

**CITY OF MERRILL
COMMITTEE OF THE WHOLE
Tuesday, July 30, 2013 at 5:30 P.M.
City Hall Common Council Chambers
1004 East First Street**

AGENDA

1. Call to order
2. Update and discussion of Tax Increment District (TID) planning and next steps necessary to implement changes, including scheduling a special Common Council meeting
3. Report and discussion on employee compensation
4. Public Comment
5. The Committee may convene in closed session for the following:
 - a. pursuant to Wisconsin State Statutes 19.85(1)(e) for deliberating or negotiating the purchase of public property, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, pertaining to the demolition bid for the Lincoln House, 120 South Mill Street
 - b. pursuant to Wisconsin State Statutes 19.85(1)(e) for deliberating or negotiating the purchase of public property, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, to consider property title transfer to City of Merrill/Redevelopment Authority to facilitate demolition and site redevelopment in TID #8 (West Main Street)
 - c. pursuant to Wisconsin State Statutes 19.85(1)(e) for deliberating or negotiating the purchase of public property, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session, to consider purchase of property in TID #5 for regional stormwater drainage and potential TID #8 development incentives to facilitate redevelopment of a vacant manufacturing site located in TID #8

- d. pursuant to Wisconsin State Statutes Section 19.85(1)(g) to confer with legal counsel who is rendering oral or written advice, to discuss bargaining strategy for negotiations with the City's Fire and Police unions and related issues
- 6. The Committee may reconvene in open session for possible action(s) on closed session issues
- 7. Adjournment

NOTE: It is possible that a quorum of the Common Council will be present at this meeting. However, no Common Council action will be taken.

Agenda prepared by City Clerk Bill Heideman
Agenda reviewed by City Administrator Dave Johnson & City Attorney Tom Hayden

The Merrill City Hall is accessible to the physically disadvantaged. If special accommodations are needed, please contact the Merrill City Hall at 536-5594.

Date and time agenda was posted: _____ *Posted by:* _____

REQUEST TO INCLUDE ITEM ON AGENDA

Board or Committee: Committee of Whole

Date of Meeting: July 30th, 2013

Request by: Finance Director/RDA Secretary Kathy Unertl

Describe below the item(s) you wish to have put on the agenda:
(please attach any pertinent information)

Update and discussion of Tax Increment District (TID) planning and next steps including scheduling Special Council meeting

Please see existing TID overview map and preliminary list of TID boundary and plan amendments. A new "blighted" area TID No. 9 is being proposed.

Key Dates:

Redevelopment Authority (RDA) public hearing
Tuesday, September 10th, 2013 at 6:00 p.m.

Special Common Council meeting

Would Tuesday, September 24th, 2013 at 7:00 p.m. work?

Needs to be fourteen or more days after RDA meeting, but before September 30th.

Kathy Unertl

Date: 7/24/2013

City of Merrill - Tax Increment Districts (TIDs)

The following adjustments to various TIDs are being prepared for RDA and Common Council review:

TID No. 3: [East of N. Center Ave. to Wal-Mart Site]

Delete Wisconsin River frontage parcels (moving to TID No. 9)

Add mobile home park and any other connecting parcels

TID No. 4: [Thielman St./Pine Ridge Ave.]

Delete various cemeteries

Add Econolodge, Do It Center, Pine Ridge Mall (including existing Wal-Mart), and McDonald's

TID No. 5: [Hwy 107/Taylor St. Area]

Plan amendment for streetlights within 1/2 mile area and any public infrastructure at MARC

TID No. 6: [Downtown Area]

Nothing planned at this time

TID No. 7: [N. Center Ave. Area]

Nothing planned at this time

TID No. 8: [West Side area]

