

City of Wyoming

Employee Compensation Plan

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Introduction

As a local government, the Wyoming City Council and employees have an impact on the quality of life of the citizens of Wyoming. Over the past decade, the City of Wyoming has faced many challenges and opportunities and will continue to as the public sector is tasked with providing service delivery to the public with fewer employees and fewer resources. Because the City primarily provides services, not products, a majority of the City's expenses are related to employee expenses.

The City has five different bargaining units: the Administrative and Supervisory Association, the Wyoming City Employees Union, the Wyoming Fire Fighters Association, the Police Officer Labor Council – Wyoming Division, and the Police Officer Labor Council – Wyoming Command Division. The City also has eleven contract employees. Prior to January of 2011, the City had a Police Officer Labor Council – Emergency Operators bargaining unit. This unit was eliminated as a result of the consolidation in Kent County to two communications centers, with the Grand Rapids Dispatch Center now handling dispatch services for Wyoming.

Historical Efforts in Reduction of Employee Expenses

The primary source for reducing expenditures in the City has come from reducing the size of the work force and reducing compensation and benefits of employees. The City, unions and employees have worked cooperatively over the past decade to make significant changes to employee compensation and benefits, some of which include:

Downsizing of Workforce

- The City's workforce continues to be significantly less than in 2001. In 2001 the City had 460 full time employees; today there are approximately 330 full time employees.
- The City has consolidated jobs, outsourced work and collaborated with other municipalities.

- The City has and continues to evaluate how the organization is structured and how it delivers service. The City entered into agreements with the Police Officers and Firefighters that set the stage for development of a Public Safety Department in Wyoming. The City also entered into agreements with the General City and Administrative and Supervisory bargaining units to train employees in those units as Firefighters.

Benefit Restructuring

- Employees have contributed to their health insurance premium for many years, and since 2011, that contribution has been 20% in compliance with Public Act 152. In addition, co-pays for prescriptions and various medical services, have increased with nearly every contract cycle.
- The City replaced its Defined Benefit (DB) Pension Plan for new hires with a Defined Contribution (DC) Plan that caps annual employer contributions at 8% of base pay. Included in several bargaining unit's agreements is the option for members of those units to switch from the DB Plan to the DC Plan entirely or to freeze their DB benefit and move to the DC Plan for the remainder of their service. As of June 10, 2015, 38% of the City's full-time work force is in the DC Plan.
- Beginning in 2007, the City and Unions agreed to close the DB Medical Plan and implement a Post-Employment Health Plan (PEHP) for new hires. As of June 10, 2015, 32% of the City's full-time work force is in the PEHP.

Wages

- Employees have incurred some wage freezes and reductions over the past decade. More pay steps have been added to the pay ranges to slow the rate at which an employee reaches the top of the pay range. The Wyoming City Employees Union, which represents positions such as traffic, public works, maintenance, clerical and parks and facilities employees, has been on a 38 hour work week since October of 2009. This represents a

5% pay reduction as compared to a 40 hour work week. It is important to note that the City has three bargaining units subject to Act 312 binding arbitration and in a recent Act 312 arbitration, the Arbitrator awarded wages to the Police Non-Supervisory Union at higher amounts than the City was proposing. This resulted in higher wages for the other two Act 312 bargaining units.

- The Administrative and Supervisory Association worked cooperatively with the City to develop a pay for performance system that has been in effect since July 1, 2013. This system ties wages directly to performance, the health of the general fund and the CPI. The system also includes a component for an automatic review and adjustment of wages compared to the market. The review is completed by an independent firm and both private and public sector positions are included in the wage review.
- A clerical analysis was completed in 2013 that resulted in the closing/elimination of 22 job descriptions, the addition of eight new positions with job descriptions that better reflect duties and skill levels required of the positions, and wages that are comparable with both the public and private market.

Current Efforts in Employee Compensation and Benefits

Since the last Compensation Plan was released, the City settled contracts with the Administrative and Supervisory Association and the Police Command bargaining units. The City once again asked for employee concessions during this round of negotiations, including an increased pension contribution for those in the Defined Benefit (DB) Plan and a contribution to retiree health based on years of service for those in the DB Medical Plan.

The City was also in negotiations with the Police Non-Supervisory bargaining unit over this time and although the parties reached many stipulated agreements during the course of negotiations, they were unable to reach agreement on a few issues, two of which were wages and an increased pension contribution. The Police Non-Supervisory Union (POLC Wyoming Division) filed for

arbitration and as a result of the arbitration award; the Arbitrator awarded the wages to the Union and the increased pension contribution to the City.

The following summarizes some of the recent contract changes.

Pension

- The Wyoming City Employees Union and the Administrative and Supervisory Association agreed to a reduction in multiplier from 2.35% to 1.95% for those in the DB Plan.
- The Wyoming City Employees Union will no longer have overtime hours included in the computation of the final average compensation for an employee (effective June 30, 2016).

Health Insurance

- Over the past four years, the City Council has adopted resolutions that affirm the City's compliance with PA 152 and employees will continue to contribute 20% of the premium of their health insurance.
- The City again negotiated an increase in co-pays with the most recent round of contract negotiations. The City will propose this to the Fire and General City bargaining units during their upcoming negotiations.
- During recent negotiations, the Administrative and Supervisory, Police Command and Police Non-Supervisory bargaining units agreed to a contribution to retiree health based on years of service. The City will propose this to the Fire and General City bargaining units during their upcoming negotiations.

Wages

- The City continues to complete market analysis of positions, including reviewing internal and external comparables.

- The City is currently reviewing all maintenance positions. This review will determine what positions are needed and what skill levels are required of each position. This review will also include updated job descriptions and a market analysis of wages.

Other

- The City continues to work cooperatively internally and externally to evaluate service delivery with a goal of providing the citizens with the best value.

Conclusion

The Wyoming City Council and employees are committed to providing the best possible service at the best possible value and work cooperative both internally and externally to do so.

Significant budget limitations in the public sector are the new normal and have, and will continue to affect collective bargaining at the City. Employees have made significant concessions over the past several years and continue to work with the City to address many issues, including employee wages and benefits, to ensure the sustainability of the City.