



MEMORANDUM

To: Members of the Personnel Committee
From: Peggy Steeno, ^{ps}Administrative Services Director
Date: February 17, 2014
RE: Police Administration Pay Structure for 2014

BACKGROUND

During the 2014 Budget Hearings, Chief Styka presented information on the wage/salary compression issues that exist between the officers and supervisors in the Police Department. A conceptual program was presented at that time to address the issues, and funds for the program were included in the 2014 budget that was passed by the Council.

This same issue existed approximately ten years ago, which prompted a pay grid system to be developed for the Patrol Lieutenants at that time (see attached FIGURE 1). In that system, the established range had promotional Lieutenants being paid at a rate of 10% above top level Patrol Officers and the most senior Lieutenants (twenty years of service) being paid at a rate of 20% above top level Patrol Officers. There were a total of eight steps in this grid. At that time, it was decided that the Investigative Lieutenant, Operations Lieutenant (now identified as an Operations Captain), and Chief would all remain on the City non-represented employee pay grid.

Over the past several years, the pay plan that provided for a separation between supervisors and officers has eroded due to the difference in union versus non-union pay increases (as illustrated in the attached FIGURE 2). If this is not corrected / changed, by the end of 2014, the situation will be the same as it was ten years ago, and an officer working at the top level will be earning, based on regular wages/salaries only, more than an officer who gets promoted to Patrol Lieutenant. This type of situation would be detrimental to the hierarchical structure of the Police Department, and work against having a productive management structure in place.

ANALYSIS

Since the 2014 budget was adopted, staff, along with Alderman Englebert, the Personnel Committee Chair, Alderman Langdon, the Personnel Committee Vice-Chair, and the Mayor, has analyzed this issue further. As part of this analysis, the pay plans for several municipalities, both size comparables and geographic comparables, have been reviewed in detail.

The pay structure that is currently being proposed addresses the Patrol Lieutenant positions as well as the exempt positions of Investigative Lieutenant, Operations Captain, and Police Chief. Under the proposal, the Patrol Lieutenant positions would be placed into a three step grid in which a promotional Patrol Lieutenant would be compensated at a rate of 5% above a top level Patrol Officer's standard pay. A Patrol Lieutenant would then move to 7.5% above a top level Patrol Officer after three years in the position, and finally move to 10% above a top level Patrol Officer after six years in the position. Maintaining a separation of 10% between a supervisor and the employees he/she supervises is standard in governmental entities, and is, in fact, conservative when comparing the pay of eleven different Police Departments in the Fox Valley area. The 10% separation is a fair and equitable separation that allows the City to maintain the integrity of the hierarchical structure of the Police Department and enables the department to continue to attract both internal and external applicants for supervisory positions.

The pay compression issues have also impacted the exempt positions of: (1) the Investigative Lieutenant, (2) the Operations Captain, and (3) the Police Chief.

1. Investigative Lieutenant - Under the current system, a Patrol Lieutenant with six or more years of experience earns more than the Investigative Lieutenant even though the job duties and expectations of the Investigative Lieutenant are greater than that of a Patrol Lieutenant. It is the recommendation that this position be placed at 5% above where the incumbent would be placed in the Patrol Lieutenant pay grid. For example, if a Patrol Lieutenant with five years experience in that position moves into the Investigative Lieutenant position, he/she would be placed at 12.5% above top level Patrol Officer pay.
2. Operations Captain - To recognize the additional duties of the Operations Captain (who acts as second in command to the Police Chief) over and above the duties of the Investigative and Patrol Lieutenants, this position would be placed in a step on the City non-represented pay grid that is equivalent to 10% above where he/she would fall in the Patrol Lieutenant pay grid.
3. Police Chief - For the Chief's position, it is currently not in line with the wages/salaries of the employees he supervises, nor is it in line with the geographic and similar size comparisons of other governmental entities. Moving the Chief position up one pay grade in the City's non-represented pay grid will solve both of these issues.

FISCAL IMPACT

The fiscal impact of the changes set forth above equates to approximately \$11,000 in 2014. A sufficient amount of funds have been budgeted in the approved 2014 Budget to cover these recommended changes. Further, to avoid any employee receiving a one large one-time adjustment, it is suggested that the recommendations be phased in as outlined in the following recommendation.

RECOMMENDATION

Staff is requesting that the Personnel Committee approve the following five recommendations regarding a new pay structure for the Police Department supervisory staff to be implemented immediately after passage by the Committee and the Common Council.

1. Create a new pay grid for the Patrol Lieutenant and Investigative Lieutenant positions, and the Operations Captain and Chief will remain on the City non-represented pay grid.
2. Patrol Lieutenant wages will be maintained at a level that is at least 5%, but not more than 10%, higher than the top level Patrol Officer wages. There will be a 3-step progression depending on the incumbent's progression in the Lieutenant position (0-3 year Lieutenants = 5%, 3-6 year Lieutenants = 7.5%, and greater than 6 year Lieutenants = 10%).
3. The Investigative Lieutenant salary will be maintained at a level that is 5% higher than the level of the incumbent if he/she were in the position of Patrol Lieutenant.
4. The Operations Captain salary will be advanced to Step 11 (up from Step 9) in the position's current pay grade on the City non-represented pay grid, which is the equivalent of 10% above where he/she would fall in the Patrol Lieutenant pay grid.
5. The Police Chief position will be elevated from a 'Grade 4' to a 'Grade 3' on the City's non-represented pay grid, maintaining the incumbent's current level of Step 11.

