

Finance Committee Minutes

Honorable Council
City of Newark, Ohio
August 8, 2023
5:45pm

The Finance Committee met in Council Chambers August 7, 2023 with these members in attendance:

Doug Marmie – Chair
Spencer Barker
Bradley Chute
Jonathan Lang
Michael Houser

We wish to report :

Mr. Marmie - First item, the unappropriated balance of the General Fund is \$1,436,743.00 and the cash balance of the Budget Stabilization Fund is \$1,520,330.00

1. **Resolution No. 23-70 Exp** APPROPRIATING MONIES FOR THE CURRENT EXPENSES OF THE MUNICIPAL CORPORATION

Section 1. There is hereby an appropriation of the unappropriated balance of the 100 General Fund, in the amount of \$405,754.88 (Approval of contract, salaries include wages and bonus, pension is on wages (not bonus) holiday and overtime)

100.202.5111	Salaries	326,107.54
100.202.5117	Holiday	2,015.42
100.202.5118	Overtime	21,336.66
100.202.5121	Pension	41,102.31
100.202.5126	Medicare	5,133.14
100.202.5127	Workers Comp	5,509.81
100.202.5147	Sick Leave Conversion	4,550.00

Ryan Bubb, City Auditor - After the Union Contract was passed by this body, this is the appropriation to cover salaries, benefits and so forth through the end of the year. This should

be the correct amount providing there are no unforeseen circumstances.

Motion to send to full Council by Mr. Lang, second by Mr. Barker, Motion passed 5-0

Section 2. There is hereby an appropriation of the unappropriated balance of the 100 General Fund, in the amount of \$6,664.00 (To pay invoice for outside Counsel)

100.102.5238	Services General	6,664.00
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Ryan Bubb, City Auditor - This is a request from Janine to pay an invoice for outside Counsel that was used.

Motion to send to full Council by Mr. Lang, second by Mr. Barker, motion passed 5-0

2. **Resolution No. 23-71** APPROPRIATING MONIES FOR THE CURRENT EXPENSES OF THE MUNICIPAL CORPORATION

Section 1. There is hereby an appropriation of the unappropriated balance of the 623 Water Projects Fund, in the amount of \$184,254.50 (East side transmission water main construction project original \$3,250,000 funding through Ohio Builds Development of Developmental grant (total cost \$3,434,254.50)

623.706.5521603	Water Lines East Side Transmission Line	184,254.50
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Brandon Fox, Water Administrator - This is additional funds for the East Side Transmission project. We got \$3.25 million on a grant and this is just the remaining cost to fund it.

Motion to send to full Council by Mr. Lang, second by Mr. Barker, Motion passed 5-0

3. **Resolution No. 23-72** A RESOLUTION AUTHORIZING AND DIRECTING THE AUDITOR OF THE CITY OF NEWARK TO PAY BILLS ON BEHALF OF THE CLERK OF COUNCIL PURSUANT TO SECTION 5705.41 (D), THEN AND NOW CERTIFICATION; AND DECLARING AN EMERGENCY.

Mr. Marmie - This is in order to pay that attorney the \$6,664.00 that we just voted on, this is required in order to be able to pay that.

Motion to send to full Council by Mr. Lang, Second by Mr. Barker, Motion passed 5-0

4. **Ordinance No. 23-33** TO PROVIDE FOR THE ISSUANCE OF NOT TO EXCEED \$720,000 OF BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF BONDS FOR THE PURPOSE OF PAYING A PORTION OF THE COST OF BURIAL OF OVERHEAD ELECTRIC, CABLE AND TELEPHONE LINES, INCLUDING EASEMENT ACQUISITION AND ALLEY REPAIRS, AND ALL NECESSARY APPURTENANCES THERETO, AND DECLARING AN EMERGENCY.

Ryan Bubb, City Auditor - For the sake of time would you like for me to discuss this Ordinance through 23-39?

Mr. Marmie - Yes, that would be great.