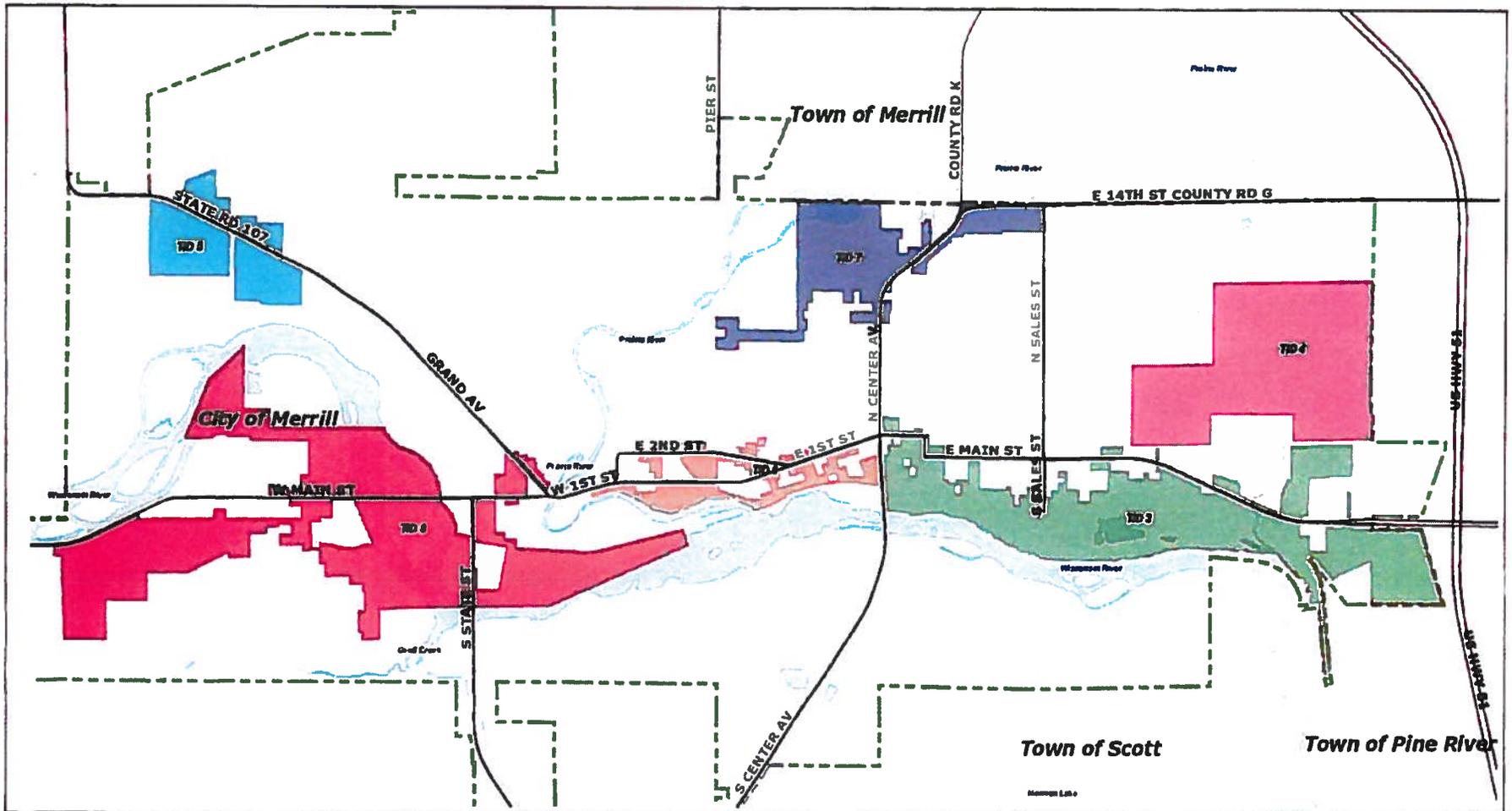
N. State St./W. Main St. corner
Former Snap Fitness building
St. Vincent (former Lincoln County Bank)
Alexander St. area [including Precision Laser]

NEW "Blight" -TID No. 9: [WI River/S. Center Ave. Area]

DC Motors - which isn't in a TID [was in former TID No. 2]

WI River frontage (Strassman Electric to WPS) - from TID No. 3

S. Center Ave. to former Club Modern area



City of Merrill GIS
 Tax Incremental Districts - 2012

DISCLAIMER: The City of Merrill Does not guarantee the accuracy of the material contained here in and is not responsible for any misuse or misrepresentation of this information or its derivatives.



SCALE: 1" = 1522'



Print Date: 3/12/2012

Seubert, Kathy

From: Johnson, David
Sent: Wednesday, July 24, 2013 12:02 PM
To: Heideman, Bill
Cc: Seubert, Kathy; Hass, Steve
Subject: COW agenda
Attachments: Compensation Issues - July 30 COW.docx

Bill,

Please include this item concerning "Employee Compensation Issues" on the July 30 COW agenda. Thanks!

