

**MINUTES OF THE COMMITTEE OF THE WHOLE
OF THE ZIMMERMAN CITY COUNCIL
MONDAY, DECEMBER 10, 2018**

CALL TO ORDER

The Committee of the Whole meeting of the Zimmerman City Council was called to order at 7:00 p.m. at City Hall by Mayor Earenfight, followed by the Pledge of Allegiance to the flag.

ROLL CALL

Present: Mayor Earenfight, Council Members Mathison, Shepard and Whiting. Member Brisbin was absent. Also present were Administrator Piasecki, Clerk/Treasurer Tillmann, Public Works Director Koehler, Mayor-Elect Stay and several City employees.

AGENDA APPROVAL

Mathison/Shepard unanimous to approve agenda as presented.

OPEN FORUM

Butch Hass, Livonia Town Board Chair, was present to thank Mayor Earenfight and outgoing Councilmembers Brisbin and Mathison for the close working relationship the Township has enjoyed with the City Council during their tenure in office. Hass reminded those present that we don't live in a town, but in a community. The Town Board is grateful for opportunities to collaborate with the City to improve our community. He also presented Mayor Earenfight with a newspaper dated November 14, 1978 which included an article about Mayor Earenfight's first tenure as Mayor of the City of Zimmerman.

DISCUSSION – Classification and Compensation Study Results

Ann Antonsen, Vice President, Springsted, Inc., was in attendance to present findings and results of the Classification and Compensation Study recently completed by Springsted, Inc. Antonsen detailed the primary objectives and methodology used to conduct the salary study for the City of Zimmerman since 10 years have elapsed since the last professional study was completed. Primary objectives include evaluating the City's current classification and compensation program, developing accurate job descriptions for all positions, evaluating internal rankings and comparing positions and pay relative to the external labor market, and developing a sustainable compensation system with guidelines for ongoing implementation and maintenance by staff.

In addition to employee input through Position Analysis Questionnaires (PAQ), Springsted surveyed 20 Minnesota Cities with similar demographics, comparable levels of services provided, geographic proximity to Zimmerman and competition for employees. Nineteen (19) cities responded to Springsted's request for information. Antonsen noted that not every survey respondent had positions similar to Zimmerman, so Springsted also obtained data from the Economic Research Institute which provided information for local private sector organizations. Springsted staff compiled all the information received from City employees and survey respondents. Each position was then assigned a grade level based upon point system that considered training and ability; experience required; level of work; human relation skills; physical demands; working conditions; independence of actions; impact on end results; and supervision exercised.

The salary survey compared City positions against the 19 responding cities surveyed, measured at the minimum, midpoint, and maximum salary. Measured at the maximum rate of pay, City positions averaged 5.62% lower than the survey group. Individual position rates of pay ranged from 3.22% higher to 10.46% lower than the survey group. A proposed 2019 Pay Plan was developed for the determined grades, with a 7-step progression to maximum salary for each grade level.

Springsted is recommending Council approve the 2019 Pay Scale, which includes a 2.5% Cost of Living Adjustment (COLA), approve position placement of employees at appropriate grades, and approve placement at the minimum step

for employees below their Grade minimum, or approve placing employees at the next highest step for their grade. Council will consider all these actions at the December 17th meeting.

Discussion was held regarding why City salaries appear to be lower than the market averages. Antonsen stated there are several factors, including the City freezing wages for several years during the recession, and a rapidly changing job market with low unemployment and high competition for employees.

Audience and employee questions included if City funded training is calculated as part of an employee's compensation and how longevity factors into an employee's placement on the salary schedule. Antonsen reiterated that Springsted recommends employees be brought to the minimum step for the new grade or the step closest to their current rate of pay, identifying the overall cost to the City depending on the option Council chooses to implement. The data reflects wage data only and does not take any benefit packages or training expenses into consideration. The proposed salary schedule includes an adjustment for 2019 cost of living. Antonsen identified that there is one position with a current rate of pay that falls above the maximum pay for the proposed grade level, adding that the range for that position would be modified due to future market conditions and the CPI until the position is in range again. The study did not look at staffing levels or on-call pay for the Public Works Department because Springsted was not asked to review those items.

Antonsen reiterated the next step will be for Council to formally accept and approve the plan, followed by approval to implement the proposed pay structure with a January 1, 2019 effective date.

DISCUSSION -- 2019 Sewer and Water Fund Budgets

Public Works Director Koehler reviewed proposed budgets for the Water (601) and Sewer (602) Funds. Expenditure line items were explained, with most increases due to increased energy costs, or necessary repairs and replacement. Discussion was also held regarding recent technology upgrades which have streamlined operations and increased efficiencies related to on-call time. Financial trends for these funds indicate that expenses are decreasing and revenues increasing. Currently, the City owes approximately \$2.906 million to the MN Public Facilities Authorities on three (3) bond issues for facility upgrades. Staff advised that the City may need to add a water tower and water treatment plant before an expansion to the Wastewater Treatment plant is necessary, but that would be several years out. Final 2019 Water and Sewer budgets will be presented for approval on December 17, 2018.

MAYOR/COUNCIL ITEMS

Mayor Earenfight noted the following upcoming events and information:

- November 1 – City-wide Winter parking rules went into effect. No parking on City streets between the hours of Midnight and 8:00 a.m. until May 1, 2018.
- December 15 -- Passing the Bread Food Distribution; 9 – 11 a.m. – UMA Precision Machining – with set-up n Friday, December 14 at Noon.
- December 24 – Christmas Eve Holiday – All City Offices close at Noon
- December 25 -- Christmas Holiday – All City Offices Close
- January 1, 2019 – New Year's Holiday – All City Offices Closed

Before adjourning, Mayor Earenfight asked for a moment of silence in honor of US military personnel and their families.

Mathison/Whiting to adjourn the meeting at 8:02 p.m.

Approved this 17th day of December, 2018.

s/s Kary Tillmann, City Clerk/Treasurer