

**Minutes
EMPLOYEE ADVISORY COMMITTEE
SPECIAL MEETING
March 19, 2015
Mayor's Conference Room
9:00 a.m.**

The meeting was called to order by Judy Franco at 9:10 a.m.

1. *ROLL CALL*

MEMBERS PRESENT:

Sir Allen (Chew) –Wastewater Collection
Judy Franco-GIS
Britt Hubbard – SSC
Jorg Stefan Kidd – Building Maintenance
Jackie Somerlott- PW Admin

MEMBERS ABSENT:

Albert Ozuna- Streets**
Eugene Ross- Landfill **

*Excused

**Unexcused

OTHERS PRESENT:

Bryan Long- City Manager
Doug Wells – Council member
Sherry Anderson-Assistant HR Director
Sue Smith-Human Resources

2. MINUTES

A.

Approval of minutes of March 10, 2015

Motion to approve minutes with changes by Jackie Somerlott with a second by Chew Allen

Ayes: Allen, Franco, Hubbard, Kidd and Somerlott.

Nays: None Motion carried.

3. OLD BUSINESS

A.

Discuss Recommendations for Sick and Terminal Leave:

Franco said the EAC has come up with options for this and handed out a list. She said she will give this to all general employees and ask for any suggestions. Franco said she will read the options since there were some employees present at the meeting. The first option "A" is to create your historical account leave account prior to July 1, 2015. She read to allow the employee to have the option to cash out 96 hours twice a year at 100% cash value from historical leave above 576 hours. As of July 1, 2015 the employee is to use the newly accrued sick leave first. Franco read upon retirement, allow them to cash out remaining balance as stated in the City Code where if you have any terminal leave then you have to let HR know in advance of your projected retirement. She said this allows for employees who want to retire to cash it out at 2.5% times total number of years for your hourly rate.

Hubbard said they don't have a copy of what the City Manager has come up with. Franco said no and that she and Somerlott talked to the City Manager about it and he said he is holding off on that because he is waiting for the EAC to have a proposal of some sort. Long said the intention is to receive their input today and see what can be incorporated and produce that final draft copy and provide it back to you. Hubbard said what you said in the last meeting we are to take that as what you are proposing now and work off of that. Long said no, that is one of the concepts which is open for suggestions which you are making today.

Franco said this part of Option "A" is basically towards new hires. She read newly accrued sick leave after July 1 will not be capped. She said that stated before this sick leave would not have a cash value but if we do this July 1 we are requesting that it not be capped out and allow payout upon separation for the first 100 hours @ 25% of hourly rate at time of separation, the next 100 hours @ 50%, then next 100 hours @ 75%, the next 100 hours @ 100% with a cap payout of 400 hours. Franco said they are also requesting to change the policy to allow employees who successfully complete their probationary period to receive their vacation leave hours earned.

Franco said Option "B" is the same as above but allow max hours to be cashed out once a year from historical account at 100% cash value and also allow those who qualify for retirement as of July 1 and they choose to retire they can cash out and not doing terminal leave. She said the cash out would be the 2.5% times total number of years for your hourly rate. Franco said any newly accrued sick leave after July 1 will not be capped, but anything in excess of 400 hours allow payout of 50% upon separation.

Franco said the reason on still paying the new hires is to give them an incentive to save their sick leave to a point but at the same time it will save the City money if we do put in a cap somewhere. She said they are looking out for everyone at the same time.

She said she will be sending this out to everyone so the EAC can get feedback.

Long said he thinks this proposal is exactly what he was looking for in terms of items to be considered. He said he has mentioned this to the EAC as his idea is not necessarily the best but he believes these recommendations are going to help him. He said he will take under advisement any discussions today and take this written copy and sit down with the legal staff and provide them clear direction on what to draft.

Long said the hope is that we come together on some financial savings measures. He said a lot of times he gravitates towards finances, which is part of his job, but that is not to diminish the value of you as employees. He said he wished there were more employee participation since this is a crucial issue that he needs feedback on.

