

CITY OF STEVENS POINT

PERSONNEL COMMITTEE AGENDA

Monday, September 14, 2015 – 7:25 p.m.

(or immediately following previously scheduled meeting)

Lincoln Center – 1519 Water Street

[A quorum of the City Council may attend this meeting]

Discussion and action on:

1. Amendment to Administrative Policy 2.06 – Promotions and Transfers.
2. Amendment to Administrative Policy 2.07 – (relating to step up pay for temporary job assignments).
3. Amendment to Administrative Policy 2.14 – Hiring Procedures.
4. FICA Alternative for Seasonal Employees.
5. Discussion and possible action on Side Letter with IAFF Local 484 relating to annual performance evaluations.
6. Adjourn into closed session (approximately 7:40 p.m.) pursuant to Wisconsin State Statute 19.85(1)(f) [considering medical histories of specific persons which, if discussed in public would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories] to consider a request for leave of absence without pay.
7. Reconvene into open session (approximately 10 minutes after adjourning into closed session) for action on the request for leave of absence without pay.
8. Adjournment.

Any person who has special needs while attending this meeting or needs agenda materials for this meeting should contact the City Clerk as soon as possible to ensure a reasonable accommodation can be made. The City Clerk can be reached by telephone at (715) 346-1569, or by mail at 1515 Strongs Avenue, Stevens Point, WI 54481.

Copies of ordinances, resolutions, reports and minutes of the committee meetings are on file at the office of the City Clerk for inspection during normal business hours from 7:30 a.m. to 4:00 p.m.

September 8, 2015

MEMORANDUM

TO: Personnel Committee Members

FROM: Lisa Jakusz, City Personnel

RE: September, 2015 Personnel Committee Agenda

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1. The modifications to this policy address how promotions and transfers are handled for both management and hourly employees whose position is on the City's pay plan. The new language is bolded and the language to be deleted is lined through.
2. This policy was amended in part at the August meeting. The final section needing an amendment is in bold on the attachment. This remaining portion describes how hourly employees in the Streets and Parks Departments will be paid when they replace an employee in a higher grade on a temporary basis. In the past, the departments have been using differing methods. The Mayor, Director of Public Works, Park Director, C/T and I have met several times on this topic. Although this is a change and is not perfect, it provides a known and uniform method of paying step up pay for hourly Streets and Parks employees which is an improvement over how it has been handled previously.
3. This amendment is a result of the discussion at the Special Committee meeting in August.
4. Included in the packet is a memo from Comptroller/Treasurer Ladick. He will be available to address questions.
5. Included in the packet is a side letter with IAFF Local 484 relating performance evaluations. The Union has already voted in the affirmative

on this matter. Assistant Chief Gemza will be in attendance at the meeting to address any further questions.

6. A copy of the policy relating to Leave of Absence without pay is attached. There is also a separate envelope for each elected official relating to this item. Again, due to confidentiality reasons, this item is being handled in closed session.

Please feel free to contact me regarding any of the agenda items.

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\* \* CITY OF STEVENS POINT \* \*  
ADMINISTRATIVE POLICY

Policy Title: Promotions and Transfers

Policy No. 2.06

Date of Issuance: December 18, 1989

Revision Date: Feb.19, 1990, March 18, 1996

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Description: The policy of the City is to fill position vacancies by promotion or transfer whenever practical and in the best interests of the City ~~as determined by the Mayor and Personnel Committee.~~ This explains the City's policy on promotions and transfers for employees **whose position is on the City's Pay Plan.** ~~management level employees. Union employees should refer to their respective union contracts.~~

1. When a vacancy exists **for management level positions**, candidates seeking promotion and/or transfer must have satisfactorily completed their evaluation period and possess the qualifications and skills needed in the vacant position.
2. Requests for promotion for management level positions must be submitted by the applicant's supervisor to the Mayor and Personnel Committee for approval. **The request for promotion should include information relative to the employee's qualifications to fill the vacancy. Promotions for hourly employees will be approved by the Department Head.**
3. ~~Applicants for promotion will be evaluated based upon a formal written performance Evaluation with consideration given to such factors as demonstrated ability, training, attitude and longevity.~~
4. Promotions or transfers are considered final after a six month evaluation period has been satisfactorily completed in the new position. ~~The evaluation period may be waived for City employees who are transferred or promoted from one graded position to another. The decision to waive an evaluation period will be made by the Mayor and Personnel Committee with input from appropriate supervisory staff.~~

A promoted employee who does not successfully complete the required evaluation period ~~shall~~ **may** be given the opportunity to return to his/her former position, or a comparable one. If a position is not available, the employee must wait for a vacancy or may seek employment elsewhere.

