1. Approval of 03/14/16 minutes.
Motion by Rasmussen, second by Oberbeck to approve the draft minutes from March 14, 2016. Motion passes 3-0. (Gisselman absent from vote.)

2. Discussion and Possible Action on Non-represented Employee Compensation.
Hite began by reviewing with the committee their decision of how they wanted to fund merit pay increases and compensation plan adjustments, and that what was approved by the committee and Council was, inclusive of benefits, $120,000.00.

A. Compensation Plan Adjustment – Street Maintainers. Hite spoke with employees from the Department of Public Works & Utilities and their concern of retention for new employees. Hite reviewed the information contained in the staffing paper for this item, proposing to establish a floor within the pay range for the Street Maintainers of $18.84 per hour, and renaming the “Equipment Operator” job classification to “Senior Street Maintainer – Equipment Operator”. Hite recommended that 75% of the of the workforce should beat the Senior Street Maintainer – Equipment Operator level, and 25% of the employees should be at the Street Maintainer level. The Street Maintainer level should be a base pool of workers who are able to advance into the Senior Street Maintainer – Equipment Operator level when openings occur within the department. Rasmussen believes this is a good idea; she said the committee will have to be careful that the wages between the two classifications do not become too close like with Police and Fire. Hite agreed and said that the positions are in different pay grades, and that will initially help. Hite said the total cost to the General Fund for 2016 for the recommended proposal is $16,044.00. The total annual addition to the base General Fund budget moving forward would be $23,176.00 (including benefits). Hite pointed to the chart on page 4 of the staffing paper, outlining cost impact, showing the use of available money. Wagner asked when the changes would take place. Hite proposed a date of April 24, 2016, but said that the committee could select a different date. Rasmussen asked if it would be more beneficial to wait until July 1st for a mid-year raise; Wagner said that he felt it defeated the purpose of finding a problem and fixing it by waiting. Rasmussen agreed. Hite said that this was an urgent concern of Public Works and that they feel they will be losing people if action is not taken in the immediate future.

Motion by Rasmussen to approve the compensation plan adjustment proposal for the Street Maintainers. Second by Oberbeck. Mohelnitzky said that it would be beneficial for action to be taken sooner than later in order to keep staff on board. Discussion about what Council meeting this could be voted on took place. Wagner felt it would be a good practice item for the new Council on April 19th; Hite said that she and Krohn will not be available for the April 19th meeting. It was decided that the item will go to Council on April 26 and be effective April 24 if passed. Motion passes 3-0.

B. Merit Pay – Introductory Period Completion. Hite said this proposal is to provide a 2% increase for new employees who satisfactorily completed their introductory review period after the first pay period in July 2014 and through the end of 2016. Hite provided a brief history to the committee, stating that the new pay for performance plan was implemented on the first pay period of July 2014 and then wages were frozen for general
employees for 2015. Hite said that it is a typically practice in an organization to offer a new candidate less than the incumbent of the position made in recognition of the learning curve. Since July 2014, no employees have received compensation adjustments for anything. Hite pointed out that Chief Kujawa was hired during that time period and has not received a compensation adjustment. Wager said this shows that not only entry-level positions have been frozen, but also all other positions within the organization. Hite said that a merit adjustment after the introductory period is completed is truly related to performance since those who do not perform satisfactorily are released from employment during the introductory period. The cost of merit pay adjustments for those affected would be an addition of $13,892 to the base budget. Hite said this is also a retention measure.

Motion by Rasmussen to approve the introductory period completion merit pay increases for general employees hired after the first pay period in July 2014 and through the end of 2016. Second by Oberbeck. Motion passes 3-0.

