

**Labor Coalition’s Position on Resolution #66091
Committee on Employee Relations – July 28, 2021**

The Coalition of General Municipal Employees Voluntary Labor Associations represents Local 6000, Local 236, the Madison City Attorney’s Association (MCAA) and the Madison Professional and Supervisory Employee Association (MPSEA). We are currently 6% behind sworn MPD / MFD staff when it comes to wage equity. The employees represented by these organizations are in Compensation Groups 15, 16, 17, 18, 19, 20, 23, 31, 32, 33, 43, 44, 71, and 83.

A council resolution, Legistar #62649, RES-20-00783, directs the City to achieve wage equity by 2024 (the “2020 Resolution”). In early 2021, the Coalition and the City began discussions on how to “achieve wage equity by 2024,” but reached an impasse. While the Coalition was prepared to continue talking, the City disengaged from the meet and confer process and moved forward despite Coalition objections.

In June, the Mayor presented her plan for wage equity as Legistar #66091 (“Resolution #66091”). That proposal follows neither the letter nor the spirit of the 2020 resolution. Rather, the City’s proposal:

1. Does not achieve actual wage equity, because it conditions scheduled increases on lack of furloughs or layoffs, which can be arbitrarily imposed by management;
2. Does not provide a true “me-too” clause with Local 311, Teamsters 695, MPPOA, AMPS, or AMFS;
3. Delays wage equity until July of 2024, later than the Common Council directed last year; and
4. Fails to respect the meet and confer process or the role of the CER in labor/management relations.

Terminology:

“**Wage equity**” means that all city employee groups are treated equally when it comes to the timing and amount of any wage increases. This concept is also referred to as “wage parity.” An important feature of wage equity is the practice of providing a wage floor and “if any other employee group is granted an increase in excess of that [wage floor], the [other] employee groups will be granted an identical wage increase.” This has been the definition of “wage equity” at the City since 2015, stated in Legistar #39320 (“2015 Resolution”). The 2020 Resolution references the 2015 Resolution as an example of wage equity.

A “**me too¹ clause**” is a provision that provides an identical wage increase when others receive one (in recent times, as a result of bargaining.) Example: if Local 311 bargains for a wage increase of 2% and the general employees are only scheduled to receive 1%, the general employees would also get 2%. The 2015 Resolution included a true “me too” clause.

Why the Coalition opposes the Mayor’s Resolution #66091:

1. **The increases are not guaranteed; they are conditioned on no “furloughs” or “layoffs.”** Every year, the Mayor asks departments to present operating budgets that reduce spending by a certain percentage. As we have seen, one way to reduce operating cost is to furlough employees. This is a problem for two reasons. First, if this pattern for operating budgets continues, and layoffs or furloughs provide the needed budget cuts, no wage increase would ever be required under the Mayor’s resolution. Second, and more problematic, is that the City could **choose** to furlough or layoff any number of employees to avoid the scheduled wage increase for that year. This administration asserts that layoff and furlough are “management rights” with no restrictions on their ability to do this. Thus, by the administration’s own understanding of their authority, the Mayor’s Resolution does not guarantee any wage increase at all.

¹ “Me too” has taken on new meaning, in the context of sexual harassment. Here, it means an identical wage increase.

2. **The “me too” clause is conditioned on the meet and confer process.** This condition renders the “me too” clause meaningless. Why? Because “meeting and conferring” can be cut off whenever management desires. The current administration does not seem to understand what meet and confer means, or is unaware of how the process was designed. Instead of respecting the history and importance of meet and confer, the administration treats the process as a courtesy, despite the expectations of this Committee and the handbooks. This demonstrates they are using the “tools” of Act 10, which is disappointing, considering Madison’s previous proud tradition of labor cooperation.

Real wage equity requires not only the general employees to “catch up” by 6%, but also a real guarantee that we will not fall behind again if another group gets a raise during that catch-up period. Conditioning “me too” upon an uncertain meet and confer process makes the “me too” clause meaningless.

We anticipate, as the City does, that unions who retain collective bargaining rights after Act 10 will bargain for raises in 2022 and beyond. If our resolution does not include a solid “me too” clause, the Coalition risks falling behind the unions again by 2024. This would defeat the purpose of the 2020 Resolution.