Franco said employees have asked her about the option of cashing out as far as once or twice a year. She said she knows a lot of people would rather not cash out and that is why they want to give them that option. Franco said word has been going around that this is a liability of having all this terminal and sick leave but if we give you that option at cash value at this day and age it brings it down a little. She said that way for the years in the future the City is not in the hole and the general employees do not have to sacrifice so much. She said her personal opinion is if you get to cash out the 96 hours, even if you had projected a retirement, you have to look at the rest of the employees and put in a few more months. Long said in the commitment today and the terminal leave any recommendation he gives to council will be retained. He said you will not lose your terminal leave and what you have earned under the current ordinance we will honor. Long said what he is talking about is to honor the commitment as it stands today and there is a clear break in time for the transition to occur and you talk about creating a historical leave balance which is exactly his intention. He said the historic leave balance will continue to be retained for use under this plan as you would have used it if there were no change and he will not dip into terminal leave. Long said you would use that for your retirement plan as you would otherwise. He said the difference is the accrual of terminal leave. Long said most of you sitting here today will be the last generation who will be able to accrue and continue an uncapped accrual of terminal/sick leave. He said he is looking for a forward moving plan to correct efficiency in the current budget and capital liability.

Wells said he thinks the City Manager will recommend to Council those people who have terminal leave now will maintain it. He said effective July 1, no one would be allowed to go above 576 hours. Long said he will not commit to that now. Wells said less than 20 percent of employees have terminal leave hours. Jeremy Russell asked how does this stop from having to pay for double positions. Wells said there are 105 employees who have terminal leave now. He said he would like to see the City go back to sick pay in lieu which is to accrue 576 hours of sick leave and after that you get a check for 96 hours if you don't use it. Anderson said they stopped that in 2003. Georgia Peters asked about the historical terminal leave in this proposal. She said it looks like she will never be able to touch her sick leave. Somerlott said she questions that also. Wells said then if you use sick leave then you want to use it from the new sick leave accrued and not from the historical sick leave. Somerlott said yes. Cindy Price said these employees use flex or vacation when they are sick but they are the employees who are at work regardless of the weather or sickness and are loyal to management and the City. Somerlott said the problem for the employees who have terminal leave is what was proposed to the EAC at the last meeting was we would bank all of our sick leave until June 30th. She said on July 1st we would accrued sick leave like everybody else and use that accrued sick leave if they had too. She said but employees who have terminal leave will have to use that historical terminal leave first before using the sick leave accrued after July 1st. Somerlott said the majority of the employees here are here for that reason. Wells said then recommend using the new sick leave accrued as the Fire and Police do. He said he doesn't see what the difference is. Somerlott said currently she is using flex and vacation for her sick leave. Wells said that was illegal. Somerlott said no it is not illegal to use sick leave for vacation. Wells said he doesn't care what they do but come up with something comparative to Police and Fire. Somerlott said she feels this is an unfair proposal and she doesn't need to compare it to Police and Fire. Wells said there is no proposal at this point. He said to make a recommendation for a proposal that you want. Somerlott said most of the people here are not concerned with getting paid for 96 hours. She said most of the people want to use their newly accrued sick leave starting on July 1st

and not have to use the historical terminal leave. Franco said that is in the new EAC proposal she handed out. Somerlott said she wanted everyone to know that is what the EAC wants.

Long said he would throw out a thought. He said he knows there is an interest to cash out. The whole point here is the accrued liability on the books. There's a benefit to the City and employees to allow for a voluntary cash out of your terminal leave. He said for example, at Christmas time an employee wants to cash out a portion of their terminal leave, such as 20 hours. He said that could be done at a lower rate than they would be if they cashed out when they retire. This would benefit the City's liability at a cheaper rate. Somerlott asked if this was something he was going to write in. Long said he wanted to know what everyone thought of this concept first.

Denise Flusche asked if the cash out was for exempt employees or everyone. Franco said for everyone.

