

**RESOLUTION CREATING A NON-LAPSING FUND FOR THE  
PERFORMANCE MANAGEMENT AND PAY PLAN**

**WHEREAS**, the Mayor and Common Council approved the City’s Performance Management and Pay Plan (“Plan”) at the July 15, 2019 Common Council meeting; and,

**WHEREAS**, the Plan was developed to be self-sustaining by budgeting each year the cost to bring all employees on the Plan to Market Rate; and,

**WHEREAS**, the City expects to see fund balance remaining in the overall Wages and Salaries budget each year due to employee retirements, turnover, and the requirements of the Plan; and

**WHEREAS**, the Mayor and Council wish to establish a non-lapsing fund by utilizing remaining Wages and Salaries funds each year for purposes of funding the Plan.

**NOW THEREFORE BE IT RESOLVED**, by Mayor Justin M. Nickels and the Common Council of the City of Manitowoc that there be created a Non-Lapsing Fund for purposes of continual funding of the Performance Management and Pay Plan.

**BE IT FURTHER RESOLVED** that said fund shall be funded by any excess in the City Wages and Salaries budget each year, and the fund balance shall not exceed \$350,000, and that this cap on the fund balance shall be annually reviewed by the Finance Committee no later than their March meeting.

**BE IT FURTHER RESOLVED** that the funds budgeted each year in departmental Wages and Salaries lines shall be used only for funding salaries, wages, and benefits, and any other use during the year shall require Council approval.

**BE IT FURTHER RESOLVED** that the dollars in the non-lapsing fund shall be used for the following purposes:

1. Annual salary increases as awarded through the Performance Management Plan
2. Additional compensation due to vacancies, according to City policy
3. Compensation increases that occur due to job descriptions being revised mid-year
4. Overlap training of new employees with retiring employees (up to four weeks, additional overlap requires Council approval)
5. Relocation expenses for new hires, according to City policy

**BE IT FURTHER RESOLVED** that the non-lapsing fund shall not be used for creating new positions, funding collective bargaining agreements, payouts at separation, or anything not related to employee wages and salaries.

INTRODUCED \_\_\_\_\_ ADOPTED \_\_\_\_\_

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Justin M. Nickels, Mayor

APPROVED \_\_\_\_\_

<b>Fiscal Impact:</b>	\$???
<b>Funding Source:</b>	511100 lines throughout City
<b>Finance Director Approval:</b>	/sc
<b>Approved as to form:</b>	/KMM

This resolution was drafted by Kathleen M. McDaniel