


Mike Geisel
City Administrator



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OFFICE OF THE CITY ADMINISTRATOR

TO: Mayor & City Council

Date: June 14, 2023

RE: Re-classification of Trades positions

The City of Chesterfield is currently in an extremely precarious situation. We find ourselves to be non-competitive and unable to recruit and/or to retain candidates for a specific labor segment, which for the purposes of this recommendation will be referred to as the "Trades". These are generally described as manual labor, both skilled and unskilled. We have demonstrated that we have become unable to staff these positions, even while considering those who lack the minimum experience and skills otherwise normally required.

Further, due to the afore-described lack of staffing, we are unable to perform routine preventive maintenance and repairs, which then results in accelerated deterioration of the infrastructure. Instead of applying cost-effective and timely repairs, we are deferring routine maintenance which then results in an accelerated rate of degradation and exponentially more costly and pre-mature replacements. As if this was not alarming enough, we are unable to fully respond to any significant emergency, including severe weather events. At present employment levels, we are unable to staff a routine snow removal response. Winter is coming!

Prior to discussing the details of our recommended "Trades" re-classification proposal, we believe it is imperative that we unequivocally re-state that while the City may occasionally realize savings from unspent labor dollars associated with a random vacancy, the unspent dollars that have been derived from the City's inability to attract and retain "trade" positions at this level of magnitude, are not savings, but represent significant inefficiencies and directly result in increased expenditures. The City's inability to perform routine and preventive maintenance does not simply delay such repairs. Our inability to apply timely and appropriate repairs results in increasing both the magnitude and severity of a defect and exponentially increases the subsequent corrective action. This is not a philosophical or theoretical statement. It is a proven and documented process. In fact, our own Department of Public Works has provided a concrete pavement report to the Planning and Public Works Committee which addresses and emphasizes these statements.

Current Conditions

We currently have 21 vacant Maintenance Worker positions within the City. This is not a transient or temporary condition. Turnover has steadily and continuously grown over the course of the last few years, most significantly post-covid. Turnover has notably increased in the last year. For those maintenance employees we have been able to hire, it has taken an average of 190 days to do so, more than half a year to fill each position, while we still have 21 positions to fill overall. While we are filling those positions, we are losing employees even faster.

We presently have 17 of 22 (77%) budgeted positions vacant in the street maintenance division. Within the Street Division, we only have a total of four maintenance workers with three or more years of experience, one of which is anticipated to retire prior to the end of 2023. Within the last year, 25 Maintenance Workers have left the City, ten (10) of which separated at less than one year, 18 of which separated with less than three (3) years with the City. We only lost three maintenance workers in the first half of 2022, so there has been a marked acceleration of turnover within the last year. We have previously attempted to determine the cost for employee turnover, and we estimate the City's total turnover cost for a Maintenance Worker to be \$24k - \$44k. Of that amount, the hard costs are approximately \$18k.

The vast majority of these individuals left for competitive, similar local employment. During their exit interviews, the maintenance employees leaving the City cited the following issues as reasons for their resignation:

- o Compensation
- o Uncertainty related to Annual increases
- o Absence of a defined benefit retirement plan
- o Employee cost-share proportion for healthcare

Background and development

For several months, our Director of Public Works-City Engineer, Director of Parks, Recreation and Arts, Finance Director, City Administrator and with the consult of our Superintendent of Streets as well as our Superintendent of Parks; have collaborated to develop a strategy addressing this urgent need. We have considered multiple approaches and unanimously support the recommendation provided herein. It should be noted that while this re-classification proposal is limited to the "Trades", the re-classification is intended to go hand in hand with the other recommended enhancements to the employee policies and practices described elsewhere in this collection.

