

TO: Mayor and City Council  
FROM: David Chanski, City Administrator/Clerk  
RE: 2024 Employee Wages Discussion  
DATE: August 15, 2023

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### **Background**

At the August 1 Budget Kickoff workshop, the City Council had a discussion on employee wages after Chief Sandell raised concerns about the City's ability to compete with surrounding communities when it comes to both the recruitment and retention of employees. The Police Department, specifically, has had a vacant police officer position since March after one officer left the department for employment with the City of Brainerd. Additionally, while the City was successful in the recent recruitments for the Finance Specialist and Assistant City Administrator positions, the overall pool of candidates the City received for both recruitments was underwhelming.

While the City did conduct a compensation study in 2022, concerns were raised that the 2022 study only took cities comparable to Breezy Point into account and not cities considered to be competition for retaining and recruiting employees such as Brainerd, Baxter, and Little Falls. All three of these cities have had various positions open in the last year that have not only competed with our efforts to recruit employees but could have also influenced our employees to seek employment with them. For example, the base wage for a police officer in Breezy Point is some 16.5% lower than that of police officers in Brainerd, Baxter, and Little Falls.

The City Council directed staff to further investigate how the City's staff positions compare to that of the cities of Brainerd, Baxter, and Little Falls as those cities have been identified as Breezy Point's immediate workforce competition.

### **Current Salary Plan**

City staff positions are currently broken up into 10 grades (plus three union police officer grades) with each grade having 8 steps. Employees negotiate their placement on the grid when they are hired and then proceed through the grid with step increases on their employment anniversaries following a satisfactory performance review.

Each year, the City Council sets a Cost of Living Adjustment (COLA) that goes into effect on January 1. Historically, the Council has applied whatever COLA was negotiated with LELS (the union that represents patrol officers) to all employees. For 2024, that number is 3%.

## **Position Comparisons**

The first step in conducting the wage analysis was to identify the positions with each city that best compare to Breezy Point's positions. Unfortunately, every city is organized and operates a little differently, especially the larger a city gets. Because of the City's smaller size, Breezy Point employees must all wear multiple hats compared to larger communities where employee tasks are more concentrated. This has multiple affects.

First, two positions are not automatically equal comparisons just because they have the same title. For example, the Finance Specialist in Breezy Point does accounts payable and accounts receivable, payroll, utility billing, audit prep and management, and general accounting. In Brainerd, Baxter, and Little Falls, however, there is one staff member dedicated to payroll, one dedicated to accounts payable and receivable, and one dedicated to utility billing as well as a dedicated Finance Director. Additional examples include:

- City Administrator
  - o chief administrative officer, finance director, human resources director, city clerk, economic development director
- Assistant City Administrator
  - o assistant chief administrative officer, communications director, IT director, special projects manager
- Public Works
  - o Streets, parks, sewer, facility maintenance
- Deputy Clerk
  - o deputy clerk, office manager, receptionist, permit technician

The necessity for employees to wear multiple hats also makes it more difficult to recruit employees as it is much easier to hire an employee to do one specific task than a variety of tasks, especially when a prospective employee can do one task for another organization and get paid more. For example, when Brainerd hires a parks maintenance employee, the city does not have to hire someone who is a licensed CDL driver or have experience with utilities. Breezy Point, on the other hand, has to take both those things into account when hiring a public works employee.

Finally, because there is only one employee serving in many positions, the City needs to recruit experienced people as there is not the bandwidth and experience elsewhere in the organization to train an inexperienced person. Recruiting experienced employees requires competitive wages.

Below is a breakdown of positions and comparables for this analysis. The selected comparison positions were determined primarily by job description and job duties. Job title was a very minor consideration.

	COMPARED POSITIONS			
Breezy Point	Brainerd	Baxter	Little Falls	
City Administrator	City Administrator	City Administrator	City Administrator	
Asst. City Administrator	N/A	Asst. City Administrator	N/A	
Deputy Clerk	Admin Specialist II	UB Specialist	City Clerk	
Finance Specialist	Admin Specialist II/Finance Director	Asst. Finance Dir/Finance Spec	AP/Accountant	
P&Z Administrator	Community Development Director	Planner	N/A	
Police Chief	Police Chief	Police Chief	Police Chief	
Police Sergeant	Sergeant	Sergeant	Sergeant	
Police Officer	Police Officer	Police Officer	Police Officer	
Police Admin Asst.	Record Management Lead	Police Admin Asst.	Police Admin Supervisor	
Public Works Supervisor	Water/Wastewater Manager	Streets/Util Supervisor	Wastewater Superintendent	
Asst. PW Supervisor	Streets Foreman	Wastewater/Streets Lead	Streets/Parks Superintendent	
Public Works Worker	Maintenance III	Maintenance Worker II	Equipment Operator	

### **Wage Analysis**

The table below shows a comparative analysis between the City of Breezy Point and the cities of Brainerd, Baxter, and Little Falls. While there is variation from position to position, Breezy Point positions are an average of 21% lower than those of Brainerd, Baxter, and Little Falls.

If it is the City Council's intent to match the average wage for each position effective January 1, 2024, staff does recommend that a 3% COLA also be applied as the each of these cities will also be receiving a COLA. This is also shown in the table below.