Mr. Bubb - These are note renewals that are going to occur, these are coming due in September. Right now we're looking at about a 5% interest rate. We are going to renew these notes one more year, two mortgage projects will be completed in a year so it will leave us in a better stance on a longer term bond on this, so we'll be rolling these for one more year and that's what the interest rate is going to be and the emergency clause is due to the time coming up on these being due.

Motion to send to full Council by Mr. Lang, second by Mr. Barker

Mr. Marmie - Any questions on 23-33 through 23-38? We will have to have separate motions on all of them, but would like to go ahead and offer any discussion for all of them so we can get through all of them if at all possible.

Motion passed 5-0

5. **Ordinance No. 23-34** TO PROVIDE FOR THE ISSUANCE OF NOT TO EXCEED \$910,000 OF BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF BONDS FOR THE PURPOSE OF PAYING A PORTION OF THE COST OF CONSTRUCTING A NEW 4TH AND MAIN ROUNDABOUT, AND ALL NECESSARY APPURTENANCES THERETO, AND DECLARING AN EMERGENCY.

Motion to send to full Council by Mr. Lang, second by Mr. Barker, Motion passed 5-0

6. **Ordinance No.23-35** TO PROVIDE FOR THE ISSUANCE OF NOT TO EXCEED \$1,650,000 OF BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF BONDS FOR THE PURPOSE OF PAYING A PORTION OF THE COST OF ROAD, BRIDGE AND BIKE PATH IMPROVEMENTS, AND ALL NECESSARY APPURTENANCES THERETO, AND DECLARING AN EMERGENCY.

Motion to send to full Council by Mr. Lang, second by Mr. Barker, Motion passed 5-0

7. **Ordinance No.23-36** TO PROVIDE FOR THE ISSUANCE OF NOT TO EXCEED \$850,000 OF BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF BONDS FOR THE PURPOSE OF PAYING A PORTION OF THE COST OF ICE RINK ROOF REPLACEMENT, AND ALL NECESSARY APPURTENANCES THERETO, AND DECLARING AN EMERGENCY.

Motion to send to full Council by Mr. Lang, second by Mr. Barker, Motion passed 5-0

8. **Ordinance No.23-37** TO PROVIDE FOR THE ISSUANCE OF NOT TO EXCEED \$2,540,000 OF BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF BONDS FOR THE PURPOSE OF PAYING THE COST OF TAMARACK 40TH STREET UPGRADE STORMWATER IMPROVEMENTS, AND ALL NECESSARY APPURTENANCES THERETO, AND DECLARING AN EMERGENCY.

Motion to send to full Council by Mr. Lang, second by Mr. Barker, Motion passed 5-0

9. **Ordinance No.23-38** TO PROVIDE FOR THE ISSUANCE OF NOT TO EXCEED \$3,110,000 OF BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF BONDS FOR THE PURPOSE OF PAYING THE COST OF WATER SYSTEM IMPROVEMENTS, AND ALL NECESSARY APPURTENANCES THERETO AND DECLARING AN EMERGENCY.

Motion to send to full Council by Mr. Lang, Second by Mr. Barker, Motion passed 5-0

10. **Ordinance No. 23-39** AN ORDINANCE CONSOLIDATING SIX BOND ANTICIPATION NOTE ISSUES OF THE CITY OF NEWARK, OHIO AND DECLARING AN EMERGENCY

Mr. Marmie - This is just consolidating all of those that we just discussed and passed into one bond.

Motion to send to full Council by Mr. Barker, second by Mr. Lang, Motion passed 5-0

11. **Ordinance No. 23-40** AN ORDINANCE SETTING COMPENSATION AND STATING POLICY WITH RESPECT TO CERTAIN APPOINTED POSITIONS OF THE CITY OF NEWARK, OHIO REPEALING ALL ORDINANCES AND RESOLUTIONS IN CONFLICT HEREWITH AND DECLARING AN EMERGENCY

Bill Spurgeon, Director of Human Resources - As point of order, the wage table has an omission and a revision I would like to read into the record. We inadvertently left out the Chief Deputy Clerk of Courts, mistakenly thought that was a non-bargaining policy, that correction came to my attention after we submitted the submittal deadlines. So, I wish to read that into the record as the intent to extend the same compensation philosophy 7-4-4 to the Chief Deputy Clerk of Courts. That's an omission Mr. Chair, the second is a correction. On the wage table again after the submission deadline it was brought to my attention that the Treasurer of our great City had a previously legislated raise for years 23 and 24 that aren't captured in the wage scale before you today on page 69 of the legislation. I can provide a chart, I think the numbers are accurate, but I would like to run it by the Auditor before I do.

