

Minutes
EMPLOYEE ADVISORY COMMITTEE
March 10, 2015
Mayor's Conference Room
9:00 a.m.

The meeting was called to order by Judy Franco at 9:00 a.m.

1. *ROLL CALL*

MEMBERS PRESENT:

Sir Allen (Chew) –Wastewater Collection
Judy Franco-GIS
Britt Hubbard – SSC
Jorg Stefan Kidd – Building Maintenance
Albert Ozuna- Streets
Jeremy Russell- Stormwater Management
Jackie Somerlott- PW Admin

MEMBERS ABSENT:

Eugene Ross- Landfill **

*Excused

**Unexcused

OTHERS PRESENT:

Bryan Long- City Manager
Sherry Anderson-Assistant HR Director
Sue Smith-Human Resources

2. MINUTES

A.

Approval of minutes of February 24, 2015

Motion to approve minutes with changes by Jackie Somerlott with a second by Britt Hubbard.

Ayes: Allen, Franco, Hubbard, Ozuna, Russell and Somerlott.

Nays: None Motion carried. Kidd arrived after minutes approved.

3. OLD BUSINESS

A.

Discuss Recommendations for Changes to Chapter 17 with City Manager:

Franco asked the City Manager, Bryan Long, to go down the list of recommendations given to him by the EAC. Long said he also has an alternate item he will show everyone later as well. He said he has dated the cover sheet 3/10/15 and this means that he has 30 days from this date to respond to them. Long said he will respond verbally today to let the EAC know what he is thinking and then he will prepare a written response that will ultimately go forward to the Council along with their feedback.

Long started with number one to amend Chapter 17-1-102 #29 "Immediate Family" to include employee's grandfather in-law and grandmother in-law. He said he has asked the Legal office to look into this and based on the communication he has received; he doesn't see any problem with this from management. He said that everyone agrees with this. Long said he will recommend going forward with this.

Long said number two to amend Chapter 17-1-6 to allow General Employees to use accrued vacation and or sick leave to supplement the reduced pay while on OJI/TTD leave. He asked if any of the wording had changed on the handout and Franco said no. Long said he has talked to Legal about this and while they are open to continue to explore this it will remain open at this point. He said he will need more time to research this. He said there is an issue involved with being consistent with the federal and state laws and what that makes the City do. Long said in the cost section it states the policy is in place for the Lawton Fire Department and that is not quite right. He said he can't quite remember the changes but there were some.

Long said number three to amend Chapter 17-1-6 to allow non-exempt general employees who have accrued sick leave in excel of 200 hours to "cash out" 80 hours of leave in November or December of each year. He said he understands the intent of where the EAC is headed with this one. Long said he has an alternative recommendation to put on the table and it will supersede this one. He said he can't recommend this one going forward. Long said he will not show the alternative just yet and will talk to everyone later about it and the concept. He said he doesn't have the information on it to move forward yet.

Long said numbers four to amend Chapter 17-1-6 to allow non-exempt general employees to "cash out" 40 hours of comp leave per quarter and five to amend Chapter 17-1-6 to allow the increase of bankable comp time from 120 hours to 240 hours are really one and the same in his opinion. He said you want to have bankable comp and want to cash it out and he thinks the question that needs to be asked is to what point does the supervisor get involved and make a positive change in that division to reduce the comp time being accrued. He said his response to these two is that he can't recommend both number four and five. Hubbard said he doesn't quite understand. Long said when you look at comp time under the FLSA standard it is simply granted on the basis of whether or not he has authorized it. He said you get time and a half on the basis of his authorization to move forward in that area. Long said as it currently stands he has told all the department heads that you're not to take overtime. He said if there is overtime and you are deciding to take comp time out of that at a time and a half rate and applying that as a standard work time to your time sheet that doesn't work for him. He said what should be happening is if you are accruing time and a half you are accruing overtime whether you call it comp time or overtime. Long said the problem management is having with this is if you are working the type of overtime that is being suggested here in this item is we need to take a look at whether you are under- manned or over -worked or the combination of the two. He said ultimately when you are accruing a time and a half rate he could afford the investment in one

more person over a years' time frame. Long said he understands the benefit the EAC is talking about and he assumed this item was Hubbard's suggestion. Long said his concern is someone shouldn't be accruing comp time at that rate right now anyway. Hubbard said in any organization like this with construction and maintenance going on there is always going to be overtime regardless. He said the question is whether or not individuals will be able to hold on to that rather than taking overtime pay and use it at a later date for vacation or sick leave. Hubbard said he doesn't go along with his concept. Long said they don't have to agree and he is tasked with a job like Hubbard is. He said his job is to protect the liability of the City and not to allow for those to accrue. Long said you are viewing this as an individual issue which you are seeing it as a benefit and he doesn't. He said he sees this item as an overtime issue and he disagrees the industry is entitled to a lot of overtime and that isn't the directive out there now. Hubbard said there will be overtime due to weather. Long said he agreed but he has not approved overtime for Hubbard's division. He said if there is overtime being accrued then that is a disciplinary issue and this is the only way he knows how to control it.

