

TO: Personnel Board

FROM: Mike Lipski  
HR Services Manager

DATE: July 17, 2013

RE: Living Wage salary adjustments for hourly positions represented by AFSCME

The City's collective bargaining agreements with AFSCME Local 60 includes a number of hourly classifications. The wage rate for these classifications is negotiated and identified in the collective-bargaining agreements. Historically, the lowest wage rate for hourly employees has been consistent with Madison's Living Wage ordinance, MGO 4.20. The ordinance states:

The purpose of this ordinance is to improve the quality of services to beneficiaries of City-contracted agencies and to assure that **City employees**, employees of City service contractors and subcontractors, and employees and contractors of recipients of City financial assistance earn an hourly wage that is sufficient to enable a family of four to live at or above the federal poverty level. MGO 4.20(1) [emphasis added]

(11) Collective Bargaining Agreements. This ordinance may be superseded and made inapplicable, in whole or in part, by an expressed declaration to such effect in any signed collective bargaining agreement between a service contractor or a recipient of City financial assistance and a labor organization. MGO 4.20(11)

Because the living wage in 2013 increased at a greater rate (3%) than contractual increases (2%), certain hourly positions in the Local 60 agreements have fallen below the living wage. However, as noted in 4.21(11), a collective bargaining agreement supersedes the living wage ordinance only through an expressed declaration. It was not the intent of either party to the agreement that certain hourly positions be paid lower than the living wage. The Personnel Rules allow for modifications to the compensation plan when existing classifications are inappropriately compensated. Because the parties did not intend to have these hourly classifications fall below living wage, I recommend the hourly classifications listed below be adjusted to the current living wage, effective 1/6/13, the first pay period in the new year, with appropriate backpay for affected individuals. This is consistent with the intent of the parties and demonstrates the City's commitment to living wage. The following table illustrates the affected classifications:

Classification	CG	# of employees	Department	Current Hourly Rate	New Living Wage Rate
Library Page	31	97	Library	\$12.13	\$12.19
Shallow Water Host	16	0	N/A	\$12.09	\$12.19
Attendant	16	96	Parks, MT, Comm Dev.	\$12.09	\$12.19
Event Aide	16	14	IT	\$11.57	\$12.19

It is expected that language will be included in future collective-bargaining agreements to ensure that wages do not fall below the living wage in the future.

The necessary resolution to implement this recommendation has been drafted.

cc: David Schmiedicke—Finance Director  
Greg Leifer-Labor Relations Manager  
Pat Skaleski-Accountant 4 (Payroll Supervisor)