



Administrative/Fiscal Note



Part I.

Date:	File/Resolution Number:
<i>Updated 4/6/20107 (originally submitted on 1/31/2017)</i>	Original: <input type="radio"/> Substitute: <input checked="" type="radio"/>
Title:	
<i>Implementation Costs (Change in Employee Pay) - Classification and Compensation Study Recommendations</i>	
Submitted By (Name, Title, Department, Ext.)	
<i>Peggy Steeno, Finance Director, Finance Department, Phone 302-8252</i>	
Description:	
<i>This fiscal note outlines the costs to implement the recommendations for change in conjunction with the recently completed Compensation and Classification Study.</i>	
Mandate:	Sunset?
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (attach documentation)	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes – term?

Part II.

This file (check all that apply):	
<input type="checkbox"/> Increases previously authorized expenditures	<input type="checkbox"/> Decreases previously authorized expenditures
<input type="checkbox"/> Increases city services	<input type="checkbox"/> Decreases city services
<input type="checkbox"/> Increases revenue	<input type="checkbox"/> Decreases revenue

Part III.

Purpose	Specify type/use	Expenditure	Costs Avoided	Ongoing	1-3 yrs	3-5 yrs
Salaries/Wages	<i>Implementation Cost – Movement to established steps - Estimate</i>	<i>\$49,400</i>	\$	Yes		
Fringe Benefits	<i>Social Security / WRS / Workers Comp – Estimate</i>	<i>\$9,800</i>	\$	Yes		
Supplies/Materials		\$	\$			
Equipment		\$	\$			
Services		\$	\$			
Other	<i>Reduced overtime estimate</i>	\$	<i>(\$115,000)</i>	Yes		

Assumptions used in arriving at fiscal estimate:

- Assumes an implementation date of 6/1/2017.
- Costs are for implementation of pay plan only (increase in employee pay from 6/1/2017-12/31/2017). Annualized amount for 2017 would be approximately \$101,500 (Salaries/Wages and Benefits).
- Recommended change to substantially reduce overtime paid to FLSA exempt employees is expected to save the City approximately \$115,000 annually.
- Recommended change to pay non-exempt positions an overtime rate only for greater than 40 hours 'worked' per week, rather than for greater than 40 hours in 'paid status' per week (with the exception of emergency work which will continue to be paid at an overtime rate) is expected to reduce overtime paid out, however the savings amount has not been determined.
- Cost details above include 12 positions that are currently lower than the positions' recommended pay ranges, and 75 positions that are between the minimum pay and control point established for the position.

Part IV.

Revenue Source:
<input type="checkbox"/> Department Account # _____
<input type="checkbox"/> Grants <input type="checkbox"/> Matching <input type="checkbox"/> Fees <input type="checkbox"/> TIF <input type="checkbox"/> Contingent Fund
<input checked="" type="checkbox"/> Other, list: <i>Included in 2017 Budget - \$300,000</i>

Part V.

Impacts
Does this impact citizens or businesses in the City? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes – Describe impact: <i>Because salary/wages/benefits impact the Budget, and the Budget is substantially funded by property taxes, there is an impact on citizens and businesses in the City per the costing on the previous page.</i>
Does this impact employees or operations? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes – Describe impact: <i>There are 87 employees who are slated to have their pay increased due to the implementation of the new pay structure; 12 employees paid an amount lower than the proposed pay schedule minimums and 75 employees who are in between steps, from the minimum to the control point, that will go to the next step that provides an increase. The next effect of these increases is approximately \$59,000 in 2017 (7 months), and approximately \$101,500 annually according to the current pay schedule in 2017. In addition, based on overtime earned/paid in 2016, approximately 73 exempt employees and 194 non-exempt employees may/will have their overtime reduced.</i>
What are the goals?
<i>The goals of the new pay structure implementation include: (1) ensuring that each position is paid based on the specific duties/responsibilities it is responsible for, (2) aligning the City of West Allis to market rates (public/private sector comparisons used), and (3) correcting internal equity issues that currently exist within the organization.</i>
What are the performance criteria?
<i>The implementation of the new pay structure is not based on performance criteria; however future pay increases for non-represented positions in the 'High Performance Zone' will be dependent on setting and reaching measurable and attainable goals.</i>
Describe Timetable:
<i>Staff is recommending an implementation date of June 1, 2017 for the new pay structure to be effective. The development of a new performance management system, a formal review of the post-retirement benefits, and research related to a PTO (Paid Time Off) Structure in lieu of traditional leave accruals will be completed in the upcoming months/year.</i>
Miscellaneous
Does this require new positions? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, how many?
Information Technology resources needed? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes – describe:

Part VI.

Performance Measurement Review Requested by committee or Common Council? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Timeline for review: _____