

DPW – Street/Solid Waste Division

To: Mayor McFarland and Finance Committee Members

From: Stacy Winkelman

Date: March 19, 2025

Subject: March 24 Agenda Item

Background

There was an internal promotion of a general laborer to a light equipment operator. This employee fell into the pay chart at a Grade H Step 6. Per the Employee Handbook, the incumbents in this pay grade should get an increase to one step higher than the newly promoted employee.

Budget Goal

Payroll Account #01-54-31-10

Payroll Account #16-58-16-10

Financial Impact

01-54-31-10: Three employees under this payroll account = \$5,685.60 increase to payroll from March 19, 2025 – December 31, 2025.

16-58-16-10: One employee under this payroll account = \$1,137.12 increase to payroll from March 19, 2025 – December 31, 2025.

Recommendation

Retroactive to March 19, 2025, to be consistent with the timing of the promotion:

Increase John Butschke from an H6 to H7

Increase Keith Rein from an H6 to an H7

Increase Lukas Saeger from an H5 to H7

Increase Adam Quest from an H5 to H7

2025 Operational Goals

The purpose of our operational goals is to identify, prior to the budgeting process, what work the city intends to achieve in 2025. The goals should align with our mission. Not only will the operational goals inform budget prioritization, but they will also guide the creation of the 2025 Department Work Plans.

Present a budget that (in no particular order):

1. Invests in the strategic planning and maintenance of our city buildings
2. Proactively maintains and improves our parks and infrastructure to ensure safety, quality, and equity
3. Supports employee retention and growth, while also evaluating operations and the associated staffing
4. Fosters community growth by assessing opportunities, stakeholder input, environmental needs, and modern code and policy priorities
5. Maintains a safe and healthy community, with an eye toward future needs and trends

Step Plan

Pay ranges under the step plan are designed to advance pay within the range by increments of experience in the employees' present position and the employee receiving a successful annual performance evaluation rating. Each pay range is divided into 11 steps with the midpoint or market /control point at Step 6.

Employees who receive a performance review rating of "meeting expectations" or better may be eligible to receive a step increase on January 1 of the following year. No employee's pay shall exceed the maximum (Step 11) of the recommended pay range for the employee's present position.

Employees may also be eligible for general economic adjustment equal to that applied to the plan structure to keep it market competitive (see section on [Determining Annual Pay Structure](#)).

Existing Employees as of January 1, 2014

Employees whose pay was below the minimum of the pay range were brought to the minimum of the range on January 1, 2014. Employees whose pay was between the minimum and maximum of the pay range were placed at the next step that provided a pay increase. Employees whose pay was above the recommended maximum of their pay range as of January 1, 2014 had their pay red-circled until such time that the pay structure is adjusted to a point where the employee's pay rate falls below the maximum of the recommended pay range. At that time, the employee may then be considered as eligible for pay increases.

Compensation Policies

Compensation upon Promotion

Employees being promoted one salary grade will be considered for an increase of not less than a 5% adjustment to his/her current wage and the calculated rate will be placed at the next closest step on the new pay range or be brought to the minimum of the new pay range, whichever is greater. An employee being promoted two or more salary grades will be considered for an increase of not less than 8% of the employee's current wage and the calculated wage will be placed at the next closest step on the new pay range or be brought to the minimum of the new range, whichever is greater. In no case will a promotional increase allow the employee to earn a salary above the established range maximum.

In addition, should the City promote an employee utilizing the 5%/8% rules and such calculations result in the newly promoted employee earning a base wage greater than an existing incumbent, the City may then increase the pay rate(s) of the incumbent(s) in the same job one rate higher than the newly promoted employee in order to maintain internal equity.

If the City promotes an employee from a position covered by a Public Safety Bargaining Agreement salary schedule, the average prior year gross pay for the rank of employees from which the City is promoting will be calculated excluding outliers such as an employee with a much greater amount of overtime than others or a new Sergeant not yet at the maximum of the pay grade. The calculated average will be multiplied by 108% and the resulting calculated wage will be placed at the next closest step on the new pay range or be brought to the minimum of the new range, whichever is greater.