The group identified ten local municipalities that we are competing with for labor. Each of them have varying pay plans, compensation minimums and maximums. Of the ten, the City of Chesterfield's minimum compensation is clustered with three others at the bottom of the comparison. Chesterfield's maximum compensation is the lowest of the ten. Of importance to those employees who have left, was the realization that in the other municipal compensation plans, these employees progress from the minimum compensation to the maximum compensation over a

shorter and defined number of years. This has created tension and dissatisfaction within Chesterfield, as these employees rarely reach the top of our scale. It should also be noted, that nine of the ten comparable cities are participants in the LAGERS defined benefit program. While this alone is a significant concern, there is a need for us to be able to communicate the benefits of Chesterfield's defined contribution plan and have current sound actuarial data from LAGERS so as to be able to provide real comparisons.

Recommendation - Re-Classification of Employee "Trades" positions

As a modest enhancement, the group sought to increase Chesterfield's minimum compensation to the AVERAGE of the ten comparable cities. We considered establishment of a separate defined step plan, but ultimately elected to retain the City's current compensation schedule and simply re-classify those "Trades" positions. Accordingly, this will require reclassification of these positions within the City's current compensation matrix.

If approved by City Council at their July 17th meeting, we would immediately amend the City's compensation matrix and adjust the position classification for the "Trades" positions as reflected in the attached matrix. This would result in a new starting compensation for Maintenance Workers at \$46,778, classification level F. Existing "Trades" employees would be adjusted nominally to prevent compression and hiring new employees at the same, or similar compensation to tenured employees.

Due to the extreme number of existing vacant positions, the re-classification and adjustments can be accomplished without any additional 2023 budgetary appropriations. However, assuming this re-classification and the adoption of the other benefit enhancements is successful (i.e. it results in attracting and retaining, candidates to fill all of the budgeted positions) it could have up to \$130,000 impact on the 2024 annual compensation expenditures. Frankly, bringing Chesterfield's initial compensation to the ten-city average is a modest approach. It is unlikely that this proposal will, in itself, position the City as the "preferred" employer, but it will improve the City's competitiveness. The lack of a defined benefit retirement plan will continue to discourage many applicants. However, as we continue to enhance the entire menu of employee benefits and work policies, we will be better positioned to attract applicants and retain employees.

Attachments:

Eckrich Memorandum dated April 14th
Proposed Re-Classification matrix
Current City Compensation matrix
Ten City Comparison

Memorandum

Department of Public Works



TO: Michael O. Geisel, P.E.
City Administrator

FROM: James A. Eckrich, P.E. *JAE*
Public Works Director / City Engineer

DATE: April 14, 2023

RE: Maintenance Worker Recruitment and Retention

As you know, over the last several weeks I have been working with the Superintendent of Street / Fleet Operations and the Human Resources Manager on a strategy to attract and retain Maintenance Workers. We currently have an approved staffing level of 22 Maintenance Workers / Senior Maintenance Workers, with twelve vacancies. The impact of these vacancies is significant in both reduced work output and morale. The Street Maintenance Division has had to discontinue important street maintenance operations which is directly leading to the degradation of our public infrastructure. Specific examples are as follows:

	<u>2019</u>	<u>2022</u>
Concrete Slab Replacement	155 slabs	0 slabs
Concrete Partial Depth Replacement	3,700 lineal feet	0 lineal feet
Curb Repair / Replacement	86 lineal feet	131 lineal feet
Asphalt Joint Repair	5,180 lineal feet	19,980 lineal feet
Tree Trimming	2 snow maps	2 snow maps

As you can see we are completing the work that absolutely needs to be done (snow removal, joint repair, curb repair/replacement, tree trimming for clearance) but we cannot complete the work that actually improves our infrastructure. The result is an increase from 120 slabs with a rating of four or below in 2019 to 688 slabs with a rating of four or below in 2023. The reduction of in-house street maintenance is the primary contributing factor to the degradation of our street infrastructure, demonstrated by our composite street rating falling from 8.23 in 2019 to 7.81 in 2023. Additionally, our reduced staffing levels will certainly have an impact on our ability to provide perform timely snow removal in the future. It is our collective opinion that if substantial changes are not made our staffing problems will continue and, in fact, will worsen through upcoming retirements of our most tenured employees.

