

CITIZENS LEAGUE REPORT

No. 94

**City of Minneapolis Employees  
Uniform Wage Policies**

**November 1958**

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**REPORT TO: Citizens League Board of Directors**

**FROM: The Executive Committee**

**RE: Uniform Wage Policies for Minneapolis Municipal Employees**

### BACKGROUND

For the past several years, the various Minneapolis independent boards have followed the practice of paying to municipal employees in the crafts the prevailing hourly rate for construction workers in private industry. This year, the City Council through its Ways and Means Committee has reviewed this policy and has reached the conclusion that to continue to pay the prevailing hourly rate to employees in the crafts would place these municipal employees considerably above the community pattern. The most influential factor in reaching this conclusion has been a finding by the City Council that fringe benefits for municipal employees in the crafts are considerably in excess of those for comparable employees in private industry. Another factor has been the determination by the Council that certain employees in the crafts should actually be compared with maintenance employees in private industry, rather than with outside construction employees. These determinations by the Council have resulted in a decision to withhold pay increases for the present to permanent craft employees under the jurisdiction of the City Council.

The Board of Education several weeks ago asked Superintendent Putnam to bring in recommendations for wage adjustments for school employees. These recommendations were presented at the most recent School Board meeting and, in general, call for a continuation of the previous School Board policy of paying its craft employees the prevailing hourly rate received by construction workers in private industry. In reaching his decision, Superintendent Putnam apparently concluded either that fringe benefits should not constitute a factor to be considered in determining the hourly rate or that, on the average, there is no measurable difference between fringe benefits accruing to municipal employees and comparable workers in private industry. As yet, the School Board has taken no action on Superintendent Putnam's recommendations.

Principally at the urging of the Citizens League, Mayor Peterson nearly a year ago established an informal body, consisting of representatives from each independent board, which has come to be known as the Mayor's Uniform Salary Committee. It has been the objective of this committee to promote greater uniformity in the wage policies of the various independent boards. This committee has not assumed the responsibility for working out specific wage schedules. Several months ago, the committee reached agreement on six specific recommendations which would make for greater uniformity in wage policies. Since that time, all independent boards have adopted these recommendations.

### RECOMMENDATIONS AND CONCLUSIONS

The Citizens League, in the belief that wage policies affecting municipal employees are clearly a matter of public interest, submits the following recommendations and conclusions:

1. We endorse wholeheartedly the general principle that municipal employees should receive compensation equal to persons in private industry in our community doing like work. This standard should be met even though the financial situation of the City might compel a curtailment of services. It is basically unfair, and would prove harmful to the best interests of the City in the long run, to ask city employees to work for less than those in private industry doing like work.
2. We believe municipal employees should follow rather than take the lead in establishing a community pattern with respect to wage policies.
3. Fringe benefits are an integral part of any employee's compensation and must be considered in arriving at the community pattern. We commend the City Council for its recognition of this basic principle and for its attempt to incorporate it in its wage policy in spite of considerable pressure.
4. Municipal employees, irrespective of which agency by whom employed, should receive compensation equal to that of each other employee doing like work.
5. We deplore the vast amount of time and attention policy-making officials must devote to determining the proper wage rates. This should be largely an administrative matter, with technicians compiling statistical comparisons of compensation paid to municipal employees and similar workers in private industry. Specific wage rates should be determined by the facts and not by the pressures, and we commend the City Council for its active support of this principle.
6. The Citizens League is convinced that the only workable long-range answer is the establishment of an effective personnel system for all city boards and departments. Such a personnel department would accumulate and maintain the necessary statistical data, would be responsible for maintaining a classification plan, and would initiate and recommend to the policy-making boards a pay plan and, from time to time, adjustments in this plan. We urge prompt and extensive efforts on the part of city officials and civic organizations to effectuate the necessary charter change to accomplish this objective. As its part in this endeavor, the Citizens League expects within the next several weeks to make a number of specific recommendations.

7. Until such permanent answer is found, it is essential that interim steps be taken to alleviate the present impossible situation. We must look to the Mayor's Uniform Salary Committee as the only existing vehicle with which to achieve at least a degree of uniformity in the wage policies of the various independent boards.
  
8. We urge the Mayor and the representatives of the various independent boards serving on the Mayor's Uniform Salary Committee to move promptly to accumulate the necessary statistical data to determine whether municipal employees in the crafts are now above, at, or below the community pattern, and to report their findings, together with any recommendations, to each of the independent boards. To effectuate this objective, we recommend the following specific actions:
  - a. Consideration of the issue now in dispute as to with which employees in private industry certain municipal employees in the crafts should be compared in arriving at the community pattern.
  
  - b. Consideration of the monetary values to be placed on the various fringe benefits now accruing to municipal employees.
  
  - c. Calling on the services of the Civil Service Commission and, in all likelihood, outside professional assistance to accumulate the necessary statistical data.
  
  - d. A proportionate sharing by each independent board of the costs necessary to secure such data.