C. Merit Pay – Satisfactory Performers. Hite said that 100% of performance evaluations were completed for 2015. At this time, a complete tally has not been done on how employees were rated, and because Chapter 5 of the proposed Employee Handbook contains several provisions for rewarding exceptional performers, Hite recommends not taking additional action for exceptional performers until the handbook is adopted. Hite recommends a 1.5% increase for general employees who are rated as satisfactory performers, stating that these employees have not received a raise for 2 years, and this increase amounts to a 0.75% increase per year, for 2 years of performing satisfactorily. Wagner asked if this was for satisfactory and above performers; Hite said yes, that this would apply to all who were rated as satisfactory and exceptional, and that additional rewards for exceptional performers would be discussed when the handbook is approved. Oberbeck said that it sounds like an “across the board” raise, which they had been trying to get away from and does not believe that this is acceptable. Oberbeck went on to say that they committee hasn’t see any of the senior staff performance evaluations as requested, and that there is some work to be done before the City starts giving across the board increases. The committee agreed that they would like to see the data from the performance evaluations. Concern about employees who are at the top of the range was brought up. Hite said that her staffing paper included language that no employee will receive a raise that will take them above their salary range, and the raise will not be given to employees who are already red-lined. Discussion took place about the current pay-for-performance system and the way it was originally administered. Oberbeck felt that the idea was to not give everyone the same increase, but to base it on their individual performance. Rasmussen said she feels the system has lost some credibility because of the way it’s been handled, also mentioning concerns from employees of the perception that only a certain percentage of employees could be rated as exceptional. Hite explained the change to performance evaluations for certain positions that more easily convey to an employee how to be satisfactory in their job. Hite went on to say that she is not proposing to mature the salary ranges; she is proposing to give all general employees who were rated as at least satisfactory a 1.5% merit increase. Mohelnitzky spoke to the benefit of having the redesigned performance evaluations and using them as a tool daily to measure performance. Oberbeck reiterated that he felt that giving a 1.5% across the board increase was going backwards to what the pay-for-performance system was designed to accomplish. Rasmussen felt that giving the increase is a byproduct of stopping the pay-for-performance plan administration. (Gisselman arrived at 5:03 p.m.) Hite said that this was also in follow up to a motion made by Gisselman and seconded by Nagle, and passed on October 12, 2015 by the Human Resources Committee to provide non-represented employees with a salary increase, amount undetermined, in 2016, date undetermined. Hite said that this will only affect employees who had satisfactory performance appraisals and if an employee is near the top of their range, they may not receive the full 1.5% if it will take them outside of their range; periodic salary increases that add to the base are necessary to not fall behind and lose good workers in any organization. Oberbeck asked if Hite will be taking the 1.5% and adjusting the matrix. Hite said no – the matrix will not be adjusted. Wagner would like to know how many people would end of up with less and 1.5% increases if passed, and how many employees received an unsatisfactory rating. Hite said this information would need to be discussed in a closed session.

Motion by Rasmussen to approve the merit pay increase for satisfactory performers. Second by Oberbeck. Motion passes 3-0 (Gisselman abstained from vote.).
3. **HR Director Report.**
   **A. ATU Grievance Advancement – Employee Insurance Grievance (Flegner).** Hite provided an update on the grievance that the committee denied at the last meeting. It has been advanced by the ATU.

   **B. Organizational Efficiency and Effectiveness Update.** Hite met with the LEAN Blackbelt to start the organizational efficiency and effectiveness. Hite and the Blackbelt will be meeting with the Assessment Department on April 26th. Hite said that she did ask the Blackbelt to come and talk to the committee at the May meeting to provide an overview of the vision and talk about the work he and Hite will be doing with the pilot.

   **C. Employee Handbook Update.** Hite reminded the committee that the next session for employees to talk about the handbook updates is April 13th at 2:00 p.m.

10. **Future Agenda Items for Consideration (Administrative Items for New Council).** Hite brought the agenda from the last time Council was elected for consideration of items for the May Human Resources Committee agenda. Wagner agreed to the items on the 2014 agenda and said the Blackbelt would be added at the end of the meeting. Rasmussen asked if the handbook would appear on the June agenda. Hite said June would be a good time.

11. **Adjourn.** Motion by Rasmussen to adjourn. Wagner thanked Oberbeck for his interest and input on the committee. Second by Oberbeck. All ayes. Motion passes 4-0. Meeting adjourned.

Romey Wagner  
Human Resources Committee, Chair