Jeremy Russell said the buyout would be standard across the board. Long said the reason for cashing out at a lower amount is the Council will have the authority to approve what is budgeted for that amount and it is a good idea of what he is setting aside for that transaction. He said he would have to estimate a certain amount of people for a certain rate. Long said the only difference than what is proposed is that he would have to calculate a higher rate. He said if he had to take \$500,000 and set it aside that just robbed one of your departments of critical capital outlay needs or other resources you need to do your job. He said that is the concept but he would rather it be at a lower rate.

Flusche said some people may need the money earlier or later. Long said that would be at the Council's discretion and they would budget it more or less as needed. Somerlott said everyone is at different places financially and she would be okay with this also. Somerlott explained that if she wanted to cash out 20 hours from the historical sick leave then it would deplete some of the leave. Debbie Long asked how often this would be done. Long said he didn't want it to cause a problem for payroll, so maybe quarterly or twice a year. Somerlott asked how everyone felt about this proposal.

Denise Ezell said she feels she has been slapped in the face. She said she has been with the City for 15 years and her intention is to stay with the City until she retires. Ezell said now something she was looking forward to, is being taken away. She said she hired on with the thought of getting longevity and other benefits but this year the benefits don't look as good as when she started. Ezell said it is difficult to tell people to come to work for the City because they do not offer much anymore. She said to get good people to work for a business; you have to offer them something other than just a paycheck.

Jim Bonnarens said people go to work for a company with benefits. He said he has guys that work for him that are taking home less money than four years ago. Penny Wolfe said she is taking home less money than two years ago. Long asked why. Wolfe said because no raises and cost of living is higher. Bonnarens said higher insurance. He said they are not making less but capped out and are bringing home less than in the past.

Long said he can't control some of the items they listed as higher costs. Bonnarens said the twice a week trash pickup can go to once a week and the other electric bills go up but not the City utilities. Long said this proposal is not the answer of how we reach financial health but a piece of it. He said he is going to recommend many other things to City Council.

Wolfe said she doesn't have as much terminal leave as the others and she is thankful for the sick leave that she was able to use for family but her concern is for the other employees who are ready to retire. She said those employees see that their terminal

leave they saved is done and over and that isn't fair for those people.

Long said that Wells tried to pass a \$4 plus 50 cent proposal to the residents and City Council. He said Wells can't do that every year. Long said he makes his recommendation to the Council and they have the ability to say that is not sustainable. He said he understands that this is a personal issue. Long said if an employee heard they were going to lose terminal leave, they received bad information and he wants to make that clear today and he also e-mailed everyone and said if they put in for a retirement then he did not accept the resignation until March 18th. He said he will honor what the employees have earned and the deal they made with the City when they were hired is the deal until an ordinance would change. Long said you will be entitled to what you have earned but you will not be able to keep accruing it and that is what he would like to see happen. He said how we get there is a matter of discussion. Flusche said she understands about the drought and the water issue but the employees pay the water bills also. Long said he knows these are tough times and the projected revenue amount the City will not collect this year is 1.8 million dollars. He said that should not fall on the employees backs but what is he to do when there is a drought situation. He said they are trying cloud seeding and a hard look at the upcoming budget.

Bonnarens said he pays an out of town fee for his trash of \$35 and once a week pickup. He said the City gets a good deal paying twice a week for \$12 and has there been an analysis to see how much it cost for the twice a week pickup. Wells said the City has a low water, sewer and refuse cost. Bonnarens said it seems like the employees are shouldering the burden. Wells said he has told everyone that he will try and get enough Council members to support the general employees and make the Police and Fire equal. He said he doesn't care what the general employees decide about terminal leave but he would like to get back the cost of living raise.

Bonnarens said he understands you have to make money to be able to use it for salaries but he feels the services the City provides doesn't charge enough to the people who use the services. Long said they have done some informal surveys to increase the cost of services but the problem the municipalities have is they can only charge the amount of service they provide otherwise it becomes a tax to citizens by law. He said one thing he may recommend is a business license and the City is the only municipality that he knows of that doesn't have a business license and he will ask Legal to see if that can be done.

