

DISTRIBUTED
TCRM 12/8/14

To: President and Members of the Munster Town Council

From: Dustin Anderson, Town Manager
David F. Shafer, IAMC, MMC, CMO, Clerk-Treasurer

Copy to: Patricia L. Abbott, IAMC, MMC, Accounting Supervisor

Date: December 8, 2014

Re: Ordinance 1650: 2015 Pay Plan

Proposed Ordinance 1650 is "An Ordinance Establishing the 2015 Salary and Pay Plan for the Town of Munster, Indiana (2015 Salary Ordinance)." Compensation of elected officials must be fixed and the Police Pension Base must be certified before January 1 of the ensuing year. Proposed Ordinance 1650 has been prepared for that purpose and it includes other annual authorizations related to payroll. Of note, the proposed 2015 salary ordinance calls for:

- The actuarial assessment for the Town's contributions to the Indiana Public Retirement System (INPRS) will remain unchanged from 2014 at 11.2%. The Town also pays the employees' contribution of 3%, bringing the total contribution during 2015 to 14.2%.
- The Certified Police Pension Base is proposed at \$63,003.20 plus \$2,790.00 longevity, for an annual total of \$65,793.20. The 2014 Base was \$63,962.80, resulting in an increase of 2.86% for 2015.
- Employee contributions for health insurance premiums will remain unchanged at 17.5%. The contribution rate was increased to 17.5% from 15% in August of 2014.

Other aspects of the salary ordinance are open for discussion.

RECOMMENDED ACTION:

By motion and voice vote, consider Ordinance 1650, the 2015 salary ordinance, on first reading and set second reading for December 22, 2014.

ORDINANCE 1650

AN ORDINANCE ESTABLISHING THE 2015 PAY PLAN FOR THE TOWN OF MUNSTER, INDIANA (2015 SALARY ORDINANCE)

WHEREAS, The Munster Town Council must establish annually a salary for all elected officials and certify the Police Pension Base prior to January 1 of the ensuing year; and

WHEREAS, The Munster Town Council will consider the Classified Employees Pay Plan and will take formal action after January 1, 2015; now therefore, be it

ORDAINED, By the Munster Town Council, that the 2015 Salary and Pay Plan for elected officials, certain appointed officials, and the 2015 Police Pension Base is hereby adopted:

SECTION I. ELECTED AND CERTAIN APPOINTED OFFICIALS

	<u>Number Authorized</u>	<u>Biweekly Salary</u>
President of Town Council	1	\$
Members of Town Council	4	\$
Town Manager	1	\$
Clerk-Treasurer	1	\$
Town Attorney	1	\$

For elected officials not already covered by the Indiana Public Retirement System (INPRS), the Town shall contribute to one of the approved deferred compensation programs administered by the Town an amount equal to the current actuarial assessment for the Town's INPRS contribution, plus the employee's contribution currently paid by the Town.

The Town Manager and Clerk-Treasurer shall participate in all other aspects of the employee benefits programs, less mandated deductions and withholdings.

SECTION II. CERTAIN APPOINTED OFFICIALS

Members of the Plan Commission, Board of Zoning Appeals, and Park Board shall receive a stipend of \$600.00/year, payable quarterly in arrears.

Members of the Board of Safety shall receive a stipend of \$600.00/year, payable monthly in arrears.

Members of the Nominating Committee shall receive a stipend of \$50.00/meeting attended, payable quarterly in arrears, not to exceed \$600/year.

Notes: Members of the Town Council are not entitled to receive additional compensation for service on boards or commissions.
The annual stipend will be prorated if the member's service does not total a full year.

SECTION III. PENSION

Employer Payment of Employee Contribution

Employees participating in the Civilian INPRS shall have their employee contribution (3.00%) paid by the Town per Ordinance 863, adopted December 21, 1987.

Alternative Retirement Programs

Program Managers and other regular employees, including paid-on-call members of the fire department, not covered by INPRS or the 1925 or 1977 Police Pension Plans shall have an amount paid by the Town equal to:

1. The employer contribution rate (11.2%, effective January 1, 2015) as established by INPRS, plus
2. The employee contribution rate (3.00%).

These amounts shall be contributed to the ICMA-RC Section 457 Deferred Compensation program as administered by the Town.

2015 Certified Police Pension Rate

The Certified Police Pension Base for 2015 is \$ 63,003.20 plus \$2,790.00 longevity, for an annual total of \$ 65,793.20.

Pension Board Secretary

The Police Pension Board Secretary shall receive an annual stipend of \$600.00, payable monthly. This amount shall not be added to the employee's base salary for the purpose of calculating merit pay or leave.

SECTION IV. CONTINUATION OF BENEFITS

Until the 2015 pay plan is finalized for classified and other employees, the following shall continue.

A. LONGEVITY

Longevity – General

The Town Council's policy is to award longevity bonus payments to those employees with more than five years of service with the Town. Longevity bonus amounts shall be reviewed by the Town Council every twenty-four months. The Town Council shall determine if the amounts are to be modified, based on budget constraints, market forces, and cost of living since the last adjustment. Longevity amounts remain unchanged since 2012; the next review is scheduled for fiscal year 2015.

