

Employee Advisory Committee (EAC)

Meeting Minutes

April 12, 2016

Mayor's Conference Room @ 9:00 a.m.

APPROVED

The meeting was called to order by Franco @ 8:59 a.m.

I. ROLL CALL

MEMBERS PRESENT:

Judy Franco – GIS

Albert Ozuna – Streets

Sir Allen (Chew) – Wastewater Collection

David Rolando – Solid Waste Collection

Ashley Glaze-Lyle – License & Permits

Denise Ezell – City Clerk

Scott Golden – MPWTP

Britt Hubbard – Sewer

OTHERS PRESENT:

Tim Wilson – City Attorney

Kelea Fisher – Assistant City Attorney

Doug Wells – Council Member

Chase Massie – HR Director

Denise Flusche – Library

Courteney Cacho – City Manager's Office

MEMBERS PRESENT:

Jorge Stephan Kidd – Building Maintenance

2. MINUTES

A) Approval of minutes for March 8th.

Motion to approve minutes by Denise Ezell with a second by Judy Franco Ayes: Franco, Ozuna, Ezell, Glaze-Lyle, Allen, Rolando, Golden Abstain: Hubbard Nays: None Motion carried.

3. OLD BUSINESS

A) Health Plan Review Report

Ozuna said he thinks the insurance is still in the negative but it's going to get better especially with the changes coming up in July. He doesn't know where we're at with the numbers.

Massie said we are negative (714,000) seven hundred fourteen thousand, he believes. Considering we are negative (861,000) eight hundred sixty-one thousand, we've come down a little bit. We hope to see this month that trend continue and doesn't go back the other way. We've got (2) two more months until some of the changes go into effect July (1st) first. We'll have open enrollment May (16th) sixteenth thru the (27th) twenty-seventh. It will be a different format than years past and we'll have a lot of information coming out about it in the next couple of weeks. Once we announce that we'll also announce all the changes when people could come in and make those changes. We'll do group meetings where we will have all of our insurance carriers here. We'll do large group meetings during that period for (3) three different times: (10) ten a.m., (2) two p.m., and (6) six p.m. to accommodate those who have spouses that are heavily involved in the decision making. As far as the Health Committee, it's still not good but it did get a little bit better this last month.

4. NEW BUSINESS

A) Education Assistance

Ihler said the reason he wanted this to be on the agenda was at the department head meeting there was a question brought up. The way it was presented moving forward was if someone was going for their doctorate degree, they won't get assistance from the City. Then the question came up from some of the department heads, if we even want to allow it to allow people to get their masters. There's some discussion among the department heads and recent calls from some of the employees who were interested in possibly moving up in a position that may require a masters. Those who would like to continue working and have the ability as well. The question was that a masters cost more than an undergrad. The reason why he wanted to bring this up right now is the way its set up you will pay for a masters and an undergrad based on OU, OSU, and Cameron University costs. Some of the department heads said they would be limited the amount of funds and could possibly take away from those who may be working on an undergrad. What he was thinking, would the group consider leaving it as is, do the undergrad and maybe revise but allow someone to get their masters. We wouldn't pay a larger portion for the hours. We would pay them for the hours based on an actual undergraduate degree so that the cost would be the same. The City would contribute and apply it that way. It wouldn't be that great of a percentage for the person applying for a masters program. There was some discussion that we shouldn't pay for a masters program either. His position is he would like to see the City help pay for the masters but let's pay it at the same level as an hourly rate for an undergrad. The department heads ask that we bring this back for discussion.

Franco said personally it's ok with her. Overall it's just trying to make it fair for everybody.

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Massie said from a department head level, we did hear some feedback about the concern for some employees who would want to get their undergrad but the funds are going to be exhausted because we are paying more towards masters. After Ihler and he had talked about it, we don't want to send a message to our employees that we don't want them to get their masters and continue to regress. So this is kind of a compromise for us to say 'yes' we are still going to pay something towards a masters program but we are going to pay it at the same rate as an undergrad. In our mind, it helps both sides to pay extra money towards masters and leaves enough money for those who still want their undergrad.

Allen said we have different shifts, weekend and night crew. Allen asked on vocational, how many people are able to go to Vo-Tech and apply for that assistance.

Massie answered as far as Vo-Tech every employee is eligible.

Ezell asked do we pay for that, is it included in the assistance.

Ihler answered it's included in the assistance.

Allen asked does the City allow (2) two people to go for like an electronics class.

Massie answered that's going to be up to the department head or the supervisors to figure out when and how the classes are arranged. That's across the board whether it's Vo-tech, undergrad college or masters. You have to continue to do your job.

Golden asked if this was serving basically as a (1st) first come (1st) serve.

Massie answered yes.

Golden asked if it was across the board or last time it was talked about setting up an allotted sum for each general, police, and fire.

Massie answered that's correct, the intent is to separate them.

Golden said at least each employee group has the same amount.

Allen asked on that note, it's like the Treatment Plant, they want to send (2) two people to the electrical class at Vo-Tech, does the City figure out who is going to be sent over.

Massie answered as of right now, it's who got their paperwork in first. It has to go thru the supervisor first to get approval and then sent to HR.

Wells said he hopes it's broke down by employee size.

Massie said we looked at it and wants to remain consistent across the board. He definitely thinks we would take a look at it each year as far as how much of it was used, who all exceeded, and participation. He thinks that would determine each year the allotted amount and also budget.

Ihler asked Massie if he recalled how much was in this year's budget.

Massie answered it was (14,000) fourteen thousand which was for fire and police.

Wells asked if we have anyone in the masters program.

Massie answered we have (1) one.

Ihler said as it was brought up maybe not allowing a masters program, we still want to be able to allow employees to progress and provide assistance to do that. All of the (3) three year requirements still apply, have to continue to work for the City and if you don't you'll have to pay back that money. He thinks we should only pay it at a level of (1st) first come (1st) first serve as we would an undergrad. We think this is a big compromise. Our suggestion is to leave it the same but change the rate from a masters program to an undergrad hour as how much we pay back.

Golden said there are several groups who have to obtain DEQ licenses. There are some whose job title may only require having a certain level. Each department is allotted so much money for a required license for each employee. What if there's an operator who would like to get a higher license but we don't necessarily have the funds in that one account for them to get that higher license even though they aren't a requirement. Golden asked would this fall under that.

Massie answered it wouldn't. He thinks it would be similar to certifications and this wouldn't apply to this either. They are looked at on a personal level.

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Hubbard asked if it should be paid for through the department budget.

Ihler answered yes, it would come out of your training budget (265) two sixty-five.

Franco asked Wilson and Fisher what their thoughts were.

Wilson answered the Educational Assistance, he's seen a situation in the last several years where there's not enough money for the general employees. That's why the Educational Assistance Program has been frozen. Fire and police received theirs but there was an equity concern. He thinks what Massie is trying to do, in some degree, is address this equity concern by making sure there's money available for all (3) three groups. This is something we are putting into a proposal with police this year to change their education program to be exactly what Massie has mentioned. It would be nice for every one to get these advanced degrees but there's really no money for it. He doesn't see this as a bad proposal at all because it's trying to bring some equity into the situation for all (3) three employee groups.

Rolando said it's a great idea and it would help more people.

Franco said it gives everyone the opportunity who wants to go for a higher degree. They'll take more pride in it.

Wilson asked Massie if the proposal for the general employees include the (3) three year requirement.

Massie answered yes and they've already approved all of that last month. Funding the masters as we would fund the undergrad is the only change we are talking about now.

Glaze-Lyle said any help is better than no help.

Motion to accept the proposal by David Rolando with a second by Judy Franco Ayes: Franco, Ozuna, Ezell, Glaze-Lyle, Allen, Rolando, Golden, Hubbard Nays: None Motion carried.