Wells said that most of the employees pay is not that bad and the benefits are better than a lot of the private business. He said he doesn't know of many private businesses that pay or offer sick leave and if they do, it is a use or lose annual benefit. Wells said he doesn't know of very many private businesses that give a four week vacation after sixteen years of work so some of our benefits are very good. He said the City is in a situation that sales tax is flat, water revenue is horrendous because of the drought and we have a budget increase of at least one million dollars a year due to merit increases. Wells said how does Mr. Long do that.

Wolfe said there are ways to make the money. She said it may not be much but when you add it up, it is a lot of money. She said for example, the pavilions at the parks are \$25 all day but other cities charge \$40 and hour. Bonnarens said the landfill charge can be looked at since residents use it for free. Long said think about 90,000 people and 50 percent may agree and 50 percent may not. He said we serve the people and the same people who are paying our salaries. Long said it is a difficult predicament. Wells said according to the census over 50 percent of the people in this community are low income and you can only raise rates so high without hurting those low income people. Several said the employees are some of those people. Wells said we can't raise rates enough to make up the short fall we are in right now.

Cindy Price said maybe raising the cost, for instance, for the court admin fees. Wolfe said the fishing license cost is too low. Wheeler said the boat houses are \$1.50 per day. Jeremy Russell asked how much would be saved if there were no more terminal leave as of July 1. Price said you will get what the City Manager does not want. She said a lot of people would leave the City and the value of that is tremendous.

Long said he would not change any terminal leave that the employee has earned but will change the sick leave you will accrue in the future.

Wells said if you don't like his idea, then the EAC should make their own proposal.

Long said he feels they have accomplished a lot.

Ezell said she would like something to go out for all the general employees to see what they prefer and give them the option.

Peters said she would like to use the new accrued sick leave instead of the historical terminal leave. Franco said in the proposal she passed out, the employees will use their new accrued sick leave first.

Jeanie Wheeler said they want to leave something for the new employees. Franco said in the new proposal handed out, she wanted to provide something for the new employees so they will get a percentage.

Wells said he disagreed with the cap payout for sick leave of 400 hours but it needs to be 576 like the Police and Fire.

Franco said she would like to go back to sick pay in lieu. Wells said he would like that and the cost of living raise.

Kidd said this is difficult for both sides and choices and sacrifices have to be made. He said the things they come to may have people lose their job down the road and he would hate to see that. Kidd said he is grateful for what he has and the benefits because he didn't have any benefits before he started to work for the City. He said you start looking at things that are budgeted for, such as the museum. Wells said there was an agreement made in 1994 when they became a standalone entity that the City would pay so much a year.

Jeremy Russell said employees will show up when it directly affects them, such as the terminal leave. He said the employees need to show up at Council meetings and tell the Council that we back certain issues. He said whatever is decided just don't cut employees off of the terminal leave. Russell said they need to do something to attract people to want to work for the City.

Wells said most of the employees use up their sick leave and a few will save it. Peters agreed.

Long thanked everyone for their thoughts and he said he doesn't see this as the employees do and he shouldn't.

Michael Porter said when the EAC sends out this proposal, it would help if they could put some numbers in there so everyone can get an idea of what they are talking about. He said give an example so it will make sense. Porter also suggested adding a dollar amount each year to the water bill automatically. Long said there is an ordinance that does that based on cost inflation for our area but it won't keep up with your cost at home.

Long said he has taken notes and there are some things he thought everyone would agree on and he looks forward to working with the EAC on this budget process. He said don't let this be the last time that everyone talks. Long said he is required to make them aware of the budget changes and explain why he is making the changes. He said one of the recommendations he is going to take to Council is how do you ask a person to do the job without the resources. Long said for example, computers are a necessity and they are in the 300 account and are the first thing cut.

Franco said the EAC will send these plans out to everyone so they can get more feedback. She said the City Manager will go back to Legal with this and with the

comments he has heard today. Franco said then he will respond to them and tell them what he has sent and the EAC will keep everyone informed.

