



Staffing Study for the Overture Center

An Analysis of Various Operating Structures for the Overture Center

**HUMAN RESOURCES
DEPARTMENT**

City of Madison

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Our Mission

- ▶ Common Council Comfort Resolution 8/3/2010
 - ▶ The City shall not enter into negotiations with any labor unions representing Overture staff regarding future representation of Overture Center employees or future Overture Center staffing structure until a staffing study, including several potential models and associated costs, has been presented to the Common Council and the Common Council has decided on a future staffing model for the Overture, including but not limited to the status of represented employees. This study will be conducted by city staff in conjunction with an outside organization with expertise in such studies and shall be presented to the Common Council by its first October meeting.
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Our Goals

- ▶ Provide useful and relevant information comparing/contrasting City personnel policies with policies of a non-profit
- ▶ Present several models with various staffing options and projected costs
- ▶ Present facts and avoid subjective arguments, leading assumptions, and recommendations
- ▶ Objective and defensible criteria used for any assumptions, including existing practices at similar facilities



Our Methodology

- ▶ Spoke with representatives from the following agencies:
 - ▶ Fox Cities PAC (Appleton)
 - ▶ Marcus Center for the Arts (Milwaukee)
 - ▶ AMS Planning & Research
 - ▶ National Labor Relations Board
- ▶ Reviewed reports/compensation studies/policies from the following:
 - ▶ AMS Planning & Research
 - ▶ McQueen & Associates
 - ▶ US Department of Labor-Bureau of Labor Statistics
 - ▶ City Ordinances/Personnel Rules/Labor contracts
 - ▶ Non-profit personnel policy manual



Overture Center v. Non-Profit (p. 16)

	Overture Center-As Is	Non-profit model
Budgeted Staff	45.65 permanent FTE (47 employees and 3 additional permanent positions at the 201 State Foundation) supplemented by hourly staff	43.6 permanent FTE (including employees of 201 State Foundation), supplemented by hourly/part-time staff, including all hourly custodians and box office cashiers. Additional professional positions added to support independent facility.



Overture Center v. Non-Profit (p. 16)

	Overture Center-As Is	Non-profit model
Labor Relations	23 permanent staff represented by AFSCME Local 60. Hourly Security Officers, Box Office Cashiers, Custodians, Administrative staff also represented by Local 60. Stagehands represented by IATSE Local 251. WERC jurisdiction.	Initially non-union. Non-profit can set initial terms/conditions of employment. If majority of formerly-represented employees are hired, may be required to recognize Local 60 and IATSE upon request and negotiate future terms/conditions of employment. NLRB jurisdiction.



Overture Center v. Non-Profit (p. 16)

	Overture Center-As Is	Non-profit model
Hiring/Layoff/ Grievance Rules	City Personnel Rules establish Civil Service System for hiring. Personnel Rules govern layoff and grievance process for non-reps. Local 60 agreement governs layoff and grievance process for represented staff. Laid off employees can bump other employees.	Non-profit will be able to create rules for hiring/layoff/grievances to meet the needs of the Overture Center. Rules may be subject to negotiation if unions seek recognition. Non-represented employees likely "at-will."



Overture Center v. Non-Profit (p. 16)

	Overture Center-As Is	Non-profit model
Wages/Benefits	<p>Permanent employee defined as one who works at least .5 FTE—eligible for benefits.</p> <p>Represented hourly employees work less than .5 FTE and have hours capped by contract. Automatically becomes permanent if hours worked exceeds contractual limits.</p> <p>Wages set forth in salary schedules approved by Council (non-reps) or Local 60 contract (represented staff). Longevity provides additional compensation. Employer pays health insurance, WRS contributions, FICA, etc.</p> <p>Most FLSA exempt employees entitled to overtime based on MGO provisions.</p> <p>Benefit Rate Permanent=40.9%</p> <p>Benefit Rate Hourly=11.3%</p>	<p>Permanent employee defined as working at least 30 hours a week—eligible for benefits. No overtime pay if FLSA exempt.</p> <p>Hourly/part-time employee works less than 30 hours a week—eligible for limited benefits.</p> <p>Non-profit will establish compensation structure. Likely not dependent on longevity but performance of Overture Center and performance of employee. Some salary schedules may be subject to negotiation if unions seek recognition.</p> <p>Non-profit may offer health insurance, a 403(b) or variant plan, and other benefits.</p> <p>Benefit Rate Permanent=26%</p> <p>Benefit Rate Hourly=11.3%</p> <p>Employee responsible for additional benefit costs.</p>