B) Leave Bank

Massie said this is a very minor change. As we get leave bank requests, (1) one of the things that Ihler and he looked at it as something unexpected. Something that is planned the employee could have potentially saved sick leave/vacation. They are planning when they are having a procedure done or when they are going to have an operation, whatever it may be. All that is changing is adding the word "unexpected" to help us get in line with the practice. We do look at if someone is in a horrific unexpected car wreck. We are going to say yes because they had no way of knowing. If they are diagnosed with cancer, they had no way of knowing, that's unexpected.

Ezell asked what does the leave bank say now.

Massie answered right now it says:

{a serious, major, catastrophic or life-threatening medical condition}

Massie said we would be looking to change it to:

{an unexpected, serious, major, catastrophic or life-threatening medical condition}

Ezell asked if we are making it tough.

Massie answered we are already looking at it tough. Practices were already including the unexpected. We're just adding the verbiage to go along with how we are treating it.

Hubbard asked if there was a reason why Massie is doing that. We've kicked the leave bank around for the last few years and pretty much left it alone. The people in charge of making those decisions haven't seen where it's been abused. We've seen where they've been able to use it without having those issues.

Massie answered maybe the biggest one we've had is a number of requests for pregnancies to be reimbursed because they are pregnant and will be having a baby. They may have taken (12) twelve weeks off, which they have every right to do but they want to use leave bank for that. In our justification, a pregnancy is not an unexpected, life-threatening condition in most cases. It's something that would not qualify. It really helps us to have the word "unexpected" in there to help make that argument. This really isn't changing anyway that we treat it today it's just added the verbiage to go along with our practice.

Ezell said it has been extremely abused by maternity leave in the past (5) five years. She doesn't have a problem with making it tougher.

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Massie said we've made some significant changes to it a year ago, so it hasn't been abused this year. This is just to help us go along with the way we are approach each case and having the verbiage to back it up.

Ezell said there's been heartburn. Employees have been upset with HR and the City Manager because they cut things off. She doesn't have a problem with it. She sees sick leave being abused anyway. They can just go to the leave bank and that's not why the leave bank was set up.

Massie said it should be an unexpected, serious, life-threatening condition. You have sick leave to save for a reason incase something comes up or if you need to be out for a period of time. We are looking at things you wouldn't have any way of knowing or planned for. It just helps us as far as the verbiage goes.

Allen asked if a new employee has been here for (3) three months, do they qualify.

Massie answered they wouldn't qualify. They would have to be with the City at least a year.

Allen said if they have (2) two weeks of sick leave and maybe (6) six hours of vacation. They are eligible to use (1) one week without pay and after that it must be approved by the City Manager. Allen asked if this employee is taking off because of their illness after the (1) one week, what happens to that new employee.

Massie answered he thinks that every situation is going to be on a case by case basis. If an employee starts, they're here for (3) three months and they are a great employee. All of a sudden they were hit by a car walking down the street which has no bearing on them as an employee. We would probably do every thing that we could but they wouldn't qualify for leave bank.

Allen asked if their job would be secured.

Massie answered legally no because they don't qualify for FMLA either until they've been with the City for at least a year. He doesn't think the City has a reputation of just getting rid of people for an injury either.

Allen asked what if he was out for (3) three weeks, used up the (1) one week, received approval from the City Manager and needs an additional (2) two weeks without pay.

Massie answered he would think of something reasonable and doesn't see any reason why we wouldn't. Again, every one of these depends on the situation. How many years they've been with the City and do they have (2) two weeks or a week of leave. We take all of those into consideration. Looking at someone who's been here (20) twenty years they should have (6) six months of sick leave. The only thing being added is the word "unexpected".

Wells said that helps all employees. For the ones with (8) eight hours of sick leave, they use it, and when something happens they want to use somebody else's leave time.

Hubbard said the only reason why he is interested is we've kicked it around so much over the last (5) five years. We've looked at vacancy changes and haven't made changes because of how it was handled and the personnel it had to go through. We wanted to make changes but we wanted to make sure it didn't affect a good employee who may have gone through some problems. He doesn't see an issue with adding "unexpected".

Motion to recommend adding the word "unexpected" to the Leave Bank Policy by Britt Hubbard with a second by David Rolando Ayes: Franco, Ozuna, Ezell, Glaze-Lyle, Allen, Rolando, Golden, Hubbard Nays: None **Motion carried.**

C) Terminal Leave

Kelea Fisher (Assistant City Attorney) passed out a copy of Historical Sick/Leave Accruals and Compensation.

Ihler said essentially we've created (2) two categories; the Historical Sick Leave and the New Sick Leave. Our intent is to stop the accrual of terminal leave for the fiscal year in the future. Any terminal leave that anyone has set aside now or have earned to this point would go into the historical leave category when this goes into effect. Then at the beginning of next fiscal year, we would go ahead and establish a new sick leave category. Any sick leave that you would earn beginning next fiscal year would go into that new sick leave category. Say at the middle of the year you get sick and you have to take a day off. The set up right now, you would first use from the historical leave any sick leave that you accrued. Your historic sick leave, when the policy goes into effect, says if you had (1000) one thousand hours then that would be the cap and you can't ever add to the historical leave side. The idea of this policy is to, (1) one stops the terminal leave policy so when an employee leaves the City they won't have to continue to pay them or having to decide if they are going to fill the position until their terminal leave is up. Whether or not they are going to pay (2) two people for the same position and the City just cannot afford to continue to do that. The (2nd) second thing is getting the general employees back to the old sick leave policy. If you accrued it and reached (576) five hundred seventy-six hours then we would start paying you. It takes you (6) six years to get to that (576) five hundred seventy-six hours. That next year it would be (96) ninety-six hours. We

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would then pay you for that (96) ninety-six hours if it's above (576) five seventy-six in the new sick leave category.

We've established the historical and the new. The new sick leave category starts off at (0) zero. If you're here for (6) six years, once you get into that (7th) seventh year we'll start paying for that sick leave. There was a question about what happens if you leave the City. Let's say you have (500) five hundred hours in your terminal leave and you have (500) five hundred hours in your new sick leave category. If you are qualified for either early or full retirement then you meet the category. Your historical leave would continue just like the terminal leave policy. If you have (500) five hundred hours then you could take (500) five hundred hours of terminal leave at (100%) one hundred percent. The sick leave category, if you have (500) five hundred hours, would get paid based on the current formula which is (2.5%) two point five percent times your hourly rate times the number of years of service. We are implementing when the last pay period ends June (24th) twenty-fourth (2016) two thousand sixteen. You will no longer accrue leave toward your terminal leave at that point and time. Leave beyond that would go into the new sick leave category. He asked that it be set up in this method to reduce the terminal leave and reduces the amount of bleeding that the City has in the future. When someone leaves for an amount of time, they will have to pay for (2) two positions or decide not to fill it. The way it's set up is if you were sick after July (1st) first and used (8) eight hours it would come off your historical leave. Anything that comes off your historical leave you will not be able to add back to it. If there is any sick leave it would go into the new sick leave category.

The other area of discussion was why not start with (576) five hundred seventy-six hours of historical than the new sick leave category. Then at the end of June of (2017) two thousand seventeen, you would start getting paid what you started over (576) five hundred seventy-six hours implementing it right away. He doesn't have the final numbers and he doesn't know if we'll have that money in our budget. One of the things he's trying to get incorporated into the budget this year is everyone being able to get a step increase. He isn't guaranteeing that everyone will but that is the goal. The cost to go start paying it off next year for those who earn (96) ninety-six hours will be in the neighborhood of (\$300,000) three hundred thousand dollars next year. By starting it out at (0) zero, it allows terminal leave to available when somebody leaves and new sick leave is down here at (0) zero. He hopes over the next (6) six years as employees leave that future cost for terminal leave will start coming down. Then we would be able to pay those who are above the (576) five seventy-six at full payment. If we're at half a million here and nothing's here by the time we start paying out the new sick leave, maybe this will be down at (250) two fifty. Trying to balance that cost in (1) one budget year. To him, those are the (2) two issues that people have expressed concerns about. If you get sick today where are you going to take it from and it is categorized as historical as we move forward. That would reduce that amount you have for terminal leave. That's no different than what we have today.

