

Kevin Watson
City Administrator

The City of Vadnais Heights
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Memorandum:

TO: Mayor Gunderson and City Council Members

FROM: Kevin Watson, City Administrator

DATE: March 17, 2020

SUBJECT: Amend 2020 Compensation/Employee Recognition Plan

Recommended Council Action

Approve the amended 2020 Compensation/Employee Recognition Plan by adoption of the attached resolution.

Background

Every year, as a part of approval process for the Annual Budget and Levy, Council approves a Compensation/Employee Recognition Plan. This item includes language on funds dedicated to staff salary, health insurance, life insurance, milestone recognition, staff events, retirement recognition, and Fire Department Compensation in the event of a disaster.

Staff is requesting approval of language regarding Community Health Emergency Leave.

Community Health Emergency Leave

In the event of a community-wide health emergency accompanied by major contagion risks, the City Council may declare a Community Health Emergency. During the time period the Declaration is in effect, employees shall be eligible for the following additional benefits:

1. Up to 80 PTO hours paid leave (to be utilized on 80/20 split - if staff used maximum PTO, its 80hrs city, 20hrs employee). Leave can be used for:
 - a. Sickness (any kind) or self-quarantine resulting from exposure to a person or persons, or;
 - b. to administer care to an immediate family member with exposure to the illness identified in the Declaration
 - c. other potential issues related to health emergency
2. This paid leave must be approved by a supervisor. In the event of contracting the sickness or self-quarantine due to exposure, the employee shall provide information to his or her supervisor identifying all possible sources of the exposure and justification for the need for self-quarantine
3. This paid leave shall be provided in addition to any PTO.
4. Staff who receive pro-rated benefits shall be eligible on a pro-rated basis
5. Part-time employees are eligible for this paid leave based on the average hours worked per week over the previous two-month period.
6. In the event sickness or self-quarantine necessarily extends beyond the leave authorized by this policy and beyond the time the City Council's Declaration is in effect, the employee may use accrued sick leave, PTO, and unpaid leave as permitted pursuant to the City's general personnel policies.

7. During the time the City Council's Declaration of a Community Health Emergency is in effect, employees shall take all reasonable steps, erring on the side of caution, to report to their supervisor any potential symptoms of the illness specified in the Declaration and self-quarantine as soon as reasonably possible.

In the event, during a declared pandemic leave period, the City elects to close facilities and/or temporarily suspend services, employees may be required to work remotely or not allowed to report to work. During this period, employees not able to work due to closed facilities and/or temporarily suspended services shall continue to receive compensation based on average hours worked per week over the previous two-month period.

Employees continuing to receive compensation must be available to work remotely and perform any work assigned by the City, even if such assigned work is outside of the employee's standard scope of work responsibilities.

City of Vadnais Heights

2020 Compensation/Employee Recognition Plan

Compensation

Vadnais Heights has adopted a compensation plan for full-time and permanent part-time positions that uses wages in comparable communities as the basis for local compensation. Periodically, these results are updated by surveying actual pay in other similar communities and analyzing the positions for conformity. The compensation plan consists of 18 grades with 7 steps for each grade. Step G is the highest step with other steps descending in increments of approximately 3%. It has been the policy of the City to ensure Vadnais Heights is competitive with other communities in order to recruit and retain qualified employees. A salary and benefits survey has not been done recently and should be conducted within the next couple years.

- The proposed 2020 compensation plan incorporates a 3% cost of living adjustment for non-union employees. The current union contract, which was negotiated in 2017, stipulates a 2% increase from January 1, 2020 through March 31, 2020 along with a "me too clause".
- The City completed a pay equity report in January 2017 and received notice of pay equity compliance per Local Government Pay Equity Act **M.S.** 471.991 -471.999 and Minnesota rule Chapter 3920. This report specifies the procedure and criteria for measuring compliance and information regarding the comparable work value performed by each class of employees and is currently completed every three years.
- The 2020 budget has taken the following personnel considerations into effect:
 - The addition of a Full-time, Fire Technician
 - Funds dedicated to expand City Communications
- Health insurance costs increased approximately 8% in 2020. The City will continue to offer the same two health plans as 2019 which are in the Blue Cross Blue Shield (BCBS) Network. The two plans offered are Plan 655 Platinum and Plan 642 Silver which is a higher deductible and associated with a Health Savings Account. Employer contribution for family coverage of Plan 655 Platinum will remain at 77.5% and for family coverage of Plan 642 Silver/RSA the employer contribution will be 95%. Employer contribution for single coverage of Plan 655 will be 95% and for single coverage of Plan 642 Silver/RSA the employer contribution will be 100% along with a \$1,800 annual contribution to the employee's HSA (\$150 monthly). All employees enrolled in the high deductible health insurance plan have the option to contribute additional monies to their HSA up to the IRS limit. The cash option in lieu of health insurance will be \$500 and may only be selected if an employee has another form of health insurance. All benefits for part-time employees are pro-rated. Dental insurance will continue to be paid by the employee.
- The City will provide a \$50,000 life insurance policy on each employee along with short-term and long-term disability for all employees working 28+ hours, regularly scheduled, per week which also makes the City more competitive with other government communities. Any additional employee or spouse life insurance will continue to be paid by the employee.

