2012 Recommended Benefit Changes
Department of Employee Relations
City of Milwaukee

October 5, 2011
Background

- Implications of Wisconsin Act 10
  - Expiration of CBA’s
  - Rewrite of Chapter 350, codifying benefits available to city employees
  - Civil Service Rules – Workplace Safety Grievance Procedure
  - Creation of a Disciplinary Grievance Procedure for certain paid suspensions
Goals

- Eliminate MCO references to bargaining unit benefits where applicable
- Create uniform benefits for general city employees
- Increase efficiency in benefit administration practices
- Establish authority for benefits in the MCO
- Implement fiscally responsible HR practices
- Promote ongoing budget and benefit sustainability
Benefits Impacted by Recommended Changes

- Overtime
- Sick Leave Accrual and SLICP
- Vacation Accrual and Vacation Payout
- MGMT Terminal Leave
- Injury Pay
- Mileage Reimbursement
- Uniform and Clothing Allowances
- On-call Pay
- Shift Differential
Other Benefit Changes

- Expand unpaid educational leave policies available to managers to all general city employees.
- Authorize the payment of OT at 1.5X for work performed on a Holiday by eligible employees.
- Expand accrued time off donor program to all employees
- Expand access to tuition reimbursement benefits for membership dues, licenses, and certifications
- Life Insurance
# Overtime and FLSA

**Recommendation:**

*Eliminate OT practices as they exist in CBAs and shift to FLSA requirements.*

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<thead>
<tr>
<th>OT Issue</th>
<th>Current Benefit</th>
<th>Recommendation</th>
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| Positions eligible for OT             | Some city positions that are not eligible for OT under FLSA receive the benefit per CBA provisions. | ▪ Eliminate overtime pay for positions classified as exempt from OT provisions under the law.  
▪ Anticipate the most significant impact will be in professional positions performing work requiring “advanced knowledge”. Examples may include: registered nurses, accountants, engineers, and scientists. |
| Hours of work Definition              | Normal work day: 8 hours  
Normal work week: 5 days.  
Hours **paid** in excess of 8 OR work performed outside regularly scheduled work shift triggers OT liability. Paid time off counts towards the 40 hr threshold for OT. | ▪ Hours in excess of 8 in one day will not trigger OT unless hours **worked** during a workweek exceed 40.  
▪ Paid time off will not count towards 40 hr threshold.  
▪ Work performed outside of regular schedule will trigger OT only if employee **works** more than 40 hours in a week. |
| Overtime Compensation Rate            | 1.5X or 1.56X for time **paid** in excess of 8 hrs per day or 40 hours in a week | 1.5X for time **worked** in excess of 40 in a work week |

| Comp vs Cash                          | In some cases the determination of comp time or cash is at the discretion of the employee. | Determination of comp time or cash will be at the discretion of Department Head |

| Special OT Compensation               | Continuous time worked in excess of 12 hrs - .25 added to base salary.  
Non scheduled OT hrs worked on Sunday or Holiday at 1.75X | Eliminate  
Work performed on a Holiday will classify as OT at 1.5X |
## Sick Leave and SLICP

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| **Sick Leave**
Avg. 8.6 days used per general city union employee/year
Avg. 4.9 days used per non-rep. & mgt. employee/year | Management: 12 Days
Union: 15 Days
6 mos waiting period for usage
Sick Leave Accrual 960 Hours Max
SLICP program: employees receive extra vacation day or pay every 4 mos if no sick leave is taken Approximate Annual Cost:
Cash pay out: $699,885
Time off Cost: $$802,844 | 12 Days for both Management and Union
Eliminate 6 mos waiting period
No change
Eliminate SLICP program |
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<tr>
<td><strong>Accrual System</strong></td>
<td>Vacation is earned on a monthly basis with full vacation benefit earned in 10 months of work</td>
<td>Vacation is earned based on time on the payroll. It takes 26 pay periods to earn annual vacation benefit.</td>
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<td><strong>Carryover</strong></td>
<td>Carryover is limited to 1 week and must be used by the end of March of the following year.</td>
<td>No cap on carryover. Accrual stops after employee has reached max accrual balance for years of service + 80 hrs.</td>
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<td><strong>Waiting period</strong></td>
<td>6 mos waiting period for usage</td>
<td>Access to accrued vacation immediately</td>
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<tr>
<td><strong>Max benefit</strong></td>
<td>6 Week Maximum per year for employees with at least 22 years of creditable service</td>
<td>6.43 Weeks for employees who have completed 21 years of active service</td>
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<td>Require vacation payout at time of separation.</td>
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Terminal Leave for Management Employees

- **Current Benefit for Management Employees:**
  - Applies to those who retire from active service, excluding deferred or actuarially reduced pensions.
  - Management: Payment equal to 30% of accumulated and unused sick leave plus ½ of the sick leave days accumulated during previous 12 mos of service—up to 6 additional days (Max 42 days)
  - Union Employees: Payment equivalent to 30 days of earned and unused sick leave (Max 30 days)