Hubbard said the terminal leave will stay where it is for those who have earned it but if it has to be taken away in the future because of the budget because we keep adding to it, he understands. He said if we have to go back to an old system where it is capped and employees are paid for the over amount then that is an idea. He said the employees who have terminal leave will keep it. Long asked if that was in the new proposal. Hubbard said yes and new leave is taken first which is a little different.

Long said he will get with the legal department to work on a system where the Council will budget for voluntary cash out.

Jeremy Russell said he thinks the employees would give up the little incentives, such as safety award and education reimbursements, if they could get a COLA. Peters said or give up having a "B" step. Long said the EAC can work with him on a salary plan. Long said the CIP money is designated funds and he cannot use for any other purposes than for what the voters approved.

Price said this is not a terminal leave issue and the EAC has done a really good job but it is only a small part. She said there are a lot of supervisors here and they are looking at it as the EAC is and part because they are looking at it the same way the City Manager is concerned about it and so is the City Council. She said Councilman Wells has gone to a lot of EAC meetings and not just today. She said this is for the employees who have been here and those who have 400 or 500 hours accrued which are just as important to them. She said it is important to the new employees also and the efficiency of the City. She said this recommendation of the EAC is addressing all the employees and have given options.

Franco said for those employees who do not have an EAC representative, IT is helping her to get a group e-mail formed for general employees.

B.

Discuss Chapter 17 Proposals and Layoff Item:

Franco said item 1 is adding grandfather-in-law and grandmother -in-law to immediate family and was agreed on with the City Manager. She asked Long if he got anything back on item 2 of the Chapter 17 proposal which was accrued vacation and or sick leave to supplement the pay while on OJI/TTD. Long said no and he was still researching this. She said item 3 is the proposal on sick leave and item 4 is the cash out on 40 hours. Franco said item 5 was the cash out on comp time was not going to be recommended and all that comes back to the sick leave. Hubbard said the EAC was looking at cashing out 40 hours of comp time and building a larger bank of hours to work on. He said if you needed the time you could cash out or when you retire. Hubbard said the City Manager saw this as the same problem with terminal in which the City would not be able to pay on the large banked time.

Franco said another item was the EAC would be given notice of any defunding items in the budget. Hubbard said the City Manager promised he would work the EAC into meetings during the budget process so that as these items come up in the meetings they will know in advance and offer suggestions to change any of the ideas or give alternatives. Franco said in item 8, the EAC recommended updating the training and travel allowance. She said the last item was to establish a grievance/appeals procedure if the City Manager or his representative does not adhere to already set procedures required by Chapter 17-2-9. Franco said the City Manager brought this to their attention that this doesn't go with the City Charter in which the Council cannot get involved with personnel issues. Hubbard said they will look at this and see how they

can reword it. He said the City Manager suggested they go to a Council meeting and let the public know. Hubbard said the EAC can make suggestions to change Chapter 17 every six months. He told the employees that if they see things that need to be changed or modified, let the EAC know.

Franco said the Layoff ordinance is about rewording it. She said the timing was changed from 90 days to two weeks. Long said not on the notice but the payout. He said the purpose of the change is because it is to save money. He said to be honest this needs to be looked at. Long said he has to give fair notice which is three months in advance. He said this allows him to retain jobs where they are needed and continue to move forward. He said this removes the employee from taking a bi-weekly payment for a three month time frame or taking the lump sum deposit today. He said this changes the way we do that currently. Russell asked about lateral transferring and or moving up to a new position. Price asked if the position would be advertised and Long said no because he could do that depending on the need for the position. Long said he will take the suggestion into consideration because he would rather move a person up instead of laterally. He said first they look at an employee's evaluation, then seniority, then performance. He said if he identifies an area and his recommendation to Council is to either reorganize or reorient or focus in an area he needs to have the ability to freeze those positions so they can't be filled. He said for an example, two years ago when we went through this he had a few positions open in animal control. He said it is not good to have people who do not want to work with animals or be in charge with the care of animals and put them in those positions. He said so moving for the sake of moving to retain a job is not always the best option. Ezell asked if this is where we are going. Long said yes this is an issue. He said he has prepared a final draft for layoffs and he is going to get feedback from the EAC and he will take any suggestions because he will have a final draft proposal that the employees can review through the EAC. Long said he will not take either items talked about to the Council for consideration until the April 14th meeting. He said that is assuming EAC is satisfied with the input they have received.