Inclusion of Longevity in Police Pension

For Police Pension purposes, the twenty-year level shall be used to determine the longevity portion of the Police Pension certified salary.

Longevity Payment Non-Fire Personnel

Payments shall be made in a lump sum, from which shall be withheld all taxes and deductions payable on the last pay date in January of each year. Longevity shall be calculated and paid retroactively for overtime calculations. Employees that separate in good standing after January 1, 2015, shall receive their prorated longevity payment at the time of separation. Longevity payments are based on length of service rendered up to December 31 of the previous fiscal year.

Longevity for Paid-on-Call Fire Personnel

Paid-on-call members of the Fire Department shall be eligible for longevity bonuses based on a pro-rata number of hours worked, on fire department-related activities, when compared to the normal 2,080-hour work year. Employees of the Town, who are members of the Fire Department, shall be also given credit for the hours they respond to fire calls during regular work hours. This shall be in addition to their regular longevity accrual.

Longevity Payment Schedule

Years of Service	Annual Longevity Benefit
0 through 5	\$ -0-
6 through 8	\$ 90.00
9 through 11	\$ 150.00
12 through 14	\$ 180.00
15 through 17	\$ 210.00
18 through 20	\$ 300.00

B. MISCELLANEOUS BENEFITS & PROVISIONS

Health Insurance – Employees will contribute 17.50 % of the total premium cost for medical and 100% of dependent dental insurance costs.

Life Insurance – The Town will provide life insurance for all regular, full-time employees and the Town Council at 1.5 times the annual salary amount of the employee to a maximum of \$125,000.00 in coverage. A minimum of \$30,000.00 of coverage per employee will be provided.

Holiday Bonus – The Clerk-Treasurer and all other eligible Town employees shall receive a holiday bonus in the form of a single payment of \$100.00, less mandated deductions and withholdings. The bonus will be prorated for those eligible employees whose employment began during 2015. Town Council members and the Town Attorney are exempt from the holiday bonus.

Pool Discounts – All regular employees, including members of the Fire Department, crossing guards, and members of Boards and Commissions, are eligible for a \$50.00 discount off the Early Bird resident rate for any selected level of annual pass to the Munster Pool. The Town Manager and Clerk-Treasurer are authorized to establish procedures for payment of passes by payroll deduction. Employees choosing to utilize this benefit shall have the value of the discount included as imputed income. Only one discount per employee is allowed. Discounts only apply to members of the employee's immediate family. Employees of the Munster Community Pool are eligible for a 10% discount on employee only concession stand purchases while working, including immediately preceding or following the scheduled work shift.

Uniforms & Clothing Allowance – The Town provides certain employees with an initial complement of uniforms, specialty work clothes, and items with the Town or departmental logos. These employees are awarded an annual clothing allowance for the purpose of clothing maintenance beginning in the year after receiving the initial complement of clothing. The first year of the clothing allowance will be pro-rated based on full months of service in the previous year. Clothing allowances and the value of certain uniforms and clothing provided by the Town shall be subject to taxes and other deductions as established by law. Those receiving a clothing allowance are:

1. **Police Department** – Payment to each sworn officer of \$1,700.00 per year, payable during January.
2. **Fire Department** – Clothing for a newly hired firefighter shall be provided by the Town at its expense. This does not include "Class A" uniforms. After one year of service, an annual payment of \$300.00 shall be provided to the firefighter.
3. **Public Works/Parks Maintenance/Community Service Officer** – Clothing for initial appointment shall be provided to the employee by the Town at its expense. After the first year of service, an annual payment of \$800.00 shall be provided.

(The language of points 1, 2, and 3 needs to be refined.)

Automobile – The Town provides active and participating members of the Munster Fire Department a vehicle allowance (see Fuel Stipend, below). This allowance is paid in arrears based upon participation of the member. Certain employees are provided vehicles

in accordance with the Town's vehicle policy. All employees provided allowances or the use of Town-owned vehicles are subject to reporting requirements, taxes, and other deductions as established by law.

Centennial Park Benefits – All regular employees, including members of the Fire Department, crossing guards, and members of Boards and Commissions, are eligible for a 20% discount from the current resident rates for golf-related charges, dog park memberships, clothing, and pro-shop merchandise. A 10% discount will be given on room and facility rentals. A 20% discount will be given at The View on food and beverages.

The Town Manager and Director of Parks & Recreation are authorized from time to time to establish approved discount packages for employees. The Town Manager and Clerk-Treasurer are authorized to establish procedures for payment of annual passes and facility/room charges by payroll deduction. Employees choosing to utilize this benefit shall have the value of the discount included as imputed income when required by IRS regulations. Discounts apply only to members of the employee's immediate family.

Mileage Reimbursement Rate – Employee use of a privately owned vehicle driven on official Town business shall be reimbursed at the standard mileage rate established by the latest Internal Revenue Service determination for business miles driven.

SECTION V. FIRE DEPARTMENT

Authorized Personnel – There are authorized sixty (60) paid-on-call fire personnel. This does not include Town employees.