Prior to introducing our recommendations, I believe it is imperative that I detail the background which has “gotten us where we are.” For years the City has made annual pay adjustments at or near the cost of living. The result is that pay ranges have fallen behind our peer cities who regularly provide employees with an increase that factors both cost-of-living and merit. This has left employees within the Street Maintenance Division feeling as if they are not being sufficiently compensated for their work and that they have only been able to “tread water” with the overall cost-of-living increases experienced throughout our country. These thoughts are frequently corroborated to their satisfaction when viewing pay and benefits offered by our competitors – specifically other cities in the area. The result is that those employees who do not have substantial tenure have chosen to leave our organization, generally for higher pay and/or a defined pension benefit elsewhere.

It is my professional opinion, as a person who has been a Director or City Administrator for the past twenty years, that we can only fix this problem by taking drastic action. Part of me would prefer to make a relatively simple recommendation such as an across-the-board pay increase and/or future separate cost-of-living AND merit-based increases. I know changes like that can be easier to implement and are more likely to be approved. That said, I am not confident that those types of changes will correct the problem, in part because the Street Maintenance Division employees are skeptical that future increases will actually be funded.

The City’s most vocal critics frequently state that “the City should be run more like a business.” I think that is a poor analogy in many ways, but in this case is actually applicable. When it comes to compensating our employees we need to think more like a business. If we were a business we would make every effort to attract new employees and retain our valued existing employees by ensuring our compensation is attractive when compared to our competitors. Quite frankly, when viewed through the prism of the typical Maintenance Worker – it is not. The specific reasons are as follows:

- Our starting compensation is below many of our competitors
- Future increases are dependent upon annual Council appropriation while other cities have defined pay plans which delineate annual step increases or, at least, annual cost-of-living increases in addition to the (understandably) more variable merit increases.
- Lack of a defined benefit pension
- High employee-paid healthcare premiums

Before delving into specific recommendations it is important to understand that in many ways the City has made dramatic improvements to employee benefits. These include providing leave to employees in their first year, adding the Juneteenth Holiday, and allowing limited work-from-home for some employee groups. The benefits above, including work-from-home, have really helped stabilize turnover in several areas of the City workforce. But the biggest change, limited work-from-home, has had no impact in the Street Maintenance Division because we simply cannot allow these workers to work from home.

Prior to making my recommendations, I want to be clear that I fully understand my role in the City of Chesterfield. As you know I am not, and never have been, solely a “Public Works Cheerleader.” I actively manage a large department in an effort to provide output that is valued by the Chesterfield community. I make every effort to treat employees fairly while weighing the services we are hired to provide and the cost to provide those services. In this case I am viewing this problem, and the proposed solutions, with the sole purpose of attracting and retaining employees to provide the services desired by our residents. I am not being dramatic when I state that if changes are not made we will eventually have to consider large-scale modifications to the Street Maintenance Division as we will eventually not have a sufficient number employees to provide the street maintenance services we have historically performed.

Below is a bullet-point summary of the changes we propose. These have been generated through multiple discussions with the Human Resources Manager, the Superintendent of Street and Fleet Maintenance, and me. Please consider this my request to work directly with you and the Finance Director to review our recommendations.

- Implement an employee referral program whereby we can financially incentivize existing employees to recommend new hires
- Reduce the probationary period from one year to six months.
- Formally consider a defined benefit pension plan such as Missouri Lagers, including obtaining and updated Actuarial Valuation
- Perform a comprehensive review of the City’s healthcare benefits, concentrating on the employee-paid premiums.
- Consider the implementation of a step pay plan or a large-scale reclassification of the building / street / fleet maintenance positions.

Thank you for the opportunity to submit this memorandum. I truly appreciate your willingness to consider these changes. Should you wish to discuss further, please let me know.