Position	Breezy Point	Brainerd	Baxter	Little Falls	Average Wage	Change from Current	Average + 3% COLA	Change from Current
City Administrator	\$44.74	\$57.75	\$56.30	\$57.26	\$57.10	27.6%	\$58.82	31.5%
Asst. City Admin	\$33.18	N/A	\$47.10	N/A	\$47.10	42%	\$48.51	46.2%
Deputy Clerk	\$26.00	\$24.10	\$25.23	\$34.39	\$27.91	7.3%	\$28.74	10.6%
Finance Specialist	\$30.45	\$33.05	\$34.65	\$30.57	\$32.76	7.6%	\$33.74	10.8%
P&Z Administrator	\$30.45	\$39.99	\$36.69	N/A	\$38.34	25.9%	\$39.49	29.7%
Police Chief	\$38.73	\$49.25	\$51.19	\$52.94	\$51.13	32.0%	\$52.66	36.0%
Police Sergeant	\$33.18	\$36.83	\$38.25	\$38.68	\$37.92	14.3%	\$39.06	17.7%
Police Officer	\$27.32	\$31.35	\$31.06	\$33.07	\$31.83	16.5%	\$32.78	20.0%
Police Admin Asst.	\$22.58	\$24.10	\$24.20	\$31.80	\$26.70	18.2%	\$27.50	21.8%
Public Works Supervisor	\$33.18	\$45.88	\$38.25	\$41.84	\$41.99	26.6%	\$43.25	30.3%
Asst. PW Supervisor	\$29.00	\$29.84	\$31.06	\$38.68	\$33.19	14.5%	\$34.19	17.9%
Public Works Worker	\$22.58	\$27.08	\$25.23	\$29.40	\$27.24	20.6%	\$28.05	24.2%

**New Wage Grid**

The simplest way to implement the results of this analysis (should the City Council choose to do so) would be to eliminate the current wage grid and replace it with individual, 8-step wage grids for each position. This would also allow for the simplification of future wage analyses. The proposed 2024 wage for each position based on the above analysis is as follows:

Position	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H
City Administrator	\$58.82	\$61.10	\$63.46	\$65.92	\$68.48	\$71.13	\$73.89	\$76.75
Asst. City Administrator	\$48.51	\$50.39	\$52.35	\$54.37	\$56.48	\$58.67	\$60.94	\$63.30
Deputy Clerk	\$28.74	\$29.86	\$31.01	\$32.22	\$33.46	\$34.76	\$36.11	\$37.51
Finance Specialist	\$33.74	\$35.05	\$36.40	\$37.82	\$39.28	\$40.80	\$42.38	\$44.03
P&Z Administrator	\$39.49	\$41.02	\$42.61	\$44.26	\$45.98	\$47.76	\$49.61	\$51.53
Police Chief	\$52.66	\$54.70	\$56.82	\$59.02	\$61.31	\$63.69	\$66.15	\$68.72
Police Sergeant	\$39.06	\$40.57	\$42.14	\$43.78	\$45.47	\$47.23	\$49.06	\$50.97
Police Officer	\$32.78	\$34.05	\$35.37	\$36.74	\$38.17	\$39.64	\$41.18	\$42.78
Police Admin Asst.	\$27.50	\$28.57	\$29.67	\$30.82	\$32.02	\$33.26	\$34.55	\$35.89
Public Works Supervisor	\$43.25	\$44.93	\$46.67	\$48.47	\$50.35	\$52.30	\$54.33	\$56.44
Asst. PW Supervisor	\$34.19	\$35.51	\$36.89	\$38.32	\$39.80	\$41.35	\$42.95	\$44.61
Public Works Worker	\$28.05	\$29.14	\$30.27	\$31.44	\$32.66	\$33.93	\$35.24	\$36.61
Position	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H
P-3, Officer/Paramedic	\$36.85	\$38.27	\$39.76	\$41.30	\$42.90	\$44.56	\$46.29	\$48.08
P-2, Officer/EMT	\$34.47	\$35.74	\$37.06	\$38.43	\$39.86	\$41.33	\$42.87	\$44.47
P-1, Patrol Officer	\$32.78	\$34.05	\$35.37	\$36.74	\$38.17	\$39.64	\$41.18	\$42.78
Position	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H
Chief/Paramedic	\$55.17	\$57.31	\$59.53	\$61.84	\$64.23	\$66.72	\$69.31	\$71.99
Sergeant/Paramedic	\$40.92	\$42.51	\$44.15	\$45.86	\$47.64	\$49.49	\$51.41	\$53.40

**Implementation**

There are multiple ways the City Council could implement this analysis if they so choose.

### Straight COLA Adjustment

The Council could adjust each position based on the percentage listed above while keeping employees on the step of the grid they would be at as of January 1, 2024. This is by far the most expensive option, however, as it would have a budgetary impact of approximately \$315,727. City Administrator Chanski does not recommend this option.

### Grid and Step Adjustment

Under this scenario, the City Council would adjust the grid for each position and then relocate each employee to the step closest to the wage they would receive on January 1 under the current salary plan with a 3% COLA without going backward. This would have a total budgetary impact of approximately \$113,027.

### Grid, Step, and Anniversary Adjustment

Under the two previous scenarios, employees would receive their new wage on January 1 and then still take their step increases on their employment anniversaries following satisfactory performance reviews. This third scenario, however, is the same as above except it also takes advantage of the significant salary plan change and moves every employee to a January 1 anniversary date.

There are two primary benefits of moving every employee to a January 1 anniversary date:

- The wage of each position is brought up to the average of Brainerd, Baxter, and Little Falls, but the budgetary impact is further reduced to approximately \$88,918.
- The administration of pay and vacation increases as well as performance reviews is simplified as they would all be conducted at the end of the year (allowing for true calendar year reviews) and wage increases would only be implemented once per year (on January 1), not twice per year (on January 1 and employees' anniversaries). This also reduces the need to track employment anniversaries throughout the year.

Two positions under this scenario would be placed one step higher than the lowest step without going backward as placing them on the lowest step would give them almost zero pay increase.

Should the City Council elect to implement this wage analysis, City Administrator Chanski recommends that the Council implement the anniversary date adjustment scenario.