Mr. Marmie - I believe the salary for the Treasurer was set through year 2025, so was that already in there?

Director Spurgeon - Mr. Chair, I digress because I trickled over into the Elected Legislation, I regret that, so, for this particular piece Mr. Chair, one omission we'd like to insert or whatever legislative maneuver is required for the Chief Deputy Clerk of Courts. That is indeed an appointed position that we thought was in non-bargaining.

Mr. Lang - Mr. Chair, I think we had an additional extra spreadsheet attached to the legislation, that page needs to be removed entirely.

Mr. Marmie - For the record Janine, we need the second spreadsheet that included all of the elected, the Mayor, the Director of law, the Auditor and Treasurer needs to be stricken.

Mr. Lang - We'll need to do an amendment anyway to add the Chief Deputy Clerk of Courts.

Motion by Mr. Lang to add the Deputy Clerk to the first table with the same 7-4-4 that applies to everyone else and also to delete the 2nd table, second by Mr. Barker
Director Spurgeon - I'd like to thank Mr. Lang for the amendment, but to be clear, elected officials because we can't legislate their current role, that compensation philosophy is an additional 4%, so it's 7-4-4-4. Four year term, everything else we'll be talking about is a three year proposal.

Tricia Moore, Law Director - Would it be possible to go into executive session to discuss a possible legal issue in regards to ordinance 20-01?

Mr. Marmie - Certainly. We aren't into elected officials yet, but yes we will.

Motion by Mr. Lang to adopt 23-40, second by Mr. Barker

Motion by Mr. Lang to add the Deputy Clerk of Courts to the first table with the same 7-4-4 that applies to everyone else and also to delete the 2nd table, second by Mr. Barker

Mr. Chute - The only people this would effect it is the 7% and then the 4-4-4, there's no other adjustments.

Director Spurgeon - That is correct, these are all appointed officials, I'm appointed, we don't accumulate roll-ups, we're going to hear another proposal later, it's all public record where we're going to ask for additional focus on the management contract or statement of policy, but to be certain and clear, not in this one, this is what you see, 7-4-4-4, just what it's showing in the table.

Mr. Marmie - I have a question for our Law Director, okay? So, when we voted on these positions previously, we went out for an additional period of time. So, with that Ordinance in place, does that mean that it gets double or I see where it says repeals all previous, but can we override a previous Council, I'm just making sure that when it comes to the terms, we usually fall within the terms and we voted for two terms.

Law Director Moore - I think there's a reason for that based on 20-01, but we can repeal especially if it's not to the detriment of the employee.

Mr. Marmie - Okay, very good. Thank you. Any further questions? I guess I have a comment. I really hope that someone maybe will Table this, we've got other discussions as far as elected officials, I believe that these raises and things like this should go through Personnel, this should have been addressed through Personnel Committee, there are some changes in salaries that probably dictate that, but I know myself, I was just provided numbers on Thursday, which my schedule delayed me from getting in, but looking at these numbers and looking at what, just knowing what's going to happen here in a little while as far as elected officials, I just feel that it would be prudent that we delay this a little bit and be able to digest it, look at numbers, ask questions. I don't think there's a rush because nothing can be changed until 2024, January 2024 and we have plenty of time to do that. It's not that I'm opposed to anything as of right now, I just think we need to make sure that we look

across the board at all numbers and before we do that there's some other factors.

Mr. Lang - Before we take any other action, I would propose that we go ahead and vote on the amendment.

Mr. Marmie - So, let's vote on the amendment. We have a motion by Lang and a second by Barker to add the Deputy Clerk of Courts. Any further questions or comments?

