

**COUNTY OF MILWAUKEE**  
DEPARTMENT OF HUMAN RESOURCES  
INTER-OFFICE COMMUNICATION

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DATE : July 5th, 2017

To : Chairman Theodore Lipscomb Sr., County Board of Supervisors

FROM : Matthew Hanchek, Director of Total Rewards – Department of Human Resources *MH*

SUBJECT: **Informational report from the Director of Total Rewards, Department of Human Resources, regarding compensation policies and procedures following Judge DiMotto's decision (no action required).**

**Issue/Background**

In the July cycle, the Director of Total Rewards provided an informational report on the steps taken following Judge DiMotto's ruling. As stated in file --- , the decision outlined authority as follows:

Establishing pay grades	Board
Reallocations	Board
Placement in and movement through pay grades	Administration
Reclassifications	Administration

In the June cycle, the Compensation Division clarified that with our discretion regarding placement in and movement through pay grades we would focus on the pay range established for an employee's grade, rather than restricting movement to defined steps within the grade. This significantly reduced the need to positively or negatively impact individual employee's rates of pay during the transition of impacted employees to the Board-created grades. We further clarified that our working definition of reallocations vs reclassification is that a reallocation is primarily an issue of the market changing, while a reclassification is primarily an issue of the job itself changing.

Given this background, the Compensation Division has taken, or will be taking the following actions:

- Migrate all non-BHD unclassified employees to board-created grades without regard to steps/prescribed movement through the range, and utilizing the grades assigned as of the 2014 budget as a baseline.
- Identify changes in job duties that have taken place since the board-created pay grade was assigned, and reclassify the positions as appropriate. All non-BHD reclassifications will utilize a board-created grade and be reported on the ongoing informational compensation reports to the Personnel Committee.

- Identify changes in market for all non-BHD positions since the 2014 budget was established, and request reallocations via action items to the Personnel Committee as appropriate.
- Assign a board-created grade to the non-BHD unclassified positions created after the 2014 budget was established.
- Apply the 1% pay increase authorized in the 2017 budget to the board-created ranges, in collaboration with the Comptroller's Office.
- Migrate all non-BHD classified employees to board-created grades without steps.

Many of these steps will be continuous, and ongoing compensation will be managed based on the procedures laid out in the Administrative Manual of Procedures (AMOP). Any deviation to from the procedures in the AMOP will either be reported to the Personnel Committee, or will be submitted to personnel for approval as appropriate.

We received a request from the Comptroller's Office to postpone migrating classified employees away from steps, and temporarily applying steps to the unclassified population. This request is intended to reduce the cost and administrative burden placed on payroll, while a longer term solution to the disagreement between the Board and County Executive can be reached. This is currently being considered, despite the concerns that the Board's action of arbitrarily advancing employees to the next step in a range may create equity and adverse impact issues. There are also concerns that the step increases are creating unbudgeted operating cost increases, specifically approximately \$70,000 of ongoing annual salary obligations, plus any differences resulting from steps for any pay changes requested during this period.

CC: Chris Abele, County Executive  
 Raisa Koltun, Chief of Staff  
 Kerry Mitchell, Chief Human Resources Officer  
 Margaret Daun, Corporation Counsel  
 Peggy Romo-West, Chairwoman, Finance & Audit Committee  
 Jim "Luigi" Schmitt, Chairman, Personnel Committee  
 Kelly Bablitch, Milwaukee County Board of Supervisors Chief of Staff  
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