Rolando asked on the historical, Ihler said that when you get ready to retire you can get paid out.

Ihler answered if you qualify. You have to be qualified for retirement.

Rolando said or you'll have to be (52) fifty-two years old.

Ihler said you can't have (8) eight years with the City and get full pay out for terminal leave.

Rolando said he was talking about getting paid out for not taking the terminal leave.

Wells said whether you qualify or not, you will either get terminal leave or you will get paid for your leave at (2 1/2%) two and a half percent per year.

Rolando said he thought Ihler said at full.

Ihler said no only if you qualify could you get paid out fully for terminal leave. The pay out formula if you're not qualified or if you plan not doing the terminal leave is the same formula as the new sick leave.

Golden said you would need to meet both requirements; (10) ten years invested or the age of (52) fifty-two.

Ihler said that's not correct. He believes if he comes to work for the City at age (60) sixty and only works (5) five years, he meets the (65) sixty-five age criteria to take terminal leave.

Ezell asked even though they weren't invested.

Wilson answered yes, there are different ways to deal with retirement within our plan, but that's an age route.

Wells asked if you are invested at age (65) sixty-five.

Ihler answer right, no matter how many years. You could even work (1) one year.

Golden said what he was talking about was on the other end of that. Say someone started working for the City at age (20) twenty, they put in

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(25) twenty-five years, and they're only (45) forty-five. Golden asked they have (10) ten years in, can they still take terminal leave even though they are not at the age of (52) fifty-two.

Ihler answered yes.

Golden said they would still be able to get the terminal leave or full pay out for whatever that terminal leave was.

Ezell said as long as you qualify for early retirement or retirement. You would need to qualify for those (2) two.

Fisher said she thinks there is some confusion about pay out for terminal leave. You can either take terminal leave, if you are qualified, or you don't.

Wilson said if you don't take terminal leave, then you'll take the check.

Ezell said you don't get paid dollar for dollar.

Fisher said it's like it is right now, you'll get paid out in a lump sum check but it's at the formula.

Rolando said he thought it was (62) sixty-two years old for full retirement.

Ezell asked Massie if it was (62) sixty-two.

Massie answered yes.

Fisher said she would like to add the big concern was with the current employees and they wanted to make sure they preserved that ability to use their terminal leave. There were employees saying they wanted to leave or quit because their terminal leave was being taken away. She thinks Ihler's proposal does do that. It preserves where you are right now. Even though you can't grow it at least it preserves what you have right now.

Rolando said his group called a special meeting last week when we received that memo. They are highly upset and don't like it at all. The group doesn't want to start at (0) zero. Never in (13) thirteen years he's been here has the employees called an EAC meeting and they did.

Ihler said they need to understand when they start at (0) zero, that's just the new sick leave they are accruing. Ihler asked Rolando if they were saying they want to take their historical leave and move (576) five hundred seventy-six hours to the new.

Rolando answered yes, that's one way to look at it.

Ihler asked if its pay me now or pay me later.

Rolando answered right. The biggest concern is putting off the inevitable. The City is trying to put off the fact they are going to take their leave like they've tried before. By (6) six years we will be less guarded and it would be easier to take. That's their major concern.

Wells said his concern is there's no guarantee they'll be any more money for the City within (6) six years.

Rolando said exactly. (6) Six years from now, the City thinks it was going to happen but it can't. So that historical, sorry, bye bye.

Wells said everybody knows, including the City Manager, that he doesn't agree with the proposal. He will listen to the Committee before he says anything else.

Rolando said the last meeting we had the proposal was to start at (576) five seventy-six, they seemed happy with that. When we got the new email, they called him.

Massie asked if those employees who have (550) five fifty, how do they feel about not having terminal leave.

Rolando answered they were the ones who were upset. Even though you lose (576) five hundred seventy-six hours that's available for terminal leave, mostly everyone wants to get paid.

Ezell said she has the numbers on that.

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<u>EMPLOYEES</u>	<u>HOURS</u>
109	576 – above
20	500 – 575
26	400 – 499
48	300 – 399
58	200 – 299
106	199 – 100

Ezell said everybody else falls below (100) hundred hours of sick leave.

Rolando asked if it was City wide.

Ezell answered yes, City wide, strictly general employees.

Wells said that is if you were going to get paid that year for (96) ninety six hours. You would lose it when it goes into terminal leave, you don't get paid. These employees weren't getting paid anyways but now when they get the (576) five seventy-six they will get paid hour for hour on an hourly basis. They aren't accruing terminal leave any more. It's just going back to the same way prior. Don't do what you're not going to do to police and fire. Police and fire have been drawing that all along. He agrees with Ihler, he's only doing what he thinks is best.

Ihler said if we had the money, he would be more than happy to move forward with this.

Wells said in his opinion hold off until you have the money.

Ozuna said in his Division the biggest gripe is not so much starting over to (0) zero. It's the fact if you take sick leave you have to use the historical leave. That's their biggest concern there. If it wasn't for that he doesn't think it would be a problem with his Division.

Ihler asked if Ozuna was saying, if you earned it, could it be taken as sick leave from terminal leave.

Ozuna answered if you have it.

Ihler said he could compromise with that.

Golden said the biggest thing he's gotten complaints about is the ones who abuse it and the ones who constantly use it aren't going to affect them at all. It's the ones who put the time in, who have built that up. When they first came in, it was pointed out to them as part of their benefits package. This is what the City is promising you when you retire. You can build up and get this extra time with terminal leave. The whole making new sick leave and keeping the historical isn't the problem. It's the ones who were promised terminal leave. The City is essentially making them use that up before the new one.

Ezell said she doesn't think that is necessarily true. When she leaves here in order for her to benefit from the new plan she'll have to stay here at least (6) six years. Then that (576) five hundred seventy-six hours is basically worthless to her. She doesn't want be an abuser but what does she have to lose by not using her sick leave. Ezell asked if she would get paid anything.

Massie said the new sick leave when you leave the City you'll get paid the formula. So it's not worthless.

Ezell said it's not worthless but it's not worth the dollar for dollar. It's not worth that much to her as it was.

Massie said but it's worth something.

Wells said for the employees who already have (576) five seventy-six or above are in the terminal leave program. That's hurting them again because if we started the program they immediately would start drawing dollar for dollar for that (96) ninety-six hours. In Ezell's case, if she decides she's going to work (5) five more years and then retire, she's better off to use that (5) five years worth of leave.

Ezell said every bit of it, become an abuser, and that bothers her.

Hubbard said the previous City Managers have said they would rather you use that (96) ninety-six hours a year because they could make it for them.

Ezell said she is sick and tired of hearing what previous City Managers have done. She is not jumping on Hubbard but she is just saying we are living today. Yes, previous administration got us to where we are today but we've got to look towards the future not to the past.

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Wells said an employee, right now, if they are qualified, becomes terminal leave. Let's say Ezell works another (5) five or (6) six years. That (576) five hundred seventy-six hours or whatever that accumulates to, would be eligible for terminal leave. Under the new rule, she can work (6) six years and that's not terminal leave. She doesn't get paid for that.

Hubbard said that's correct.

Wells said so Ezell's really hurting herself by not using her leave.

Golden said in all honesty, you'll have to be here for (7) seven years to get that (96) ninety-six dollar pay out. If everyone's starting out at (0) zero, you leave your historical leave alone, let them start using the new balance. It's going to be just as it is now except it's not accruing anymore. Whatever the balance is now its going to be at the highest. If you use up all your new sick leave then you'll start pulling from the historical.

Fisher said if she's hearing correctly, there are at least (2) two groups that are saying if Ihler would change it to those employees who have historical sick leave. Once that bank is created you'll allow them to use new sick leave before they use historical sick leave. These (2) two groups would be supportive. Fisher asked if that was right.

Golden answered pretty much.