Mr. Houser - yes, Mr. Chute - yes, Mr. Barker - yes, Mr. Lang - yes, Mr. Marmie - yes
Motion to amend passed 5-0

Mr. Marmie - It's now amended to include the Deputy Clerk of Courts

Motion by Mr. Barker to Table 23-40 as amended to the Personnel Committee on 8-21-23, second by Mr. Houser, Motion passed 5-0

Mr. Marmie - Before we go to 23-41, I would like to go to executive session, who do we need present Law Director?

Director Moore - Obviously members of Council as well as Administrative Assistant Cindy Campbell from my office and anyone else you would like.

Mr. Marmie - Also the Auditor and Mr. Weisent.

Law Director Moore - this is to discuss legal matters related to legislation, particularly 20-01.

Motion by Mr. Lang to go into executive session, second y Mr. Lang, to discuss legal issues related to 20-01. Motion passed 5-0

Motion to come out of executive session by Mr. Lang, second by Mr. Barker

Mr. Houser - yes, Mr. Chute, yes, Mr. Barker-yes, Mr. Lang-yes, Mr. Marmie-yes

Mr. Marmie -We are out of executive session, just to let everyone know, no decisions were made, no debate occurred, there was just discussion with the Law Director in regards to information pertaining to an Ordinance.

12. **Ordinance No. 23-41 AN ORDINANCE SETTING COMPENSATION WITH RESPECT TO CERTAIN ELECTED OFFICIALS OF THE CITY OF NEWARK, OHIO AND REPEALING ALL ORDINANCES AND RESOLUTIONS IN CONFLICT HEREWITH AND DECLARING AN EMERGENCY**

Director Spurgeon - The piece before you has extended the philosophy that I've espoused the 7-4-4-4 compensation package that's been bench marked off of this pattern, what a person's got extended to everyone, with the exception of a handful of assets the cabinet thought some parity adjustments were in order and that has been reflected in your chart.

Mr. Marmie - As the chair, I need to bring to the attention to the committee and to all those here that we have an Ordinance no. 20-01 in place which states that all elected positions and their compensation must be set prior to the filing deadline of petitions set by the Board of Elections, so therefore, this Ordinance it's up to the body, the committee, if anybody wishes to entertain a motion, just knowing that we'd be going against another Ordinance if we pursued this.

Director Spurgeon - Mr. Chair, point of order.

Mr. Marmie - Yes.

Director Spurgeon - The Treasurers numbers are inaccurate, this is after the deadline I was made aware, the 23 salary that you're seeing there is accurate, the numbers on 24 had a previously legislated raise, so that number is askew, it's about 700 light and then the proposal is 7-4-4-4, our Treasurer is not up until 1-1-2025.

Mr. Marmie - Anyone on the committee wishing to offer a motion? This Ordinance will die for lack of motion.

Dies due to lack of a motion

13. **Ordinance No. 23-42** AN ORDINANCE AUTHORIZING THE COMPENSATION OF THE THREE CIVIL SERVICE COMMISSIONERS AND SECRETARY OF THE CIVIL SERVICE COMMISSION OF THE CITY OF NEWARK, OHIO.

Director Spurgeon - Once again we extended compensation to our Civil Service Commission, this is a body appointed by the Mayor, they have a robust roll in all classified civil service appointments, appeals, promotions and other employment actions. They are made up of one secretary who by law has to be an attorney. These salaries have not been visited since the mid 80's and I feel it's time and I urge your consideration. So, there is no math here, these are arbitrary numbers I pulled because 7-4-4- doesn't move the needle much on \$500 a month. So, the thought was, let's go 100-50- and 50, but I didn't want to have to talk of retroactivity during the year of 23 as I will in following legislation, so nothing in 23 and you'll see an increase in 24 and 25. Same philosophy, the three members all make \$100 per month each, my proposal is to double it, but again in 23 to double it you have to go figure retroactivity, on a salary person it's kind of hard to do, do nothing in 23, 50 in 24 and another 50 in 25. I urge your support Mr. Chair.

