

DRAFT

**CITY OF WAUSAU HUMAN RESOURCES COMMITTEE  
MINUTES OF OPEN SESSION**

DATE/TIME: December 14, 2015, 2015 at 4:30 p.m.  
LOCATION: City Hall (407 Grant Street) – Board Room  
MEMBERS PRESENT: R. Wagner (C), G. Gisselman, W. Nagle, D. Oberbeck, L. Rasmussen  
MEMBERS ABSENT:  
Also Present: Mayor Tipple, T. Alfonso, P. Czarapata, K. Dubore, M. Hite, E. Krohn, T. Kujawa, E. Lindman, R. Mohelnitzky, J. Schara, B. Schmidt

**Approval of 11/09/2015 minutes.**

Motion by Oberbeck, second by Nagle to approve the draft minutes from November 9, 2015. All ayes. Motion passes 5-0.

**Input from DPWU regarding Competitive Wage – Street Maintainer (Lindman).**

Lindman gave Mohelnitzky the floor to begin the discussion. Mohelnitzky began by saying he was happy to see that money will possibly be earmarked for possible wage increases. He went on to explain that when employees are hired, they receive a large amount of training to make them valuable employees. At this time, he feels that he is unable to retain new employees because once they receive training, they are finding better paying jobs elsewhere. Mohelnitzky said that recruitment has been difficult because good candidates are not willing to accept the starting pay for vacant positions. Wagner asked if Mohelnitzky thinks the entry level (pay) is not market (rate) and that's the issue. Mohelnitzky said yes, but that even the employees who have been with the City for a few years and are close to market (rate) need an adjustment in order to maintain them. Oberbeck said he was concerned because he thought that everyone had been brought into the matrix. Tipple said they were brought in 3 years ago when the study was done. Oberbeck continued, asking if there had been adjustments to bring those employees up in the matrix, and if employees are asked to sign a commitment when they are hired. Adjustments have not been made, and Hite said that some employees are asked to sign a commitment for a period of time and language has been added to the Employee Handbook regarding training and employees reimbursing the cost of training if they leave within a certain period of time. Gisselman asked what the beginning pay is at this time. Hite said it depends on which position you look at, but the Street Maintainer, Sewer Maintainer and Water Maintainer positions begin at \$15.57 per hour. The mid-point of the salary range is \$19.46 per hour, and the hourly maximum rate is \$23.36. Hite shared the rates that maintainers are currently being paid. Gisselman asked what the current market rate is for this position. Hite said that she has not looked into current market rates because the City decided they would conduct a market study every 5 years. She went on to explain that there are more businesses in the area than a few years ago and less workers for these positions. Hite shared the starting salary rates for companies with entry-level jobs. The committee asked if Hite would research comparable jobs at Marathon County. Nagle said he would go on record that operators who are training and doing a good job need to be paid more than \$24.45 an hour (the top salary of an Equipment Operator at this time). Rasmussen asked if employees can be brought in at higher levels of the matrix if they have more experience. Hite said yes, every starting salary is determined by HR on a variety of factors. Oberbeck asked if a market study could be done sooner. Further discussion on this subject and challenges of future hiring took place. No action was taken on this item.

**Discussion and Possible Action of Employee Handbook – Revisions to Chapter 5 and Section 8.07 Family Medical Leave (Hite).**

Hite noted that the group incentive in lieu of perfect attendance leave that was brought to the committee at the last meeting was not incorporated into the version of the handbook the committee received in their packet for this meeting. Hite will add the language into the final version. Hite pointed out that the revision Wagner requested at

the September meeting had been made -- page 7 in the paragraph immediately before the section on how to report a violation. Hite walked the committee through the rest of the changed in the handbook.

In summary:

Beginning on page 23, Hite explained that the changes are clarifiers or housekeeping changes, spelling out how to analyze responsibilities of a position based on technical standards. Sub-part 3 has changed from "Employee contributions to pay" to "Employee contributions to organizational effectiveness" to clarify that employees are in positions to support the organization to get jobs done.

