



CITY OF WAUWATOSA
7725 WEST NORTH AVENUE
WAUWATOSA, WISCONSIN 53213
Telephone: (414) 479-8917
Fax: (414) 479-8989
Web Site: www.wauwatosa.net

EMPLOYEE RELATIONS COMMITTEE MEETING

Tuesday, November 10, 2009

Committee Room #2

(Revised)

PRESENT: Aids. Donegan, Ewerdt, Walsh, Krol, Berdan – 5

ALSO PRESENT: J. Archambo, City Admin.; B. Aldana, Asst. City Atty./HR Dir.;
M. Loy, Health & Productivity Coordinator

Ald. Donegan as Chair called the meeting to order at 7:04 p.m.

Referred from Community Development Committee, parameters of the Economic Development position

The Human Resources Director reported to the committee that the process for this position started about one year ago. The chronology is listed in her memo and briefly discussed. She noted that last summer the council passed an ordinance for approval of a manager position in the classified service. An ordinance change is required if any changes are made. Ms. Aldana noted from her memo that there are four issues to be considered.

Ms. Aldana said the Community Development Committee recommended that the position be in the unclassified service. This would allow the City more flexibility including changing the direction of the program if necessary. She said this would not be in civil service or in the city's compensation structure.

Ms. Aldana noted that the URS report suggests a manager level position reporting to the Community Development Director; EDAC recommends that the position be at the director level. She said they were looking for authority and autonomy in this position. She said this position could be classified as an unclassified position at the director level and these two changes would require an ordinance change. The EDAC recommends a salary range of \$70,000 - \$130,000 and the action from this committee will determine this structure. She noted that there would be more flexibility if the position were unclassified. If it were a classified position it would need to fit into the city pay scale.

The Human Resources Director advised that Charlie Carlson from Carlson Dettman is on hand via teleconference to facilitate.

Ald. Walsh questioned why this was being brought back to committee when the council already voted to make it a classified manager position. Ms. Aldana explained that during the EDAC meetings level options were asked for regarding structure and pay. She said two weeks ago in Community Development there was more interest on that issue and it was recommended that the position be unclassified.

Ald. Donegan recommended taking each of the four issues separately with separate votes.

Should the proposed economic development position be a classified or unclassified position

Ald. Krol inquired if this person would be receiving any kind of support. Is the city in any kind of a position to share administrative resources or would an additional person be needed. Ms. Aldana said her impression is that

there is no intent to add additional resources. Mr. Archambo responded that at this time they would have to rely on existing staff. It was noted that whether the position were classified or unclassified it wouldn't make any difference if additional help were needed. Ald. Krol asked if a contract were necessary. Mr. Archambo said typically but not necessarily. In response to a question Ms. Aldana said other unclassified city positions are temporary, part time and seasonal employees. She said that the position would serve at the will of the City Administrator. This would be similar to the City Administrator's position who serves at will.

Ms. Aldana reported that if the position is unclassified the city wouldn't have to go through termination for just cause. The benefits could be determined through this committee. The City Administrator would negotiate per the committee's direction. Ms. Aldana said that all of our unclassified positions have the same benefit package as the classified positions. Mr. Carlson said you would have some negotiating with the unclassified position. As a city employee you would be obligated to put them in the city pension system.

The committee discussed where this unclassified position would fit without having any duplication. Would the unclassified position put them above the rest of community development? Ald. Dennik noted that they want this to be a totally autonomous position so they can go out and get the work done. There was concern expressed among the committee how the two departments would work cooperatively and wondered if parameters should be put into place. Ald. Dennik commented that one department reports to the common council and one would report to the City Administrator.

Ald. Donegan asked the City Administrator how he felt about this position reporting directly to him and noted that this person's salary could be more than what the administrator earns. Mr. Archambo reported that his initial thoughts were in agreement with the Horton study to create a division within community development. After hearing the discussion from EDAC he said perhaps it would be better if this position operates within its own framework. He said issues could be dealt with as they come up. Mr. Archambo reported that he was OK with this position reporting to him and didn't have a problem with the salary. The City Administrator emphasized to the committee that it will take time for the new person to evaluate the city and identify target efforts. He said to not expect great things in the first year.

The committee asked if the City Administrator is comfortable with the resources available to provide assistance in this position. Mr. Archambo said existing resources are available. He told the committee that there is a total of \$180,000 available for this position. If the position is hired in at less and remaining funds are available they could be used for office supplies, furniture, or part time help.

Ald. Krol asked if there were disadvantages to having this position be unclassified. An unclassified person would work 'at will' of the city. Mr. Archambo commented that there is always a fine balance there and 'at will' comes into play with individuals taking the risk of accepting an 'at will' position. This is a type of balance that would have to be addressed. Ald. Dennik said if, down the road, the city wanted to make the position a classified position they could do that. He noted that if an individual accepts an 'at will' position, it says a lot about them. He noted that this protects the city and the taxpayers.

Ald. Donegan commented that it is important to have maximum flexibility and control. If the market proves otherwise a change could be made. Ms. Aldana noted that there are ways to give candidates some flexibility in order to attract candidates.