Long said number six to create a leave bank application, review, denial form and appeals process. He said there is already a policy in place that has created a process for the leave bank. Long said the one thing that you probably don't have is a due process which is the real point of this item. He said there is no due process because the leave bank is established on non bankable leave types that an employee has lost. He said you either used it or lost it and if you lost them then they go to the leave bank. Long said in the past the leave bank was a popularity contest and if they didn't like you then you didn't get the leave you were asking for and what ended up happening is management got it and pulled it to our level and created an admin policy out of it. He said the admin policy superseded what HR did in the past. Long said he didn't see a need through the administrative policy and go back and create a due process for this type of leave and as it is this goes through him for approval. He said he has turned down employees leave before but always encourages people to go back and apply. He said unless there is an abuse of sick leave and concurred by both the director and supervisor, he most likely will approve this. Long said due process is occurring. He said he cannot support item number six. Hubbard said a portion of that is creating an application for the leave bank. Long said the application is currently in place. Anderson said it's not a form but the policy has five or six things that have to be submitted. Somerlott said all an employee has to do is write a letter requesting the time with their division and through different people. Long said if the EAC wanted to put together a form stating the same things that are already required he doesn't see any problem with it and working with the EAC on this. He said just to be clear there is a formal process on this. Russell said there was no question of a process but just a documented form letting the employee know why they got turned down or whatever. Long said part of his rationale of not creating a form is opening up another tear of discussion on these types of requests because of HIPPA violations. He said part of the problem with these sick leave forms is they contain medical information which he is authorized to view them as their employer but others are not.

Long said number seven to amend 17-2-9-215 D to require 45 days notice to be given to the EAC prior to any defunding, changes, or proposal of changes (to City Council) of the following policies: Admin Policy sections 1-3,1-4,1-5,1-6,1-7, all of Admin Policy section 3 and cutting or defunding any employee incentive programs. He said he could not recommend this item because there are issues that come up in City government that require immediate action. He said if he had to wait 45 days to get the approval of an employee body before going forward for decisions that have to be made at that time, he wouldn't be any more responsible than what he should be and what he

is going to be held accountable to with the Council. He said he sees a real problem with this item. Long said he is not just talking about these Admin Policies mentioned and asked someone to read what each of these are. He said some of them were incentive based items. Long talked about Admin Policy section 3 which is everything with general employees and the HR material. He said he remains consistent and he cannot afford to give 45 days' notice in many cases on these items. Long said they have public forums for employees that he has talked about to include budget workshops and all of these are open to them. He said it is already a hard enough time to put together an \$87 million budget in which they have started on but to give a 45 day notice is not consistent with the EAC ordinance and certainly not something he can agree to. Long said in all fairness, one of the things that are required of him to do is bring to the EAC an item that he feels needs to be brought forward and he has something he will talk about later. He said he has two items he has been working on for the past six months and wants to talk about but not in regards to this document. Long asked what the defunded areas were in this item. Anderson said the education incentive and the monetary safety awards. Long said the tuition reimbursement was brought to the EAC over a year ago. He said Jim Russell and HR had sat down with the EAC and talked to them about their recommendation on moving forward on the budget. He said he didn't know if it was the same group of EAC members but that may be where the loss of translation and communication comes in and the fluidity of the EAC happens. Hubbard said he remembers a statement of what was going to be cut. Somerlott remembered talking about the monetary amount of the safety incentive. Long said if we have a safety program that is not providing for the intended result; it's a failed program. He said if the goal is to have a reduction in worker's comp claims and they are doing nothing but going up, then he can't help but make a management decision. Hubbard said the fact is the awards program was in place and completed at the time it was defunded was after everyone had earned the award after the existing program was in place. Hubbard said it was to be funded in the next year's budget and that was taken away and no one knew about it till the awards were given out. Hubbard said that is the issue of the EAC being notified in advance. Russell said the whole nature of this item of the EAC being notified in advance wasn't to give a 45 day notice but to be able to notify the general employees of things that will happen ahead of time. Long said he has no problem of sharing that information with the EAC because they are entitled to know that but the problem is notifying 900 employees and getting 900 different opinions. Russell said that is the EAC's job. He said if you want to cut something, there is nothing the EAC can do but they want to be able to tell the general employees they represent. Long said the EAC may have some input he hasn't considered if he has something he feels important enough to tell the EAC. Hubbard said if the EAC knows what is going on then they can work with the management side of the City in order to ease these issues to the general employees. Long said the way this item reads is you "require 45 days" and that sounds like a requirement to him. He asked everyone if they were mainly talking about the budget here. Russell said yes, if something is to happen on July 1 then let the EAC know ahead of time. Long said he would like to propose to have a special time to sit down during a budget workshop to go over the budget with the EAC members. He said he has three departments almost completed at this point and he has another eight to go so they can see how it takes time to come to them with a set of items for the budget. Long said he can arrange to do all the general employees budget including the special funds first and inform the EAC. He said what happens every year is they will get half way through the budget and a division will ask to do something with their supervisors and can this be included in the budget. He said he is only three departments into the budget and he knows he will have to reduce the budget significantly so he can't give this division an answer or the

