall across-the-board wage increases occurring on an annual basis.

So, how did we get to the point where we were no longer a choice employer for the area? From 1991 – 2008, management employees, on average, annually, received a wage increase of 2.69%. But things got tight after 2008. In regards to across-the-board wage increases, I noted the following:

2009 – 0
2010 – 0
2011 – 0
2012 – 0
2013 – 1.5%
2014 – 1.0%
2015 – 0

In 2016, 2017, and 2018, the City administered a 'Pay for Performance' merit-based program. But while merit pay benefited the best of our incumbent employees, the additional wages didn't impact salary ranges and did very little to assist the City's ability to attract top talent.

Moving on to 2019. In 2019, a 3% residency incentive was created; however, this incentive also did not impact salary ranges. Moving on:

2020 – 0
2021 – 0
2022 – 2%

Finally, in 2023, there was a 2% wage increase. Additionally, a 1% longevity incentive was created for employees with 5 years of City service.

From 2009 to 2022, general city employees received a total of 4.5% in across-the-board wage increases. To provide perspective on what reasonable wage increases could look like for an area employer, I would like to share the wage increases given to Milwaukee Police. Again, just for perspective, from 2009 – 2022, MPA received the following:

2009 – 3%
2010 – 0%
2011 – A biweekly payment of \$19.98 was given to MPA members – But no across-the-board wage increases.
2012 – 3.55%
2013 – 2.5%
2014 – 2.5%
2015 – 2.5%
2016 – 3%
2017 – 2%
2018 – 2.25%
2019 – 2.25%
2020 – 2%
2021 – 2%
2022 – 2%

From 2009 to 2022, MPA enjoyed 29.55% in across-the-board wage increases. From 2009 – 2022, across-the-board wage increases that impacted general City employees totaled 4.5% - A difference of over 25%. Please note that I am in no way questioning or suggesting our MPD family members did not deserve the increases they received – I am simply sharing the comparison in an attempt to provide perspective.

Further, I would like to share what this looks like. In 2010, 329 General City employees left the City's workforce. Please note that of the 329 employees, 292 left in retirement, while only 37 left through resignation. Fast forward to 2022, and the City saw 401 employees leave its workforce. Of these 401 employees, please note only 94 left in retirement, and 307 left through resignation. A once 'choice' employer was now struggling to retain its talent.

How did we arrive at our recommendations? Extensive work was done to pull relative salary data. After a review of positions' duties and responsibilities, impact and accountability, relationship responsibilities, working conditions, as well as minimum education and experience requirements, information was gathered by DER and the Legislative Reference Bureau by reaching out to comparable local governments and pulling data from the Economic Research Institute, the Management Research Association, and the Bureau of Labor Statistics.

Additionally, information was gathered from participating in recent salary studies. In the summer of 2023, we participated in a salary study conducted by the City of Minneapolis to assess the total compensation for their elected officials. For our participation, we received data from the study, which included responses from other local government participants. I want to note that when reviewing the data collected pertaining to elected officials, DER's initial recommended placement was higher than the 15% increase found in file #231095. While our recommendations are data-driven and absent of political dynamics, feedback received resulted in a 15% recommendation. It should be noted that this recommendation does not consider that our elected officials have gone over 15 years without addressing their wages – which means that even the 4.5% increase that general City workers received from 2009-2022 did not apply to them. Instead of relying on data to inform our elected officials' salary recommendations, there was feedback that encouraged a more balanced approach to addressing our elected officials' compensation concerns.

DER also participated in a recent 'Executive Wage Study Report from Wisconsin's second-largest municipality, the City of Madison, led by Carlson and Dettmann Consulting, which also produced responses from other local governments. It should be noted that our recommendations are intended to recognize industry standards and assist the City in recruiting and retaining employees.

When discussing an organization's ability to recruit and retain talent, I want to be clear that compensation is not an exclusive consideration. But I cannot ignore its impact. In recent times, DER recruitments regularly resulted in fewer applicants, and the need to exhaust, abolish and restart recruitments to establish new eligible lists more frequently. Vacancy rates have been discussed extensively over the past few years, specifically in areas of DPW where vacancy rates were over 25%, and there were challenges to providing our residents with needed services. In response, the City has spent the past two years aggressively reviewing position titles and bringing our positions to market. DPW has seen immediate returns on the City's investment, including reduced needs for overtime, less burnout, and greater service levels. DPW's Operator Driver Worker position currently has 36 vacancies; DPW hasn't seen fewer than 70 vacancies in over 5 years. In addition to boosts in employee morale and engagement, it should be noted that there has been a substantial increase in requests for reinstatement. In 2021, there were 34 requests. In 2022, there were 49 requests, and in 2023, we received 90 requests for reinstatement. Additionally, I would like to note that we processed nearly 11,500 applications in 2023, a 30% jump from the previous year.

What can we expect moving forward?

A 'check-in document' for accountability was created to encourage communication and progress. While this check-in document is designed to promote accountability, I, this administration, and many of my colleagues embrace this opportunity to work with City Alders. This is an opportunity to build and strengthen relationships between Department Heads and Alderpersons. As alders, you represent your constituents and are the eyes, ears, and voices of the folks we serve. Each of you is charged with representing nearly 40,000 city residents, and good communication is vital to ensuring we're meeting the needs of our residents. The 'check-in' process centers on a few key questions: What are my department and I doing well? Where are the areas for improvement? And, finally, how can alders support our work moving forward?

I'll always promote fair compensation, and paying employees appropriately for the work they are performing. Beyond more engaged employees, stability, and continuity, we should expect more efficient operations and improved City services. Without appropriate compensation, we found numerous applicants accepting City positions for the experience, but then leaving to pursue opportunities elsewhere within short periods. The City of Milwaukee is a major U.S. City, and should never be seen or thought of as a 'training ground' for future successes. The approval of these recommendations helps us move past being a stepping stone for other opportunities, and instead a choice destination. Thank you very much.