

**PERSONNEL COMMITTEE
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Personnel Committee conducted a regular meeting on Tuesday, October 15, 2013, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Jason Tossey
 Councilmember Randy Backous
 Councilmember Mark Kuzma

Also Present: City Administrator Kurtis Ulrich
 Human Resources Manager Colleen Lasher
 Fire Chief Dean Kapler
 Parks and Assistant Public Works Superintendent Mark Riverblood
 Public Works Superintendent Grant Riemer
 City Engineer Bruce Westby
 Development Services Manager Timothy Gladhill
 Mayor Sarah Strommen (Alternate)
 Councilmember Jill Johns
 Councilmember John LeTourneau
 Councilmember Chris Riley

1. CALL TO ORDER

Chairperson Tossey called the regular meeting of the Personnel Committee to order at 6:27 p.m.

2. CITIZEN INPUT

There was none.

3. APPROVE AGENDA

Motion by Councilmember Backous, seconded by Councilmember Kuzma, to approve the agenda as submitted.

Motion carried. Voting Yes: Chairperson Tossey, Councilmembers Backous and Kuzma.
Voting No: None.

4. COMMITTEE BUSINESS

4.01: Discussion Regarding 2014 Non-union Wages and City Health Insurance Contributions

Human Resources Manager Lasher reviewed the staff report, noting the City has 68 employees, of which 65 are benefit eligible. Of those 68, 24 are non-union and 44 are union. The purpose of this case is to discuss non-union employee's wages and health insurance benefits for 2014 and to consider a comparison related to the City's unionized employees. It was noted that since the union contracts have been settled through 2014, the decisions made regarding the non-union group will have an impact on the City's internal equity and compensation structure. She advised that staff has data from about 18% of the reporting metro area cities indicating an average, non-union wage increase of 2.08% for 2014. Human Resources Manager Lasher reviewed terms of the 2014 settled contracts (wages and health insurance) (AFSCME, LELS-Patrol, and LELS-Sergeants). She presented three options for the Committee's consideration and further discussion:

Option #1: Retain the previously budgeted 2.5% increase in order to have flexibility based on the results of further analysis and receipt of additional pending data and to offer the same health insurance benefit to the non-union group as the unionized groups.

Option #2: Option #1 plus direct staff to perform a League of Minnesota Cities wage study for each non-union position in order to gather position specific market data and then use the remaining .5% to increase the position(s) that are too low.

Option #3: Based on discussion.

Human Resources Manager Lasher stated staff recommends Option #1, noting this will allow flexibility and time to learn what the Consumer Price Index and market are doing. She noted that in 2012, Department Heads received a 1% increase and all other staff members received a 2% increase, causing an even greater disparity within the compensation structure and market. It was noted the preliminary 2014 budget has accounted for a 2.5% non-union COLA and health insurance increases. The difference between a 2% increase and a 2.5% increase is about \$6,000 per year. She stated there may be an issue coming forward relating to comparable market wages.

Councilmember Backous asked if a League of Minnesota Cities study is done each year and if it has been done for 2014.

Human Resources Manager Lasher stated it is done yearly and already completed for 2013.

Councilmember Backous asked how the City rated and stated his preference to consider what the market bears and compete for talent in that way.

Human Resources Manager Lasher stated the unionized groups are where they need to be. She stated she has analyzed two-thirds of the non-union positions and found the City is at market or below, but none are over market rate.

City Administrator Ulrich stated if the Personnel Committee wants to keep COLA low and distribute funds to address market efficiencies, staff can present that option at a future meeting.

Councilmember Backous stated the market is the City's market and if the City is retaining employees, it is doing a good job. He noted Ramsey is unique and not the same as other cities in all aspects. He stated he has previously done salary surveys and they do identify if there are major discrepancies.

Chairperson Tossey stated he has yet to see an employee leave because of a 1% or 2% discrepancy. He stated the non-union positions are generally the highest paid positions in the City, and he believes this is not the time to consider a raise for the City's highest paid employees. Chairperson Tossey supported taking the time to do a market analysis and then consider adjustments, if justified, on a case-by-case basis.