Proposed re-classification

JOB TITLE	GRADE	MIN	MAX
Building Attendant	D	\$40,105	\$52,136
Building Attendant <i>(CURRENTLY MODELED)</i>	E	\$43,313	\$56,307
Maintenance Worker (Parks\Street)	E	\$43,313	\$56,307
Maintenance Worker (Parks\Street)	F	\$46,778	\$60,812
Senior Maintenance Worker (Parks\Street)	F4	\$48,649	\$63,244
Senior Maintenance Worker (Parks\Street)	G	\$50,521	\$65,677
Building Maintenance Technician	G4	\$52,541	\$68,304
Building Maintenance Technician	H4	\$56,745	\$73,768
Fleet Maintenance Mechanic	G4	\$52,541	\$68,304
Fleet Maintenance Mechanic	H4	\$56,745	\$73,768
Crew Leader	H	\$54,562	\$70,931
Crew Leader	H4	\$56,745	\$73,768
Fleet Maintenance Team Leader	I	\$58,927	\$76,605
Fleet Maintenance Team Leader	I4	\$61,284	\$79,670
Assistant Building Maintenance Supervisor	I4	\$61,284	\$79,670
Assistant Building Maintenance Supervisor	J	\$63,641	\$82,734
Maintenance Supervisor (Parks\Street)	I4	\$61,284	\$79,670
Maintenance Supervisor (Parks\Street)	J	\$63,641	\$82,734
Fleet Maintenance Supervisor	J4	\$66,187	\$86,043
Fleet Maintenance Supervisor	K	\$68,733	\$89,353

2023 WAGE CLASSIFICATION RANGES

Pay Grade	Minimum	Median	Maximum	Spread	Increment
A	\$31,837	\$36,612	\$41,388	30%	4%
A4	\$33,110	\$38,077	\$43,043	30%	4%
B	\$34,383	\$39,541	\$44,699	30%	4%
B4	\$35,759	\$41,123	\$46,486	30%	4%
C	\$37,134	\$42,704	\$48,274	30%	4%
C4	\$38,620	\$44,412	\$50,205	30%	4%
D	\$40,105	\$46,121	\$52,136	30%	4%
D4	\$41,709	\$47,965	\$54,222	30%	4%
E	\$43,313	\$49,810	\$56,307	30%	4%
E4	\$45,046	\$51,803	\$58,560	30%	4%
F	\$46,778	\$53,795	\$60,812	30%	4%
F4	\$48,649	\$55,947	\$63,244	30%	4%
G	\$50,521	\$58,099	\$65,677	30%	4%
G4	\$52,541	\$60,423	\$68,304	30%	4%
H	\$54,562	\$62,747	\$70,931	30%	4%
H4	\$56,745	\$65,256	\$73,768	30%	4%
I	\$58,927	\$67,766	\$76,605	30%	4%
I4	\$61,284	\$70,477	\$79,670	30%	4%
J	\$63,641	\$73,188	\$82,734	30%	4%
J4	\$66,187	\$76,115	\$86,043	30%	4%
K	\$68,733	\$79,043	\$89,353	30%	4%
K4	\$71,482	\$82,204	\$92,927	30%	4%
L	\$74,231	\$85,366	\$96,501	30%	4%
L4	\$77,201	\$88,781	\$100,361	30%	4%
M	\$80,170	\$92,195	\$104,221	30%	4%
M4	\$83,377	\$95,883	\$108,390	30%	4%
N	\$86,583	\$99,571	\$112,558	30%	4%
N4	\$90,047	\$103,554	\$117,061	30%	4%
O	\$93,510	\$107,537	\$121,563	30%	4%
O4	\$97,251	\$111,838	\$126,426	30%	4%
P	\$100,991	\$116,140	\$131,288	30%	4%
P4	\$105,031	\$120,785	\$136,540	30%	4%
Q	\$109,070	\$125,431	\$141,791	30%	4%
Q4	\$113,433	\$130,448	\$147,463	30%	4%
R	\$117,796	\$135,465	\$153,135	30%	4%
R4	\$122,508	\$140,884	\$159,260	30%	4%
S	\$127,219	\$146,302	\$165,385	30%	4%
S4	\$132,308	\$152,154	\$172,001	30%	4%
T	\$137,397	\$158,007	\$178,616	30%	4%
T4	\$142,893	\$164,327	\$185,761	30%	4%
U	\$148,389	\$170,647	\$192,905	30%	4%
U4	\$154,324	\$177,473	\$200,622	30%	4%
V	\$160,260	\$184,299	\$208,338	30%	4%
V4	\$166,670	\$191,671	\$216,671	30%	4%
W	\$173,081	\$199,043	\$225,005	30%	4%
W4	\$180,004	\$207,005	\$234,005	30%	4%
Lieutenant Captain Chief	\$94,236	\$106,015	\$117,795		
	\$104,550	\$120,233	\$135,915		
	\$118,041	\$139,288	\$160,535		