5. The starting salary upon promotion ~~or transfer~~ shall be **the first step in the grade the position resides that provides the employee an increase of a minimum of 5%** ~~determined by the Personnel Committee, with recommendations from the Mayor and/or department head. Employees who have had the evaluation period waived as~~

~~outlined in #3 above, will receive a minimum starting salary equivalent to the bottom of the position hiring range.~~ **If there is not a step in the grade that provides the employee an increase of at least 5%, then the increase will be 2% above the employee's current pay rate.**

**In the case of a transfer to a position in the same grade as the employee's current position, the salary shall remain the same, and the progression in the pay plan (time until the next step) shall also remain the same.**

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**\*\* CITY OF STEVENS POINT \*\***  
**ADMINISTRATIVE POLICY**

Policy Title: Pay and Classification Plan Policy No. 2.07

Date of Issuance: December 18, 1989

Revision Date: March 18, 1986, September 15, 2008, January 21, 2013, August 17, 2015

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Description: A Pay Plan encompassing management and hourly positions was adopted by the Common Council in November, 2013. The Pay Plan consists of grades and steps which periodically will be adjusted to reflect market changes.

1. Pay Plan

The pay plan consists of seventeen grades with assigned values. Each position was assigned a grade based on the following criteria: Formal Preparation and Experience, Decision Making, Thinking Challenges and Problem Solving, Interactions and Communication, and Work Environment. The integrity of the salary structure is maintained by adjusting the ranges according to economic trends. Adjustments to the pay plan matrix are approved by the City Council as part of the budget process.

New employees will be placed in Step 1 of the grade to which their position is assigned. A salary above the minimum may be granted in situations where recruitment difficulties exist or if a potential employee possesses exceptional qualifications directly related to the requirements of the position. Approval for placement up to Step 3 would require approval of an internal subcommittee comprised of the Mayor, Comptroller/Treasurer, affected Department Head, Personnel Committee Chair Person and Human Resource Manager. Requests for placement about Step 3 would require the approval of the Personnel Committee and City Council.

Recruitment difficulties shall be evidenced by the absence of qualified candidates for a specific recruitment. Exceptional qualifications must include prior actual work experience with job duties equivalent to those of the position at the City of Stevens Point.

2. Pay Increases

Progression is based on attaining a performance rating of “Fully Competent” during the annual evaluation process. Employees are eligible for movement to Steps 2 – 6 on an annual (calendar year) basis. Movement to Steps 7 – 9 occur at two year intervals; movement to Steps 10 – 11 occur at three year intervals.

Employees whose pay rate is above the top step of their grade may be eligible to receive the same increase that the matrix is adjusted by as established by the City Council during the budget process if they have achieved a performance rating of “Fully Competent”.

3. Temporary Assignment – Hourly Employees (Street / Parks)

Employees who are assigned by their supervisor to work in a position that is in a higher grade than their position may be eligible for an additional wage lift.

In order to be eligible for an additional wage lift, the employee must be assigned to the higher grade/classification by a supervisor for at least two (2) consecutive hours.

**The wage lift will be the first step in the grade of the position they have been assigned that provides the employee an increase of a minimum of 5%. If there is not a step in the grade that provides an increase of at least 5%, then the wage lift will be 2% above the employee's current pay rate.**

The absence of a specific employee or supervisor does not, on its own, trigger eligibility for an additional wage lift.

Timesheets that include such wage lifts must be initialed by the supervisor in order for the employee to receive the wage lift.

4. Temporary Assignment – FLSA Exempt

Employees who are called on to assume the additional work duties and responsibilities as a result of a resignation, extended medical leave of absence, or other approved leave of absence of a direct supervisor anticipated to be at least six (6) weeks in duration will be temporarily reclassified to the salary grade of the supervisor.

The employee on temporary assignment will be compensated at the rate of pay corresponding to the first step in the grade of the position they have been assigned that provides the employee an increase of a minimum of 5%.

