

Date: February 11, 2014

To: Mayor, Alders

From: Brad Wirtz, Human Resources Director ³

RE: Residency - MGO 3.38 (1)(g) and MGO 3.54 (16)(a)

On December 5, 2013 the following resolution was enacted:

TITLE: Resolution directing the City Human Resources Director to report back to the Common Council with incentives designed to encourage City employees to establish and/or maintain residency within the City of Madison.

At a subsequent meeting of the CCOC on February 4, 2014 to discuss the report on incentives, several questions emerged regarding the City's current MGO 3.38 (1)(g) and MGO 3.54 (16)(a), which reduce the longevity of employees in compensation groups 18 and 44 who do not reside in the City of Madison by 1%.

Below is additional information regarding the aforementioned MGOs and the impact on existing employees:

As of February 10, 2014, there were 376 employees in compensation groups 18 and 44.

284 (75.5%) of these employees lived in the City of Madison.

92 (24.5%) of these employees lived outside of the City of Madison.

Eleven of the 284 employees work at Monona Terrace and are not subject to the longevity reduction. Of these 11 employees, 9 of them live outside of the City. Twenty-four other employees are not subject to the residency reduction as they had reached maximum longevity (12%) prior to the enactment of the ordinance. Of these 24 employees, 4 live outside of the City. Adding these together, there are a total of 13 employees that would otherwise be subject to the reduction in longevity who are currently exempt.

In addition, 84 employees have not yet completed the requisite number of years of service to be eligible for longevity and are

also therefore not subject to the ordinance at this time. Of these 84 employees, 26 (31%) currently reside outside of the City and will be subject to the longevity reduction, assuming they continue to be employed by the City and continue to reside outside the City when they become eligible for longevity.

Summary:

Ninety-two (24.5%) professional City employees in CG18 and 44 reside outside the City of Madison. Nine are exempt from the longevity ordinance as they work at Monona Terrace, 4 are exempt because they are grandfathered, and 26 are not yet eligible for longevity. In total, of the 92 professional employees living outside of the City, 39 are not subject to the reduction in longevity for the reasons outlined earlier, leaving 53 employees that are currently subject to the longevity reduction.

The financial impact of reducing the longevity for these 53 employees is \$43,000 per year.