David Johnson, City Administrator
City of Merrill
1004 E. 1st St.
Merrill WI 54452
715-536-5594

Compensation Issues

Finance Director

Recently the decision was made to have the IT Manager report to the City Administrator and take the IT Director duties from the Finance Director. It has been suggested to me that the Finance Director should receive a reduction in pay because of no longer being responsible for the IT function. The Finance Director never received an increase during her tenure for being given responsibilities for IT as I was told she had been. I checked payroll records for her entire tenure with the City and found that no increase was given for taking on additional duties for IT. She also never received an increase for taking on Redevelopment Authority responsibilities.

The amount of duties/work is not a factor in determining the compensation for a position, if that were the case, then I would get an increase commensurate with the decrease suggested for the Finance Director. A decrease for Kathy or the increase for me is inappropriate in this case.

Jobs are evaluated in order that their worth is ascertained for achieving pay equity between jobs. Professional/managerial/supervisory jobs are expressed in terms of key factors. Points are assigned to each factor after prioritizing each factor in order of importance. The points are summed up to determine the wage rate for the job. Jobs with similar point totals are placed in similar pay grades. This is the Point Method of job evaluation.

The most important factors are:

- Know-how - the education/skill/experience required to perform a job
- Mental effort - degree of complex thinking involved
- Problem solving responsibilities and difficulty of problems being solved
- Degree of discretion and freedom to act allowed in performing a job
- Impact on the organization as a whole
- Creative thinking involved

Lesser factors are:

- Number and type of subordinates
- Degree of potential stress

Significantly lesser factors are:

- Physical effort
- Physical working conditions

In the case of the Finance Director none of the primary evaluation factors have been reduced, therefore, there is no reason to reduce her salary. If the suggested action were to take place and she were to take umbrage with this suggested action and seek redress in court I can tell you that the City would not likely prevail. In the unlikely event that the City did prevail in a lawsuit, the monetary and emotional cost would be more than any potential savings. This is knowledge that the City expects me to have and it is my responsibility to make you aware of the potential consequences of suggested actions. To take an action because we can, rather than because we should is not good management practice.

Salaries in General

In January, at the request of the Personnel & Finance Committee I reviewed Department Head positions and all clerical positions and conducted a salary survey for these positions. The survey was sent to 26 Wisconsin cities with 16 responses being received. The positions surveyed were Police Chief, Fire Chief, Finance Director, and Parks & Recreation Director. In addition, I surveyed the positions of Deputy Clerk, Finance Assistant, Administrative Assistant, Administrative Assistant/Police, Administrative Assistant/Legal, Administrative Assistant/Parks, Utility Clerk/Administrative Assistant, Payroll Specialist and Inspection Assistant. I had previously done the Utility Superintendent, which is what brought about the request for the other positions to be reviewed so that any necessary adjustments could take place at one time. See the attached salary spread sheet

From my own experience, and from the results of the salary survey, Police Chiefs tend to be a pay grade higher than Fire Chiefs, especially as you look at larger cities. A case can be made for moving the Police Chief up one pay grade from a grade 11 to a grade 12. However, there is not a compelling reason to either leave it a grade 11 or move it up to a grade 12, this is strictly a judgement call. I will point out that the Police Captain is one pay grade above a Fire Captain so making the Police Chief one grade higher than the Fire Chief follows that model.

The position of Finance Director in Merrill is more complex than the position seen in other cities our size. As well as being Finance Director, Kathy Unertl serves as Treasurer and Comptroller for the City. She also serves as secretary for the Redevelopment Authority, a position generally covered by a city's Economic Development Director, a position that Merrill chose to eliminate. Without Kathy there would not have been a RDA in Merrill, she pushed for it and has kept it moving forward. The fact that Kathy's position has these additional duties and responsibilities makes her position more valuable than a Finance Director alone.

The Wisconsin Rural Water Association does an annual salary survey for superintendents, operators and clerks. The survey is structured for communities of under 1500, 1501-3000, 3001-5000 and over 5000 residents, with Merrill fitting in the last category. The survey indicated that we were significantly underpaying our Utility Superintendent. The survey results indicated that we are in the ball park on the salaries for our WTP and WTP operators.

The position of Utility Superintendent was raised from a grade 7 to a grade 9 earlier in 2013, an action that was called for given the prior insufficient pay level for this important position. We had significantly trailed every other city of our size for this position, and the position was not properly compensated in relation to other City of Merrill positions.