Councilmember Kuzma asked who is considered non-union.

City Administrator Ulrich stated it is department heads and confidential employees who work with union negotiations such as Human Resources Manager Lasher.

Human Resources Manager Lasher stated, typically staff members who attend Council meetings would be non-union as well as liaisons to Boards and Commissions. She described the positions comprised in the union groups and stated she will provide a list that identifies non-union positions.

Councilmember Kuzma stated support for a comparison study.

City Administrator Ulrich stated if the unions get a percentage and the non-union do not, it will be an issue.

Councilmember Backous stated the union is the union and those contracts were negotiated so he does not find it to be a perception issue.

Chairperson Tossey stated handing out 2.5% increases to the City's highest paid employees while asking residents to pay for roads is the perception issue he is concerned about.

Human Resources Manager Lasher stated it was clear that the Council wanted to focus on retention and higher-level positions are specialized, leading the non-union groups.

Chairperson Tossey reviewed increases made within the Police Department and the issue of whether salaries are equitable, which he is not buying, because the Council takes it up on a case-by-case basis if there is a disparity.

City Administrator Ulrich stated most non-union employees are exempt and do not qualify for overtime and work extra hours. The union settlements were broken down into cost of living and market rate adjustment. He stated staff will do additional research relating to market rates.

Chairperson Tossey asked how many were told they had to leave the union to take a promotion, noting none were forced and did so voluntarily. He did not think it was fair to ask the public for more tax dollars to raise the salaries of the City's highest paid employees unless there is a big disparity

Councilmember Kuzma stated those management positions that are paid higher than union positions include the function of management, and that is where the comparable will come in.

Councilmember Backous stated some private companies have put a moratorium on higher paid positions. He noted other positions have been added to ease the burden and there are other work factors than the pay. Councilmember Backous stated if the City offers market or near market salaries and the employees are happy in their environment, they will stay. He stated the analysis has to compare like positions to like positions and it is the responsibility of the Council to determine the fair market value for each position.

Chairperson Tossey agreed and stated there is a need to compare apples-to-apples and population alone is not an indicator.

Human Resources Manager Lasher stated the League of Minnesota Cities has upgraded its salary survey so there are more factors considered than previously. She stated she will attempt to get the comparison as close to "apples-to-apples" as possible.

It was the consensus of the Personnel Committee to ask staff to complete a wage study and market survey for each non-union position so the City's non-union salaries can be compared with market rates.

4.02: Resolution to Replace the Duties Left Vacant by the Fire Marshal

Human Resources Manager Lasher reviewed the staff report and recommendation to authorize staff to move ahead with recruiting a Deputy Fire Chief posted at the position's full pay scale of \$30.14 per hour to \$37.67 per hour. The proposed position will provide back up for the Fire Chief, anticipates the need for succession planning, will assist with the on-going fire service consolidation effort, and is meant to ensure exemplary ongoing fire administration for the community. She noted the Fire Marshal's position in 2014 wages was budgeted for \$102,988 and anticipated funding for this position is approximately \$89,346.

Fire Chief Kapler stated the consolidation effort will take a lot of work and he would like this position to be part of that, which will have a direct reflection on its success. He stated the breakdown into operations and code enforcement at a 60/40 split is not far from where it was before and there is need for flexibility in this job description because he does not see a lot of full-time positions in the future.

Councilmember Backous stated he understands Fire Marshal Kohner's resignation resulted in a big loss. He asked if there were existing long-term employees that could be utilized for operations as a back up and whether the 40% of Code Enforcements/Inspection Services could be contracted.

Fire Chief Kapler stated this will be the #2 position and it is important to recognize that a strong structure is needed. He stated he selected the Deputy Fire Chief title because some duties will go along with that position and put an emphasis that it is the #2 position. He stated the current people work during the day and as a City, the majority of fire calls are also during the day.

Chairperson Tossey asked how many structure fires there were.

Fire Chief Kapler stated last year there were 14-15 structure fires.