Implementation Guidelines:

- ⊙ The least senior Lieutenants will move to 3% above top level Officer pay upon approval, and then to 5% above top level Officer pay in the first pay period after 7/1/13.
- ⊙ The mid-level Patrol Lieutenants (3-6 years experience in the position) will move to 6.5% above top level Officer pay upon approval, and then to 7.5% above top level Officer pay in the first pay period after 7/1/13.
- ⊙ The top level Patrol Lieutenants' pay is currently just over 10% above top level Officer pay; therefore, the Patrol Lieutenants will become part of this pay plan in late 2014 when their wages fall below the 10% separation level desired between the top level Lieutenant pay and the top level Officer pay.
- ⊙ All sworn employees will continue to receive the 1% vest pay incentive as long as this remains in the Union contract.
- ⊙ All of the initial pay adjustments will be effective in the first pay period after approval.

Figure 1

Time	Original 2005	2013 % Over Patrol	End 2014 % Over Patrol	Proposed
Promotional	10%	1.2%	-.73%	5%
3 years	11%	2.3%	.27%	7.5%
6 years	13%	4.3%	2.28%	10%
9 years	14%	5.4%	3.3%	10%
10 years	16%	6.4%	4.33	10%
15 years	18.5%	9.1%	6.94%	10%
20 years	20%	11.8%	9.62%	10%

Figure 2



Analysis of Police Chief Salary
February 17, 2014

INTERNAL EQUITY ANALYSIS

	2013 Pay Rate	2014 Currently Established Pay Range	2014 Currently Established Pay Rate	2014 Proposed Lower Pay Range	2014 Proposed Upper Pay Range	Percentage Difference Based on Pay Range	2014 Proposed Pay Rate	Percentage Difference Based on the New Structure
Patrol Officer (Top Level) - End of Year 2014	\$65,940		\$67,944				N/C	
Top Level Patrol Lieutenant	\$73,764	\$67,426 - \$74,502	\$74,502	\$71,341	\$74,738	7.50%	\$71,341-\$74,738	7.50%
Investigative Lieutenant - Special Assignment Pay	\$71,053	\$65,900 - \$80,500	\$71,764	\$74,908	\$78,475	5.00%	Current Contract Employee	5.00%
Operations Captain	\$77,727	\$69,900 - \$85,500	\$78,504	\$69,900	\$85,500	1.32%	\$80,000	5.00%
Chief	\$86,785	\$77,300 - \$94,500	\$87,653	\$79,700	\$97,400	13.96%	\$90,300	12.88%

EXTERNAL EQUITY ANALYSIS

	2013 Pay	Annual Budget	Years of Service	Number of Fulltime Officers
WI Chiefs' Association Survey - 2013				
City of Menasha - Population 17,442	\$86,785	\$4,500,000	2	31
City of Oconomowoc (Size Comparable - 15,800)	\$102,814	\$2,800,000	7	22
City of Menominee (Size Comparable - 16,101)	\$90,000	\$2,300,000	1	27
City of Everest Metro (Size Comparable - 17,876)	\$91,148	\$3,196,461	4.5	25
City of Ashwaubenon (Size Comparable - 18,000)	\$89,926	\$4,000,000	6	50
City of Middleton (Size Comparable - 18,150)	\$101,750	\$4,771,167	9	36
City of Cudahy (Size Comparable - 18,247)	\$87,318	\$4,762,748	5	31
Town of Menasha (Size Comparable - 18,582)/(Geographic Comparable)	\$93,440	\$3,183,785	11	26
Fox Valley Metro (Size Comparable - 21,000)/(Geographic Comparable)	\$92,268	\$3,400,000	4	30
City of Oshkosh (Geographic Comparable)	\$98,963	\$11,525,200	7	72
City of Neenah (Geographic Comparable)	\$87,963	\$6,303,000	4	40
Average of Size Comparables	\$93,583	\$3,551,770	6	31
Average of Geographic Comparables	\$93,158	\$6,102,996	7	42

Non-Represented Salary Range		Updated: 1/16/2014													
Dept.	Position	2014 Grade	1	2	3	4	5	7	9	11	13	15	20	25	
Police	Police Chief	3	79,700	81,400	83,200	85,000	86,700	88,500	89,400	90,300	91,200	92,000	92,900	95,100	97,400
Police	Police Chief	4	77,300	79,900	80,700	82,500	84,200	85,900	86,600	87,600	88,500	89,300	90,200	92,300	94,500
Police	Police Captain	8	69,900	71,500	73,000	74,600	76,100	77,700	78,500	79,300	80,000	80,800	81,600	83,500	85,500

Lieutenant		Pay Range	
Department	Classification	Hiring Range	Effective XX-XX-2014 Beginning 37th Month
Police Dept	Investigative Lieutenant	\$74,908	\$76,692
Police Dept	Patrol Lieutenant	\$71,341	\$73,040
			Beginning 73rd Month
			\$78,475