Hubbard asked if anyone had any issues with the layoff policy emergency ordinance. Long said the emergency ordinance means once it is passed under law to go into effect immediately. He said he isn't in a race to get this ordinance passed but he does want to get it passed before the budget. Long said he needs to have options open to him in his opinion. Price asked about the notice. Long said the notice will remain the same which is 90 days. Franco said no it says two weeks. Long said there are two notices of separation. He said once he is notified of an issue an employee being laid off shall be given notice as soon as possible and written notice not less than ten working days prior, so that is a minimum. Long said he understands the implication of this action and how it will affect families, incomes, mortgages and that burden rests on him. He said as soon as he has an answer of what is going to happen you will have word. Somerlott asked when he was going to bring this before Council. Long said April 14th at the regular City Council meeting. Wolfe asked who decides this. Long said everyone because the employee talks about his job duties to the supervisor, and they talk to the director and then to him. He said he then makes a recommendation to the Council and he would do that with his budget proposal which would occur sometime in early May probably in a special meeting. Long said that doesn't mean they are going to accept his proposal. He said then a long discussion happens after that and that is when, as Jeremy Russell stated, all the general employees need to show up. Kylie Ward asked what criteria does he use to determine where areas could be more efficient. Long said some of it is common sense or the low hanging fruit. He said, such as, giving the museum money and it isn't an entity of the City. Ward asked if he looked at the money individuals make or evaluations. Long said take the

individuals out of it, to him that can't count because if it did he would be making emotional decisions. He said he looks at the activity such as what service are they providing. He said he will make a recommendation again this year to go to once a week trash pickup. Long said they will save \$270,000 or more. He said two years ago he gave thirty money saving recommendations and only two were accepted and one was overturned. Long said he is not bashing the City Council but that is their prerogative and that is why they are elected. Price said this is not a business but a government entity.

Long asked if there were any more questions. He said these are the things that they have to start doing.

Franco said the EAC can open the communication for the sick leave and layoff issues. She asked if the Chapter 17 proposals were due to the City Manager. Long said he would like to take both of them at the same time. He said make the deadline the date the EAC gets the final draft of the sick leave ordinance because they are really tied together and he would prefer to take them to the Council at the same time as a convenience to Council and the EAC. Price asked if IT will look at this first. Long said he wouldn't do this without IT looking at it. He said his next step would be to talk to IT for the cost. Price said yes the cost but also to see if this is a workable program.

Debbie Long asked about using both the newly accrued sick leave and the historical terminal leave if you had to. Franco said she could put that in the proposal but they shouldn't have a problem if an employee needs to use both. Price said it could be set up that if an employee doesn't have enough newly accrued sick leave then it can be taken from the historical leave. She said to pick and choose would be a nightmare for payroll. Debbie Long asked if there is a timeframe to turn in their resignation and use the terminal leave if this doesn't get approved by Council and we lose this benefit. Long said any proposal he would take to Council he will include a provision to allow for the proper notice period. He said he will not call a special Council meeting and sneak to get it passed right away as an emergency measure.

Hubbard said if it looks like Council will sway that way he encourages everyone to show up to the Council meetings and express their opinion.

C.

Discuss Budget Request to City Manager:

Hubbard said we get this month to request a formal meeting with the City Manager. He said the EAC has to give 30 days to respond and the EAC has already discussed about having budget meetings. He asked Anderson if it has to go through HR. Anderson said yes.

4. NEW BUSINESS

None.

5. *COMMUNICATION/DISCUSSION*

6. *ADJOURNMENT*

A.

Motion to adjourn by Jackie Somerlott with a second by Britt Hubbard.

Ayes: All Nays: None Motion Carried

Meeting Adjourned at 11:35 a.m.