



## Finance Department

David P. Schmiedicke, City Finance Director

Room 406  
210 Martin Luther King, Jr. Boulevard  
Madison, Wisconsin 53703-3345  
PH 608 266 4671  
FAX 608 267 8705  
TTY/Textnet 866 704 2340  
[finance@cityofmadison.com](mailto:finance@cityofmadison.com)

### MEMORANDUM

**TO:** Mayor Soglin and the Board of Estimates

**FROM:** David Schmiedicke, City Finance Director

**DATE:** January 24, 2013

**RE:** Ordinance 3.54(6)(c)4 – Compensation of Managerial Employees

Ordinance 3.54(6)(c)4 requires the City Finance Director to calculate the maximum amount for salary adjustments for managerial employees. The amount is based upon the estimated percent increase associated with longevity and step increases for all employees combined with the percent increase granted to non-represented employees. The combined percentage is multiplied by the total annual salaries of managerial employees to generate a maximum amount for salary adjustments that can be provided to those employees. For 2013, the percentage increase is 3.1% and the maximum adjustment is \$90,847.

#### Calculations

Of the 2,667 eligible City employees, 500 will receive step increases in 2013. Each step increase averages approximately 4% of base pay.

Of the 2,667 eligible City employees, 683 will receive longevity increases in 2013. Those increases average approximately 1.82% of base pay.

The 2012 total wage base for those 2,667 employees is \$151,549,969. Therefore:

The 2013 step increases are valued at:	\$1,069,513
The 2013 longevity increases are valued at:	<u>665,798</u>
Total value of steps and longevity increases is:	<u>\$1,735,311</u>

The value of these step and longevity increases (\$1,735,411) divided by \$151,549,969 equals 1.1%. The percentage salary increase granted to non-represented employees in Compensation Group 18 for 2012 is 2%.

The total percentage available for 2013 salary adjustments for managerial employees, then, is 3.1%, retroactive to the effective date of the Compensation Group 18 pay increases. The total current salary of managerial employees eligible for an increase is \$2,930,554. The maximum amount for salary adjustments pursuant to the referenced ordinances, therefore, is \$90,847.

cc: Common Council