



Department of Employee Relations

November 18, 2011

Tom Barrett
Mayor

Maria Monteagudo
Director

Michael Brady
Employee Benefits Director

Troy Hamblin
Labor Negotiator

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

Dear Committee Members:

This report recommends amending the Salary Ordinance to establish rates of pay for the elected offices of City Treasurer, Comptroller, and City Attorney for the term commencing in April of 2012.

With the retirements of Milwaukee's City Treasurer and Comptroller it is recommended that the Common Council evaluate and make a determination as to what the compensation should be for those offices for the term commencing in April of 2012. If no change is made before the term, the new incumbents will be paid the rates paid to the predecessors per current provisions of the Salary Ordinance. This report also establishes a compensation level for the City Attorney for the term commencing in April of 2012.

Additional changes to the 2012 Salary Ordinance will be recommended as a result of the expiration of the majority of our collective bargaining agreements per Wisconsin Act 10. The recommended changes will include restructuring the Salary Ordinance and pay plans for 2012, including the creation of a separate pay plan for elected officials. A report recommending those changes will be forwarded to the Finance and Personnel Committee at the December 14th meeting.

Background and Legal Framework

Provisions from the Salary Ordinance establish the framework for current compensation levels for the offices of City Treasurer, Comptroller, and City Attorney. Within the Management Pay Plan the offices of the Comptroller and the City Treasurer are assigned to Salary Grade 017 and the office of the City Attorney is assigned to Salary Grade 019. The following table summarizes the ranges associated with those salary grades and the current salaries of those elected officials.

<i>City Attorney</i>	<i>SG 019, \$115,085 - \$161,113</i>	<i>Current Salary \$ 147,335</i>
<i>Comptroller</i>	<i>SG 017, \$101,293 - \$141,815</i>	<i>Current Salary \$ 141,815</i>
<i>City Treasurer</i>	<i>SG 017, \$101,293 - \$141,815</i>	<i>Current Salary \$ 141,815</i>

All incumbents, except for the City Attorney, are currently paid at the maximum of their respective salary grade. The City Attorney's rate is limited due to the provision in the Salary Ordinance which states "In no case shall the salary of any City official exceed that of the Mayor".

Pay progression to the maximum of the respective salary grades was allowed per Salary Ordinance provisions in place since before some of the current incumbents were elected to office.

Examples of such provisions from 1988 (year when the City's Management Pay Plan was implemented), 1995 (year when Management Pay Plan ranges were converted from open ranges to steps) and 2008 are presented below:

1988 - *"Salary adjustments for Comptroller, City Attorney, Municipal Judges, City Treasurer and City Clerk. These individuals shall receive an annual percentage increase equal to the average (arithmetic mean) percentage increase granted to all non-elected positions in the same pay grade. The increases granted for these officials will be calculated on Pay Period 1 1989, and on each succeeding year based upon the number of pay periods in the preceding year (26 or 27, whichever is applicable) and made retroactive to their annual salary anniversary date. These individuals shall receive an annual salary increase on their anniversary date equal to the percentage amount budgeted for management merit adjustments in their respective departments in those years when there are no incumbents in their respective pay grades eligible for merit adjustments. These adjustments shall begin in 1988 and occur in each succeeding year thereafter, provided that the individual is otherwise eligible."*

1995 - *"Comptroller, City Attorney, Municipal Judges, City Treasurer, and City Clerk: These individuals shall receive an increment on their salary anniversary pay period. These adjustments shall begin in 1995 and occur in each succeeding year thereafter, provided that the individual is otherwise eligible."*

2008 - *"Comptroller, City Attorney, Municipal Judges, City Treasurer, and City Clerk: These individuals shall receive a 3.1% increase on their salary anniversary pay period up to the maximum of their salary grade. These adjustments shall begin in 1995 and occur in each succeeding year thereafter, provided that the individual is otherwise eligible."*

Note: the 2011 rates for these elected officials were frozen at 2008 rates of pay by Council action.

Analysis

A change to the current provisions of the Salary Ordinance is needed to establish the rates of pay for the new term of office beginning in April of 2012. If no change is approved, the rates of pay for the newly elected officials will be the rates of pay currently in place for incumbents, two of which are retiring before the end of 2011.