At the time the temporary assignment ceases, the employee will revert to their prior salary grade and step. Upon return to their grade / step, the employee would be eligible for a step progression, if that occurred during their temporary assignment.

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**\*\* CITY OF STEVENS POINT \*\***  
**ADMINISTRATIVE POLICY**

Policy Title:           Hiring Procedures

Policy No. 2.14

Date of Issuance:    May 17, 1993

Revision Date:       July 17, 1995

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The City of Stevens Point is an Affirmative Action/Equal Opportunity Employer. This policy is to ensure that all individuals have the right to apply for open positions with the city, and to be fairly considered based on objective criteria.

1.    Vacant Positions

Written requests to fill all vacant positions must be submitted to the Mayor. **If funding for the position is included in the annual budget, The the Mayor along with the Human Resource Manager and Department Head** will review the request and **make a determination whether it is appropriate to fill the position.**~~present his recommendation to the Personnel Committee at their next regularly scheduled meeting.~~

~~Notification of vacant positions within the Police or Fire Department are to be given to the Mayor in writing along with a projected timetable for filling the position(s).—~~

2.    Approval of Position

After a new position, or the filling of a vacant position, has been approved by the appropriate **authority**, ~~committees and council,~~ the Department Head will notify the **Human Resource Personnel Manager will initiate the recruitment process to start the hiring process.**

3.    Posting Position

**Vacancies for hourly positions may be posted internally prior to public recruitment.**

~~If the position is part of a bargaining unit the "posting" procedures of the applicable contract will be followed until no one posts for a position. At that time the public advertisement of the position will take place.~~

4.    Public Advertisement



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~~Union positions not filled through the posting procedure and all management positions will be advertised publicly. Applications will be returned to the City Personnel Manager.~~

~~\*\* It is very important that educational requirements not be over stated. (If a degree is required or knowledge and skill in the operation of office or construction equipment, these achievements will be used in the initial screening.) If an individual without the stated requirements were to be hired, and any of the unsuccessful candidates met the requirements, the City could be subject to a potential discrimination suit.~~

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5. Initial Screening

The initial screening of applications will be conducted by the **hiring authority, supervisor and/or Human Resource Manager** ~~Personnel Staff~~. Applications will be ~~checked~~ **evaluated** for completeness and **to determine** if the applicant has the required knowledge, skills and abilities ~~requested~~ **included** in the advertisement.

6. Final Screening

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~~The Department Head and Personnel Manager will further screen the applications down to an agreed upon number of applicants to be interviewed.~~

7. Interviews

Interviews will be conducted by the Department Head, **and a designee. If applicable, the Human Resource Manager and Personnel Manager, and if applicable,** another management ~~person within the department~~ **employee may participate as well.**

8. Testing

If, after final screening and interviews, two or more applicants are essentially equal in the required knowledge, skills and abilities, plus any other specialized training or experience, Testing may be administered to assist in determining a **candidate's ability to perform essential job functions.** ~~rank order of the applicants for the purpose of offering employment.~~

City of Stevens Point  
1515 Strongs Avenue  
Stevens Point, WI 54481-3594



**Corey D. Ladick**  
**Comptroller-Treasurer**

Phone: 715-346-1574  
Fax: 715-346-1683

September 8, 2015

To: Personnel Committee, Common Council

Re: FICA Alternative Plan for Temporary/Seasonal Employees

### **The Issue**

Director Schrader has expressed some concern regarding wages for seasonal employees, as they have not been adjusted in some time, and he feels that they are no longer competitive. The Parks Department uses a large number of seasonal employees for summer maintenance and lawn mowing of parks, operating and being lifeguards at the swimming pool, supervising the sled hill in the winter, and operating the Willett Arena. The current starting salary is \$8.50 per hour. Unfortunately, as appropriate as a wage increase may be, it is unlikely that there will be sufficient funds in the 2016 operating budget to provide a meaningful increase, which has required us to look for another option.

