

City of Winsted  
City Council Work Session  
Lewis Room  
Tuesday, December 1, 2015  
4:30 p.m.

Present: Mayor Steve Stotko  
Council Member Tom Ollig  
Council Member Bonita Quast  
Council Member George Schulenberg

Present By Telephone: Council Member Max Fasching

Staff Present: Mr. Dan Tienter, City Administrator  
Ms. Deborah R. Boelter, City Clerk-Treasurer

## **I. Call to Order**

Mayor Stotko called the meeting to order at 4:30 p.m.

## **II. Compensation Study**

Mr. Tienter introduced Mr. Lucas Golliet, Human Resources Analyst from Flaherty & Hood, P.A.

Mr. Golliet presented the following information found in the City of Winsted's Compensation Study that he completed:

- Job Classification and position activities.
- Employee compensation.
- Purpose of the Compensation Study is to help the organization achieve their mission and goals as well as to understand the worth of each position. It also helps to ensure that the City is complying with all local and state regulations.
- Process used to prepared the Compensation Study:
  - Job Analysis.
  - Job Evaluation.
  - Market Survey.
  - Base Pay Structure.
  - Implementation.

Mr. Golliet stated the job analysis phase was to determine what the duties of each position are. This was accomplished by reviewing the City of Winsted's job descriptions, followed by a 25-page job analysis questionnaire completed by each employee. Information was collected on the duties and requirements for each position. This information then helped formulate the job evaluation. Each factor contained within the job evaluation is assigned a weight and is contained within Attachment B. The proposed job evaluation ratings for all positions are contained in Attachment C on Page 20 of the report.

The next phase of the Compensation Study was completion of a market survey, which helped identify prevailing wages in comparable cities. Full details of the analysis are included in Attachments D and E. Mr. Golliet noted there were a few positions where they were unable to

receive sufficient data from the identified market sources. Those positions were not included in the analysis.

Mr. Golliet indicated the predictive pay line is utilized as the backbone of the recommended pay scale structure. The predictive pay line identifies the predictable pay for all positions within the City and is calculated by performing a lineal regression analysis on the internal job evaluation points paired with the external market survey data. Further details on the predictive pay line are included in Attachment F.

A pay structure was then compiled utilizing the predictive pay line and the market survey data. The predictive pay line is the maximum salary for each position. Attachment G depicts the proposed step structure for the City.

The recommendations from the Compensation Study include the following:

- Approve the proposed job evaluation system as described in Attachment B.
- Approve the proposed job evaluation ratings for all positions as described in Attachment C.
- Approve the proposed Winsted base pay structure as outlined in Attachment G.
- Move employees to the proposed Winsted base pay structure, place employees on the Step Program that is closest to their current wage, effective January 1, 2016.

Mr. Golliet stated other action items to consider are the following:

- A review of major documents and policies as a result of the Compensation Study as outlined on Page 11.
- Maintain and update the classification structures to ensure the City continues to comply with applicable regulations and remain competitive. This should be done every three to five years. Step increases would be given on the employee's anniversary date.

Council Member Fasching asked whether it would make sense to have January 1 as the employees' new anniversary date.

Mr. Golliet indicated it was his understanding there was a step date of July 1, but that the City Council can choose January 1 as the new step date.

Mr. Tienter stated as it regards the anniversary date, originally employees were provided with their step increase on their date of hire, which was then changed by the City Council at the time they revised the Employee Reference Manual. The step date was changed at that time to July 1. Staff has had some discussions about going to a January 1 step date but it was felt that might be confusing.

Mr. Tienter stated while the action on the Compensation Study would increase salaries, it would be best not to characterize it as a raise based on performance like the step increases are but rather it is an increase in the compensation plan with regard to pay equity and market competitiveness. Mr. Tienter stated if the employees were not to receive their step increases, their salaries would remain below what the prevailing market wages are. Mr. Tienter noted the City Council does have the ability to change when the increases occur and that both increases could occur at the same time.

Mr. Tienter stated when it comes to the individual positions and where they are positioned regarding the average salary, an adjustment was made based on the responsibilities that position has to bring their salaries more in line with the market. The top of the pay range is the predictive pay rate taking all of the various factors into account. If there is an increase in the top predictive pay rate, the employees will get a step increase as well as a general compensation increase unless that employee was already at the very top of the pay scale. In that situation, the employee

would only receive the overall pay increase. Mr. Tienter stated the City Council will need to decide whether or not to implement the recommendations of the Compensation Study and whether or not they should also include in the budget an across-the-board increase. A further point for consideration is whether the Compensation Study increase and the step increase should occur at the same time.

Council Member Fasching asked whether just the base salary is being taken into consideration in the Compensation Study or whether other benefits have been factored into it.

Mr. Tienter indicated the main thrust of the Compensation Study was salary.

Mr. Golliet noted it is very common for cities to give a periodic across-the-board increase of some sort and then on an employee's anniversary date it is very common to provide a step increase based on the amount of time that individual has been with the City.

Mr. Golliet stated the reason there is a point factor for each position is to comply with the Pay Equity Law, which requires cities to look at both the market and internally. If positions are moved out of their respective predictive pay rate, issues with pay equity can occur.

Mr. Tienter stated he does not have exact information on what the step increases have been in the past. Mr. Tienter stated the Compensation Study has looked at the current market rate and then adjustments were done based on each employee's responsibilities that have been assigned to each employee. In every case the predictive pay rate is below the market wage. Mr. Tienter stated the Compensation Study would not put the City of Winsted at the top of the market but would make it more competitive. Mr. Tienter noted \$27,000 was included in the budget for pay increases and that the recommended pay increases outlined in the Compensation Study comes in at around \$24,000.

The City Council discussed the Compensation Study. Council Member Quast noted the City is mandated by the State to complete a Compensation Study every three years.

Mr. Tienter stated his recommendation would be to move forward with the schedule as outlined in the Compensation Study.

The City Council discussed whether the step anniversary date should be changed and whether back pay should be given. The City Council decided to implement the compensation plan on January 1, with no 1% across-the-board pay increase, and to change the step anniversary date to January 1.

Mr. Tienter indicated Staff will prepare an amendment to the City's Personnel Policy for Council approval changing the anniversary date to January 1 of each year.

### **III. Year 2016 Budget**

The City Council briefly discussed the 2016 budget. The consensus of the City Council was not to add the deputy city clerk position but to hire a part-time employee at \$15 an hour for 20 hours per week.

The City Council discussed whether the new part-time employee should take the official meeting minutes. The City Council decided that current City staff should continue to perform that function.

Mr. Tienter stated because there are several large projects moving forward that are not fully funded in the current capital budget, he would recommend that the preliminary levy be left at the 3.9% rate and to allocate any extra money the City might realize in 2016 toward those projects. Mr. Tienter noted City staff will need to update all of the budget information based on the final

levy amount and that a special City Council meeting has been scheduled for next week to discuss the budget more in depth.

**IV. Other**

None

**IV. Adjourn**

**Council Member Ollig motioned to adjourn the meeting. Council Member Fasching seconded the motion. Motion carried 5-0.**

The meeting was adjourned at 6:00 p.m.

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Steve Stotko  
Mayor  
City of Winsted

ATTEST:

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Deborah R. Boelter, CMC  
City Clerk-Treasurer  
City of Winsted