2023 APPROVED JOB CLASSIFICATION MATRIX					
JOB TITLE	GRADE	MIN	MIDPOINT	MAX	Spread
Customer Service Representative	C	\$37,134	\$42,704	\$48,274	30%
Court Clerk	D	\$40,105	\$46,121	\$52,136	30%
Building Attendant	D	\$40,105	\$46,121	\$52,136	30%
Parks Facility Attendant	D	\$40,105	\$46,121	\$52,136	30%
Records Clerk	D	\$40,105	\$46,121	\$52,136	30%
Recreation Aide	D	\$40,105	\$46,121	\$52,136	30%
Investigative Support Specialist	D4	\$41,709	\$47,965	\$54,222	30%
Assistant Court Administrator	E	\$43,313	\$49,810	\$56,307	30%
Command Staff Coordinator	E	\$43,313	\$49,810	\$56,307	30%
Executive Assistant	E	\$43,313	\$49,810	\$56,307	30%
Forestry Technician	E	\$43,313	\$49,810	\$56,307	30%
Maintenance Worker (Parks\Street)	E	\$43,313	\$49,810	\$56,307	30%
Planning Technician	E4	\$45,046	\$51,803	\$58,560	30%
Accounting Clerk	F	\$46,778	\$53,795	\$60,812	30%
Business Assistance Coordinator	F	\$46,778	\$53,795	\$60,812	30%
Records Clerk Supervisor	F	\$46,778	\$53,795	\$60,812	30%
Recreation Specialist	F	\$46,778	\$53,795	\$60,812	30%
Code Enforcement Inspector	F4	\$48,649	\$55,947	\$63,244	30%
Compliance & Accreditation Manager	F4	\$48,649	\$55,947	\$63,244	30%
Human Resource Generalist	F4	\$48,649	\$55,947	\$63,244	30%
Information Technology Technician	F4	\$48,649	\$55,947	\$63,244	30%
Senior Maintenance Worker (Parks\Street)	F4	\$48,649	\$55,947	\$63,244	30%
Senior Recreation Specialist	G	\$50,521	\$58,099	\$65,677	30%
Building Maintenance Technician	G4	\$52,541	\$60,423	\$68,304	30%
Fleet Maintenance Mechanic	G4	\$52,541	\$60,423	\$68,304	30%
Communication Specialist	H	\$54,562	\$62,747	\$70,931	30%
Crew Leader	H	\$54,562	\$62,747	\$70,931	30%
GIS Analyst - CAD Tech	H	\$54,562	\$62,747	\$70,931	30%
Senior Engineering Const. Inspect	H	\$54,562	\$62,747	\$70,931	30%
Asst to CA/Deputy City Clerk	H4	\$56,745	\$65,256	\$73,768	30%
Fleet Maintenance Team Leader	I	\$58,927	\$67,766	\$76,605	30%
Lead GIS Analyst - CAD Tech.	I	\$58,927	\$67,766	\$76,605	30%
Office Manager	I	\$58,927	\$67,766	\$76,605	30%
Recreation Manager	I	\$58,927	\$67,766	\$76,605	30%
Assistant Building Maintenance Supervisor	I4	\$61,284	\$70,477	\$79,670	30%
City Arborist/Urban Forester	I4	\$61,284	\$73,541	\$85,798	40%
Maintenance Supervisor (Parks\Street)	I4	\$61,284	\$70,477	\$79,670	30%
Project Planner	I4	\$61,284	\$70,477	\$79,670	30%
Senior Accountant	I4	\$61,284	\$70,477	\$79,670	30%
Fleet Maintenance Supervisor	J4	\$66,187	\$76,115	\$86,043	30%
Court Administrator	K	\$68,733	\$79,043	\$89,353	30%
Building Maintenance Supervisor	L	\$74,231	\$89,078	\$103,924	40%
GIS Administrator	L	\$74,231	\$85,366	\$96,501	30%
Technical Operations Administrator	L	\$74,231	\$85,366	\$96,501	30%
Asst. City Administrator	L	\$74,231	\$89,078	\$103,924	40%
Civil Engineer	L4	\$77,201	\$88,781	\$100,361	30%
Project Manager	L4	\$77,201	\$88,781	\$100,361	30%
Senior Planner	L4	\$77,201	\$88,781	\$100,361	30%
Application\Web Developer	M	\$80,170	\$92,195	\$104,221	30%
City Clerk	M	\$80,170	\$96,204	\$112,238	40%
Superintendent - Arts & Entertainment	M4	\$83,377	\$100,052	\$116,727	40%
Assistant Finance Director	M4	\$83,377	\$100,052	\$116,727	40%
Assistant City Planner	M4	\$83,377	\$100,052	\$116,727	40%
Superintendent - Parks Maintenance	M4	\$83,377	\$100,052	\$116,727	40%
Superintendent - Recreation Operations	M4	\$83,377	\$100,052	\$116,727	40%
Superintendent of Sports & Wellness	M4	\$83,377	\$100,052	\$116,727	40%
Superintendent - Street & Fleet Operations	M4	\$83,377	\$100,052	\$116,727	40%
Human Resource Manager	M4	\$83,377	\$100,052	\$116,727	40%
Senior Civil Engineer	N	\$86,583	\$99,571	\$112,558	30%
Assistant City Engineer	O	\$93,510	\$112,212	\$130,914	40%
IT Director	P4	\$105,031	\$126,037	\$147,043	40%
Finance Director	P4	\$105,031	\$126,037	\$147,043	40%
Director of Parks, Recreation & Arts	P4	\$105,031	\$126,037	\$147,043	40%
Director of Planning	P4	\$105,031	\$126,037	\$147,043	40%
Director of Public Works - City Engineer	P4	\$105,031	\$126,037	\$147,043	40%
City Administrator	V4	\$166,670	\$191,671	\$216,671	30%
Lieutenant		\$94,236	\$106,015	\$117,795	
Captain		\$104,550	\$120,233	\$135,915	
Chief		\$118,041	\$139,288	\$160,535	