### **Potential Solution**

As a public entity, we are allowed to exempt our seasonal positions from paying Social Security(FICA). If we choose to do so, then we are required to adopt an alternative retirement plan for these employees, known as a FICA Alternative Plan. The alternative plan would require the employee to contribute 7.5% of their earnings pre-tax into a retirement account. Depending on their marginal tax rate, the 7.5% pre-tax is roughly equal to the 6.2% post-tax that the employee would otherwise contribute to Social Security. The City also saves a 6.2% matching contribution to Social Security. This 6.2% could then be used to provide a wage increase of roughly 50 cents/hour. The only limitation to this program is we cannot include anyone who qualifies for WRS (works more than 1200 hours per year).

### **How Will Our Seasonal Employees Be Affected**

Social Security retirement benefits are based on a beneficiary's 35 highest years of earnings. For example, if someone starts work at age 16, and continues to age 65, he/she will have 49 years of earnings. Social Security will take the 35 highest to calculate a monthly benefit, and completely ignore the lower 14. In other words, the money paid in for the lower 14 years is basically a donation.

Considering that the majority of our seasonal employees are students of some kind, and will likely go on to work at least 35 years full time, it is very unlikely that this change will affect their future retirement benefits.

In addition, they will also have a retirement account from the 7.5% that they contributed to the alternative plan, which they can either rollover to an IRA or cash out after leaving City employment. Further, they will also be making a higher wage.

Crossing guards could also benefit from participation in this program. Most of our crossing guards are retired and already have 35 years of full time history. The only way that these individuals benefit from paying additional dollars into Social Security is if they earn enough in retirement to surpass one of their 35 highest years. Since the previous years are adjusted upward for inflation, this is extremely unlikely on a crossing guard wage.

The only legitimate downside is possible effects to eligibility for Social Security Disability. Seasonal employees may or may not still be eligible depending on a number of factors, including any other jobs that they have had. However, it is very difficult to qualify for Social Security Disability, a person must be completely unable to perform any job, and the condition must either be expected to last for more than 1 year or be terminal.

# FICA

## Alternative Retirement Plan



### FICA Alternative Retirement Plan Saves Employers Money!

Why pay FICA taxes for part-time, seasonal or temporary employees (PST) if you don't have to? Qualified employers can save the matching 6.2% of Social Security on PST wages with use of a FICA Alternative Retirement Plan. The plan is an authorized alternative to Social Security under Internal Revenue Code Section 3121.

A qualified employer can establish a FICA Alternative Retirement Plan that enables the employee to contribute a pre-tax 7.5% of gross wages to a FICA Alternative Retirement Plan. The employee's take home pay does not change in any noticeable way.

### Plan Advantages for Employers

- Save the 6.2% of the matching Social Security portion of total PST payroll
- Easy implementation
- Limited on-going payroll administration
- Web site access for payroll data transfers
- Annual employer statements
- Plan support

### Potential Employer Savings

Annual PST Payroll	Employer Savings
\$ 50,000	\$ 3,100
\$ 100,000	\$ 6,200
\$ 250,000	\$ 15,500
\$ 750,000	\$ 46,500
\$ 1,000,000	\$ 62,000
\$ 1,500,000	\$ 93,000
\$ 5,000,000	\$ 310,000

### Plan Advantages for Employees

With the FICA Alternative Retirement Plan, employees gain more control of when and how they can use their money. Unlike Social Security, with The FICA Alternative Retirement Plan, the employee contributions and interest are available upon:

- Termination of employment
- In the event of death or disability
- At normal retirement age

Contributions to The FICA Alternative Retirement Plan are deposited into a group annuity contract which provides guaranteed interest and guarantee of principal.

### Here is how 6.2% equals 7.5% pre-tax:

	Social Security	FICA Alternative
<b>Gross monthly wage</b>	\$1000.00	\$1000.00
<b>Less 7.5% pre-tax contribution</b>	-0-	\$(75.00)
<b>Taxable Income</b>	\$1000.00	\$925.00
<b>Less 15% Fed inc. taxes</b>	\$(150.00)	\$(138.75)
<b>Less 5% State inc. taxes</b>	\$(50.00)	\$(46.25)
<b>Less 6.2% FICA withholding</b>	\$(62.00)	-0-
<b>Less 1.45% Medicare</b>	\$(14.50)	\$(13.41)
<b>Net paycheck to you:</b>	\$723.50	\$726.59

\* Above calculations are based upon general assumptions. Actual calculations for your circumstance can and will be different based upon personal financial circumstances.