Our Parks & Recreation Director position is another position where we trail other cities of our size. As a Department Head responsible for millions of dollars of infrastructure and many programs that affect the community, our Parks & Recreation Director is underpaid in relation to other City of Merrill Department Heads and Parks & Recreation Directors in comparable-sized Wisconsin communities. Only two communities that responded had a lower salary grade top end than Merrill, they were both smaller and one of the two was only \$68/year lower. Our Parks & Recreation Director also serves as the City's Arborist/Forester, a separate full-time, or contracted part-time, position in most cities.

Our Parks & Recreation Director is 2 pay grades lower than our IT Specialist and one pay grade lower than a Police Lieutenant and a Fire Captain. In the interest of consistency it was my recommendation to the Personnel & Finance Committee that the position of Parks & Recreation Director be moved from

grade 7, step G, to grade 8, step F, an increase of \$1,453.75. Funds to cover this adjustment were included in the 2013 budget. This recommendation did not make it out of the Committee.

Our Library Director receives a salary that is in line with other Library Directors and in proper relation to other positions in city government.

Our Transit Director is unique in cities our size, there are no other positions with which to compare our Transit Director.

In clerical/support positions we presently have two pay grades for staff, one topping out at \$18.87/hour and the other topping out at \$19.81/hour. These positions serve the Finance, City Clerk, Police, Transit, City Attorney, Building & Zoning, Parks & Recreation and Utility Departments. The duties and responsibilities vary from office to office.

Reporting to the Finance Director, and assisting the City Clerk, we have an Administrative Assistant/Clerk-Treasurer, a Payroll Specialist, a Clerk-Treasurer Secretary and part-time Clerk-Treasurer Secretary. Both of these last two positions are misnomers, they are not really secretaries, they are Financial Assistants and were recommended to have their titles and compensation adjusted to reflect such. Ten of the thirteen respondents who have this position pay more than Merrill. It was my recommendation that the two Clerk-Treasurer Secretary positions be re-titled Finance Assistants and their pay grade be adjusted from a grade 5 to a grade 6. This is a difference in pay of \$1,944.80. The Payroll Specialist is slotted as it should be and was recommended to remain unchanged.

The Administrative Assistant/Clerk-Treasurer is in reality the Office Manager and should have the title and compensation to reflect these duties and responsibilities. A job description for the position was provided to the P&F Committee for review. It was my recommendation that this position be adjusted upward from a grade 6 to a grade 7. This is a difference in pay of \$2,043.37.

The Police Department has an Administrative Assistant/Police (grade 6) and two Clerk/Transcribers (grade 5). I reported that these three positions are slotted correctly, with the concurrence of the Police Chief.

The Transit Department has a Transit Coordinator (grade 6). This is a position that does not exist in other cities the size of Merrill and appears to be slotted correctly in relation to other positions in Merrill.

The City Attorney has a Secretary/Paralegal (grade 5) position. This is another misnomer, she is not a paralegal, the position is more that of an Administrative Assistant. This position also serves the City Attorney, City Administrator and Mayor as a confidential secretary. This position in other cities is generally paid at a higher level than other Administrative Assistants due to the confidential nature of work performed. My recommendation was that the pay grade of this position be adjusted upward from a grade 5 to a grade 6. This is a difference in pay of \$1,944.80.

Building & Zoning has an Administrative Assistant/Community Development (grade 6). This position appears to be slotted correctly in relation to other cities and other Merrill positions.

Parks & Recreation has a Recreation Secretary (grade 5). This is another misnomer, she is more of an Administrative Assistant/Program Coordinator. She runs programs and also fills in for the P&R Director

in his absence. I would, at this time recommend that the position be adjusted upward from a grade 5 to a grade 6. This is a difference in pay of \$1,944.80.

The Utilities Department has a Utility Secretary (grade 5) and a part-time Utility Secretary (grade 5). Both of these are misnomers, the Utility Secretary is really a Utility Clerk/Billing Coordinator and the part-time Secretary is really a Utility Clerk. The full-time Utility Secretary's position has become much more than a secretary, she deals more with utility billing, payment receiving and regulatory compliance. The Utility Clerk/Billing Coordinator positions in other cities surveyed all have a higher pay grade than Merrill's position. It was my recommendation that the part-time position remain slotted as is and be re-titled as a Utility Clerk and that the full-time position be re-titled as Utility Clerk/Billing Coordinator with a change in pay grade from grade 5 to grade 6. This is a difference in pay of \$1,944.80.