EAC until he has a comprehensive overview of the budget. Long said he doesn't want to mislead the EAC members that he will cut certain programs. He also said that if the EAC understands this then he has no problem sharing what he knows up to that point. Long said a meeting in mid- April would be good. Hubbard said the EAC would like to meet again to talk about the budget. Long said mid April will give him time enough to get through the three departments. He said he will have the Finance Director in the meeting also and the EAC members can ask them any questions they need to ask. He also added they would concentrate on employee incentives since that is what the EAC is interested in. Long asked if the EAC can restructure this item to say have a meeting in mid-April to update them on an employee based incentive and other items requiring further discussions for consideration by them. Franco said yes.

Russell said what brought up the administrative policies is the smoking policy and it being dropped on the employees and people didn't know what to do. He said the EAC didn't want to improve policy but to know what is going on before it happens. Russell said each department needs to be consistent with the smoking policy and the procedures for their employees. Long said at this time that policy is implemented at the departmental level. He said if the EAC can communicate the changes to employees then that is another piece of communication that can benefit the City. Russell said that is the whole purpose of item seven is better communication. Long said he can contact Franco to have a meeting about a subject or wait till he gets several subjects together and then talk about them. Franco said Jim Russell said the EAC can go to him any time to discuss items. Long said they can also talk to him. He also said they may want to change this item before he submits it to Council. Long said this document will be included in his recommendation to move forward. He asked that the EAC send him the electronic version and he will come down below and write City Manager's recommendation.

Long said number eight to amend City Council Policy 1-1 "Employee Travel" to require annual review of "Allowances" during budgeting. He said he agrees that it has been far too long. He also said he brought this up to the Finance director and he said it should have been done before this.

Long said number nine to create City Code Section 17-2-9-220 establishing grievance/appeals procedure which may be followed by the EAC if the City Manager of his representative does not adhere to already set procedures as required by Chapter 17-2-9. He asked for anyone to explain about number nine. Russell said this is so the EAC will have a direct course of action for whatever reason. He said this is not to be taken personally. Long said the EAC was established under Lawton City code as you all are aware. He said that this is a charter or governing document that governs our day to day operations and the problem of what you are suggesting here creates in and of itself and it compels council to be in violation of its city charter. He said what he means by this is his duties as a City Manager and the City Council having been invested all the authority through the people have divested in me their responsibility for the administration of personnel and operations so that they are no longer involved in that side. Long said to ask them to come in, as a matter of fact, the City charter specifically states that the mayor of any city council member are prohibited from giving you direction. He said they can express view points, ideas, policies and they can vote. But they are to deal with no one but the City Manager and the day to day operations. He said what this creates in a round about way is it compels Council to be in violation of their City charter. He said the point they receive from you related to my performance is a very peculiar place for them to be. He said as a City Manager he could not in good conscience recommend this item. What he has done to help guide them in what does the city charter say and how does the City Manager fit in and get evaluated is there is nothing that stops an EAC board member or a citizen from going

to City Council and airing an issue that you have but there is a violation if you are trying to compel Council to get involved in personnel. Long said this item talks about a city council liaison and this person may or may not be appointed under code so what happens if there is no city council liaison. Long said he would like to recommend to the Council we not do this and furthermore defer to your best judgment and implore you not to submit this item to the City Council. He said that they will be offended by it and due to the different issues with the Unions they are talking about he wouldn't go there if I were you. He said if there is an alternative way to say it then he hopes they could figure that out now. Long said he will take it forward and present it but his recommendation will be what he just said.

Long said to think about this and they have thirty days. He asked if there were any questions about what he talked about. There were none. He said he feels many of the items listed are very good and there are some things he has wanted to do in the past and either couldn't get the Finance director to agree or the City Council to agree. Long said in a lot of ways these items are beneficial to get a lot of things talked about and do some things that are not being done now.

B.