Mr. Lang - Director Spurgeon, I appreciate you bringing this forward. I don't recall if I saw it, did you have a number for the change in cost?

Director Spurgeon - \$34,800 are my projections, a three year cost.

Mr. Lang - That's the total cost, I mean the cost of the increases, I don't know if you had that.

Director Spurgeon - So, a member will go from 100 to 250 in the year 2024 and they will go from 250 to 300 in 2025, all three members. The secretary will go from 500 to 600 in the year 2024 and 650 in 2025.

Mr. Lang - Thank you, maybe we just need to do the math. I just want to put on the record how much more we're spending my increasing, you know the delta there, between what we're paying them today and what we would be. The cost of the budget.

Director Spurgeon - The cost of the budget, my projection over three years \$34,800.

Motion to send to full Council by Mr. Lang, second by Mr. Chute

Mr. Marmie - To answer your question Mr. Lang, \$900.

Mr. Barker - Director I just want to clarify this. These members get paid this monthly fee no matter if they meet or not.

Director Spurgeon - That is correct. They rarely do not meet, however, summer is quiet, that type of thing. It's a relatively benign body until there's something to be

done. Anytime we have a promotional test in police or fire forces, they have a lot of work to do. There are numerous appeals, we have entry level candidates appeal not being appointed, that type of thing. But yes, to be clear, they would be compensated every month.

Mr. Houser - Do you have the ability to do a comparison analysis on the wage increase to see where Council would be at?

Director Spurgeon - I don't know, but I'd be happy to do the leg work.

Mr. Marmie - I guess, as the Chair I'm going to comment that I am going to be in support of this proposal, this Ordinance, the reason why, these folks do take time, energy and the minimal amount that they get paid for what they do as the Director has indicated. It is a very important job and there's months where there's nothing to do, but when there are things to do it's a burden on them and they have to take time out of their busy schedule, their other schedule and make a commitment to this. So this isn't something they can just say oh well we can just take 3 months to do this, no, there's deadlines to be met. So, since it has not been increased since the 80's, I'm going to be in support of this. It isn't a large increase, it isn't like we're asking for huge numbers on this, so just so everybody knows where I stand.

Motion passed 5-0

14. **Ordinance No.23-43** AN ORDINANCE AUTHORIZING THE PAYMENT OF A RATIFICATION BONUS TO FULL-TIME HOURLY NON-BARGAINING PERSONNEL, MANAGEMENT AND SUPERVISORY EMPLOYEES, AND CHIEFS AND DEPUTY CHIEFS OF THE CITY, AND DECLARING AN EMERGENCY.

Director Spurgeon - The next three statements of policy to come, the administration wishes to recognize these folks have been patient. While not owed a cost of living adjustment, that is the employers history January 1st and this recognizes that. The math is take the average salary per asset, we'll divide that by the number of hours we could've worked and that's the one time payment.

Motion to send to full Council by Mr. Houser, second by Mr. Chute, Motion passed 5-0

Mr. Marmie - I am actually going to skip Ordinance No. 23-44 and come back to that one, the next item on the agenda is Ordinance No. 23-45.

15. **Ordinance No. 23-44** AN ORDINANCE SETTING COMPENSATION AND STATING POLICY WITH RESPECT TO CHIEFS AND DEPUTY CHIEFS OF THE CITY OF NEWARK, OHIO; REPEALING ALL ORDINANCES AND RESOLUTIONS IN CONFLICT WITH THIS ORDINANCE; AND DECLARING AN EMERGENCY
16. **Ordinance No. 23-45** AN ORDINANCE SETTING COMPENSATION AND STATING POLICY WITH RESPECT TO MANAGEMENT AND SUPERVISORY PERSONNEL OF THE CITY OF NEWARK, OHIO; REPEALING ALL ORDINANCES AND RESOLUTIONS IN CONFLICT WITH THIS ORDINANCE; AND DECLARING AN EMERGENCY.