Ihler said they don't want to lose any of their terminal leave. He's willing to do that.

Golden said if they do it because they've used it up they now have to dip in what it is today. If you use your leave, you are pulling from your sick leave. If you use up all of your new stuff then you start pulling from your historical.

Ozuna said he thinks it would be an easy sell if you accumulate new sick leave, then let them use that. Abusers are abusers. If you just leave the old leave in the bank alone then in (6) six months when you accrue new leave you can use it to call in sick or go to the doctor.

Fisher asked if Ihler wants to make that change.

Ihler said he is agreeable with it.

Franco said then you have the other groups who would rather start with (576) five seventy-six. They have said they have made (400) four hundred hours and then they realize that they aren't far from getting sick pay in lieu of.

Ezell said Wells came up with a plan and we can put out there what we're going to support. Now you're hearing that this was said a year ago and you're flip flopping. She is so confused about this and really doesn't know how she feels about it.

Ozuna said it's really not that hard.

Ezell said it is that hard if you are one of those over (576) five hundred seventy-six hours, which are (109) one hundred nine employees.

Ozuna said he was one of them.

Ezell said his proposal; even adding in all of our leave time goes to one bank is not to your best benefit if you are going to retire anytime soon. It's not that she disagrees with Ihler's proposal because he is trying to do what's best for the City. Ihler is one of them who falls within those (109) one hundred nine employees and he will be losing on this also. Then we get back to not getting merit increases when he just told you there's no guarantee. The ones who came back to her asked if we're going to get a merit increase because you'll have more people who will get a merit increase with Wells' proposal. There's no guarantee either way and that's what it boils down to.

Ozuna said people he represents aren't expecting a merit increase, they are just fortunate to have a job. They just don't want to lose any more than what they've lost in the past. They consider themselves very lucky to have gotten the (3%) three percent.

Wells said let's take Ihler's case. Ihler said he has (1500) fifteen hundred hours. Under the new proposal he's locked in at (\$1500) fifteen hundred dollars. Under the old proposal, as an invested employee, as far as he's concerned you have (2000) two thousand odd something hours to take terminal leave. Anything over (576) five seventy-six, from now on you can get paid for. Under the new proposal you are locked in to what you can have and what you are going to get paid. We are only talking about the people who are above (576) five seventy-six because they are the one's who are going to be hurt.

Ezell said you are talking about (109) one hundred nine people who are going to be hurt, is what we are talking.

Ozuna said there are a lot of employees who are new that you would have thought they had (576) five hundred seventy-six because they don't

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like it.

Ezell said she just gave the Committee the numbers. Franco got the numbers for her and there are (109) one hundred nine people as of June (30th) thirtieth who will be affected by what we decide to do today.

Golden said out of those (109) one hundred nine people not all of their situations are the same. The ones who are close to retirement are the ones that it affects most.

Ezell said that's right.

Golden said he has over (576) five hundred seventy-six hours but he plans on being here (10) ten more years. In his case it benefits him to do it this way.

Ezell said it doesn't.

Wells asked Golden how it benefits him if he has (576) five hundred seventy-six hours. In one case you would start getting paid next year and then the other case you won't get paid until (7) seven years.

Golden answered because he still left his terminal leave alone. He still has whatever was built up.

Ezell said Golden is not going to lose that. We are never going to lose that. If you were one of us today, if you decide to retire and you have (1076) one thousand seventy-six hours comes June (30th) thirtieth; you will still have that (1076) one thousand seventy-six hours. Ezell asked Wells if she was right.

Ihler said they are moving the (576) five seventy-six to the new sick leave so whatever you have above (576) five seventy-six you'll get paid in the new sick leave. The (576) five seventy-six is Wells' proposal to move that back over and make that a part of your terminal leave.

Ezell said management is having a hard time with the money situation.

Wells said he likes Ihler's proposal. He is really trying to help general employees but there's no guarantee that in the future there's going to be money to pay it. You start paying it this year or next year then it will become part of the budget. If you put it off somewhere down the road some other City Manager is going to have to make the decision whether the City has money to do this. If not, what can the City do to get around not paying it?

Golden said that was his biggest concern, if we start pulling from that historical leave for people with (100) one hundred hours and above, but he personally doesn't use a (100) hundred hours.

Ezell said they thought of the future.

Golden said if you are pulling and have all of these employees who are still pulling from the historical leave after (7) seven years then have to pay (96) ninety-six hours to each employee. His biggest concern is do we have the money to do that.

Ezell said no one can answer that for us in (6) six years.

Wells said if we can afford to pay police and fire then we've got to figure out how to pay the general employees. He knows that Ezell doesn't want to hear it but that was what previous administration was doing. We should be treated the same as police and fire.

Ezell said she agrees with that statement.

Golden said we are all wearing the City's emblem so we should all be treated the same.

Allen said the biggest concern that his group has is in (6) six or (7) seven years not having the money in the budget.

Rolando said even then it would be a much larger number where if you did it right now it'll be just (109) one hundred nine people.

Ihler said under his proposal it probably will be somewhere similar to (109) one hundred nine. How it is now will probably be how it is then. The only reason why he had set up the proposal that way was because we are still paying out terminal leave. His thought was the amount the City will be paying out terminal leave in (6) six or (7) seven years is going to be much less than the numbers. We had (16) sixteen who took the employee incentive to retire and several of those are doing terminal leave. They'll be gone and we won't have that liability that we have to pay (7) seven years from now each year as more and more retire, that liability goes away. The liability for sick leave pay starts going up and at least we

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replaced (1) one with the other. Like, next year we would have to pay both.

Ezell asked what if we go with Wells' plan but we forgo paying it out for a year or just forgo it period.

Ihler answered if we don't have the money to pay it, we don't have the money to pay it. It seems more like a Legal question. Ihler asked Wilson if we implement that we are going to have this policy, the things that will have to forgo are steps or cost of living increases. We may need to cut the number of employees to be able to pay for it.

Wilson answered what we'll be doing is creating a code of obligation saying the City will pay this obligation to these employees each year to those who are eligible. When Ihler and Council do the budget they have to set aside the amounts for steps or cost of living that might lead to no step increases.

Golden said even though he falls within the category where he would probably get paid out next year. As an employee and a member of the EAC, he would rather see everyone across the board receive a step increase next year than a (100) hundred employees get sick pay.

Ezell said if she saw there was a guarantee she would but you don't have that guarantee. That's what makes it so tough because there is no guarantee on either.

Golden said he would rather go in a direction where everyone would benefit than just a few.

Rolando said he thinks terminal leave would diminish some if you took (576) five hundred seventy-six hours away from everybody who are eligible right off the bat. Instead of starting at (0) zero you'll start off at (576) five seventy-six which is a lot of hours not going into terminal leave.

Ezell said it does go into terminal leave.

Golden said if they took that then it would go back to terminal leave.

Ezell said whatever you have as of June (24th) twenty-fourth is what it's going to be in your terminal leave for every employee.

Rolando asked even if we started at (576) five seventy-six.

Ezell answered even if you get the fortune of putting (576) five seventy-six over here to start drawing a check.

Ihler said for clarification, let's say you have (1076) one thousand seventy-six hours over there. You would take that (576) five seventy-six and move it over here. You come over here in the new sick leave and start getting paid out for it. If you get sick and you're below (576) five seventy-six, only what you have over here is the max you can go is (576) five seventy-six for terminal leave if you don't use it. If you do use some of that and it goes down say (400) four hundred then only (400) four hundred goes over there for the terminal leave.

Massie said he thinks it's worth noting because he has a couple in his office over (576) five seventy-six but there's more at (300) three or (400) four hundred. They didn't realize that with Councilman Wells' plan they wouldn't get any option for terminal leave. They go over to new leave and it accrues towards new leave basically in lieu of (576) five seventy-six. With the proposal that Ihler's bringing, they get to go to historical leave. If they've been working for (4) four or (5) five years to get to (576) five seventy-six and that's going to count for something. That (400) four hundred hours gets to potentially be terminal leave when they leave.