Budgetary Requests Report:

Franco said she talked to Jim Russell, Assistant City Manager, about the COLA and he said it is still unknown as to what percentage they will give the general employees or if there will be a percentage given because it is still too early. She said Russell told her that he will meet with her anytime before the EAC meeting to discuss the budgetary requests. Franco said Russell said the merit increase is still intact for the upcoming budget. She said as far as the health insurance premiums increasing, Russell said it is too early to say. Franco said he told her it was too early to say if the City will have the safety incentives and education reimbursements for the general employees next fiscal year. She said as far as the early retirement request, she will need to contact Denise in the City Clerk's office to ask who is on the pension board to see what the possibilities are. Somerlott said she thought the Chair was Bart Hadley. Franco said about losing positions in the City and hiring freeze. She said Russell told her he wants to stay away from the hiring freeze but there may be reorganization. Somerlott asked what that means. Franco said in the case that some divisions are overworked then other divisions that are less busy can be moved over to help. She said that everything is still not decided since they just started their budget meetings. Hubbard asked if every position has to be funded. Anderson said yes unless it is actually taken out of the budget. Franco said she asked Russell about the license and CDL payback and he said that is a six month contract and he wasn't sure if the EAC wants to do that. She said he is looking into that. Franco said there will be no change for the Training and Travel. She said it still has to go through the City Manager for out of state travel. Franco said Donna in the City Clerk's office is the contact person for the Morale Fund. She said the Morale Fund has a total of \$3617.83 balance. Franco said the EAC would have to tell Donna what they are purchasing and she would make a requisition and get a PO as for other purchases in the City. Somerlott asked if this is budgeted for each year. Franco said yes and Mr. Russell suggested buying soda machines for divisions and collecting money for the Morale Fund or the Holiday in the Park can help fund it.

C.

Pay Scale Update:

Anderson said they decided to drop the Michael Bates issue. She said he was the person who was going to do the pay survey. Anderson said the Assistant City Manager said when the City gets an HR Director they will probably do something internally.

D.

Morale Fund Update:

Franco said the Morale Fund was discussed under the Budgetary Request Report.

4. NEW BUSINESS

A.

Consider Employee Spotlight Nominations:

There were no nominees.

B.

City Buck's Update

Smith said there were no new City Bucks used.

5. *COMMUNICATION/DISCUSSION*

Long said he is required under our ordinance to give the EAC notice of items that may potentially impact them. He said the first issue he wanted to talk about is something he does not have prepared and in final ordinance form to take before the Council. He said he wanted to talk about which you do not have before you is the sick leave bank which ties back in to what they were talking about earlier. He said we have a system that is set up that long ago when it was implemented probably made sense. We have an unlimited amount of sick leave accrual and it's bankable and it's paid out at the point that you leave. Long said this has created over the past ten years a liability of three and a half million dollars to the City. He said so when you resign you get fifty percent of that pay out and when you retire you get to use that towards terminal leave. He said terminal leave is a huge issue and if you ever had anyone in your division retire you know exactly what he is talking about because the word from upstairs is you can't fill that position because we cannot fund it. He said if that is a time frame of eight months that you have accrued for terminal leave then guess what you're going to be doing that job for eight months or you'll be doing that by yourself for eight months or attempting to do that job for the employee who retired on terminal leave. Long said part of the change he is going to recommend to the EAC and forward to the Council is going to be that we remove the terminal leave benefit under our current policy. He said what he is going to recommend that sick leave in particular hold no cash value. He said for example is it a reduction in benefits and yes it is. Long said the plus side in doing this is and he has to look at it from an operational stand point. He said the purpose of sick leave is to allow you time to take off when you are sick and is a benefit not mandated under federal law and is a fringe benefit. He said this benefit is to be used when you are sick, whether it be for you or when your family is sick and he said what is happening now is there is an uncapped amount of sick leave throughout the duration of one's career and we have people who we

owe from fifty to two hundred thousand dollars per person and this is a big deal. Long said what he will do is draft language and forward it to not put a cap on sick leave and give the employee the ability to take that sick leave and/or you can go to the leave bank and get it there. He said his only variation on this is no longer allowable to be used within a terminal leave scenario nor can it be cashed out for liability purposes. He said he needs to be able to account for the amount of liability the City is accruing so when he is looking at three and a half million dollars of excess benefits that is money, in his opinion, that can be better spent in your department or division for pay increases or capital outlay. Long said this is what he will go to the EAC with but it is not prepared yet but he has Legal preparing it in final form.