Employee Recognition

The City of Vadnais Heights has implemented an employee recognition program. The City is aware that any additional items provided to an employee must be for services performed. This program is implemented to acknowledge employees for their contributions to the City and for its appreciation for efficient and dedicated services by employees. This program includes all full-time and part-time permanent employees. Seasonal staff and paid-on-call firefighter are not included in this program. The City provides the following additional compensation for services performed listed below.

- Annual employee picnic;
- Annual holiday/recognition breakfast/luncheon;
- A plaque after 5 years of service;
- Retirement events for Council, employees (including firefighters) as budgeted and pre-approved*;
- Two annual recognition events for past and present firefighters with additional contributions by the Fire Relief Association*;
- Firefighters and employees have use of the training room at Station #1 for personal use upon approval by the Fire Chief; and
- One City logo clothing item for City Hall employees with approval of Department Heads.

To be eligible for the above items, the employee must be considered in good standing, a City employee at the time any of the above items are provided, or a past or retired firefighter. (Firefighters are eligible for the items with an* behind them.)

Employee Recognition Events

The HR officer, on behalf of the City, and one volunteer employee will coordinate two annual events for City staff with assistance from other staff as needed. Current employees will be invited to a summer picnic and a holiday lunch in December, both during work hours. Service awards will be presented at the winter event.

Retirement

The following will occur upon announcement of a retirement from City service:

- The HR officer and staff will organize a small reception for employees during work hours including refreshments.
- The department will be responsible for organizing a collection toward a gift for the retiree and allow all employees to contribute to the gift.
- An article and/or photo will be placed in the city newsletter and/or local newspaper.
- The department will draft a proclamation of appreciation for the retiree's years of service to be presented at a Council Meeting.
- The retiree will be advised of the recognition plans and may elect not to be recognized in any of the forms listed.

Resignation

The following will occur upon the announcement of the resignation of an employee with five or more years of service:

- Administration staff will organize a reception, including refreshments.
- The department will be responsible for organizing a collection toward a gift for the resigning person.

When the resigning staff member has less than 5 years of service, the department is responsible for organizing any form of recognition.

Recovering Fire Department Personnel Costs in the Event of a Disaster

With natural disasters plaguing our nation and seeming to be on the rise, the city needs to address how it could/would compensate our employees and seek reimbursement in the event our firefighters respond to and provide assistance in a disaster situation or an extended emergency.

Salaries for all fire staff are listed in the Compensation Plan and approved annually with the budget. In a declared disaster, approved by the state and federal government based on qualifying standards, firefighter salaries (full-time and part-time) and fringe costs are recoverable.

By establishing and adopting a policy in our city compensation package, the city can seek reimbursement for expenses incurred. The compensation package should coincide with the Capitol City Mutual Aid Agreement we have with our surrounding communities, and stay consistent with state and federal guidelines in disaster recovery.

Fire Department Compensation in the Event of a Disaster

When the Fire Department's part-time staff responds to an emergency within the city limits, or a mutual aid department for less than 12 hours, staff is compensated at the established hourly rate per hour for staff up to 12 hours with no additional charge to our mutual aid partners.

When a disaster is declared by the local government and approved by the state and federal governments, and our part-time staff responds within the city limits or to a mutual aid department, for a period exceeding 12 hours, the compensation and reimbursement for part-time firefighters will be based on the City's Compensation Schedule, Grade 9 Step A per hour, plus fringe benefits and overtime pay. This is the same Grade and Step as the beginning full-time firefighting staff. As stated above, the city can recover expenses incurred in an approved disaster.

