

COUNCIL ACTION FORM

**SUBJECT: SKILL-BASED PAY STRUCTURE FOR RESOURCE RECOVERY
PLANT PROCESS WORKERS AND MAINTENANCE WORKERS**

BACKGROUND:

In January 2007, Resource Recovery Plant (RRP) staff determined that there would be significant benefits of replicating the Skill-based Pay Program that had previously been implemented by the Water and Pollution Control Department in 2006. This program is now being presented for approval by the City Council.

The proposed skill-based pay plan will preserve the existing Process Maintenance Worker classification as the entry-level position at the RRP. Employees hired into that position will continue to progress through the seven-step wage scale for Process Maintenance Worker just as they do now. Under the proposed skill-based pay system, however, employees will have the option to voluntarily complete a series of requirements to self-promote into a new Maintenance Technician I classification, then into a new Maintenance Technician II classification that is essentially equivalent to the current Senior Maintenance Worker classification used in the Department. There are currently seven positions in the Resource Recovery Plant that would be covered by this proposal.

To self-promote through the classifications, employees will need to complete a pre-set series of training programs and college courses and will need to obtain a Hazardous Waste Operations and Emergency Response Standard (HAZWOPER) Certificate. The list of courses was developed by the team members in consultation with industrial education staff at Des Moines Area Community College. To reach Maintenance Technician I, they must complete 12 credit hours with a minimum grade of "C;" and to reach Maintenance Technician II, they must complete another 15 credit hours.

Payment of training expenses under this plan will be consistent with existing Personnel Policies. The tuition cost to be supported by the City is \$2,970 per employee. This cost will be spread over multiple fiscal years, with the exact timing being dependent on the initiative of individual employees. The maximum salary impact would be based on the difference between the top step in the Process Maintenance Worker classification (\$19.60 per hour) and the top step in the proposed Maintenance Technician II classification (\$23.48 per hour, identical to the existing Senior Maintenance Worker classification). This calculates to a maximum of \$8,070 per employee. Additionally, there would be an expense for wage-dependent benefits such as FICA, Medicare, and retirement contributions. These expenses amount to an additional \$1,105 per employee. Much like the training costs, these wage expenses would not increase immediately, but would be spread over multiple fiscal years.

Because the proposed skill-based pay plan includes elements that are covered by an existing labor agreement with the International Union of Operating Engineers Local 234 (Blue Collar unit), it was presented to the IUOE membership for approval on January 25, 2008. The membership granted their approval of the proposed plan. Since this proposal alters language in an existing collective bargaining agreement, the proposed plan now requires approval from the Ames City Council.

ALTERNATIVES:

1. Approve an amendment to the IUOE (Blue Collar) bargaining contract to provide for a skill-based pay system for the Resource Recovery Plant's positions of Process Maintenance Worker and Senior Maintenance Worker.
2. Do not approve the proposed plan at this time.

MANAGER'S RECOMMENDED ACTION:

Staff believes that the skill-based pay approach to compensation will significantly increase employees' capacity to contribute to the goals of the Resource Recovery Plant. It will support employees in their individual development, and will bring quantifiable benefits to the plant's bottom line.

Therefore, it is the City Manager's recommendation that the Council adopt Alternative #1, thereby approving an amendment to the IUOE (Blue Collar) bargaining contract to provide for a skill-based pay system for Process Maintenance Workers and Senior Maintenance Workers in the Resource Recovery Division of the Public Works Department.