Long passed out a prepared final formal layoff ordinance to the EAC. He said under the City code there are two provisions that are seen as financial controls for the City. Somerlott said she would like to talk about the sick leave before moving onto the layoff ordinance. She said this would involve her, Anderson, Smith and Ozuna. Long said he didn't cover when this would go into effect and he said he would like to propose this to start July 1 and anything that would be accrued up to that point would be under the old system which would be the historical leave bank and the new starting leave bank. He said so the question becomes if I have to take leave which would it come out of and his preference would be to have it come out of your historical leave bank. Long said the problem with sick leave at the point that you accrued it under our system under a lesser rate at what you are ultimately being cashed out for. He said to go and use the more expensive banked leave time first and it's a financial control and after that had been exhausted then go into the new accrued sick leave from then on. Somerlott said earlier he said when a person resigned he is paid fifty percent value of their sick leave. Long said yes that is what they are currently paid, for example if someone leaves the City they are paid a percentage of the sick leave. He said there is a formula for up to the first ten hours and then a formula for the other. Russell said so for the new proposal there will be no cash out for the sick leave when you leave the City. Long said yes for the new proposal no cash value. Somerlott said she understands what he is saying but the City promotes wellness and HR promotes wellness and she has been well for the last thirty-three years and she has a lot of sick leave. Somerlott said if she is sick tomorrow then she is paid for a full day's pay and she feels if this takes place then people are going to use their sick leave and then why do we promote wellness. She said earlier he said the terminal leave when people leave you can't fill the position. Long said yes. Somerlott said in her department they filled two recently. She said if someone is off sick and burning their sick leave because they aren't going to get paid for it when they leave then a division will be without people and someone will be absorbing that time. Long said yes but there will come a point where you also will need to use that responsibly or you will burn through it. Somerlott said people won't do that and there will be a rash of people using their sick leave. Long said that is okay because that is what it is for. Somerlott said she takes it personally because she worked hard to be well and she loved getting the sick pay in lieu and when they changed it in 2003 then she thought she could still be well and save her sick leave. She feels they keep going back and forth to get the best benefit and now we are getting penalized for going to work when she could have stayed home when sick. Long said the amount she earned, she will get paid for. He said she will get paid for the terminal leave. Somerlott said she was hoping for more and she didn't want fifty percent of it but a full day's pay for my sick leave because if she calls in sick she is paid for a full day but if she quits then she is paid for fifty percent of it. She said it doesn't make sense to her. Long said what doesn't make sense to him is getting assigned a cash value to a type of leave that we didn't have to and he sees the problem of half the people accruing it and half of the people now not eligible to accrue it. He said for an example he had to wait eight months before he could hire the Police Chief and Finance

Director because it wasn't budgeted. Long said this money to pay for the terminal leave comes out of the 100 accounts and your budget, so if you have two or three people who retire out of your division and had the benefit of terminal leave and fifty thousand dollars paid for each, then your budget is out 150 thousand dollars. Somerlott said she understood but it will come out a little bit at a time because people are going to use their sick leave. Long said he would rather it come out a little at a time than in large amounts at once. Russell said that is the whole point to have it come out a little at a time on the proposal to have people cash out a little at a time and paying it a lesser rate than ten years from now. Long said the difference between the EAC proposal and what he is going to propose is he is stopping the assignment of cash value to sick leave all together. Long said people who have accrued terminal leave or sick leave that will be used toward terminal leave will have it stopped at a certain point and the City is paying you when you leave. Franco asked if she has historical terminal leave and it is cut it off July 1; it can be used when she retires at cash value. Long said that you would get the cash value of the historical leave. Hubbard said any sick leave you use before you leave will come out of the historical leave first. Long said he is working on an alternative proposal that may be better for everybody involved to budget a certain amount whether it be for the full amount on the books for liability or something less. He said for example the City Council sets aside \$500,000 and you can get back to a scenario like Russell was talking about. Somerlott said like sick pay in lieu. Long said yes, you get paid out. He said his interest is wiping off the liability from the books and not taking a benefit from the employees. Long gave a scenario of having 200,000 dollars in an account with a cap of 20,000 dollars that year and you can cash out 20 hours of that or 50 hours of that or whatever but at that point it would be up to you. Somerlott asked if there had been any research on this and how many people will be affected, such as those with terminal leave. Long said it will affect everybody. Somerlott said those employees who have terminal leave saved now and on the verge of retiring were looking forward to that. Long said those employees can still use their historical sick leave when they retire. Russell said when the idea of terminal leave came up then they thought it was a good idea and they wouldn't have to pay it out till later and it would save the City money. He said and then they realized it was a bad idea later on because it proved a liability and now you don't get anything. Somerlott asked why they didn't think of that back then. Long said it was what the military was doing at the time and it was a popular thing to do. He said former Council member Amy Holstrom, he understands, presented this to Council and no one did an evaluation at the time to see what it would do ten years down the road. Long said that is how he feels about comp time. He said he would rather pay it out at cash value to employees instead of allowing them to bank more time because there comes a time that the City can't afford it and can't pay it to them. Long said he has over fifty people across the City that have banked significant amounts of leave time. He said the problem is he needs to figure out how to pay these people. Anderson said that is why when they had sick pay in lieu that would have eventually gone away because people don't save their sick time. Anderson said she can see how saving the leave time would be a problem. Long said not only did it carry it forward but now the employee is making more per hour than when it started accruing. Somerlott said she has said before that you can pay her now for the sick leave or later but later it will be worth more. She said now she is going to take off sick if she has too but she doesn't like doing that to her employer or co-workers. Hubbard said if you take off sick, it will come off of your historical leave and he would rather it come out of the new sick leave. He asked how the new sick leave would be earned. Long said it would be accrued with no cap and be the same but he will be removing the cash equivalence. Long said you can take the time or not. He said he appreciates what everyone is saying that they want to be reliable and not do their employer like that and not show up but we can't afford to keep doing what we are doing.

