

City of Minneapolis

Request for Committee Action

To: Executive Committee
Date: 4/6/2016
Referral: Ways & Means
From: Pam Nelms
Lead Staff: City of Minneapolis
Presented by: Timothy Giles, Director Employee Services
File Type: Action
Subcategory: Employees

Subject:
2016 Politically Appointed Compensation Plan

Description:

1. Adopting a seven-step salary structure for each job title that currently has a four-step structure.
 2. Adopting a two-step salary structure for each job title that currently has a single-step structure.
 3. Approving a conversion schedule that creates a new top step 2% + \$100 above all current top-step rates for all positions effective at the end of the day on Dec. 31, 2015, and transition employees effective at the end of the day on Dec. 31, 2015.
 4. Approving an increase of 1% to all compensation-step rates, including longevity, on January 1, 2016.
 5. Authorizing annual step movement, subject to supervisory approval.
-

Background/Analysis:
The Politically Appointed Employees' Compensation Plan

Except for the titles Executive Assistant to the Mayor and Mayor's Administrative Deputy, the politically-appointed employee's compensation structure was established in 1995 to mirror the four-step, six-years-to-max salary structure developed at the same time for the other appointed employee group, our appointed officials. The titles Executive Assistant to the Mayor and Mayor's Administrative Deputy had a single step. The structure did not provide for annual step movement and did not have evenly-increasing step rates. Recently the Minneapolis City Council approved the appointed officials' salary structure change to the annual step progression following a satisfactory performance review. We are recommending similar changes to the structure of the politically appointed employees' salary schedule, except for the titles Executive Assistant to the Mayor and Mayor's Administrative Deputy where we are recommending a two-step schedule.

Features of the new seven-step schedule structure:

- Maintains the existing, "six-years-to-max" salary schedule feature.
- Establishes an annual step system with 2% increments.

- Enables annual step advancement authorized by the supervisor. We believe this creates a consistent and more easily understood compensation plan that recognizes growth in the job over time, and more immediately recognizes and rewards satisfactory performance.
- Improves compensation communications and reduces the administrative challenges due to the asymmetrical structure currently in use.

The new schedules will be developed as follows:

Effective 12/31/2015:

- A new seven-step salary schedule will be created as shown below.

Step 1	Step 2 less 2%
Step 2	Step 3 less 2%
Step 3	Step 4 less 2%
Step 4	Step 5 less 2%
Step 5	Step 6 less 2%
Step 6	Step 7 less 2%
Step 7	2015 Step "D" rate plus 2% plus \$100

- A new two-step schedule will be created for the titles Executive Assistant to the Mayor and Mayor's Administrative Deputy by adding a new top step 2% plus \$100 dollars above the old step.

Employees will transition to the new salary structures as follows:

- For employees currently in jobs with a four-step structure:
 - Old step "A" -> new step "3".
 - Old step "B" -> new step "4".
 - Old step "C" -> new step "5".
 - Old step "D" -> new step "6".
- For employees currently in jobs with a single - step structure:
 - Old step "A" -> new step "1".
- Approve an increase of 1% to both the seven-step and two-step salary schedules on January 1, 2016.
- Approve an increase of 1% to the longevity rates on January 1, 2016.
- Allow step movement for all employees annually on the anniversary of their job entry date, provided approval from their supervisor.

Financial Review:

No additional appropriation required, amount included in current budget. Overall Cost of Recommendation for 2016: As of December 31, 2015, there were 36 politically-appointed employees, with annualized salary expenditure of \$2,344,090. The total cost of the recommendation for 2016 for this group is \$2,418,199. The above recommendation, inclusive of the one-time structural change to the salary schedule and step movement, has a total cost increase for 2016 that is approximately \$15,500 above the 2.5% allocation, for the group.