Hite reminded the committee that in this past year, they have discussed compensation plan philosophy, including types of recognition, in order for her to get clarification from the committee on what they wanted the City's goal of compensation for employees. Hite has updated section 5.02 with the new concepts, making as few changes as possible. Hite said that page 26 is a policy decision for the committee. The section "Market Adjustments" has been changed to "General Wage Adjustments" to reflect the language change from feedback received from the committee in August. Hite then focused on the "Discretionary Performance Incentives" section, stating that she believes it is now aligned with what the committee had envisioned as part of the compensation plan for pay-for-performance. The policy decision for committee to review is, providing the tools for department directors, in conjunction with the Human Resources Director, within the budget that is passed by Council, to provide different forms of recognition, some adding to the base, with most not. Requirements for consideration of incentives are spelled out in section 3(b). Hite explained that this process would be more participatory between the department heads, supervisors, and Human Resources, rather than having Human Resources as the sole decision maker of recognition provided. Hite reviewed the types of discretionary performance incentives that may be given, outlined in section 3(b). Gisselman asked how this would all work -- would it be reported back to the committee? Are gift cards already being handed out? Hite explained that the operational aspects will be finalized once approval is received. Hite said that Human Resources would facilitate meetings with management regarding performance recognition incentives and they would work together through the decision process. Hite said she first needs the authority to proceed, and then the systems will be designed to support the process. Discussion for clarification of discretionary performance incentives took place. Oberbeck questioned the difference between discretionary performance incentives and skills based wage increases. Hite explained the differences, emphasizing that the current pay plan is based upon duties and responsibilities documented in the job descriptions -- not the skill level of the individual. Hite also stated that if the City makes the policy decision to move to a skills based compensation philosophy there is significant work to be done. Alderwoman Rasmussen cautioned doing so as once that move it made then the City would be required to pay individuals for their skills as opposed to the job the City needs to have performed.

Section 4 "Job Reclassification" now has language to clarify the justification is not based on doing more of the same things, it is an increase in technical factors which might include responsibilities, impacts etc.

Section 7 "Developmental Job Assignments" allows for an employee to perform the duties of a vacant position for a limited period of time to develop their skills, for a period of at least 30 days. Wagner asked Lindman if current employees are considered for openings, and if there is a time limit on when a person can jump to another job. Lindman said yes, and Hite said that the Committee has already approved reducing the time frame for applying for other City jobs to 6 months from one year.

5.05 Overtime is another place that Hite requested a policy decision. Hite reviewed what an overtime exempt employee is based on the Fair Labor Standards Act, and said that this item was brought up by the previous HR Director in January 2014 or before. Overtime exempt employees had been using the time system to clock in and out, accumulating overtime on a minute-by-minute basis. After the January 2014 email regarding this matter was sent out by the previous HR Director, payout for overtime for exempt employees went from \$214,000 in a year to \$150,000 in a year, and this year it has gone down to \$74,000 because of departments changing their practices (these figures include public safety). Hite emphasized the policy decision being proposed this excludes Police and Fire due to other provisions in the handbook. Hite referred to page 19 under Chapter 4.01 "Employment Categories and Classification", stating this section of the handbook was structured to define who was eligible for additional compensation and that the Committee had previously approved including Public Works Supervisors during snow removal months (November -- April). Hite said that on page 30 she clarified that an analysis under the Fair Labor Standards Act determines who is eligible for overtime. Hite stated that if an employee works overtime without authorization the City is still obligated to pay for the work performed.

Therefore language is added for accountability stating employees who work overtime without approval are subject to discipline. Hite went on to explain when employees are eligible for overtime and the different categories of employees, those eligible for overtime after working a shift, and those eligible for overtime after working 40 hours. Hite explained that in general overtime is required after a shift for positions that require coverage or relief are positions that require continual coverage, such as DPW workers during a snow event, water maintainers during a main break, etc. Positions that do not require the same level of coverage can be designated to receive overtime after working 40 hours and time can be flexed within the pay period. Hite proposed removing the Engineering Division from receiving overtime after a shift based on the work they perform, and leaving the remaining divisions listed to receive overtime after a shift.

Section 5.06 “Compensatory Pay and Exchange Time” has been revised to include the ability to give compensatory time off in exchange for excessive overtime caused by large projects within a department. Gisselman asked how the amount of time off in exchange would be determined. The committee agreed that the exchange time would have to be for work above and beyond the normal duties of the employee and not just because they weren’t able to get something done and had to stay longer. Hite said that would be for the Department Head to decide. Hite said that she will work with Department Heads to train them on revisions to the handbook. Lindman asked for clarification on how the change to the Engineering Division will change how they receive overtime, saying that employees may need to inspect contractor work. Hite said that she will review the position further to ensure it is categorized correctly.

Page 33 regarding the uniform allowance was revised so that it does not provide a disincentive to employees who are promoted.

Section 5.16 Standby Pay was approved by the committee on October 14, 2014.

Section 5.17 Premium Pay for city Engineer Designation was approved in May 2015.

Section 5.16 Tuition Reimbursement has been added as it is talked about in discretionary performance incentive. Hite will fix the numbering of this section.

Hite added Section 8.07 to include language on Family Medical Leave in the employee handbook. The section explains all the provisions of State and Federal Family Medical Leave to comply with the Fair Labor Standards Act.

