

**SPECIAL FINANCE COMMITTEE
OCTOBER 22, 2018 AT 6:03 P.M.
STEVENS POINT POLICE DEPARTMENT – 933 MICHIGAN AVENUE**

PRESENT: Alderpersons Phillips, Slowinski, Morrow, Shorr, and Johnson

ALSO

PRESENT: C/T Ladick; Mayor Wiza; City Attorney Beveridge; Clerk Piotrowski; Ald. Kneebone, McComb, Dugan, Nebel, Jennings; Directors Lemke, Schrader, Ostrowski, Beduhn; Deputy C/T Freeberg; Human Resource Manager Jakusz; Fire Chief Finn; Police Chief Skibba; Brandi Makuski

ITEM #1 – REVIEW OF PROPOSED 2019 BUDGET.

C/T Ladick gave a PowerPoint presentation explaining bond ratings and how they are derived. He then went into the operational budget and gave an overview of the positives and negatives that will affect the 2019 budget.

ITEM #2 – RECOMMENDATION OF 2019 LEVY TO COMMON COUNCIL.

Motion made by Ald. Johnson, seconded by Ald. Morrow, to recommend a levy of \$16,494,789 with a tax rate of \$9.65 to the Council.

Ald. Phillips stated he does not like that we are raising taxes and cut the street repair budget by \$255,000. Mayor Wiza stated it was cut from the proposed, but street repair budget is still going up from last year, just not as much as had been recommended. Ald. Phillips disagreed.

Ald. Shorr stated taxes were raised significantly last year with the main reason being the cycle of replacing all of the streets across the City was going to take too long. Had the taxes not been raised last year, Isadore Street and some other major reconstruction projects would not be done.

C/T Ladick stated an approximate amount that was in the 2017 Capital Budget for road surface improvements was about \$400,000, and about \$1 million for street reconstruction, which is typically what we would spend on streets. For 2018, the road surface improvement amount went to \$750,000 plus the \$1 million for street reconstruction. For 2019, there is \$1.25 million for street reconstruction for 5th Avenue and we also set aside \$750,000 specifically for Whiting Avenue and Reserve Street, south of Ellis. In the past, it was all lumped into Ongoing Road Surface/Maintenance Improvements, which comes to \$2 million. The department did request an additional \$750,000 for road surface improvements and that was what got cut back to \$534,000. That still leaves approximately \$2.5 million for road surface improvements for 2019. Mayor Wiza commented that in 2017 it was \$1.4 million. C/T Ladick stated there is progress being made. When the initial capital planning was done, there was about 3.5 million supposed to go into roads, but the Willett Arena was already scheduled for 2019 so there was not enough money to do it all. If 3.5 million would have gone to roads, there would not have been much left for other capital needs.

Ald. Phillips also stated that he would like to see the wages based on a flat rate rather than a percentage rate (CPI) because that would be fair to everyone. Mayor Wiza verified what he was saying was that everyone would get the same dollar amount rather than a percentage.

Ald. Johnson stated a better way of looking at it is that the lower wage people are being penalized by using that scenario, as where the health insurance premium is the same for everyone so people with lower wage are paying the same as someone making three times that amount. She suggested subsidizing the health insurance premiums to help the lower wage employees.

C/T Ladick stated this year changes were done, such as making seasonal rates a minimum of \$11/hour and moving the Grade F employees to Grade G, to help make things equitable and help the lower wage employees.

Ald. Jennings thanked Ald. Phillips for the idea, stating it was interesting and does see the benefit to the lower wage employees. She stated the \$500 to a person making \$25,000 may be a rent payment as where an employee making \$110,000, \$500 is chump change.

Human Resource Manager Jakusz commented that in the last 10 years, the City has gone through two pay studies and a market survey. One thing that was found by going through those processes is if we do not maintain the structure that we paid a professional to give us, such as the grades and rankings, and we fall behind, then we need to do another market survey or pay study, which is costly. She went on to say that this also causes issues when hiring Department Heads as the last two were hired above Step 1, along with promotions to Assistant Chief in Police and Fire, those have been brought in at Step 5.

Ald. Morrow echoed HR Manager Jakusz stating as a State employee it is really hard to get leapfrogged over when people get hired once you have already been in the job for years and years and someone gets hired making more money than you did.

Director Lemke stated that it is hard to hire people in the upper level of management because of where wages are for those positions. There are much different requirements that these positions require. He stated he has been through the three steps of employment that are at the highest end of his department and had an incredibly hard time with it. He is concerned over compression and how that would even make things harder.

Ald. Slowinski agrees with Director Lemke and HR Manager Jakusz, stating we need to be equitable with all the employees, but his concern would be by giving lower end employees higher increases, it would affect the integrity of the pay plan and cause compression. He also stated that he would be all for coming up with ideas to somehow make it equitable and fair for the lower grade positions.

Mayor Wiza stated that integrity of the pay plan should be a very high priority. He agrees that this is something that can be discussed down the road and finding ideas to make it more equitable would be a benefit, we just need to watch for compression in the pay plan.

Ald. Johnson stated one way to do that is to get rid of the steps. She stated her employer gives each department head a pool of money, which is a percentage of their entire payroll, and the employee performance is evaluated and the department head then gives out the pay increases and bonuses based on performance.

Police Chief Skibba commented on the drug officer position, stated there has been multiple discussions with Council, and the Police and Fire Commission have supported it for two years, and asked that the Council give consideration to the position and request that funding be sought.

Ald. Phillips added that part of his idea on the flat pay increase would be that it would save some money and we could probably have the drug officer.

Mayor Wiza asked C/T Ladick what those numbers would look like because he feels that it would need to go quite a bit down the pay plan to hit \$100,000, even though the Council did choose to fund the compensation this year and positions next. C/T Ladick stated to go with Grade S and above, totally taking away their cost of living adjustment, 3.25% to 0%, he estimated it would save approximately \$45,000.

Ayes: Ald. Slowinski, Morrow, Shorr, and Johnson Nays: Ald. Phillips Motion carried.

Adjournment at 7:46 P.M.