Hubbard asked how this was going to compare to Police and Fire. Long said this wouldn't touch them because they are under contract. Hubbard said we are segregating the general employees and Police and Fire again. Long said he was going to take this to them also but they don't know what I am going to ask for yet through their contracts so whether they negotiate it or not who knows. Long said this is where he is headed and he just wants to be up front with everyone and let them know what the plans are. Hubbard said he would like to have meetings with employee groups and get everyone under the same umbrella and we all earn benefits alike. Ozuna asked after these benefits change will the employees still follow the same guideline of not using over 12 sick days a year. Long said if you are not under the FLSA then yes. Russell said that is under the supervisor of the division. Long said he gets concerned about someone using six months a year for an illness that doesn't require that much time. He feels that is an abuse of sick leave and what ends up happening you end up doing this persons job. Long said there is no cap for sick leave abuse. Somerlott said there is a 96 hour cap in Public Works. Russell suggested putting all your time in on pot and calling it PTO. He said you cap that and if you accrue over that then you get a check for that. Long said he has looked at that and for general employees and it is a possibility but is it a reality. He said the problem is on tracking the general employee time and then Police and Fire separate. Long said he would like to keep all employees as equal as possible. He said to get them to change to PTO would be virtually impossible. Long asked if the EAC would like to get something together and propose this. Russell said he thought most were against this with the terminal leave but with that off the board it may be possible. Franco said the other issue is the rates are accrued differently. Long said he wants to stop the bleeding and the main issue is the cash value of the sick leave. He said whatever is done with the sick leave after that whether a PTO or sick leave or any other program he doesn't have a problem with it. Long said this proposal will stop the accrual of sick leave and would not be paid out when you left. Long said he doesn't care if you cap leave time or not and the employee can use it which is up to the employee, his concern is the cash value of it and the liability on the books. Russell asked about FMLA and sick leave. Long said FMLA kicks into your paycheck. Hubbard said he would still like to see the historical terminal leave left alone and any sick leave taken goes toward the new sick leave accrued. Russell said the historical leave will be grandfathered in. Long said he wants employees to take the historical leave first before using the new accrued leave. He said once he has presented this to the EAC they have ten days to come up with an alternative recommendation. He asked if there were anything else on sick leave. No responses.

Long said they also have ten days to respond to the Layoff ordinance 15- he is handing out. He said currently the sick leave policy and the layoff ordinance is a catastrophe. Long said this is hypothetical but if he is looking at fifty people whose jobs are going to be illuminated and he hasn't made it through the review process in the budget so he doesn't know what it is yet and this would be three months of salary for each employee being paid. He said so to effectively implement a layoff policy under our current code he has to beat you to the punch by three months. He said that is useless for a layoff and there are two things he can do is furlough or he can layoff. Long said you can call it a reduction in force. He said a furlough is more restrictive than a layoff. Russell said a furlough is everyone and you don't have to pick and choose who to leave. Long said a furlough is nothing more than a Band-Aid fix and you are doing nothing but stopping the pain for that year. He said all the changes to this ordinance are underlined and show the additions to the code and the strike outs are changes, modifications, corrections or deletions. Long said D on page 2 is separation and prior to separation with be available for separation. He said he will not go into a lot of detail explaining but when you force someone into a move or transfer into a position they really didn't want to be in it's just not a good story for the City and it results in extra litigation for the City and people not

