

MINUTES
APRIL 13, 2016
7:00 P.M.

FINANCE & PERSONNEL COMMITTEE

Members in Attendance: Jeff Risner, Chair
Chris Fahl, Vice-Chair
Kent Butler, Member

Administrators and/or
Other Elected Officials: President Knisely
Mayor Patterson
Service-Safety Director Horan Moseley
Human Resources Director Galbraith
Auditor Hecht
Deputy Auditor Kreider

Items Discussed:

- Workers Compensation (payments)
 - Auditor – updated Council on changes to the payment schedule – City spent (\$205,000) in 2015 for 2014 BWC costs – that amount would have doubled without rebate that was set aside, along with other smaller credits – this year the City will not only be paying 2015 BWC costs, but 2016 as well, and in December will be billed for 2017, with a payment due by December 31st – full amounts for 2015 (\$278,000) and 2016 (\$367,000) will need to be paid this year, however, a payment plan will be established for 2017 (\$91,000) as a quarterly payment (to ensure healthy fund balances) – total BWC paid out this year will be approximately (\$736,678) – this amount also includes a set-aside rebate from last year of (\$117,700) – pointed out that this will impact the General Fund – the funds to pay the total amount have already been appropriated
 - Risner – asked about cost once we begin paying forward for 2017
 - Auditor – average is \$400,000 annually

- Municipal Pool (borrowing)
 - Auditor – financing will go through the bond process in order to keep current bond rating – will work with consultant from Baird and Moody's to get it certified – the bond will then go out nationally for bid – part of the process involves the City's cash reserve and debt fund policies (put into place in 2010) –cash reserve is an important factor when actually borrowing the money

-Mayor – asked if this can affect our rating
-Auditor – the City would pay more interest on a 16-20 year bond with a 10-year amortization schedule before it can be refinanced – our current bond rating is AA2 – City is nowhere near our debt ceiling – we have a very regular and steady tax base due to Ohio University – bond consultant is encouraging City representatives to make its presentation in Chicago

- Municipal Court (purchase of van)

-Auditor – Judge Grace would like to replace the current 1995 van for a newer (16-seat) model to serve the community service clientele through the Court's Diversion Program – Judge is requesting a \$50,000 appropriation to Diversion Fund, 232, T.C. 500

-Fahl – commended our mechanics for keeping our vehicles in operation for so many years – the City certainly does get its useful life out of its vehicles

- Arts, Parks & Recreation (replacement mower)

-Mayor – this is replacing a 20-year old mower

-S-S Director – will be disposing of it as trade-in value on replacement

- Clemans-Nelson (non-union compensation plan)

-Auditor – her office was asked to review the cost impact of the plan – this has been extremely difficult due to various staffing reclassifications and vacancies – information was received yesterday, and is problematic in that there are several inaccuracies, including placement of employees and their years of service within the pay scale – requested a two week delay before introducing an ordinance to approve the new compensation plan to ensure correct calculations, and review by all employees – this would still allow enough time for 3-readings and implementation by July 1st

-Deputy Auditor – provided comparison spreadsheets – noted inconsistencies in placement of employees in the pay scale based on years of service to the City, and their percentage through the pay grade – Clemans-Nelson has recommended that employees be half-way through the pay grade at 10 years of service – the City has many employees who already exceed that 10-year threshold and should be at 50% of the pay scale within their pay grade – would like to see detail regarding guidelines used to make these calculations

-Risner – asked about the Clemans-Nelson formulas that were used in these calculations

-Deputy Auditor – has not seen a spreadsheet with the formulas

-Mayor – Administration has not either

-Risner – believes that would be helpful

-Auditor – pointed out that position placement within the pay grade is not being applied in a consistent manner – needs to be applied fairly – each employee's hire date and years of service within the position should be carefully reviewed when considering placement within the pay grade

-Butler – expressed concern that there could be morale issues if the information is not documented and well-defined – should err on the side of caution in order to treat our employees fairly through this process

-Auditor – suggested that the 3% increase at the end of the 180 day probation period is cause for concern as well

-Mayor – questioned the need for the probationary increase – would like to eliminate that language – agrees, there appears to be discrepancies in years of service credit, and believes a two-week delay is advisable

-Auditor – noted that a probationary period is necessary, but doesn't need to have an accompanying pay increase

-Fahl – is hearing the need for additional administrative work that needs attending to before this plan can move forward, keeping in mind that the consultant's role is to be a neutral party

-S-S Director – need to be cognizant of the cost of implementation when requesting a review of each employee's years of service with the City, as opposed to years of service within the position – advocates for pay adjustments to those long-term employees who reach the top of the pay scale within their pay grade

-Fahl – asked if the endpoint of this plan is to be more competitive in the job market, or for employee morale – those two will not mesh in every instance

-Auditor – believes the Clemans-Nelson model is a good one – she just wanted to point out that there should still be room for changes that can be justified

-H.R. Director – clarified that this project was done as a starting point to get the City to pay equity, internal equity, and external market – that is what is most important – this plan is the foundation for supporting our employees

-Dep. Auditor – urged standardized placement guidelines that will be equal for all employees

-Risner – will discuss again in committee in two weeks

- ADA Chair Lift
 - Mayor – bids came in higher than the engineer's estimate but within the allowed 10%, not for the equipment, but for construction and installation – will need an increased appropriation and expenditure

ITEMS NEEDED ON THE NEXT CITY COUNCIL AGENDA:

1. Van
2. Mower
3. ADA Chair Lift