Compensation – The compensation schedule for the Fire Department shall be approved as listed below. The monthly or annual stipends are in addition to the regular hourly rate.

Daytime Firefighter Stipend – Those employees who serve the Munster Fire Department in addition to their designated position shall receive a stipend to be paid along with any other departmental compensation for Firefighter response(s) throughout the month. This stipend shall be provided to any employee who serves the Fire Department consistent with the essential duties and responsibilities of the Daytime Firefighters. The stipend payment shall be graduated to reflect the experience of the Firefighter.

DAYTIME FIREFIGHTER STIPEND

Probationary Status	\$103.00/month
Firefighter I Certification	\$140.00/month
Firefighter II Certification	\$160.00/month
Firefighter II plus one additional year of experience or more	\$185.00/month

ANNUAL STIPENDS

Fire Chief	\$12,706.08
Emergency Management Director	\$ 6,180.00
Deputy Chief	\$ 3,720.36
Battalion Chiefs	\$ 2,978.76
Captains	\$ 2,286.60
Lieutenants	\$ 1,236.00

Hourly pay scales listed below apply to Officers and Fire personnel of the Department.

1. Emergency Response	\$ 13.99
2. Training/Drills	\$ 13.99
3. Specials/Building, Vehicle Maintenance, Fire Prevention, Training, Planning – P.O.C.	\$ 13.99
4. Inspections P.O.C.	\$ 13.99
5. Stand-by for Emergency Conditions	\$ 13.99

Town employees shall be paid their normal compensation during regular scheduled work periods.

Fuel Stipend – An annual stipend of \$150.00 shall be paid to each firefighter in February for fuel expenses incurred by individuals responding to emergencies. This stipend is provided for the previous year's fuel expenses. Public Works employees who respond to calls during regular, daytime working hours are not eligible for this stipend. A Public Works employee is eligible for the stipend if the employee responds outside regular, daytime working hours. Employees without a full year of service as of January 1, 2015, shall receive a pro-rated fuel stipend based on full months of service.

SECTION VI. SEASONAL EMPLOYEES – RECREATION

The Park Board shall adopt the compensation ranges for all recreational instructors, counselors, pool, and other non-maintenance employees. Recreational employees may be compensated by the hour, per class, or per game. The 2015 rates are attached as Exhibit A-1.

SECTION VII. SEASONAL & NON-RECREATIONAL EMPLOYEES

Employees not listed below and not accounted for elsewhere in this ordinance who are appointed shall be paid based upon the market demand for the type of work being performed. Employees shall be paid at least the existing federal minimum wage. The maximum rate shall not exceed 150% of the lowest paid regular employee in the job classification.

School Crossing Guards	\$9.40/hour
Maintenance Laborers	\$7.25 - \$12.00/hour
Office	\$7.25 - \$12.00/hour
Emergency Snow Removal	\$15.00 - \$25.00/hour
Sandbagging and other Public	
Works-related work activities	\$15.00 - \$25.00/hour

SECTION VIII. ADDITIONAL PROVISIONS

- Job titles, pay ranges, and number of authorized positions for all regular and classified employees are contained in the pay matrix as finally adopted through the 2014 Pay Plan and are attached as Exhibit B. This pay matrix shall remain in effect in 2015 until amended by ordinance.
- Salary ranges do not include overtime compensation, holiday bonus, deferred compensation, cash bonuses, insurance and retirement contributions paid by the Town, tax liability added for personal use of Town vehicles, compensation for accrued vacation liability, and reimbursement for business related expenses.
- All regular full-time employees that are below step three (3) of their respective salary grade shall advance one step on their employment anniversary date until they achieve step three (3). In 2015, employees below step three will receive their step increase on the date of their employment/promotion anniversary date. Advancement beyond step three shall be in accordance with overall increases granted by the Town Council. Employees in these positions shall also receive any global increases granted to other employees.
- When employees are promoted to higher job classifications, they shall be placed at the step in the higher grade that provides a minimum percentage increase of five percent (5.00%). Employees may receive greater than a 5.00% increase in salary if promoted multiple grades.
- Pay rate increases, if applicable, for elected employees, the Town Manager, and the Town Attorney will be effective January 1, 2015.
- When an employee performs the duties of a higher job classification for an expected period of twenty or more working days, the employee shall be compensated at the minimum of the higher job grade, or 5% more than the employee's current hourly compensation, whichever is greater. Advancement to the maximum rates subsequent to the promotion will be based on the application of merit principles.
- In cases when the current salary ordinance is silent, the adopted personnel rules, as amended, shall prevail.

- In the case of a conflict between the current salary ordinance, as amended, and the adopted personnel rules, as amended, the salary ordinance shall prevail.
- (Hold for distribution of tips here, or separate exhibit.)

ORDAINED and ADOPTED by the Town Council of the Town of Munster, Indiana, on the ____ day of December 2014, by a vote of ____ in favor and ____ opposed.

**TOWN COUNCIL OF THE TOWN OF
MUNSTER, LAKE COUNTY, INDIANA**

John P. Reed, President

ATTEST:

David F. Shafer, Clerk-Treasurer