The current rate of pay for the offices of City Treasurer and Comptroller represent the maximum of the salary grade those positions were assigned to when the City's Management Pay Plan was implemented in 1988. The rate of pay for the City Attorney represents the maximum rate of pay allowable given the cap established by the Mayor's salary. These rates were achieved by the current incumbents based on pay progression practices related to management employees. Over the years, these practices took into consideration years of service and merit or performance based increases allowed under the applicable ordinances.

The new compensation rates for these elected offices, for the term starting in April of 2012, should take into consideration the following factors:

- (1) The rates achieved by the current elected officials are not meant to represent the rates established for the office and future elected officials.
- (2) Pay practices for elected officials should not mirror pay practices for appointed individuals who are typically eligible for salary adjustments based on years of service and/or performance. Rates of pay and compensation levels for such officials should be established

separately and should not assume a lifetime career in that office. Salary changes should be established by Council action for each four year term of office.

- (3) The rates of pay established for these offices should fairly compensate for the work and responsibilities of the office and should serve to attract qualified individuals to public service. However, while the established rate should consider appropriate labor market comparables when available, the salary, in and of itself, should not become the incentive for seeking public office.
- (4) The compensation level should take into account internal equity considerations, such as:
 - Is the salary appropriate in relation to the duties and responsibilities of the office?
 - Is the salary appropriate in comparison to the rate and responsibilities of other elected officials within the municipality?
- (5) The rate of pay for an elected official who functions as the head of a City department should take into consideration compensation levels of non-exempt individuals reporting directly to that official to avoid or minimize pay compression problems.

Recommendations

1. Create a separate section in the Salary Ordinance establishing the rates of pay for all Elected Officials including the Offices of City Attorney, Comptroller, and City Treasurer. This separate section would be included in the 2012 Salary Ordinance to be submitted for Common Council approval in December. The 2012 Salary Ordinance will also include recommendations regarding the rates of pay for Municipal Judges. (*Chapter 755 of the Wisconsin state statutes establishes the terms under which the Council can adjust salaries for Municipal Judges*).
2. Establish one compensation rate for each of the offices of City Attorney, Comptroller, and City Treasurer for the duration of the term commencing in April of 2012.
3. City Treasurer- The rate of pay for this office, beginning in April of 2012, will be \$4,386.14 biweekly (\$114,040 annually) per Council File # 110762. This file reassigned the City Treasurer from Salary Grade 017 to Salary Grade 016 and established the midpoint of Salary Grade 016 as the new rate. (Note: the same Council file reallocated the Deputy City Treasurer position from Salary Grade 015 to Salary Grade 014).
4. City Comptroller- The rate of pay for this office, beginning in April of 2012, is recommended to be \$4,831.04 biweekly (\$125,607 annually). This rate takes into consideration the current compensation level of the highest paid non-exempt manager in that Office at \$4,367.86 biweekly (\$113,564 annually) and the recommended rates for other elected officials serving as Department Heads in the City of Milwaukee.
5. City Attorney – The rate of pay for this office, beginning in April of 2012, is recommended to be \$5,666.75 biweekly (\$147,335.50 annually). This rate is the current rate of pay for the incumbent and represents the maximum allowed given the Mayor's salary of \$5,666.76 biweekly (\$147,335.76 annually).

In order to implement these recommendations, it will be necessary to amend the Salary Ordinance as presented below:

Under Part II, Section 12 e (7) of the Salary Ordinance, delete the following language:

These individuals shall receive a 3.1% increase on their salary anniversary pay period up to the maximum of the salary grade. These adjustments shall begin in 1995 and occur in each succeeding year thereafter, provided that the individual is otherwise eligible.

Under the same section, add the following language:

The rate of pay for the City Treasurer for the term commencing in April of 2012 shall be \$4,386.14 biweekly (\$114,040 annually). The rate of pay for the Comptroller for the term commencing in April of 2012 shall be \$4,831.04 biweekly (\$125,607 annually). The rate of pay for the City Attorney for the term commencing in April of 2012 shall be \$5,666.75 biweekly (\$147,335.50 annually).

Sincerely,

Maria Monteagudo

Maria Monteagudo
Employee Relations Director