I recommended to the P&F Committee that the adjustments for Utility Superintendent, Finance Director, Parks & Recreation Director, Utility Clerk/Billing Coordinator, Office Manager and the two (2) Finance Assistants and the Administrative Assistant/Legal take place at that time. The fiscal impact for the three (3) management position adjustments is \$9,687.39, two-thirds of which were for the Utility Superintendent., which will be paid by Utilities, as will the Utility Clerk/Billing Coordinator. The fiscal impact for the recommended support staff adjustments is \$9,822.57. None of these recommendations made it out of Committee, other than the Utility Superintendent, which was moved forward and approved by the Council. I would add the upgrade of the Parks & Recreation Administrative Assistant/Program Coordinator to my previous recommendation. These recommendations were not done in a vacuum, I analyzed job descriptions, job content, pay grades and salary data, and came to a logical conclusion, which led to my recommendations.

Subsequent to my initial survey I also looked at our Street Department positions and found that Merrill pays the lead mechanic \$23.58/hour and the mechanic \$22.75/hour, while the median salary for a truck/equipment mechanic in Wisconsin is \$19.78/hr. Merrill pays the Lead Public Works Worker \$22.04/hour, Public Works Worker I \$21.38/hour, Public Works Worker II \$20.60 and Equipment Operator II \$18.57/hour, while the median salary in Wisconsin for a Highway Maintenance Worker is \$18.98 and for an Equipment Operator is \$20.13. None of the Street Department salaries need to be adjusted upward based on a comparison of the numbers from the Bureau of Labor Statistics. The numbers speak for themselves.

I was asked recently by our Municipal Court Judge to support reclassifying the Municipal Court Clerk as a supervisory/management position. He stated that the Court Clerk was undervalued and deserving of a significant pay increase based upon what Clerks are making in other municipal courts. I asked him to provide me with documentation that the position was underpaid in relation to other Municipal Court Clerks and positions in Merrill city government.

It is a fact that, generally, Merrill pays well for most municipal government positions in relation to non-government positions in the Merrill area. For those which we do not pay as well, we need to remember that certain municipal government positions are readily filled locally while others are not. We can readily hire Street Department workers, Parks & Recreation workers, certain clerical and support staff, Library workers, bus drivers, etc. because people seeking these jobs can also easily work in the local private sector where there are like-type jobs. This is even more the case now that the residency requirement has been changed by the State and the area we can draw from has increased without new employees being forced to move within the city limits. We cannot hire a Parks and Recreation Director/City Forester, Library Director, Finance Director, or City Administrator from the local private

sector with their required education and experience because there are no comparable local private sector jobs to pull them from. We have to compete with other cities for individuals to fill these positions, and need to pay to attract and retain qualified individuals. The same is true of the Fire and Police Chiefs, these positions cannot be filled from the private sector, we must compete with other municipalities.

Fire Department Captains

The Fire Department Captains had been scheduled to receive a 1.75% increase July 1, under the labor contract when they were still part of the bargaining unit. With the Fire Department reorganization late in 2012, the Captains were removed from the bargaining unit as a result of dropping the Asst. Chief position. This increase was originally designed to hold off increased salary compression between the Firefighter/Paramedics, Lieutenants, and Captains. With the removal of the Lieutenant position this compression was reduced somewhat. Prior to July 1 there was a 13.98% differential between the Captains and Firefighter/Paramedics, after July 1 there is a 12.23% differential (\$2.36/hour). With the reorganization the Captains took on duties and responsibilities that previously rested with the Assistant Chief and Lieutenants but will now make less than they would have made if the Assistant Chief and Lieutenant positions still existed and they were still in the bargaining unit. In keeping with best management practices, the Captains should receive the 1.75% increase to maintain the differential between themselves and those reporting to them.

Future Needs

One area where we are lacking is in clerical/office support for our Fire Department and Street Department. Our Police Department has three office support staff while the Fire Department and Street Department have none. Presently, the Fire Chief and Captains must perform the office support functions including answering the phone, time keeping and payroll functions, correspondence, etc. In the Street Department, the Street Commissioner and Lead Mechanic perform the office support functions. Both departments would be well served by part-time office support positions. My recommendation would be a 20-hour/week position in each of these two departments.