Ezell said she thought that he talked about if all employees, whatever you have now, will go into your terminal leave. Even if you get to put it in the new leave, when you retire or leave it can be used as terminal leave.

Ihler said June (24th) twenty-fourth whatever number of sick leave hours you have goes into historical leave whether it's (20) twenty or (2000) two thousand. If you have (20) twenty over here then you'll move (576) five hundred seventy-six hours. Anybody who has below (576) five hundred seventy-six will move over to the new sick leave under Wells' plan. Like if he had (20) twenty, then (20) twenty hours would move to the new sick leave. If he had earned up to (596) five hundred ninety-six, he could only move (20) twenty back over.

Ezell said that's correct. It's whatever you have at the end of the year, which is June (30th) thirtieth. It's what you would be in your so called historical leave bank.

Ihler said for the purpose of terminal leave, if you qualify.

Ozuna said he likes Ihler's plan because of the possibility of step increases and he is going to leave in (5) five or (6) six years. He likes the idea once you get new sick leave whether it is (40) forty or (50) fifty hours. If you have to call in sick it comes off the new leave and the historical

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leave is left alone. That's the biggest concern he's heard throughout the whole City, they don't want to take anything from the historical leave.

Ihler said he already agreed to do that.

Hubbard said he was in the same boat as all (3) three in this room.

Ihler said part of the big concern is not getting paid now and they want to get (100%) one hundred percent of any new sick leave that they accrue. If they have (2000) two thousand hours, they want (576) five seventy-six moved over here and want to start getting paid now (100%) one hundred percent. Another concern that he has heard is that the (576) five seventy-six is based on formula. Think about it, if you've got (2000) two thousand hours, then you've probably already been here (20) twenty to (25) twenty-five years. You stay (7) seven more years in order to get to where you would start to get paid that (576) five hundred seventy-six. What you don't like about it is what it took you to earn that (576) five seventy-six. That's really the concern because they aren't getting paid the (100%) one hundred percent but the formula. For the most part, if you are already up to (20) twenty years or whatever you are going to have about (30) thirty years anyway worth of time. You are going to get (30) thirty years plus (2.5%) two point five percent for that (576) five hundred seventy-six which is (75%) seventy-five percent. What you would be losing is (25%) twenty-five percent but you're going to lose that no matter what. So for those (7) seven years you would be losing (25%) twenty-five percent of whatever you earned.

Hubbard said at (20) twenty years you would be making (\$0.50) fifty cents on the dollar, (30) thirty years you would be making (\$0.75) seventy-five cents on the dollar.

Ozuna said but that's the ways it's been so it's not that big of a deal.

Hubbard said but it's still a loss. You either take the time or don't take the time.

Franco said look at it as a new employee.

Ezell asked new as in June (24th) twenty-fourth or new as in Massie.

Franco answered as in Massie. You're just going to make that sick leave when you retire. You're just going to get the percentage that's how it was before terminal leave came into effect.

Massie said he would encourage the EAC to talk to their new employees because nobody else pays anything for sick leave. As a new employee coming from Cameron, he left (700) seven hundred hours on the table that he didn't get anything for. If you're saying you're going to pay me using a formula then he's excited just getting something for it. He thinks that the City's new employees would feel the same way because businesses can't afford to pay all those benefits anymore and that's kind of where the City is at. The budget can't afford to continue paying something like terminal leave and that's where we need to come up with some kind of a compromise. We don't want to increase benefits but at the same time budget can't do it if we are going to continue to unfreeze steps or cutting (50) fifty positions.

Ezell said she agrees with what Massie is saying except when he was hired he thought he was going to get terminal leave.

Massie said that was like (40) forty years down the road or something, he wasn't thinking too much of it. He thinks that you can make the same argument for those people who were hired (4) four years ago that are at (400) four hundred hours who will not receive terminal leave.

Ezell said she thought Wells' wasn't like that.

Massie said Wells' cut off was at (576) five seventy-six.

Golden said if you had anything over that (576) five seventy-six, you would still get it for (400) four hundred hours.

Ezell said whatever you have as of June (24th) twenty-fourth.

Massie said he thought there was a huge difference from our plan compared to Wells'. Ours would open the door for everybody and his would cut off at (576) five hundred seventy-six.

Ezell asked Ihler when he was going to take the proposal to Council.

Ihler answered before June.

Wilson said you are going to have your (30) thirty days for it to go into effect after the ordinance passes.

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Ezell asked if the Committee needed to get it ready before next Council meeting April (26th) twenty-sixth.

Ihler said yes, because he needs to get the budget numbers on what's available to us. He needs to know if we're going with Wells' plan because he has to budget (\$300,000) three hundred thousand dollars this year for sick pay in lieu of.

Fisher said if they can decide before April (26th) twenty-sixth because she doesn't think she'd need to send back new language to the EAC. She is going to change it to reflect what the Committee discussed. The new sick leave will be used (1st) first and then historical sick leave. With that proposed change whatever vote the Committee makes needs to go before Council by (26th) twenty-sixth of April.

Ezell asked does it really need the Committee's vote because they are going to take this proposal whether the Committee agrees with it or not.

Fisher answered as an agenda item it would state whether or not the Committee agreed.

Wilson said all the ordinance says is the Committee gets to see it and if the Committee wants to support it or not. Council has to be notified.

Ezell asked but we don't have to either way, you can take it whether we support it or not. You would like to have our support before you do so.

Hubbard said they don't want (400) four hundred employees saying that the Committee didn't do what they said.

Ihler said it would be Council's decision because he is trying to put a budget together by the end of the month.

Flusche said that she agrees with these (2) two gentlemen. She wants step increases for everybody. The biggest thing with taking historical leave first is to start using the new leave. It's (109) one hundred nine people verses a whole bunch of other people. She loves doing everything for police and fire but there's (6) six times the number of general employees. When it comes down to the bucks we just don't have it.

Ezell asked why couldn't we tell fire and police no.

Rolando asked why we should suffer because there are more of us.

Flusche answered the Committee might not like this but who is the most valuable.

Ezell said she doesn't like that at all.

Flusche said she wants her firemen and policemen. You have to do something to keep good people in those positions.

Wilson said he also likes his drinking water.

Flusche said she likes her library too.

Rolando asked what the firemen are going to do without water.

Ozuna said we aren't here to compare employees.

Flusche said people-wise, you've got (600) six hundred or (800) eight hundred general employees. It's just really hard to say whatever fire and police get we are going to do for all general employees because we have much more people.

Ozuna said the key thing is, police and fire have bargaining unions.

Flusche said but that's not always the best thing. She is not pro-union.

Ozuna said he's not pro-union either but they have a contract that they can negotiate with police.

Rolando said they have a big brother standing behind them saying that they can't do that. We don't, we just have City Council.

Ezell said they have an option of taking it to a vote and we don't.

Flusche said she really thinks the best proposal is the one where you start with historical leave and any leave you use comes out of new leave.

Ozuna said once you get it accrued.

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Flusche said so whatever amount you have goes into historical leave. It will be left alone unless all of your other sick leave is taken.

Ozuna said he would rather gamble on that than the possibility of having step increases. If they get them it'll be great and if they don't they won't be expecting it.

Flusche said right. Something's got to give, so let's face it.

Ozuna said the biggest concern was they didn't want to touch their terminal leave.

Flusche said she doesn't want to touch terminal leave either.

Golden said if you start taking from your new sick leave, the one's who build up for the next (7) seven years would probably be less than what the City has to pay out if they had to pull from their historical first.

Massie said the average turnover is (3) three or (4) four years at the most so.

Golden said he meant on the next (7) seven years, if he is still here. He's not going to use up (6) six, (700) seven hundred hours. He is still going to have historical leave by the time pay out comes in sick pay in lieu of. It's going to affect difference ones. He's willing to vote something that's not going to best support one person but what better supports everybody as a whole.