Ald. Walsh said he is not in favor of the ordinance change. He said there is a system in place to classify employees and if you don't like the system you should change it. He felt that there are risks to the city as well to the individual in hiring as an unclassified position.

Moved by Ald. Ewerdt, seconded by Ald. Krol to recommend
introduction of an ordinance amending Section 2.13 of the city

code that the Economic Development position be an unclassified position – Ayes: 4 Noes: 1 (Walsh)

Should the proposed economic development position be a director or manager level position

Ald. Dennik said during discussions held in EDAC they recommended hiring a director in a stand-alone position to give the person autonomy to go out and do what they have to do. He noted that in this economy the candidate will have their work cut out for them. EDAC felt it import that this position need only report to one person.

When asked, the City Administrator said that there are others that this position could report to others than the city administrator. He mentioned that the downside is that it could be viewed as politically motivated. Ald. Walsh noted that this position would make the 18th direct report position to the city administrator and is this span of control hard to deal with? Ald. Walsh felt this position being a department of one seemed odd and doesn't think it fits within the city structure.

Ald. Berdan said she is comfortable that this is a director position if Mr. Archambo is willing to manage the position. Ald. Krol said a good span of control number is eight, and Mr. Archambo will have 18. He wondered if there was another option. Again there was a concern that is could appear to be politically motivated if under the mayor. The City Administrator said he was O.K. with this position reporting to him.

Moved by Ald. Donegan, seconded by Ald. Berdan to recommend introduction of an ordinance amending Section 2.13 of the city code that the Economic Development position be categorized as a director instead of a manager position – Ayes: 4 Noes: 1 (Walsh)

What is the appropriate compensation and compensation structure for this position

Ald. Ewerdt questioned why such a large range of salary is being proposed. Ald. Dennik reported that they took the allocated dollars and averaged the low and high end of similar positions investigated.

A suggestion was made for a starting salary of \$60,000 which was determined not sufficient. The City Administrator responded to a question of this position potentially earning more than he. Mr. Archambo said he would be O.K. with that. Mr. Archambo said benefits or incentives could also be considered when setting a salary. Ald. Donegan commented that he didn't think the committee should make the benefit package and should limit the discussion to a pay range. The committee discussed the classified pay scale of current positions in the city.

Ald. Berdan reported that she had done some investigating of comparable positions around the country and the pay range went from \$80,000 to \$115,000 without benefits. Ald. Walsh felt that this is a manager position and should fall into that category with the pay scale from \$65,000 to \$90,000. Ald. Ewerdt said if the right person is hired the higher salary may be justified. Ald. Krol commented that a bonus package could also be implemented and was comfortable with the salary range of \$70,000 to \$130,000 which was suggested by EDAC.

Moved by Ald. Krol, seconded by Ald. Ewerdt to recommend introduction of an ordinance amending Section 2.13 of the city code that the Economic Development position salary range from \$70,000 - \$130,000 - Ayes: 4 Noes: 1 (Walsh)

Should the city retain an executive recruiter to conduct the selection process

Ald. Donegan sensed a strong recommendation from administration to hire a recruiter and asked if that is the case. Mr. Archanbo noted that at certain levels a recruiter has been used in the past. He said the most compelling argument to use one is that head hunters will go out and look for you and he felt that was an advantage. Ms. Aldana said additional groups of people are accessed when a recruiter is involved. The committee asked if this is a recommendation from EDAC and Ms. Aldana said this was not discussed by them.

The committee discussed the cost of the recruiter and Ms. Aldana said it could be based on a percentage of the first year's salary. She said it could be around \$25,000. Ald. Ewerdt felt that was a high number. Ald. Walsh said not in this economy should the money be spent. On the high side the cost of a recruiter could be nearly \$40,000.

Ald. Dennik said that there are a lot of trade organizations that you could advertise with. He felt that there is talent out there. He thought working with a recruiter could be problematic if they brought someone in too far away and not knowing our community. Someone locally would be able to jump right in. Ald. Berdan felt that in this economy there are people out there and would be coming to us. Ald. Donegan suggested trying the market and see what it bears.

Charlie Carlson explained the two types of executive recruitment. Depending on what type of contract the city enters into, they could still advertise and recruit on their own. He said a good search firm should not have a problem collaborating. Mr. Carlson said it is possible that the candidate will come out of the private sector. The advantage of a search firm is confidentiality. Candidates in the public sector may be nervous with their names getting out and many deny the city some applicants. He said it is going to be a competitive market place and as long as you can live with a slightly prolonged process the city could try advertising first.

Ald. Krol commented that a search firm would be a good benefit to our economic development growth. A good candidate could be selected without our human resources department being subject to looking at hundreds of applications.

Moved by Ald. Krol, seconded by Ald. Berdan to recommend leaving the option of hiring an executive recruiter to the discretion of the Human Resources Director and City Administrator if they feel it is necessary to recruit the best candidate – Ayes: 4 Noes: 1 (Walsh)

The meeting adjourned at 8:22 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

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