3. **Resolution #66091 does not meet the timeline in the 2020 Resolution,** which calls for wage equity “**by 2024.**” In the 2020 discussions at the CER and Finance Committee, it was clear the target date for catching up was the end of 2023, not sometime in 2024. The Mayor’s schedule does not catch up the general employees until July of 2024, and back-loads the increases. The Coalition’s schedule (below) achieves wage equity by July of 2023, with higher increases sooner, to take advantage of expected funding sources (**\$47 million in American Rescue Plan, TIF**) in 2022 and 2023. If the City truly cares about wage equity, it could dedicate a fraction of these funds to its employees, who support all of the City’s crucial services.

4. **Resolution #66091 does not honor the meet and confer process or the role of this Committee.** Our handbooks have an addendum with the process for bringing disputes to the CER. The City and Coalition met and conferred in early 2021 to try to agree on a package for wage equity, as directed by the 2020 Resolution. After a few meetings, we were told the Mayor would not accept our proposal, was done talking about it, and would move forward with her plan – in other words, **an impasse**. As a result, **the Coalition asked this matter to be sent to the CER to be resolved**, based on our understanding of the CER’s role in mediating disputes over wages. When it appeared there might have been a misunderstanding, a Coalition leader spoke directly to HR and Mayor staff. Despite this, the Mayor pursued sponsors for her resolution, including alders who sit on the CER, and announced the resolution in a manner that ignored the procedure outlined in the handbooks. While the Coalition appreciates any support for wage equity, the resolution should never have been presented as a “done deal”. The Coalition is very concerned with this departure from procedure.

Resolution #66091 was presented in a way that ignores procedure and distorts the concept of wage equity. The Coalition would like to present another path:

The Coalition’s Proposal

The Coalition’s path to wage equity addresses all of the problems outlined above. The Coalition’s proposal is as follows, *with an automatic and unconditional “me too” clause*:

	Jan 2022	July 2022	Jan 2023	July 2023	Jan 2024
Coalition Proposal	1%	2%	2%	1%	TBD

The City saved nearly \$8,000,000 in 2021 by NOT providing general municipal employees with wage equity. If the City adopts the Coalition's proposal outlined above, it would lead to wage equity within 24 months. However, over 24 months, the City would still save a total estimated \$5-7,000,000 by delaying wage equity until July 2023. These are real savings to the City that could be used to fund other ongoing priorities.

The loss of wages to employees represent a real and active harm to people who are residents and taxpayers in the community. In addition, wage inequity has negative impacts on the City as an employer. Some (but not all) of the consequences of wage inequity are listed below:

- Employees do not have adequate resources to pay for basic necessities while paying student loans or other necessary debts.
- Employees lose the ability to buy a home in City limits due to rising housing costs and stagnant wages.
 - The median home in the City of Madison in 2021 is valued at more than \$335,000, per the most recent information from the City Assessor;
 - The gross average salary for general municipal employees working for the City of Madison is \$70,000.
 - Unless an employee has access to outside funds, or a second significant income, it is becoming more difficult, if not impossible, for City employees to buy a house in the City. Policymakers have long stated that they would like City employees to live within the City. If this is a goal, then ensuring people can afford housing in the City is critical.
- The City is struggling to attract a large pool of talented applicants for open positions across divisions/departments. For example, one recent hiring effort brought in fewer than 15 qualified applicants for two professional positions, where less than ten years ago, these same positions attracted over 100 applicants for each position.
- Employee turnover and departure, particularly among strong City employees with valuable skill sets, is accelerating. If necessary, the Coalition can provide evidence to support this statement.
- Attracting and retaining a racial, cultural and gender-diverse workforce demands adequate and competitive wages. Wage equity would help the City fulfill its goal of a more diverse workforce.

Conclusion:

Maintaining wage inequity between the general municipal employees and sworn MPD/MFD is a policy decision just like any other. However, the City's policy should be to pursue true wage equity, as stated in the 2015 Resolution: "[D]uring the 2015 budget approval process the Mayor and City Council expressed continuing desire to achieve equitable wage increases . . ." The current 6% wage gap is harmful to employees and to the City of Madison. It is unjust and disrespectful of the contributions of the general municipal employees. We help make the City of Madison the wonderful place that it is by keeping the City working, delivering services, and facilitating community services, all during the ongoing pandemic crisis. The Coalition's wage equity proposal is fair, reasonable, and affordable, provides true wage parity, and would ensure that all City of Madison employees receive a fair day's wages for a fair day's work.

Respectfully submitted by:

MPSEA, MCAA, AFCSME Local 6000 and Laborer's Local 236