Ozuna said he asked the Street Division, Traffic, Drainage and Storm Mitigation what they wanted him to vote for. The Ihler's plan was ok for the most part.

Golden said once the one's who have historical leave built up feel that they should be able to keep it. Some even said do it the way the City does longevity and only change for the people after July (1st) first.

Ihler said that is essentially what we've done.

Golden said he gets what Ihler is doing. He agrees that we've got to get away from paying somebody twice or paying (2) two people for the same job because someone left. In a way they looked at it as remaining the same and they don't have (2) accounts because it only changes for the people after July (1st) first.

Ozuna said we will be leaving your historical leave alone.

Golden said whatever we've built up so far we'll have the chance to keep. It's on the employee to keep it and just pull from their new sick leave. They don't touch their historical leave they'll still have it for terminal leave.

Ihler said he agrees.

Fisher asked if the Committee was going to take a vote.

Hubbard said first, he would like for Ezell to tell him what she thinks and her plan.

Ezell said she feels Wells' plan benefits the employees more than what the City's plan does.

Hubbard asked what Ezell's explanation of that plan.

Ezell answered next July she'll get a paycheck for (96) ninety-six hours and that's where Wells' plan out does the City's. She's not going to corrupt her historical leave and it's not going to grow any.

Hubbard said your (576) five seventy-six goes back into your historical leave.

Ezell said you have your old and you have your new. Your old is big enough to allow you to draw an extra check.

Franco asked what happens to the ones who are exactly at (3) three or (400) four hundred. They are not going to get terminal leave.

Ezell said everybody gets terminal leave.

Golden said sick pay in lieu of.

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Ezell said they won't get sick pay in lieu of. Everybody get's terminal leave, whether it's (1) one hour or (1500) fifteen hundred hours.

Franco said she thought he stated anybody over (576) five seventy-six.

Ezell said it's not the way that she understood it.

Hubbard said that's why he asked for Ezell to explain it.

Ezell said when you retire everything comes back together. The only thing that Wells' plan does over the City's plan is allow (109) one hundred nine people to draw a check. That (400) four hundred to (500) five hundred hour group could move up to where they can possibly draw a check next July.

Massie said for his understanding. If he has (500) five hundred hours, has (9) nine years with the City, becomes invested, and at the right age to retire on Wells' plan. He'll get (500) five hundred hours terminal leave.

Ezell said that's correct, whatever you had as of June (30th) thirtieth.

Golden said he doesn't think it matters. You could be here (5) five years and have (400) four hundred hours. Whatever you have in that balance, can grow to (576) five seventy-six in order to get sick pay in lieu of. Whenever you retire it carries over to terminal leave.

Rolando said they were eligible for terminal leave.

Golden said there's no guarantee that everybody is going to get paid out. The only guarantee is if we give the money to pay out those (109) one hundred nine people. It's a guarantee that the whole entire employee base will not get a raise next year because they won't bring back step increases and/or sick pay in lieu of.

Ezell said there isn't a guarantee that you would get that either. She feels we are holding step increases above our heads and it's a cloud that may not produce rain.

Golden said he'll get paid out next year but is willing to sacrifice getting paid out next year so that the (7) seven or (8) eight people who work under him get a raise next year. Golden asked why is it fair that he gets paid an extra check and they don't get a raise for the hard work that they put in.

Rolando answered just because you give up your check does not guarantee that they would get theirs.

Fisher said Ihler had said this year there wouldn't be any step increases because he can't afford to pay you out next year. The possible scenario is if you don't get your check it's possible that we can still not get a step increase or that we could get a step increase.

Massie said what he has said at most of these budget meetings is that Ihler is doing everything he can to come up with a way to do steps but he thinks having sick leave in lieu shuts the door.

Golden said he understands when we (1st) first brought up all of this. He thought this was going to affect this year. Then he was like maybe at the end of July or the end of next year he's going to get a check. Now that he knows, he can't support something that only a few benefit from and guarantee to take away from the rest.

Ezell asked what about those who have stepped out.

Ozuna said we don't have anybody stepped out. He makes a motion that the Committee goes with the changes we were talking about.

Golden said Ihler's proposed plan. Change it where you pull from your new sick leave instead of your historical first.

Ozuna said he makes that motion and his people would like that.

Rolando said his people didn't like starting over at (0) zero.

Glaze-Lyle said people she's talked to want to pull from their new too.

Hubbard asked can we run through what that's going to sound like.

Fisher said that section says,

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{After historical sick leave balances are established on June (24th) twenty-fourth of (2016) two thousand sixteen, an employee with historical sick leave balances and new sick leave accruals will use historical sick leave accruals prior to using new sick leave for illness or injury.}

Fisher said the way that would change:

{They will use new sick leave accruals before they use historical sick leave.}

Fisher said that would be the only change unless she sees something that doesn't match up but it will all mean the same thing.

Ezell asked Fisher if the only thing she is changing is that we will not be forced to use historical leave first.

Fisher answered you will use new sick leave first before you ever get to dip into your historical sick leave balance.

Hubbard asked if all sick leave is on the books as of June (24th) twenty-fourth and if all of that will go into the historical leave.

Fisher answered yes, all of that stays the same.

Rolando asked if at the beginning you have historical and then you are at (0) zero.

Fisher answered correct.

Rolando asked what if within a month you'll need to take (3) three days because you are sick, will that come out of your historical.

Fisher answered you can only use what you have.

Rolando asked when you get ready to retire and use terminal leave does that time come back.

Fisher answered no. In the Ordinance historical sick leave can never be replenished.

Golden said no matter what scenario we went through whether we bring the (576) five seventy-six over, all terminal leave accrued at June (24th) twenty-fourth stops.

Fisher said she thinks that's in line with Ihler's proposal but the whole idea is to stop the bleeding.

Rolando said he thinks terminal leave is a losing situation.

Golden said as of right now, you will never have a bigger balance than what you have June (24th) twenty-fourth.

Hubbard said what he was looking at was the fact that (576) five hundred seventy-six hours has long been thought unobtainable by a lot of employees. You're saving up over (6) six years before you hit (576) five hundred seventy-six hours and there is a possibility of getting a check. If we dropped that to (400) four hundred hours, you'll still have (10) ten weeks of sick leave. Hubbard asked couldn't anything over the (5th) fifth year you'll get paid out instead of the (7th) seventh year. If we were to do that, (1) one, we would have more employees try to build up that time so they could look toward that check. (2) Two, it still gives Ihler (4) four years before anybody's going to get paid sick leave in lieu of. It would still save our terminal.

Fisher said unless the Committee calls Ihler back in and asks him if he wants to change that to (400) four hundred, then we'll have to do with what he wants right now. If Ihler wants to come back in, hear that suggestion, and make that change.

Golden asked Hubbard if he was saying that everybody would still start over at (0) zero because essentially in (7) seven years we'll get a check. We would be waiting (5) five.

Hubbard answered yes.

Franco said we would have to put it in somewhere either by I.T. or payroll to hold it.

Fisher said what she's hearing Hubbard say is instead of sick pay in lieu of at (577) five hundred seventy-seven hours its now going to come at (401) four hundred one hours, which means it's going to come sooner. Fisher asked if the only change to this is instead of an employee being able to get their new sick leave built up to (576) five seventy-six they can begin to get that sick leave check to (400) four hundred hours.

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Hubbard answered that is exactly what he is saying.

Fisher said that'll reduce the time.

Massie said the (400) four hundred hours doesn't even cover an FMLA event. So, if we have FMLA, it'll be (12) twelve weeks. Say you're going to have a baby, right now employees save up so they can take the full (12) twelve weeks for that event. (1) One, they would run out of leave at that time or (2) two, it brings them back to (0) zero leave because they were capped at the (12) twelve weeks. We have more employees on FMLA than you know of. He does think Ihler would allow that because you are lowering the cap for new employees. He would be concerned about FMLA because we aren't allowing our employees to have enough time to cover that (12) twelve week event which is (480) four eighty, he believes.