**Recommendation:**
- Decrease maximum days for managers to 30 (same as other employee groups)
- Estimated savings: $120,000 (assumes 37 retirements and hourly rate of $33 per hour)
Injury Pay

- **Current Benefit:**
  - Non probationary employees receive injury pay benefit of 70% or 80% of salary tax free per contract provisions
    - Under State Law: 66.7% TTD (temporary total disability) tax free
  - Current lifetime City cap set at 2080 hours or 250 days for entire employment period
  - Employees receive injury pay starting with the first day of missed work
    - TTD payments are not available for the first 3 days of absence. If the absence extends beyond 4 days coverage is available for fourth day. If the absence extends beyond 7 days coverage is retro to the first day.

- **Recommendation:**
  - Restructure injury pay benefit to mirror requirements under the law and create incentive for expedited return to work
Mileage Reimbursement

Current benefit
- Base amount of $75 per month (greater for grandfathered employees) or IRS rate per miles driven whichever is greater

Recommendation
- Eliminate all base amounts and implement IRS mileage reimbursement rate for actual miles driven.
- Approximate Savings: $41,000
Uniform/Uniform Allowance

- **Current Benefit**
  - Varies by Department and position
  - Benefit (items and $ amount specified in the contracts)

- **Recommendation:**
  - Eliminate uniform allowances
  - Uniform requirements to be determined by the Dept Heads based on operational needs.
  - Approximate Savings $34,000
Current Benefit

Varies by department and type of position. Examples

- $40 for Water Plant Operators, $50 Forestry Laborers, $100 for Meter Readers
- $75 for Property Appraisers, DNS Inspectors, Port maintenance employees, Health Inspectors, Clinic Assistants, etc.

Recommendation

- Eliminate
- Approximate Savings: $150,000
On Call Pay

- **Current Benefit**
  - Varies by union group

- **Recommendation**
  - Employees required by a department to be on call during non-working hours shall be paid $15 per 24-hour weekday period and $36 per 24-hour weekend period. If employees are required to be on-call for a period less than 24 hours, the amounts shall be prorated.
Shift Differential

- **Current Benefit**
  - 1\(^{st}\) shift 7:00 am to 3:00pm
  - 2\(^{nd}\) shift 3:00 pm to 11:00pm $.40 per hour
  - 3\(^{rd}\) shift 11:00 pm to 7:00am $.45 per hour
  - In order to be eligible for 2\(^{nd}\) or 3\(^{rd}\) shift premiums, employee has to work not less than 4 hours in either the 2\(^{nd}\) or 3\(^{rd}\) shift. The entire shift will be compensated for at the shift differential rate.

- **Recommendation**
  - To be eligible for differential rate of $.45 employee has to work no less than 4 hours within 6:00pm and 4:00 am.
Disciplinary Grievance Procedure for Unpaid Suspensions

- Not Required Under Act 10 but recommended as a good HR practice

- Allows non probationary regularly appointed employees to grieve unpaid suspensions of 1 to 15 days.

- These suspensions are not subject to the appeals procedures under Wisconsin state statutes and the rules of the Commission.

- The Procedure is to be administered by DER and will include a final independent review of the circumstances of the grievance and authority to determine if the discipline should be affirmed, reduced or set aside.
Unpaid Educational Leave Policy

Current benefit
- Only available to mgmt employees
- 5 years of service—eligible for 1 mos
- 10 years of service—eligible for 2 mos
- Approval is at the discretion of DH
- City continues to pay for health, dental, and life insurance benefits
- Reinstatement rights to original position
- Cannot be granted to pursue other paid employment

Recommendation
- Expand the benefit to all employees
Accrued time off Donor Program

Current Benefit
- Only available to protective service employees because they did not agree to LTD benefits in bargaining
- Only vacation, 09 days or comptime can be donated when employee suffering from catastrophic illness runs out of paid time off
- General city employees have LTD benefits
- Cap of 2080 donated hours

Recommendation
- Expand Program to all employees
- Provide LTD benefits to ALEASP members
Current benefit
- Varies by employee group and classification
- The general amount is $1200 per year and restrictions exist as to usage of funds for certifications, licenses, exams, and professional membership dues

Recommendation
- Maintain $1200 benefit amount for general city
- Allow all non-sworn employees access to 50% of the amount for membership dues reimbursement, licenses, and/or certifications that are related to their job or a reasonable promotional opportunity.
Free Life Insurance—varies by employee group

- Attorneys: $50,000
- Management, elected officials, TEAM: $35,000
- Local 61: $32,000
- DC 48, NMNR, Nurses, Local 494: $30,000
- Bldg and Construction Trades: $25,000

Recommendation

- Create uniform benefit (may result in marginal cost)
- Consider greater alternatives to supplemental insurance at the discretion of the employee