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**2020 Regular Compensation
Non-Union Employees**

Grade	A	B	C	D	E	F	G
1	\$18.99	\$19.63	\$20.25	\$20.88	\$21.51	\$22.15	\$22.78
2	\$20.13	\$20.79	\$21.47	\$22.13	\$22.81	\$23.48	\$24.15
3	\$21.35	\$22.05	\$22.77	\$23.49	\$24.19	\$24.89	\$25.61
4	\$22.62	\$23.39	\$24.14	\$24.88	\$25.65	\$26.39	\$27.15
5	\$23.98	\$24.78	\$25.57	\$26.36	\$27.17	\$27.97	\$28.77
6	\$25.40	\$26.26	\$27.10	\$27.95	\$28.80	\$29.64	\$30.49
7	\$26.94	\$27.84	\$28.73	\$29.64	\$30.51	\$31.42	\$32.33
8	\$28.56	\$29.49	\$30.45	\$31.41	\$32.35	\$33.29	\$34.27
9	\$30.29	\$31.29	\$32.29	\$33.30	\$34.31	\$35.32	\$36.32
10	\$32.23	\$33.30	\$34.39	\$35.47	\$36.54	\$37.61	\$38.70
11	\$34.35	\$35.47	\$36.62	\$37.78	\$38.91	\$40.06	\$41.19
12	\$36.58	\$37.79	\$38.99	\$40.22	\$41.46	\$42.67	\$43.89
13	\$38.93	\$40.23	\$41.54	\$42.83	\$44.12	\$45.41	\$46.72
14	\$41.48	\$42.85	\$44.23	\$45.62	\$46.99	\$48.37	\$49.75
15	\$44.16	\$45.63	\$47.10	\$48.57	\$50.04	\$51.53	\$52.99
16	\$47.05	\$48.62	\$50.16	\$51.74	\$53.31	\$54.87	\$56.45
16.5	\$49.57	\$51.23	\$52.88	\$54.54	\$56.17	\$57.85	\$59.49
17	\$52.24	\$53.98	\$55.72	\$57.46	\$59.21	\$60.95	\$62.70
18	\$56.16	\$58.01	\$59.91	\$61.78	\$63.65	\$65.51	\$67.40

2020 Union Compensation Plan

PSW I	\$19.53	\$20.17	\$20.80	\$21.42	\$22.04	\$22.68	\$23.30
PSW II	\$25.03	\$25.82	\$26.65	\$27.42	\$28.25	\$29.06	\$29.88
PSW III	\$27.98	\$28.89	\$29.79	\$30.70	\$31.61	\$32.49	\$33.41

2020 Term (Seasonal) Employees and Firefighters

Seasonal Employee Pay Rates

	Amount	Timeframe
Term Employee	\$10.00 to \$21.67	Per Hour

VHFD Pay Rates

VHFD Pay Rate	Amount	Timeframe
Probationary (New hire, no certifications)	\$10.28	Per Hour
Firefighter FFI/II or EMT (For new hire firefighters with either current FFI/II or EMT certification)	\$12.72	Per Hour
Firefighter FFI/II or EMT (For all part-time paid-per-call staff and for new hire firefighters with FFI/II and EMT certifications)	\$15.15	Per Hour
Duty Crew Officer , (Duty Shift Officer gets a \$I/hour increase while working duty shift)	\$16.23	Per Hour
Duty Crew Acting Officer (\$I/hour increase when a firefighter is acting officer on duty shift)	\$16.23	Per Hour
Instructors for Ramsey County Chiefs (Reimb./Ramsey County Fire Chiefs)	\$27.06	Per Hour
Special Duty/Pay for Special Events	\$32.47	Per Hour
Disaster Pay (See attached sheet)	Grade 9 Step A	Per Hour

Pension

As approved by the City Council

Compensation for Officers

Assistant Chiefs, Captains and Lieutenants will be determined annually with a not to exceed amount of the current annual officer total pay.

RESOLUTION NO. 20-03-_____

**RESOLUTION AMENDING THE 2020 EMPLOYEE COMPENSATION AND
EMPLOYEE RECOGNITION PLANS OF THE CITY OF VADNAIS HEIGHTS,
MINNESOTA**

WHEREAS, the proposed employee compensation and employee recognition plans have been publicly examined by the City Council.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF VADNAIS HEIGHTS, MINNESOTA THAT:

The Council of the City of Vadnais Heights hereby resolves that the attached, amended 2020 employee compensation and employee recognition plans of the City of Vadnais Heights are hereby approved.

The motion for adoption of the foregoing resolution was made by Council Member _____ and duly seconded by Council Member _____. Upon vote being taken thereon, the following voted in favor thereof: _____ and the following voted against the same: _____.

Whereupon the resolution was declared passed and adopted.

STATE OF MINNESOTA)
COUNTY OF RAMSEY) ss
CITY OF VADNAIS HEIGHTS)

I, the undersigned, being the duly qualified and acting Administrator of the City of Vadnais Heights, Ramsey County, Minnesota, do hereby certify that I have carefully compared the foregoing extract of minutes with the original minutes of a meeting of the City Council held on the 17th day of March, 2020, and the same as it relates to 2020 employee compensation and recognition plans for the City of Vadnais Heights.

WITNESS my hand as said City Administrator/Clerk-Treasurer of said City this 17th day of March, 2020.

Heidi Gunderson, Mayor

Kevin Watson, City Administrator

(SEAL)