Chairperson Tossey stated he has a hard time considering a full-time Deputy Chief position for a City of this size, especially with its economic problems. He felt there was opportunity for a Fire Inspector being a #2 position and was concerned that a Deputy Chief may garner a higher pay. He noted Fire Chief Kapler is very active and attends many meetings, which is great, but some of those commitments could be downsized somewhat.

Councilmember Backous stated he is not saying this is not an important position but agrees there are budget issues and the City is also asking residents to fund a street improvement program. He stated Ramsey is reaching out to other communities for shared fire services, which he supports, but does not know if Ramsey is getting back an adequate amount to cover the costs for the additional tasks. Councilmember Backous stated if there is more burden on City staff and additional costs with shared services that is not reimbursed, he does not want to be part of it. Rather, he supported joined services and cutting costs.

Fire Chief Kapler stated he does not know if a good gauge is the number of structure fires because the Code enforcement and fire prevention results in people not spending money to repair their homes, which is huge. He believed fire prevention should be #1 on the list. He stated administrators are looking at the shared services cost analysis and the effort expended by staff to get it to this point is not being recouped.

Councilmember Backous stated if Ramsey is adding staff to cover the burden for joint fire services then either the other cities need to make enough reimbursement to cover those costs, or Ramsey should get out of it.

Fire Chief Kapler stated a lot of the questions related to costs are included in the consultant's report and it contains good information to determine if shared services is a good idea. He stated after reviewing that study, he thinks there will be an improvement in services and in the long term, reduction in costs.

City Administrator Ulrich stated there was originally five cities considering shared services with Ramsey. Then Oak Grove dropped out so it is now at four cities. He explained there is anticipation that administration costs of the joint venture will be shared, though the exact numbers are not yet known. He stated he and Fire Chief Kapler will work on that organization for shared equipment. City Administrator Ulrich agreed that Ramsey has the highest costs because it has the biggest Department and population to serve and as the model is expanded for shared services, all will contribute toward those costs. He believed there was the option to share

this position in the future but it is critical to hire in the start up phase of shared services, and also addresses succession planning for this larger entity if it comes about, and to have the employee feel comfortable in providing leadership. City Administrator Ulrich stated there are alternatives, such as a lower level position to grow into this position over time but that is not the preference. He explained if there is a new Department in two years, they want an employee with those skills and abilities at this point. He asked if there may be the opportunity to contract out some of the fire inspection work for neighboring communities to recoup some of the costs.

Chairperson Tossey asked if that was done with Fire Marshal Kohner.

Fire Chief Kapler stated the only one contracted out was with Nowthen under that JPA.

Chairperson Tossey stated if not done previously, he does not think it will be done in the future. He stated he attended the consultant presentation and heard about shared services. The consultant said overall, it makes sense to have some shared services in the area of fire prevention and training but not in sharing rigs. Chairperson Tossey stated he has no desire to fill a position that may never come to fruition and would prefer a fire prevention position.

Councilmember Kuzma asked what the difference in salary is between the two positions.

Human Resources Manager Lasher stated the Deputy Fire Marshal range is \$30.14 per hour to \$37.67 per hour as compared to that of the Fire Marshal range of \$27.93 per hour to \$34.56 per hour.

Chairperson Tossey stated he does not support staff's recommendation to hire a Deputy Fire Chief but would be willing to discuss lowering the position classification.

Fire Chief Kapler stated the recommendation he presented was his vision of what is best for the Fire Department. But if this does not have a chance, he absolutely would recommend covering what needs to be covered today. He stated part of his job is to predict the community's future needs (buildings and services) and this is his idea of a snapshot of the future in what the community needs. Fire Chief Kapler stated he does not want to lose services the City is already providing.

Councilmember Backous stated he was going to ask what was the most important in this position, and Fire Chief Kapler had previously mentioned the most important aspect is fire prevention. He asked if that service can be contracted instead of hiring an employee. He stated if the shared services agreement evolves, that position would be an easy one to share and quantify the cost to the communities.

Fire Chief Kapler stated it can be contracted out and the City needs to look at efficiencies. He noted new construction inspections are picking up as well as other administrative functions.