being happy with what they are doing. He said first he needs to have the ability to keep the EAC informed and a part of that is telling the EAC what he plans on doing with layoffs. Long said right now under the current code, it is virtually impossible for him to tell the EAC what they're going to do, how they're going to do it and what areas it will affect. He said as soon as he raises the layoff flag the first thing that happens is we go to evaluations and considering all things equal, evaluations then move to the classifications of the employee and he goes through a long process that is outlined in this code which at the end of the day it leaves him and the directors wondering how we're going to do this. He said if they have a targeted amount financially that they are trying to hit he may or may not be able to do it under this scenario and that may mean people will lose their jobs which may be a critical position and he doesn't have much control over it. Long said seeing all the changes he is making to this code is what he is trying to accomplish. He said on D 4, a lateral transfer to a vacant position is open provided that the vacant position is a position open for filling. He said in other words what he is trying to do is to get some certainty and assurance in what areas he is trying to vacate and doing it ahead of time of the adoption of the budget. Long said it doesn't do any good to look at the budget six months prior and say here is what he thinks they are going to do. He said he takes that alternative to Council and they say well that is a good idea and then he goes through all the criteria involved in the layoff ordinance and what he told them six months prior is no longer true three months prior to the adoption of the budget. He said so this is his finding certainty in what he is telling the EAC and how he is closing that loop in the budget adoption. He said again that goes back to the three month time frame he has to be ahead of them if he is going to lay off. He said it doesn't do any good if he lays someone off who makes \$100,000 a year and he pays 25 percent of what he otherwise would have paid just to lay that person off. Long said what he has done is scale that back to a more reasonable time frame. He said he will notice you as soon as he knows and what he's not going to do is pay three months of your salary as a severance pay and he is not going to give you the opportunity to make a decision whether you are going to transfer to because it is about the position and not the person. Long said you would have the opportunity, if there was an open position, and if you wanted to apply for it then you could do that but he is not going to force someone into that position. Russell asked wouldn't a hiring freeze come first before a layoff. Long stated that we are in a hiring freeze now. He said if he looks at the overall positions in the City and your department director tells me for example tells him that an area is not critical for operation then he can freeze that. He said what happens right now is he might identify that area as a need to close down but what will happen you find out you are going to lose your job then you vacate your job and it was a priority position at the City for a non priority positions, so it does him no good to announce layoffs at that point. Long said he can't control it. Russell asked about D 3, transfer down to a lower pay grade filled by an introductory employee, will the same pay freeze apply or will you have to go to a lower pay. Long said yes you would have the ability to make a determination to keep a job or take lower pay. Russell said if he chose to take a lower job he would stay at his same pay but he would be frozen and no step. Long said yes or you would take a lower pay grade. He said right now he said you have to remain at the highest step of the lower pay grade you are going to so you would remain frozen. Russell said this ordinance takes that out. Long said one of his concerns is, for example, at the library there are classifications in certain divisions where it may be more advantageous to him to hire two part-time positions verses keeping a fulltime equivalent. He said he gets the flexibility of two work schedules and he accomplishes the operational mission better. Long said that is one of the things he is trying to preserve. He said just because you are a fulltime employee doesn't mean there is a cost benefit to keeping that position and we can identify with that. He said the second thing we can identify with is there is no need for the service that is

being rendered or it's not a priority to being rendered or there is a reduction. He said so under that scenario he feels that would impact what you're talking about. Long said they talked about D 4 and D 5 is transfer to a vacant part-time position at a lower pay grade. Somerlott said that would be a voluntary demotion and you would be accepting the pay grade you are transferring to. Long wanted to read over that to make sure it was covered. Anderson said it is in D 3. Somerlott said in the policy it is a voluntary demotion. Russell said that is the wording you would want in there. Long said under the definition section it is covered as a voluntary demotion. He said there is another piece of this ordinance that was not handed out and that is the definitions. Anderson said it talks about this in the new section "I", in the event an employee accepts appointment to a position at a lower pay grade, the employee shall not be reduced in pay by more than the highest step in the grade assigned to the lower position. Long said the intention there is to preserve the step as close as we can. Somerlott said it could mean less pay but a higher step to get it as close to your present step. Long said the employee can make the decision as to being cut or go to a lower position in hopes that the outlook changes. Somerlott said you will max out faster that way. Long said he corrected a section in "H" the date and hire for retirement and he said the way that it read was not effective. He said he was trying to preserve your original hire date in the event of a layoff. Long said the way it reads is that if you were reemployed by the City as of January 31, 1997 that was the case but if you weren't then there is no point talking about any of that. What he tried to do is make that implacable to any future layoff that could occur. He said he told the EAC last year they needed to change this and he continues to believe it needs to be changed. He said he is ready to make a recommendation of this ordinance to Council and he believes this is going to be a factor this year. Russell asked about section H and the wording of the date of hire for retirement will also reflect the original hire date provided the employee reimburses the pension system as required. He asked if an employee moves to a lower rate than this will happen. Somerlott said if you leave the City and you come back then you buy back your time as the military does. Russell said he understands now. Long said this is making an allowance for you to buy back or otherwise you would lose that time. He said it there was a City forced layoff we want you to preserve your seniority accrued up to that point and accrue your leave the same way you did and that would be fair. Long said they tried to modernize this a little and part of his duty would be to place employees and keep you advised of positions that are open and use e-mails to do this also which is something they didn't have the means to do before. Long said section I is the entitlement clause that was in place and has been since 1967. He said he has done research from different cities, such as Broken Arrow, Oklahoma City and Norman, for layoff provisions and all had simply one sentence or a paragraph that said the City Manager will establish rules for layoffs or none of them, no city in Oklahoma had anything near the benefit that the City of Lawton gets here which is a good thing. Long said we are doing a lot in the City of Lawton to preserve your accrued time up to that point.