Ihler said with out researching numbers, what you are really saying is that we are going to start paying out a total of a (100%) one hundred percent for (176) one hundred seventy-six more hours. The distance between (576) five seventy-six and (400) four hundred is (176) one hundred seventy-six hours. That's more up front that the City would have to pay. There are a lot of people who may only work (5) five years or get into that category wouldn't get paid by any of those formulas until they leave.

Hubbard said what Massie brought up was FMLA which would require (480) four hundred eighty hours. All it's going to do is shorten that period before anyone would get paid out. If you change it to (480) four eighty then now you're at (5) five years. By the (6th) sixth year, they would get paid out besides the (7th) seventh year. What he is looking for is something the employees feel is more obtainable for them to reach. (576) Five seventy-six, if someone tells you it'll be (7) seven years then you'll save up all of your sick leave to get a check for (96) ninety-six hours. You're going to have a lot of people who aren't going to save sick leave other than (80) eighty hours who feel like they aren't going to be able to obtain it. He thinks we should encourage employees to save sick leave and get it to a point where they have sick leave to cover themselves if they get hurt.

Ihler said again you are looking at numbers. He would love to go with Wells' plan if he had all of the numbers and it showed we could afford it. He would jump on it but it's a pay me now than later type of issue. The reason why he wanted to come up with this plan is because he doesn't know if we've got the money. His priorities are to try to get a cost of living adjustment and step increases. As you can see we have to downsize to be able to do that. Let's say that it's (25%) twenty-five percent of the employees. He realizes you wouldn't get there until (4) four years or whatever but once you got there that's (300,000) three hundred thousand additional on top of what we are already doing. He would hate to jump into that. Some people had to wait to get (576) five hundred seventy-six hours and it would bring us back into negotiations with police and fire. They would want (400) four hundred hours. He sees what the Committee is saying. It's easier to see (4) four years down the road than (7) seven. He would be worried about how much it would add to the overall budget.

Ezell said there would be (109) one hundred nine plus. She thinks there were (25) twenty-five who fell in that (400) four hundred group. It could be (150) one hundred fifty people as of next year that the City would have to pay.

Rolando said it would actually be only (25) twenty-five people.

Golden said it wouldn't be paying out next year starting at (0) zero.

Hubbard said it was Ihler's plan to start at (0) zero.

Ihler said he would have to think about it. If we didn't start the payouts until (400) four hundred hours then he would rather defer the payouts.

Ezell said she thinks what Hubbard is saying if everyone starts off at (0) zero come July (1). When you hit (400) four hundred hours then you would be out. Nobody's moving any time over.

Ihler said he sees that. Now you've got every employee getting paid (100%) hundred percent after (4) four years.

Hubbard said it could be (480) four eighty after your (5) five. At the same time, he's also looking at your employees who'll decide they are not going to do anything because they're going to get dollar for dollar they would be taking that time off. Those dollars are going to be spent in the ability to operate the City as far as people being gone from their positions. He thinks that's probably an even trade but he's not dealing with budget.

Golden said even if we did Massie's idea, but back it up (1) one year. Cap out at (480) four eighty and get paid for anything over (480) four eighty. That (480) four eighty covers the (12) twelve weeks of FMLA that an employee might need. Instead of getting paid out at the end of (7) seven years, you get paid out the end of (6) six.

Ihler said he can't commit to that at this point and time because the (576) five seventy-six number was established many years ago. We would have to go back to renegotiate with police and fire.

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Hubbard asked if that was the number with police and fire.

Wilson answered that was correct.

Hubbard asked if there was a reason behind that number.

Ihler answered he doesn't remember when it was first established. His fear would be that it adds to the overall budget.

Massie said both fire and police are (576) five seventy-six.

Ihler said but it does add how many people would fall under that category where they would be getting full payment for (2) two years.

Motion to make changes to the proposal where it's pulled from the new sick leave instead of the historical leave first by Albert Ozuna with a second by Scott Golden Ayes: Franco, Ozuna, Glaze-Lyle, Allen, Golden, Hubbard Nays: Ezell, Rolando Motion carried.

D) 457(b) Voluntary Plan

Franco said there were some questions that were brought up going to the new (457) four fifty-seven plan. There are some employees who would prefer to stay with ICMA and Nationwide.

Massie answered he thinks there was some misunderstanding last time. Right now, the record keepers for voluntary retirement products are with ICMA and Nationwide which the City doesn't contribute anything towards. The proposal or the thought was to change to Mass Mutual. They are (1) one of the top (5) five in the country. What comes with them is a local advisor, Edward Jones. We would have someone local, so if you have questions they could be here within minutes. The education is a big portion of this. For the year that he's been here we haven't done any education for general employees for Nationwide. We just did some with ICMA after a lot of teeth pulling. ICMA heard we were looking to switch and so they came down.

It comes down to (2) two things for him. (1) One is education. We would have monthly QAs with our local advisor, quarterly seminars with Mass Mutual and we really need to get general employees contributing. They need to start thinking about whether their retirement starts at (10) ten or (40) forty. When they do get into retirement age, they can retire comfortably and not have to work until they're (80) eighty because they can't afford to retire. (2) Two better fee ratio. Over the past couple of weeks he had pulled all of the ICMA and Nationwide things. When comparing the similar investment options we would go with Mass Mutual, ICMA, or Nationwide. ICMA average net fund expense is (1.38%) one point thirty-eight percent; Nationwide is (1.62%) one point sixty-two percent; and Mass Mutual is (0.81%) point eighty-one percent. He can't think of (2) two better reasons to switch because it's not the City's money, it's the employees. It's cheaper for the employees because more of their dollars are going towards their investment and less towards expenses. We'll actually have a local rep that is here to educate our employees on why they should contribute. They would be hosting Social Security seminars. We kind of talked about this last month; the confusion is that if we do it Mass Mutual becomes the administrator and record keeper. Every general employee with ICMA and Nationwide money moves over to Mass Mutual. Once it is moved, there will be a platform of investment options. Mass Mutual would be the administrator.

Ezell asked if that was a requirement.

Massie answered that is a requirement.

Ezell asked if they can't leave it there and manage it on their own.

Massie answered correct. This would be the City's sponsored plan. He would love to do this with fire and police but they have contracts where it would prevent him from doing it. The other thought was why we couldn't have Mass Mutual as a (3rd) third option and just have all (3) three. We could put our money where we want and never have to take any money out. A company like Mass Mutual is not going to come in if they aren't getting any dollars to start off. The reason why we are getting a much cheaper price is because it's how much this plan is bringing. They are looking at the fact that there hasn't been any education. Once they come and do that they will get even more money.

Hubbard said we know nothing about the other company than what Massie has done in research. He wished we had more information in order to make this change. Reading through the minutes, Wells' comment is, everyone understood that it was going to be a (3rd) third option. Until employees decide that they may want to move over. What we need is some education on this (1st) first. Massie had talked about education himself. After talking with other employees who do participate are concerned about making that the company. Hubbard asked if fire and police have the other (2) two.

Massie answered yes.

Hubbard asked if this would be an option for them.

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Massie answered it would be another option.

Hubbard asked why we weren't allowing that for the general employees. He believes it should be allowed as a (3rd) third option, not the only option because no one has had the chance to go out and look at it. He is not saying they are not a great company. He thinks if they want to expand the time and effort to educate the employees who are currently participating in the other (2) two plans then maybe we can look at it and say whether or not they have a problem with it.

