

Thursday, April 1, 2021
WAYS AND MEANS COMMITTEE
MINUTES

1. CALL TO ORDER AND ROLL CALL

A. Call to Order - Chairwoman Sims called the meeting to order at 5:30 PM

B. Roll Call – Members present represent a quorum

Chairwoman Sims – Present Alderman Gould – Present
Alderwoman O’Neill – Absent Alderwoman Tice – Present

Others present for the meeting included: Lynda Higbee and Darren Huffty with Higbee and Associates, Jason Kotz, Kevin O’Keefe, David Dimmitt, Alderman Plufka

2. APPROVAL OR AMENDMENT OF THE AGENDA

A. Approval or Amendment of the Agenda

Alderman Gould suggested moving all items that were listed under Agenda Item 3 (Announcements, Appointments, Proclamations and Recognitions) be moved to Agenda Item 5 (City Administrator Report), and changing the order slightly so that all items would be more relevant to discussion. Motion was made by Alderman Gould and seconded by Alderwoman Tice to amend the agenda as noted.

Agenda was then approved by acclamation.

3. ANNOUNCEMENTS, APPOINTMENTS, PROCLAMATIONS AND RECOGNITIONS

None

4. REPORT OF COMMITTEE CHAIR AND ALDERMEN

A. Chairman Sims - No Report

B. Alderman Gould - No Report

C. Alderwoman O’Neill - Absent

D. Alderwoman Parke Tice – No Report

5. CITY ADMINISTRATOR REPORT

A. Continued Discussion on the Compensation and Benefits Study Report - Next Steps

The Ways and Means Committee will consider scheduling another meeting in the month of April to conclude this discussion if they do not reach conclusion at this meeting. Suggested date was Thursday, April 15th.

B. Continued Discussion on the Compensation and Benefits Study Report - 85th Percentile Presentation and Lump Sum Merit Compensation

Lynda Higbee and Darren Huffty with Higbee Associates shared screen and Power Point presentation, with a review of items needing additional discussion from last meeting, including:

1. Refreshed information on the 75th and 85th percentiles and comparison of the two. It was noted that there is very little difference in movement between the two percentiles and there are no significant changes for uniform and non-uniform employees. Moving to the 85th percentile represents just a philosophical difference between the two. People who are at the top of the range will continue to bump the top of the range.

2. Shared the comparison with and without standard deviation, again presenting very little change.

3. Discussed the lump sum merit for a good performance appraisal, along with a base increase, which equals over \$200,000 for uniform and non-uniform employees combined.

4. Noted several decisions are required before moving forward, such as:

a. Philosophy: 75th vs 85th percentile; With or without standard deviation, using highest comparator maximum, and whether to do a lump sum merit award.

b. Implementation strategy: Move to next highest step, or to an adjusted step, and with/without a lump sum merit award

c. Timeline for update: Retroactive to January 1, or July 1 (mid-year) – both of which are not budgeted and will need an amendment, or next year 2022 at which time we would have to reexamine the numbers again as they will be out of date.

A great deal of discussion took place after the summary review. Topics for additional discussion included the standard deviation and how it works and brings balance to the numbers. One suggestion was a request for the 95th percentile numbers in the comparison, to help determine philosophy. Lynda noted they could run them; however, it would not make much difference and that to make an impact, the solution would be the lump sum merit.

The question was asked, what is driving the decision to re-evaluate what we have done in the past? It was noted that we have a strong retention and attraction of employees and adding a percentage increase means having to maintain a higher base pay over time. A lump sum amount allows the increase without drastic change in the base.

In response to questions asked by Alderman Plufka when recognized by the Chairwoman, Lynda noted that using standard deviation represented best practice, and that our comparator groups are solid. She reminded that we are comparing all employees and not just one departmental group and would suggest we remain consistent with our philosophy, whichever we choose. The internal equity consideration between Fire and Police is an internal discussion and the considerations are not data or market driven.

Lynda concluded that the key decisions to be made are whether or not to run the 95th percentile numbers, whether or not to use the standard deviation, and to make an internal decision regarding equity.

Motion was made by Alderwoman Tice to have Lynda run the 95th percentile comparison for the next meeting, but there was no second to the motion. The motion dies.

Bola shared that Lynda should come back to next meeting as we determine the philosophy of our discussions.

Chief Spiess raised a question regarding the comparators between Police and Fire regarding equity of positions. While position titles are not the same, he feels the jobs are similar and should command equal pay. He appreciates an opportunity to discuss the topic and suggested we need an internal study of the jobs and position responsibilities.

Chairwoman Sims requested an action for the next meeting – asking for collection of information and updated job descriptions for all uniformed positions and to come with recommendations.

Alderwoman Tice asked to include financial projections to the budget at the 75th, 85th and 95th and what the total compensation cost are at all three levels.

In regard to the lump sum merit component, Kevin O'Keefe spoke noting that the Missouri Constitution prohibits "merit" for government employees for a job already done. If we want to do this, it has to be incentivized in terms of retention compensation. He noted that it is unrealistic to think a one-time payment will fix things. That is a band-aid and does not correct the problem without base compensation.

C. Continued Discussion on the Compensation and Benefits Study Report - Vacation Benefits, New Hires and Departures and Life Insurance and AD&D Caps

Jason Kotz shared new hire/departure information for Public Safety employees since 2017, in regards to the retention of employees discussion.

Jason also shared a memo with the updated language for the employee handbook - A revision of the vacation policy regarding 1st year employment, noting there is no financial impact with this change. He asked for approval to take this vacation policy change to the Board for final approval. A motion was made by Alderwoman Tice and seconded by Alderman Gould to approve the changes as noted in the memo and move forward to the Board of Aldermen for approval.

Motion carried by roll call vote of 3 (yes) to 0 (no).

Jason then shared a memo regarding the Life Insurance and Accidental Death & Dismemberment policies currently offered by the City and made a recommendation to increase the coverage levels to two times the annual salary with a cap at \$150,000. He indicated we may see a slight increase in cost, and recommended we move forward to get a quote for this coverage to determine cost. A motion was made by Alderman Gould and seconded by Alderwoman Tice to seek a quote for this increase in coverage.

Motion carried by roll call vote of 3 (yes) to 0 (no).

6. DEPARTMENT REPORT

None

7. CITIZEN COMMENTS

A. Citizen Comments - None

8. ADJOURNMENT

A. Adjournment

Motion was made by Alderman Gould and seconded by Alderwoman Tice to adjourn the meeting.

Motion carried by unanimous voice vote. Meeting adjourned at 7:28 PM.