

To: President and Members of the Munster Town Council

From: Wendy Mis, Clerk-Treasurer

Copy to: Dustin Anderson, Town Manager

Date: February 7, 2022

Re: Ordinance 1854: Amendment #1 to 2022 Salary Ordinance

At the November 15, 2021 meeting, the Council adopted Ordinance 1849 establishing the 2022 Salary and Pay Plan. That ordinance met the statutory requirements and granted a 3.00% increase to all full-time employees. Council was informed that the pay plan was being studied to determine how Munster employees are paid relative to the applicable market and for inequities between employees. The results of the salary review were presented to Council at a work study session on January 17, 2022.

The review looked at the AIM Salary Survey of Indiana municipalities as well as surrounding communities. Several inequities were identified where employees with less service were being paid more than longer-serving employees, as well as some supervisors being paid less than the employees they manage. Based on the review, it was determined that current pay Grades 6 through 11 are better served by following the same pay philosophy as implemented by the Police Department in 2019. That system is based on pay grades and longevity.

Each department head was consulted separately to review the impact on his employees. These meetings led to conversations about other means of compensation including reclassification of certain employees and possible compensation for earning certifications. It is recommended that the change to the pay matrix for Grades 6 through 9 and adjustments for equity be implemented immediately. This will affect the most people and have the biggest budget impact. In the third quarter of 2022, the other suggestions and the pay for firefighters will be reviewed, a plan formulated, and an ordinance brought to Council for consideration and approval. By approaching this in phases, Staff can review each change and tweak where needed for unintended consequences before making other substantial changes. That being said, there is one position that needs reclassification as part of the equity adjustments. This change is included in the ordinance. The other change happening now is renaming the Assistant Town Manager position to Deputy Town Manager. There is no change in grade for this.

It has been observed that the Step 1 wages for Grades 6 through 11 are lower than the current rates. One of the advantages of a Grade and Longevity system is the ability for an employee to see the wage progression laid out, allowing the employee to know what increases to reasonably expect. At the end of year one, the employee moves to Step 2 which has a wage increase of over 20%. From the Town's perspective, a significant investment is made by the Town in the year of hire. Employees are learning the job in the first year and not yet up to full capacity; a considerable investment of time and training takes place. From a compensation perspective, new hires are immediately eligible for medical, dental and vision coverage, immediately enrolled in the pension fund, immediately eligible for Park membership and program discounts and employees hired into qualified positions receive new uniforms, work clothes and position-specific apparel. All of these factors contribute to the starting wage. That being said, consideration can be given for life experience with a new hire. The ordinance allows new employees to be hired at step one, two or three of a grade. Employees will not move beyond step three until the start of their sixth year. This is in line with the Police Department model.

The proposed changes would take effect with the first payroll in March. The budget was created with enough to support this first phase and the possible second phase.

RECOMMENDED ACTION:

Hear Ordinance 1854 on first reading and schedule second reading for February 21, 2022.