



To: Mayor and City Council
From: Dylan Mulfinger
Subject: City Staff Benefits
Date: 4/22/2024

At the February 26 work session, the City Council discussed the requests for new benefits from employees. The following lists show what council is in favor of moving forward with for FY2025:

1. 6% annual wage increase for 3 years.
- ~~2. 25% annual longevity increase for 3 years~~
- ~~3. Vacation rollover~~
- ~~4. Additional holidays: Presidents' Day and Good Friday~~
- ~~5. Gifting unused sick leave to another employee with extended illness/caregiving issues~~
- ~~6. Paid parental leave~~
7. Increase Emergency Sick leave to 80 hours
- ~~8. Using sick leave payout to pay insurance premiums for retirees.~~
9. Summer hours – 4-day work weeks Memorial Day to Labor Day
10. Flex spending credit cards instead of submitting invoices to Advantage Administrators

Should the Council still be in favor of the above, the City Administrator will prepare them for a vote on May 13 agenda.



2023 Benefit Proposal to Council

The requests below were made by staff on October 25 that are not in an active union. This includes hourly employees in Public Works, Parks, City Hall, Community Development, and Library.

11. 6% annual wage increase for 3 years.
12. 25% annual longevity increase for 3 years
13. Vacation rollover
14. Additional holidays: Presidents' Day and Good Friday
15. Gifting unused sick leave to another employee with extended illness/caregiving issues
16. Paid parental leave
17. Increase Emergency Sick leave to 80 hours
18. Using sick leave payout to pay insurance premiums for retirees.
19. Summer hours – 4-day work weeks Memorial Day to Labor Day
20. Flex spending credit cards instead of submitting invoices to Advantage Administrators

Incentives for New Hires

21. Incentive pay to employees who do not use city health insurance.
22. Holiday pay allowed in the first year of employment regardless of the start date.

City Administrator Benefit Proposal to City Council

1. 6% annual wage increase for 3 years.
 - a. In a year where departments are working to cut back spending, the idea of having aggressive pay increases does not seem compatible. However, failing to invest in the most important resource for the city creates short-term and long-term problems. Staff are aware that recent pay increases have lagged inflation. Staff provided comparable data that showed Oelwein has been lower in wage increases compared to the public and private sector. Moving to a three-year schedule will help alleviate the annual discussion and help create a longer term plan for staff and the organization. This leads the City Administrator to recommend the following increase schedule.
 1. July 1, 2024- Five Percent
 2. July 1, 2025- Five Percent
 3. July 1, 2026- Four Percent
2. 25% annual longevity increase for 3 years
 - a. The City Council has been resistant to raise longevity for several years. Longevity ensures that employees with a significant tenure with the city are compensated for their experience. Longevity helps create an incentive for employees to stay longer with the city and creates separation between a two-year employee and a ten-year employee. Should the city council want to move away from longevity, the City Administrator recommends approving a percentage increase scale that has already been approved for the Police Union. This schedule would provide a 1 percent increase in wages for employees who reach milestone years. The milestone years would follow the current longevity year schedule.



3. Vacation rollover
 - a. After discussions with the Department Heads, The City Administrator felt this was not a needed benefit. The current culture of the organization allows all employees to take their vacation within the year. Rolling over vacation would only increase low department numbers during heavy work times.
4. Additional holidays Presidents' Day and Good Friday
 - a. The City Administrator feels that no holiday needs to be added as a holiday was added last year. Should the city council move for lower wages, then the addition of a holiday could be considered.
5. Gifting unused sick leave to another employee with extended illness/caregiving issues
 - a. After thorough discussion and investigation with the Department Heads, this benefit is not needed. Staff should have more than enough sick time as they can bank up to 1008 hours. Should a staff member find themselves in an emergency, the Administration has made it a priority to work with good employees and find ways to get them back to work to ensure they stay with the organization.
6. Paid parental leave
 - a. The City Administrator is recommending two weeks paid for maternal and paternal leave. Often young staff members do not have a lot of vacation to use for the birth of their child. This is an issue as this is an important milestone in an employee's life. Creating this benefit is good for recruitment and retention.
7. Increase Emergency Sick leave to 80 hours
 - a. The City Administrator recommends making this increase. Staff currently have 40 hours annually that they can use of their own sick time for spouse, children, and parents. Employees have come close to this limit and increasing it will help employees as they tend to their medical issues outside of work.
8. Using sick leave payout to pay insurance premiums for retirees.
 - a. This benefit should be explored more. The city does not pay out sick leave or provide it to employees when they leave for any incentive. Sick leave serves two purposes; to be used when one or a family member is sick, and short-term disability. If the city moves forward with providing this incentive, a study should be undertaken to understand the financial liability.
9. Summer hours – 4-day work weeks Memorial Day to Labor Day
 - a. The City Administrator recommends implementing the four ten day work week May of 2024.
10. Flex spending credit cards instead of submitting invoices to Advantage Administrators
 - a. The city is investigating this request.

Incentives for New Hires

11. Incentive pay to employees who do not use city health insurance.
 - a. The city is investigating this request.
12. Holiday pay allowed in the first year of employment regardless of the start date.
 - a. The city is investigating this request.