Wilson said he's not a part of the EAC but would like to make a comment. He would like to thank Massie because he appreciates what he is doing for the City just being here for a year. He's brought a lot of new ideas and great proposals. He is one of the concerned employees because when he started with the City (15) fifteen years ago ICMA was the only option. Since he's been with ICMA he had gradually increased the amount he was contributing and he's done well with them. Around (2010) two thousand ten, Nationwide was added as an option and employees could choose either Nationwide or ICMA. He would be the (1st) first to admit that ICMA hasn't been the best with coming down and educating. He thinks the lady who was our representative passed away and they didn't replace anyone for a while. They got a guy out of Dallas and he wasn't that good. Recently, he thinks it got assigned to someone in Edmond. It has gotten better but maybe it's because of what Massie said they got word that we were going to cancel. With that all being said, for (15) fifteen years he's done well with ICMA. You can go online to their website and choose whatever investment option. They have invented a great product for him. He agrees that if we have enough information about Mass Mutual, Massie has said that they offer a lower rate.

He has asked Massie what were the investment options because looking at ICMA they offer about (30) thirty plans to invest in. They all look like they are draped into mutual funds with one being a veritable annuity. A veritable annuity usually changes more fees. He asked Massie to check on that with Mass Mutual. What he's gotten back so far is they are also mutual funds. He got online and saw Mass Mutual talking about their platform being veritable annuities. He doesn't know the answer to that. You really don't want to put (457) four fifty-seven money into a veritable annuity because there's no tax advantage. You'll get a tax advantage from a (457) four fifty-seven plan because you don't need that same veritable annuity. Wilson asked what the returns on Mass Mutual products were and are there options over (1) one year, (5) five years, (13) thirteen years. How does that compare with ICMA and Nationwide? He thinks there does need to be more research on this because its not City money its employee money and would need to make it an option for police and fire for a year. Let's see what Mass Mutual is like, what their returns are, and if they offer superior products then that would be a great option to switch.

Hubbard said his concern was the older he gets the more he worries about his money.

Ezell asked can it be another option, do we have a choice or do we have to do one or the other.

Massie answered he'll take it back; it'll mostly be thanks but no thanks. Instead of it being (0.81%) point eighty-one percent then it might be (1.62%) one point sixty-two percent like the others.

Hubbard said if they would like to help educate us more about their products. We don't know if we want to put it into place July (1) one. You're going to have a lot of employees that are using it.

Massie said he thinks from the City's stand point we have a job as a judiciary to provide the best options for our employees legally. From his stand point as a judiciary, this is the best option. He also realizes this isn't City money it's employee money. He wanted to make sure that the employees are comfortable with the options we rule out. Unless there's a disagreement they're willing to do it as a (3rd) third option not as an only option.

Hubbard said that's what he would like to see.

E) Flexible Spending

Hubbard said he thinks this is another one we might be changing. Hubbard asked were we looking at some other companies.

Massie answered we are out to market right now.

Hubbard asked how are we going to know and will it be brought back to the employees.

Massie answered we'll announce it at open enrollment who we are going with because that's the responsibility of HR. Our healthcare, dental, and vision are out to market for bids right now.

Hubbard asked if it was going to the Health Committee, at least letting them (1st) first review it.

Massie answered the Health Committee isn't a voting or signing Committee. They are just a recommendation Committee similar to this one. We'll bring it back whoever we are going to go with.

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Hubbard asked Massie if he's going to bring back the proposals and allow them to yah or nay whether or not they agree with what he's thinking.

Massie answered no, we wouldn't.

Hubbard asked why not because that has to do with an employee benefit.

Massie answered it does.

Hubbard said the Health Committee is the most up to date on these items rather than the EAC. He knows Ozuna is on the Health Committee. The majority of us don't understand it. He does know its part of the employee benefits. At least they should be allowed to see what the proposals are and they can either agree or disagree.

Massie said maybe he misspoke, we will bring it back here letting the Committee know what we are going for and if the Committee agrees. That could be where we go to the City Manager and present our recommendation from an HR Director's stand point. Flex Spending is really one of those things that are more of an account. You have a card to pay your co-pays and/or additional services which comes out of your check. There aren't a whole lot of benefits there that differ. Somehow the City ended up with Higginbotham and that maybe (1) one of the reasons why he's against going with the Health Committee. Higginbotham is one of the worse ones he's ever seen.

Wilson said he thinks that was a preference of the previous HR Director.

Massie said we paid fees. Every employee is paying (\$1) one dollar or (\$2) two dollars to have the card. The City is paying a (\$1) dollar. He was able to drop his budget (\$5000) five thousand dollars with the understanding that we weren't going back to Higginbotham. With the company NFP, we will no longer have any administrative fees. It would strictly be a free card to go use your own money. The Flex Spending account we'll definitely bring it to the Health Committee and say here's the pros and the cons if there are any. Get their voice so we can then take it to the City Manager.

Hubbard said the only thing he asked is to allow the Health Committee to help review and allow them to agree or disagree.

Massie said we wouldn't make a decision without them ever. We would definitely bring it to the Health Committee to get their opinion.

Rolando asked if the Flexible Spending was what we called a Cafeteria Plan.

Massie answered yes.

Rolando asked with that money, could you actually pay your hospital bills and co-pays.

Massie answered yes, absolutely, that's what it's for. The only thing about HSA is you've got to use up all of that money or you'll lose it. With Higginbotham, all of the liability is on the City. For example, he's a new employee, he puts (\$2000) two thousand dollars in his Flex Spending account. The City is withholding a certain amount of money each paycheck until it gets to (\$2000) two thousand dollars. If he leaves after (2) two months, has already spent his (\$2000) two thousand dollars, the City is on the hook for that. With our new company, the insurance company will be liable for that.

Ezell asked Massie if they can't hold them to anything after they leave.

Massie answered no. It's to the advantage of the employees to do it.

Rolando said when you say insurance company, in our situation, we are the insurance company.

Massie said not with that. It's not self-funded. It's a past due account where the money comes out of your check into that account and is paid to Higginbotham. Higginbotham then pays your bills when you send in your receipts.

Hubbard asked if they would pay it in advance.

Massie answered yes. For example, if he has a huge procedure January (5th) fifth, he could use all of his money up front. Right now, if an employee leaves January (28th) twenty-eighth the City is eating the cost.

Rolando asked if that is taken care of during open enrollment on May (16th) sixteenth.

Massie said yes, and you can also change your amount during open enrollment. Most of those companies require mandatory meetings. Whoever we go with we'll set that up. It's a (10) ten minute meeting where you meet with the person and they go over all of the options and products

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they offer. This kind of helps to get that information out there.

3. COMMUNICATION/DISCUSSION

* Franco said next is EAC Categories.

Tim Wilson (City Attorney) passed out an EAC Ordinance. Wilson said he went ahead and prepared the ordinance after our last meeting. So he has the final version of it. It reconstitutes the EAC into the categories that the EAC members expressed interest in. We created an 'at large' group. It'll be EAC (1) one, (2) two, (3) three, (4) four, all the way through (9) nine. We really can't take any questions on it but he'll just point out to the Committee that this was what you all had voted on at the last meeting. He put this in order, so please just review it and we'll have it on the agenda for the next EAC meeting. If the members like it then we'll vote and take it to Council.

* Wells said the Committee needs to start thinking about getting the general employees to do what police and fire does within the community to build support. Notice police started having coffee with citizens and fire is always doing things to build up support for their groups. This Committee needs to be doing the same sort of thing or find out how to be better representatives for the community. He appreciates the City employees. He wouldn't want to be the employee in the winter standing in (2) two feet of water and its (30) thirty degrees outside. There's not a person here who isn't needed and everybody's job is important. Treat us the same.

Ezell said thank you.

* Massie said he wanted to add one more thing. Communication about the Service Awards will be next Thursday. The RSVP deadline is this Friday. We have about (161) one hundred sixty-one people coming and the programs are being printed. The retirement gifts are in the HR office and they are very nice. We've got (30) thirty retirees, not all (30) thirty are coming but at least double digits.

Hubbard said he's glad Massie brought it back.

Massie said the pins are in his office; hopefully you're in that category to receive a pin. If not, then next year.

4. ADJOURNMENT

Motion to adjourn by Denise Ezell and 2nd By Albert Ozuna. Motion Carried
Meeting Adjourned at 11:13 a.m.