



CITY ADMINISTRATOR

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To: Human Resources Committee
From: Kevin Lahner, City Administrator
Copy: Shawn Reilly, Mayor
Donna Whalen, Human Resources Manager

Re: Restoring 2015 Step Increases for Impacted City Employees

On November 19, 2014 the Human Resources Committee voted unanimously to approve discontinuing "Contractual pay practices related to "wages" for the following bargaining units, effective January 1, 2015: Streets & Parks, Wastewater Treatment Plant, Cemetery, Library, Building Inspectors, Dispatchers, Office and Professional, and Engineers and Technicians." The item was subsequently approved by the City Council on December 2, 2014.

One aspect of the pay practices that impacts 32 city employees is utilization of step increases for various personnel. Typically applied at the beginning of their tenure with the City, the step increases provide for increases in salary based upon their term of service. The Common Council decision from December, 2014 was interpreted to include the elimination of the step increases for these 32 employees. Conversely, the City's adopted budget accounted for the inclusion of the step increases for these employees. It is my understanding that the City's Department Directors believed that the step increases would be in place throughout 2015, and that the Common Council action on December 2, 2014 did not apply to the issue of the step increases.

Additionally, the impacted employees were not informed the step increases would be eliminated as a result of the policy decision. Those impacted employees have either discovered that the increase was not applied, effective January 1, 2015 or are expecting the step increase to apply to their wages at the appropriate time this year per their previous understanding of the City's pay policy.

As you are aware, the City is currently conducting a compensation study for most City Employees. The results of the study are not complete, nor has a recommendation been made for the application of a new pay plan. It is expected that the study will be complete early this year and that a recommendation for a new pay policy will be ready for City Council consideration in 2015, with an effective date of January 1, 2016. It is expected that the new policy will be designed to address market competitiveness, internal equity and pay advancement issues. Once adopted, employees will be fully informed of the new policy and will be provided with information about their salary and how they will be able to advance through the pay plan.

The total cost for reinstating the step increases for 2015 is \$36,920. The amount is already budgeted in the 2015 annual budget.

I respectfully request the Human Resources Committee recommend to the Common Council the 2015 step increases be restored for the current fiscal year.

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