	Minimum	Midpoint	Maximum		
St. Peters	\$52,874	\$60,176	\$67,478	28%	Lagers
Des Peres	\$50,892	\$59,268	\$67,644	33%	
Frontenac	\$50,516	\$60,620	\$70,723	40%	Lagers
Maryland Heights	\$48,951	\$52,254	\$55,557	13%	Lagers
St. Charles (City)	\$44,791	\$58,197	\$71,604	60%	Lagers
Ellisville	\$44,000	\$53,000	\$62,000	41%	Lagers
O'Fallon	\$43,550	\$54,442	\$65,333	50%	Lagers
Manchester	\$43,430	\$50,898	\$58,365	34%	Lagers
Ballwin	\$43,253	\$50,758	\$58,262	35%	Lagers
Creve Coeur	\$43,219	\$51,843	\$60,466	40%	Lagers

High	\$52,874	\$60,620	\$71,604	60%
Median	\$44,395	\$53,721	\$63,666	37%
Average	\$46,548	\$55,145	\$63,743	37%
Low	\$43,219	\$50,758	\$55,557	13%

Chesterfield	\$43,313	\$49,810	\$56,307	30%
Delta High	(\$9,561)	(\$10,810)	(\$15,297)	-30%
Delta Median	(\$1,082)	(\$3,911)	(\$7,359)	-7%
Delta Average	(\$3,235)	(\$5,335)	(\$7,436)	-7%
Delta Low	\$94	(\$948)	\$750	17%

Average + 5%	\$48,875	\$63,538
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