



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 10-1152, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF OCTOBER 7, 2010

COMMITTEE ON PENSION, HUMAN RESOURCES AND CIVIL SERVICE

Mr. Richard Lanyon, Executive Director

Requesting approval of revised compensation plan for Technical, Administrative and Professional (TAM) employees and revised Personnel Rule 5.03 The Salary Schedules

Dear Sir:

In 1999, the Board of Commissioners approved a contract with Hay Management Consultants to review and recommend revisions to District compensation policy and practices for employees compensated under the Professional-Managerial (PM) and General Service (GS) pay plans. The project resulted in a new job evaluation system and a salary schedule that replaced the PM and GS schedules. The new salary schedule, Technical, Administrative and Managerial (TAM), has been in use since the Board approved its adoption effective January 1, 2000.

A copy of the 2010 TAM plan is attached as Exhibit A.

The District's Board of Commissioners has granted general adjustments to the TAM plan in nine of the past ten years, resulting in a compounded upward adjustment of approximately 37.1%. By comparison, the compounded Consumer Price Index (CPI-U) for the same period was approximately 24.2% and the compounded pay increase for Cook County was 24.9%.

Chicago Public Schools non-represented employees received a 2.2% pay cut in 2009 and will receive the equivalent of a 5.7% pay cut in 2010 via furlough days.

City of Chicago non-represented employees received no pay increase from 2007 to 2008, a 1.5% pay reduction from 2008 to 2009, a 3% pay increase in 2009, and will receive the equivalent of a 9% reduction in wages in 2010 because of reduced workweeks, furlough days and unpaid holidays.

A list of the general adjustments for District employees since 2000 is attached as Exhibit B.

The structure of the TAM plan works well for the District by assuring internal equity, external competitiveness and rewarding employees as skills are developed over length of service. However, it is appropriate to make adjustments to the TAM plan to mitigate the effect of merit increases that are granted in addition to the general adjustments, and to recognize the need to contain salary costs in these difficult financial times.

A proposed 2011 TAM plan is attached as Exhibit C.

The proposed plan would expand the number of steps in each grade from nine to ten. The first step in each grade of the proposed pay plan (step A) is approximately 5% lower than the first step in each grade under the current pay plan. New employees hired on or after January 1, 2011 would be hired at step A, effectively shifting the entire pay plan downward by 5%.

Current employees would remain in their assigned grade and step and continue to advance through the steps of the pay plan. However, the steps of the pay plan would be spread out over 25 years instead of 20 years, causing employees to wait a longer period of time until their next step increases.

A comparison of the timing of the step increases under both the current and proposed TAM plans is attached as Exhibit D.

The proposed TAM plan would save the District an estimated \$686,000 in 2011 and \$403,000 in 2012. Additional savings would occur in later years, but is dependent upon general adjustments and employee turnover.

Adoption of the proposed pay plan would require a change to Personnel Rule 5.03 The Salary Schedules:

“...Schedule TAM - The Technical, Administrative and Managerial Salary Schedule shall consist of 17 grades (TAM 7 - TAM 23). Each grade shall consist of 9 10 steps...”

Concurrent with the changes in the TAM plan, the Secretary to Officer salary schedule will expand to 10 steps over 25 years.

The Statute requires the Director of Human Resources to establish rules, titles and pay grades for all positions in the classified service, subject to the disapproval of the Civil Service Board. Written notice of the proposed rule change will be submitted to the Civil Service Board in accordance with the Statute. Approval of the Board of Commissioners to make this change effective January 1, 2011 is requested.

Requested, Denice E. Korcal, Director of Human Resources

Respectfully Submitted, Gloria Alitto Majewski, Chairman Committee on Pension, Human Resources and Civil Service

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for October 7, 2010

Attachments