Motion by Oberbeck to send the employee handbook, as presented, to Council for approval. Second by Gisselman.

Gisselman questioned an area the Committee had previously approved. Section 2.13 regarding the language of employee’s retention of constitutional rights. Gisselman believes that the language “generally retain constitutional rights” and “In short, free speech is modified for public employees” should be removed. Rasmussen agreed, saying that employees should be able to express themselves however they choose. Hite said the language can be modified any way the committee wants, however, the Supreme Court has said that free speech rights within a public work place can have parameters to be appropriate. Oberbeck suggested removing “generally” from the first sentence and the entire last sentence. Hite said that she will make those changes.

Motion by Oberbeck to send the employee handbook with the suggestion revisions to section 2.13 to Council for approval. Second by Rasmussen. All ayes. Motion passes 5-0.

### **Discussion and Possible Action of Organizational Efficiency Proposal (Hite).**

Hite reviewed the chart of the proposed organizational efficiency analysis and improvement process included in the packet with the Committee. Hite said the first step of the process is to understand what hopes to be accomplished, followed by a performance audit. After a performance audit, processes would be evaluated, and this is where the Lean would come into play, evaluating if processes are being done as efficiently as possible, and identifying barrier and gaps. Once the performance audit and process evaluations are complete, job descriptions would be reviewed to clarify performance standards, expectations, and organizational goals. Hite said that job descriptions will be updated in 2016 regardless. The position descriptions will then better determine levels of compensation within the organization. Once the positions descriptions are updated, development of employees would follow, ensuring that they are able to do the job. The last step would be to evaluate the process to determine if desired change is occurring and if outcomes are being met. Hite said that Lindman expressed interest

in having Public Works as a pilot department, and expects the process to take approximately 3-4 months for each evaluation. Hite included a proposal for the requested Lean Black Belt assistance from NTC; the proposal is \$5100.00 for 6 months of assistance (10 hours per month). Hite explained that priorities will have to set for what is to be evaluated, and that the Committee cannot expect a full evaluation of all Public Works to be completed within 3-4 months. Hite explained that the evaluations would be conducted by body of work, not by department. Wagner said that the first thing the Committee needs to do is decide what to evaluate. Hite listed examples of bodies of work to evaluate and said that she can continue to determine bodies of work to be evaluated or the Committee can determine them. The Committee agreed that the items listed are important to look at. Oberbeck would like to have a session to determine priorities, core services, add-on services, and more expensive services. Wagner asked if the money for the NTC assistance needs to go to Finance Committee. Hite said she talked with Groat and the money will come from the Council budget. Motion by Rasmussen to direct Myla to move forward with the process as outlined for the test pilot for six months. Second by Oberbeck. Oberbeck asked if they could get a proposal from NTC that includes additional services to bring back to the Committee, and would prefer that the proposal be brought back when clarification is made to the Lean Black Belt of what the Committee would like to accomplish. Hite will talk with the Lean Black Belt and the proposal will come back to the Committee next month for a vote.

### **HR Director's Report:**

#### **A. Employee Open Enrollment After Action Review.**

Krohn provided a summary, and said the 20 open enrollment meetings were very successful and educational to employees and employee's spouses. All who attended received a Focus on Benefits guide to use as a resource tool and viewed a PowerPoint presentation, educating them on the Affordable Health Care Act, health savings accounts, the new telehealth option, and ways to be a better consumer of health insurance benefits.

#### **B. ATU Contract Negotiations Process Update.**

Hite reported that the City and ATU are scheduled to go to mediation on December 21<sup>st</sup>.

#### **C. Anonymous Letter of Complaint.**

Tipple said the Mayor's Office receives anonymous letters all the time, and because they are anonymous there is nothing that can be done with them except to file them. Tipple said when Hite received the anonymous letter, he explained what he does with them and she said that she wanted to be transparent and bring it to the Committee's attention. Tipple went on to say that in his experience with the HR Department, Hite always shows the highest integrity and believes many Department Heads would vouch for her. Hite said she believes it's important for the Committee to be aware of the letter and know that some of the things that the department has done over the past year are not easy things. Hite went on to talk about the change to the sick leave cap, addition of the income replacement program. Discussion continued regarding the anonymous letter, and the Mayor and various Committee members and City staff present expressed their support for Hite and the work she has done for the City.

### **Future Agenda Items for Consideration.**

Future agenda items will include a revised proposal with the Lean Black Belt and an analysis of the current pay and market rates for Public Works positions discussed at this meeting.

### **Adjourn.**

Motion by Rasmussen to adjourn. Second by Gisselman. All ayes. Motion passes 5-0. Meeting adjourned.

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Romey Wagner  
Human Resources Committee, Chair