Hubbard asked what all the changes that the City Manager is proposing looks like as an employer to enable to attract employees to come in with these reductions in benefits. He asked how we compare to other industries in Lawton since we are the third largest industry here. Long said not the third largest but we are in the top ten. He said what he is trying to do is not hiring as many people as you can and paying them absorbingly and frankly you asked, so he will be honest, is the benefits the City of Lawton employees are far and above other industries whether private or public entity. Long said if the City is going to maintain paying good benefits then he is going to have to stop the bleeding. He said he cannot continue to pay the type of benefits the City is paying out with the number of people we have and keep ahead of that. He said the revenue is not where it should be

and it is falling significantly and the City is at a 1.8 million dollars loss with water sales and the City has to make up for this in the general fund budget. Russell asked why not take up a drought surcharge instead of seeding the clouds. Long said who said we are not getting ready to? He said he is not foregoing the other things that need to be done for this. Russell asked if the surcharge for seeding could have been applied to the budget. Long said sure it could but you have to ask yourself the question if you have 900 people and a growing budget can the City continue with this and keep these people employed. He said the other industries are saying they better cut their loss and it doesn't matter the investment in people but the matter in the loss we can't sustain. Long said the City has hit that tipping point and he said it last year and two years ago, so it shouldn't be a surprise. He said the only change from when he said it the last time is we were still doing well in water sales but they have plummeted since then. Long said please don't walk away from this meeting thinking he is saying employees aren't important because they are but he has a job to do also just like them and he is held to a standard and an accountability but to allow the City to continue growing in a way that we can operate financially is irresponsible and reprehensible and he can't do that. He said he would be happy to come back and talk about the budget.

Long asked Franco if she was going to resubmit the EAC recommendations for Chapter 17. Franco said yes. She stated the EAC has ten days to respond to the other two items. Long said yes, the sick leave item and he will get a copy of that out to them as soon as he has it prepared also the layoff ordinance item. He said he plans on taking both items to the March 24th Council agenda. Russell asked if it is ten days from when the paper document is received for the sick leave. Long said he can get the document to them today when they get out of the meeting. Long thanked them and left.

Franco asked the board if they had any comments. Anderson said she agrees with the layoff ordinance but the night and day severance. Somerlott said it really hasn't changed that much. Most didn't agree with the sick/terminal leave item. Russell said they were told this may happen and when he went back to the employees last month about the terminal leave stopping that almost started a fist fight. Ozuna said in his area it almost started a riot but they were just trying to warn them. Somerlott said to stop this from happening is to tell people to talk to their council members because they are the ones to pass this. She said people are going to start calling in sick to burn up their sick leave and it will hurt those who work out in the field. Somerlott said she feels the City doesn't have to compare themselves to other entities because they had the benefits they were hired with. Ozuna said the general employees use to feel inferior to the Police and Fire and now it is going to go back up. Somerlott said we were at a better place. Ozuna said we aren't now. Russell said if this goes through then the EAC's credibility will go down. He said when these things are not going to be recommended and on top of that these other things will be taken away then the employees will think this. Ozuna said they can only do what they can do. Hubbard asked how they address this to the employees. Somerlott said those employees who are going to use terminal leave to retire need to speak up. She said she could get a list of people who may use this in her department. Russell asked if the City Manager or Assistant City Manager can talk to employees about retirement. Hubbard said they need to encourage employees to show up at the March 24th Council meeting. They all agreed. Ozuna asked what the retirement is if you leave early. Anderson said 5/12th of a percent times the months early. Russell said a lot of employees have said if they change that terminal leave then they will retire early. Somerlott said if there is a 25 year retirement implemented it will drag down our retirement or you will have to raise what you submit and pay into it. She said right now at a 30 year retirement it is leveling out. Russell said maybe there should be an option for employees. Somerlott

said and an option for terminal leave employees also. Franco said there needs to be e-mails on everybody's thoughts on this but they have ten days to respond. She told everyone to ask their employees and get feedback so the EAC can respond. Russell asked if he can send the employees this document Long gave them. Franco said she will find out and let everyone know.

6. *ADJOURNMENT*

A.

Motion to adjourn by Jeremy Russell with a second by Jorg Stefan Kidd.

Ayes: All Nays: None Motion Carried

Meeting Adjourned at 11:00 am