FINANCE, BUDGET AND PERSONNEL COMMITTEE
MINUTES OF APRIL 4, 2006

Meeting called to order by Chairperson Bennington at 5:30 p.m., in the Common Council Chambers, City Hall Plaza.
PRESENT: Jerry Bennington, Sr., John Spiros, Marty Anderson, Edward Beaudry, Jr. and Alanna Feddick
ABSENT: None
ALSO PRESENT: Alderpersons Feirer, Krueger and Buttke, Mayor Meyers, City Administrator Brehm and City Personnel (Keith Strey, Lara Baehr, Brenda Hanson, Joan Spencer, Barry Feig, Dan Wolfgram, Amber Miller, Joe Sinn, Bill Schroeder and Deb Hall).

FBP06-041 Motion by Anderson, second by Feddick to approve payroll in the amount of $996,438.41 and the bills in the amount of $401,004.29 as recommended by the Finance Director. All Ayes
Motion carried

FBP06-042 Motion by Feddick, second by Beaudry to accept and place on file the Monthly Position Control Status Report of March 31, 2006. All Ayes
Motion carried

FBP06-043 Motion by Feddick, second by Spiros to accept and place on file the Report of Personnel Actions of April 4, 2006. All Ayes
Motion carried

The Non-Represented Employees Compensation Plan Study was discussed.

Human Resources Manager Baehr explained that the original study was done by Ernst & Young in 1990 and they did recommend a list of public sector organizations on a regional basis and public and private sector organizations on a local basis for which to collect data. The report states that an important criteria for selecting the participants involved the need to collect data from organizations of similar size with jobs performing similar duties within the local and regional area. The report also states that data was collected from organizations that the City would potentially recruit people from and lose people to.

She presented the salary survey which removed the City of Appleton from the comparables.

Administrator Brehm added that the lack of employee turnover is reflective of the city's commitment to not only recruit but retain employees. One can only have to go back to 1998 when you took a look at the pay plan that was approved in 1991, with the exception of the 1st and 2nd year; the pay plan was not followed. It culminated in 1997 and 1998 with the plan being way out of whack with our comparables. The result of that was is that there were about 15 positions vacant. In some instances, the city had to advertise at least 3 times to fill some vacancies because they could not get any applicants to apply for the position(s). He does feel that the Fox River Valley cities are important to us. Not only for our employees moving over to there but for employees from that area coming to the City of Marshfield when positions are vacant.

Alderperson Buttke has some issues with this plan. He feels that the city gets caught up too much with comparables. There is no such thing as a comparable. If the council would go through with this plan, from what he understands, the people who are over the average would get a pay freeze. That is not right. An annual increase is tied together with their performance appraisal. If they pass that, they will get an increase.

Administrator Brehm responded that you are never going to have comparables that are identical. There are two parts to the pay plan. One is the classification, the internal and external comparables. The other aspect of the pay plan is to adjust those levels of compensation on an annual basis for two reasons; 1) testing what our comparables are so that we can adjust the midpoint to market and 2) to take a look at the annual performance review and to go through that with the non-represented employees. If they successfully have a good annual performance review their salary would be adjusted on their anniversary date. It was never their intention to freeze staff. What is happening is similar to the early 1990's, is that the committee is beginning to pick and choose those things that you feel are important or not important to you and you begin to lose the credibility of the pay plan because you are now beginning to consider changing the comparables. As a result of removing the City of Appleton from the comparables, there is an increase from 5 to 10 positions that are now being paid significantly more than the market. That is an artificial creation of a gap that does not reflect market.

Alderperson Spiros said that no one is getting paid at the maximum level. He feels that the city should be using merit increases to get to that point. Merit is more productive than using comparables. When an opening occurs, that is when you should take a look and evaluate the position as far as the salary and comparables.

Administrator Brehm stated that the merit adjustment is .5%. It would take someone multiple years to work from midpoint to maximum. Even if an employee works here for 20 years, they may not reach the maximum as a result of that .5%.

FBP06-044 Motion by Spiros, second by Feddick to use the merit increase system that is currently in place and to allow non-represented employees to reach the maximum level in the pay plan.

Alderperson Anderson would like to see more information on this prior to a decision being made.

Administrator Brehm said that a formal presentation on the current pay plan could be presented to show the Council how it works and operates. The Decision Band Method pay plan is a common one used both in the public and private sector.

Vote on motion **FBP06-044**; Bennington, Beaudry and Anderson voted Naye, Feddick and Spiros voted Aye.
Motion failed

FBP06-045 Motion by Anderson, second by Beaudry to table this issue until the new Finance, Budget and Personnel Committee is formed.

Alderperson Beaudry said that he would like to find out how they can reach the goal of getting these employees salaries where they belong without it all being in the same budget year. We need to spread it over enough time to get it where it belongs.

Vote on motion **FBP06-045**; Feddick voted Naye, rest Aye.
Motion carried

Motion by Feddick, second by Spiros to adjourn at 6:10 p.m.
Motion carried

Deb M. Hall
City Clerk