Agenda Item No. IV-16

City of Wichita
City Council Meeting
December 6, 2016

TO: Mayor and City Council

SUBJECT: Year-end Salary and Classification Ordinances

INITIATED BY: Human Resources

AGENDA: New Business

Recommendation: Approve the ordinances and place on first reading.

Background: On May 18, 2016, President Obama announced the publication of the Department of Labor’s final rule updating overtime regulations, including raising the salary threshold for “exempt” employees. The Final Rule sets the standard salary level for determining exemption from overtime at the 40th percentile of earnings of full-time salaried workers: $913 per week; $47,476 annually for a full-year worker. The effective date of the final rule is December 1, 2016. The initial increases to the standard salary level from $455 to $913 per week were set to be effective on that date. Future automatic updates to those thresholds will occur every three years, beginning on January 1, 2020.

However, on November 22, 2016 a Federal Court issued a nationwide injunction against the implementation and enforcement of this rule. Until resolution of the current litigation involving the Final Rule, City of Wichita will apply the 2004 Department of Labor (DOL) rules regarding exempt salary and duty classifications. Regardless of the outcome of the litigation, a new salary ordinance must be passed to set pay for City of Wichita employees for the next calendar year. The ordinances presented reflect salaries for 2017, including identifying the potential changes to salary and classification in accordance with the new rule. Classification ordinances establish employee job classifications and corresponding pay ranges. Salary ordinances establish pay rates, and must be revised for any changes in pay rates or salary ranges. Revisions to the ordinances are typically combined and presented for consideration.

Analysis: Several changes from last year are included in the two classification ordinances. One of the ordinances establishes the classifications and ranges for exempt positions; the other for non-exempt positions. These changes are usually revisions to job titles with no adjustment to the pay range. A proposed change in the Planning Department would create a Planning Manager position (D62) and eliminate the Division Manager (D63) position. The ordinance also transfers the Assistant Range Master from the Employees Council to the Fraternal Order of Police (FOP) bargaining unit through an approved contract amendment with a new classification number (716); and the Airport Operations Officer from the Service Employees International Union (SEIU) bargaining unit to Employees Council with the same classification number. The City Manager’s Secretary (622) position was eliminated.

The revised salary ordinances set pay ranges for various position classifications and are updated annually. The changes to each salary range are summarized below. In addition, eligible employees may receive a merit step increase up to 2.5%.

300 Series Ranges: These ranges are for positions represented by Teamsters Local #795 at Wichita Transit. The contract governing the range increase for these positions is pending.

400 Series Ranges: These ranges are used for part-time and seasonal/variable positions. Positions in each range are increased by 1.5% effective December 17, 2016.
Ranges 602-630: These ranges are used for hourly employees that are non-exempt under the Fair Labor Standards Act (FLSA) and/or represented by the SEIU Local #513. Based on the 2016-2018 contract, positions in each range in the contract are increased by 1% and a P step range is added to the rate matrix effective December 31, 2016. To maintain consistency this will be effective for ranges not represented by SEIU as well.

Ranges 691-692: These ranges are for Airport Police and Fire positions represented by Teamsters Local #795. The contract governing the range increase for these positions is pending.

Ranges 712-725: These ranges are for Wichita Police Department positions represented by the FOP Lodge #5. Based on the 2015-2017 contract, positions in each range are increased by 1.5% effective December 17, 2016.

Range 727: This range is for Police Lieutenants. To maintain consistency with FOP-represented positions and address complex inequity concerns, this range is increased by 1.75% and additional step movement (2.5%) effective December 17, 2016.

800 Series Ranges: These ranges are for Wichita Fire Department positions represented by the International Association of Firefighters (IAFF) #135. The contract governing the range increase for these positions is pending.

900 Series Ranges: These ranges are for non-exempt positions represented by Employees Council. To maintain consistency with other City salary ranges, an increase of 1.5% is effective December 17, 2016.

Ranges B32-E83: These ranges are for exempt non-management positions represented by Employees Council, and non-represented exempt positions, including management. To maintain consistency with other City salary ranges, an increase of 1.5% is effective December 17, 2016.

Financial Considerations: The cost resulting from the revisions to the salary ordinances are consistent with amounts included in the 2017 Adopted Budget.

Legal Considerations: The Law Department has reviewed and approved the ordinances to form.

Recommendations/Actions: It is recommended that the City Council adopt the ordinances and place the ordinances on first reading.

Attachments: Salary and Classification Ordinance Changes, December 17, 2016.