Councilmember Backous asked whether the Fire Department can draw on the talents of current employees to pick up the slack on operational functions. He stated he likes the idea of contracting for fire inspections because then the City can hire to the level needed.

Fire Chief Kapler stated the operational functions occur during the day and the experienced people work during the day so he will have no luck finding a current person to handle operational functions. He stated these functions can occur any day of the week and that is the advantage of a flexible position instead of a contractor that is rigid.

Councilmember Backous asked what the Fire Department can live without, as he would like to find a compromise. He stated this is not a good time to add a \$100,000 cost.

Fire Chief Kapler noted this is not a request to add anything, but to replace a full-time position. He stated a Fire Inspector/Building Inspector was brought on and with the activity, went to a Fire Inspector, and then as the employee's abilities grew became a Fire Marshal. The same happened with Mr. Kohner.

Chairperson Tossey stated it would add \$15,000 in salary if a Deputy Fire Chief position is hired. He stated he is not comfortable paying the new replacement position more than was received by the person in the position previously. He stated residents spoke last week and told the City to stop spending money. Chairperson Tossey stated he understands the need to fund critical services but he does not want to replace the previous position with someone being paid more. He asked if there was support to restructure this position or bring it before the full Council.

Fire Chief Kapler stated he has heard the comments of the Personnel Committee loud and clear and suggested he and Human Resources Manager Lasher come up with an alternate recommendation.

Councilmember Kuzma asked if this position being on staff affects the insurance rates of the homeowner.

Fire Chief Kapler stated it does but is part of a long and complex formula.

Councilmember Backous stated as an insurance agent, rates are based on having a fire hydrant within 1,000 feet, a Fire Station within so many miles, and the type of structure of the house.

Fire Chief Kapler described the other items that are factored into the formula.

City Administrator Ulrich stated the issue is the ISO rating and described how it is determined.

Councilmember Kuzma stated support for the Fire Chief to consider other alternatives that address the funding concerns.

Councilmember Backous stated he understands the request but in all requests impacting the budget, he wants to hear what is needed, not what is wanted.

Fire Chief Kapler stated he will return with a tiered approach that includes options.

Councilmember Kuzma agreed with the importance of succession planning so the #2 position is ready at the time Fire Chief Kapler retires.

Councilmember Backous stated it may be that another City's Fire Department is training that #2 person who will replace Fire Chief Kapler when he retires.

Chairperson Tossey stated the Council will select the replacement for the Fire Chief, and it may not be the #2 person, and it may be someone from outside of the Department.

Motion by Councilmember Backous, seconded by Councilmember Kuzma, to postpone consideration of the recruitment for a Deputy Fire Chief position and ask Fire Chief Kapler and Human Resources Manager Lasher to develop other options that includes a tiered approach.

Motion carried. Voting Yes: Chairperson Tossey, Councilmembers Backous and Kuzma. Voting No: None.

4.03: Resolution to Accept a Paid-on-call Firefighter's Resignation

Human Resources Manager Lasher reviewed the staff report and recommendation to accept the resignation from paid-on-call Firefighter Lance Weatherly as he has moved out of the City. It was noted the Fire Chief is not requesting to fill this position at this time.

Motion by Councilmember Backous, seconded by Councilmember Kuzma, to recommend that the City Council confirm the recommendation of the Personnel Committee and accept paid-on-call Firefighter Lance Weatherly's resignation and to recruit for this position at a later date.

Motion carried. Voting Yes: Chairperson Tossey, Councilmembers Backous and Kuzma. Voting No: None.

ADJOURNMENT

Motion by Councilmember Backous, seconded by Councilmember Kuzma, to adjourn the regular meeting of the Personnel Committee.

Motion carried.

The regular meeting of the Personnel Committee adjourned at 7:29 p.m.

Respectfully submitted,

Colleen Lasher
Human Resources Manager

ATTEST:

Jo Ann M. Thieling, City Clerk

Drafted by Carla Wirth
TimeSaver Off Site Secretarial, Inc.