SIDE LETTER OF AGREEMENT

BETWEEN

THE CITY OF STEVENS POINT

AND

THE INTERNATIONAL ASSOCIATION OF FIREFIGHTERS LOCAL 484, AFL-CIO

This Side Letter of Agreement is being entered into by the parties in respect to annual performance evaluations. Representatives from the City of Stevens Point and representatives from the International Association of Firefighters Local 484 have met, conferred in good faith and have agreed to amend the terms and conditions of the agreement between the parties dated January 1, 2013 - December 31, 2015. The mutually agreed upon modifications are as follows:

1. The performance evaluation process included with this side letter shall be considered its own clause and will be known as the "Performance Evaluation" article.
2. There are two evaluation forms. The employee evaluation form shall be "Form A" and the Officer evaluation form shall be "Form B"
3. The scoring calculation matrix shall be used in reference to:

**Article 4** Seniority and Promotions

**B.** Promotions to Captain

**4. (a)** Past Performance

4. Appendix A shall be removed.

All other portions of the aforementioned agreement, not otherwise mentioned in the modifications, shall remain in full force and effect.


The modifications mentioned in this side letter, shall become part of the successor agreement to the January 1, 2013-December 31, 2015 agreement between the City of Stevens Point and the International Association of Firefighters Local 484.

If the above is in accordance with your understanding, please indicate your approval and acceptance in the space provided below.

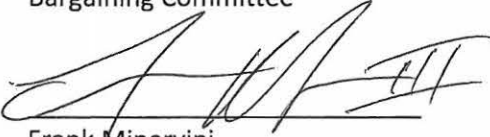
City of Stevens Point

Stevens Point Firefighters  
IAFF Local 484


\_\_\_\_\_  
Mike Wiza  
Mayor


  
\_\_\_\_\_  
Jb Moody  
Bargaining Committee

\_\_\_\_\_  
John Moe  
City Clerk

  
\_\_\_\_\_  
Frank Minervini  
Bargaining Committee

\_\_\_\_\_  
Gary Wescott, President  
Police & Fire Commission

  
\_\_\_\_\_  
Justin Thomson, President  
Local 484

  
\_\_\_\_\_  
Dan Congdon, Secretary  
Local 484

Employees falling into this category will be eligible for continuation of health, life and disability insurance coverage by continuing to pay their portion of the premiums. This provision is only for those employees who have been given written order to report and will continue only for the duration of their orders. As it relates to these benefits not withstanding any union agreement to the contrary, this provision will cease on December 31, 2009.

#### Calculation of time in City Service

The time a City employee is on short term or long term Military Leave without pay is included in the calculation of his/her total length of time in City service.

#### Leave of Absence

Upon the recommendation of the department head, the Mayor and City Personnel Committee may grant a regular employee a leave of absence subject to the conditions set forth below.

1. Leave without pay shall be granted only when it is in the best interests of the City to return the employee to service at a future date. Requests for leave of absence shall be approved prior to the taking of such leave. If the leave is requested as an extension of sick leave, it must be accompanied by a physician's statement indicating the need for such leave.
2. At the end of a leave of absence, the employee shall be reinstated in the position he/she vacated, or in an equivalent vacant position, if the employee meets the stated qualifications. If there is not a suitable vacancy available, the employee's name shall be placed on a waiting list.
3. Credit toward vacation and sick leave shall not be earned while an employee is on leave of absence, but insurance benefits may be retained if the premium is paid in full by the employee.
4. If an employee is on leave of absence for more than ten (10) consecutive work days during a calendar year, it shall change the employee's anniversary date correspondingly.
5. A return to work earlier than the scheduled date may be arranged between the department head and the employee.
6. Employees on leave of absence will be subject to termination if actively employed elsewhere during the term of their leave.

7. If an employee is unable to return to work on the date stipulated, he/she may submit a written request to extend a leave of absence, to the Personnel Committee. If, on the date following the expiration of the leave of absence, an extension has not been requested and granted and the employee has not returned to his/her position, the employee shall be considered to have resigned from City employment.

An employee must exhaust all accrued vacation benefits before requesting a leave of absence.

Unauthorized Absence

An employee who is absent from duty without prior approval shall receive no pay for the duration of the absence, and shall be subject to disciplinary action which may include dismissal. It is recognized there may be extenuating circumstances for an unauthorized absence.