

**Minutes of the Meeting of the Wage & Personnel Committee Held  
On Tuesday, September 6, 2016 Pursuant to Notice Duly Given**

1. Meeting called to order by Chairperson Le Breck at 4:15 p.m.
2. Roll Call: Mayor Heier, Kim Bronikowski, Bob Le Breck, Al Schreiber, Jean Feldt (arrived at 4:17 p.m.)  
Excused: Roger Reed  
Also Present: Fire Chief John Reed, Attorney Lindsay Erickson, Park & Rec Director John Bostedt, Sara Perrizo, Administrator and as Recording Secretary
3. Approval of Agenda  
**Moved by Schreiber, seconded by Bronikowski to approve the agenda as presented. M/C**
4. Approval of Minutes from 8/1/16 meeting  
**Moved by Bronikowski, seconded by Schreiber to approve the minutes as typed.**  
**Motion carried upon verbal voice vote. 3 ayes**
5. Public Input/Comments  
None.
6. Discussion/Action/Recommendation on the Following:
  - a. Seasonal and Part-Time Employee Hiring Policy  
Perrizo went over the policy, which was drafted based on the motion made by the Committee at the last meeting. Openings for summer seasonal help will be posted by March 15 of each year for at least two weeks in the local newspaper and online. Any seasonal employee who wishes to return for the following year will be required to submit a letter of intent by January 1 and rehire will be at the discretion of the department head. After applications are received, the department heads will rank them, redact all identifying information and present them to the oversight committee and Wage & Personnel Committee for approval. Then interviews will be conducted in the order of the ranking until all open positions are filled. If a position becomes open during the season, the next ranked candidate will be contacted for an interview and so on until the position is filled. Department heads will be prohibited from hiring anyone in their immediate family to work in the department that they oversee.  
  
Schreiber suggested that the identifying information should be redacted from the applications prior to the department heads reviewing them. Perrizo stated that she could do the redacting and then turn the applications over to the department heads. Erickson asked when the employees who wish to return will know if they are eligible for rehire. Bostedt explained that he contacts everyone in March to let them know. Le Breck agrees with this part of the policy, explaining that it gives the City time to plan for the season. Le Breck also pointed out that there was a duplicate paragraph at the bottom of the policy that should be removed.  
  
**Moved by Schreiber, seconded by Feldt to approve the policy, adding the provision that the Administrator redact all identifying information on the applications before giving them to the department heads and removing the duplicate paragraph.**  
  
**Motion carried upon verbal voice vote. 4 ayes**

b. 2017 Wages

Included in the agenda packet was a list of the current non-union wages and a calculation of what they would be with a 1%, 2% and 3% increase. Perrizo stated that the budget is looking good, with an anticipated increase in assessed value, and would not recommend anything less than the 2% increase that has been given for the past several years. Schreiber wouldn't want to go beyond the 2% because there are other items in the budget that need to be considered. Le Breck commented that 2% is in line with the rest of the country.

Perrizo then explained that there has been a new rule issued under the Fair Labor Standards Act (FLSA) by the Federal government regarding overtime. In short, the rule states that any employee who is paid less than \$47,476 per year cannot be paid on a salaried basis and must be paid overtime for hours worked over 40 per week. This rule goes into effect on December 1, 2016. John Bostedt falls into this category as his current pay is \$39,535.

Perrizo handed out a spreadsheet with four different options for implementing the new rule as it relates to Bostedt. Bostedt worked an average of 46.52 hours in 2015. Option number one would be to change his salary to the \$47,476 per year and pay no overtime and the cost of this option, with benefits, is \$8,208 for 2017. Option number two would be to keep the same pay rate, but pay Bostedt on an hourly basis and pay overtime for hours worked in excess of 40 per week. Under this option, the maximum amount of hours that could be worked per week without going over the \$47,476 per year is 44.5. That number would be reduced each year as Bostedt's pay increases with the cost of living adjustments. The cost of this option for 2017 is also \$8,208. Option number 3 would be to pay Bostedt a salary for working 45 hours per week and to pay overtime for hours worked in excess. The law states that a blended rate has to be used for this calculation and the cost of this option would be \$8,680 in 2017. The final option would be to require Bostedt to accrue compensatory (comp) time in lieu of being paid overtime. The maximum amount of comp time that can be accrued under Federal law is 240 hours. If Bostedt works an average of 45 hours per week, he would accrue 7.5 hours of comp time each week, which is a total of 390 for the year. That is 150 hours in excess of the maximum amount, so overtime would have to be paid for those hours. The cost of this option for 2017 would be \$5,008, but it would also require Bostedt to take 7.5 hours of comp time off for each week worked, and that is unrealistic.

Bronikowski asked which option Bostedt would prefer. Bostedt stated that he would rather remain salaried and be able to work as many hours as necessary to get the job done. Le Breck commented that Bostedt needs to make sure he is taking the vacation days that he is given. Bostedt said that he is able to do that more now, as he has a good crew working with him. Le Breck opined that option number one makes the most sense. It is easy to say that Bostedt should only work 40 hours per week and we can keep hiring more people, but at some point people want to know why their taxes are going up. The consensus of the Committee was that option number one is the best option for the City and for Bostedt.

**Moved by Feldt, seconded by Bronikowski to approve increasing John Bostedt's salary to \$47,476 per year effective December 1, 2016 to be in compliance with the new Fair Labor Standards Act overtime rule.**

**Motion carried upon verbal voice vote.**

**4 ayes**

**Moved by Feldt, seconded by Bronikowski to implement a 2% wage increase for non-represented employees in the 2017 budget.**

**Motion carried upon verbal voice vote.**

**4 ayes**

- 7. Moved by Feldt, seconded by Schreiber to adjourn at 4:41 p.m.**

**Motion carried upon verbal voice vote.**

**4 ayes**

Respectfully Submitted:

Sara J. Perrizo, CPA

Administrator