Overture Center v. Non-Profit (p. 16)

	Overture Center-As Is	Non-profit model
Leave Time	<p>City provides vacation, floating holiday time, Holidays, sick leave, bereavement leave, jury duty time, time off for voting. Employees can accumulate up to 150 days of sick time, payable at retirement. Excess time payable annually.</p> <p>New employee earn up to 26.5 days of leave (vacation, floating holiday, sick). 20+ year employee can earn up to 41.5 days of leave.</p>	<p>Non-profit will create leave schedule. Possible model is a Paid Time Off bank, incorporating vacation, sick, and personal time. Limited carryover and accrual. Excess time is forfeited. Employees may still get paid holidays and likely bereavement time, jury duty leave, and time off for voting.</p>

The Models

Model	Operating Costs	FTE
1-Existing Operating Structure (2010)	\$5,456,699.21	48.65
2-Operating OC with all non-profit employees	\$5,154,144.93	43.6
3-Operating OC as a non-profit with custodial/ maintenance performed by City employees	\$5,502,978.11	50.6
4-Operating the OC as a non-profit with all represented staff as City employees	\$5,720,930.20	54.85
5-Operating the OC as a non-profit with all City employees	\$5,811,053.93	52.05



Model 1-Overture As Is \$5,456,699

- ▶ Current staffing of Overture Center with City employees and 201 State employees broken out
- ▶ Wages are 2010 budgeted salaries
- ▶ 40.9% benefit rate for all permanent positions—11.3% for hourly positions – 22.7% for stagehands.
- ▶ Assumes OC will continue to use City HR, IT, and other supporting agencies without additional cost



Model 2-Non-Profit \$5,154,145

- ▶ Non-Profit directly employs all employees, including 201 State positions
- ▶ New professional positions created to support independent operation
- ▶ Box Office Cashiers, Custodian, and certain administrative positions converted to hourly based on industry practice that 30 hours is threshold for permanent status
- ▶ \$45,000 contracted services fee for HR/Payroll
- ▶ 26% benefit rate for permanent positions, 11.3% for hourly positions



Model 3-Non-Profit with Custodial/ Maintenance as City Employees \$5,502,978

- ▶ Non-Profit directly employs most personnel—New positions created, merged Director salary, and HR/Payroll contract as in #2
 - ▶ Non-Profit contract with City to provide Custodial and Maintenance functions-City employees
 - ▶ 2 maintenance supervisors remain City employees
 - ▶ Non-Profit employees at 26% benefit rate—City employees at 40.9% rate
 - ▶ Permanent custodians not converted to hourly-Hourly custodians work within framework of Local 60 contract
 - ▶ Box Office Cashiers and certain administrative staff converted to hourly with 30 hour threshold
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Model 3 and the Focus Model

- ▶ Same general structure in that it is assumed that the non-profit organization would employ all personnel with the exception of custodial and maintenance staff.
- ▶ Cost of the Focus model (please note that the focus model does not incorporate the cost of stagehands and HR and Payroll cost are included, but not in the compensation table): \$4,317,024
- ▶ Cost of Model 3 after removing the costs of stagehands and HR/Payroll contract: \$4,342,004.43
- ▶ Difference: \$24,980 or .58%



Model #4-Non-Profit with Represented Staff as City employees \$5,720,930

- ▶ Non-Profit employs non-represented personnel—New positions created, merged Director salary, and HR/Payroll contract as in #2—26% benefit rate
- ▶ City employs all currently represented personnel
- ▶ Box Office Cashiers, administrative personnel, and custodial/maintenance personnel remain City employees as in Model #1 with 40.9% benefit rate
- ▶ 2 maintenance supervisors remain City employees with 40.9% benefit rate
- ▶ Represented hourly employees limited in hours pursuant to Local 60 contract



Model #5-Non-Profit Staffing with All City Employees \$5,811,053

- ▶ Non-Profit created but staffed with all City employees
- ▶ Director salary includes 201 State subsidy
- ▶ Additional professional positions created for marketing, fund-raising, and 201 State employees
- ▶ HR and IT assumed to be provided by City agencies without additional cost
- ▶ No \$45,000 subsidy for Payroll/HR services
- ▶ Placing new professional positions in City's classification structure results in higher wages
- ▶ All permanent positions incorporate 40.9% benefit rate
- ▶ Represented hourly positions limited in hours pursuant to Local 60 contract



▶ Questions???

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