Director Spurgeon - There are 4 substantial changes to Management Policy, these are our Water Superintendent, our Street Superintendent, the folks with very high level of responsibility and operating capacity. The administration believes and I agree the right thing to do would be to extend the 7-4-4 compensation philosophy. We've also, with the previous legislation a retroactivity bonus, we have removed some cleanup language, for example the scripted FMLA language has been copied and pasted, that changes federally, same thing having to defend employment actions, we've taken some language out so, we've reduced that exposure, but the substantive change is previous Councils have legislated Mayor increases, the math simply stated is 2% a year, 5 times for a total of 10. So, you get 5 bites of the apple. The administration believes and I agree it would be the prudent thing to do to extend that for 3 more years, so it would be a total of 8 bites of the apple at 2% each year. This is based on merit, the Director could award it to whatever Superintendent he's in charge of, that type of thing. The last substantial change is we observed that we had a provision in the management statement of policy that awarded uniforms, but our managers aren't really wearing uniforms, so we acknowledged that we will continue to provide uniforms if you need those, but instead of a stipend not to get them, we asked for a shoe allowance. This is the Engineer's office, the Water Distribution Crews, we would pay \$125 a year to buy nice pair of shoes, so that would be the trade off if you will. Safety shoes.

Motion to send to full Council by Mr. Lang, second by Mr. Barker, Motion passed 5-0

17. **Ordinance No. 23-46** AN ORDINANCE SETTING COMPENSATION AND STATING POLICY WITH RESPECT TO HOURLY NON-BARGAINING EMPLOYEES OF THE CITY OF NEWARK, OHIO; REPEALING ALL ORDINANCES AND RESOLUTIONS IN CONFLICT WITH THIS ORDINANCE; AND DECLARING AN EMERGENCY.

Director Spurgeon - The same pitch, we believe it's prudent and I agree to extend the 7-4-4 compensation strategy, this would primarily be the Clerk of Courts and Adult Probation. 7-4-4, we're going to remove some of the cleanup language, we're going to ask for the retroactivity bonus and urge Council to support.

Motion to send to full Council by Mr. Lang, second by Mr. Barker, Motion passed 5-0

18. **Ordinance No. 23-47** AN ORDINANCE ABOLISHING THE ADMINISTRATIVE TECHNICAL EXEMPT UNIT AND ABSORBING THREE POSITIONS CURRENTLY UNDER SAID UNIT INTO THE POLICIES AND PROVISIONS OF THE HOURLY NON-BARGAINING UNIT AND REPEALING ALL ORDINANCES AND RESOLUTIONS IN CONFLICT WITH THIS ORDINANCE; AND DECLARING AN EMERGENCY.

Director Spurgeon - This particular employment group, their statement of policy virtually mirrors the non-bargaining, so we often ask ourselves, why is that and I couldn't find a good reason for it other than there are some accrued benefits in the Administrative Technical Policy that aren't enjoyed in the non-bargaining hourly. So, what we'd like to do without

changing their terms and condition of employment, the additional rollups, if you will, insert them into the non-bargaining hourly position, but I want to be clear, we in no way shape or form wish to change the terms and conditions of employment for these two assets. There's 3 that reside, but only 2 are actually on payroll now. These are grant funded positions, sometime before us the decision was made to offer some additional accruals, that might be an attraction tool, that folks don't want to take a grant funded job, I think in today's employment environment we don't really need it, but we certainly want them to continue to enjoy that during their tenor.

Motion to send to full Council by Mr. Lang, second by Mr. Barker

Mr. Lang - Point of order, the last whereas clause says it was sent through Personnel Committee, which I think it should've been, but we put it under our busy Finance agenda, so you need to update that in the legislation.

Mr. Marmie - Very good, cleanup that whereas.

Motion passed 5-0

19. **Ordinance No. 23-48** AN ORDINANCE SETTING COMPENSATION WITH RESPECT TO CERTAIN ELECTED OFFICIALS OF THE CITY OF NEWARK, OHIO AND DECLARING AN EMERGENCY

Mr. Marmie - This is the same as far as the Elected Official, is there any interest.

Mr. Lang - I would say on this one, I don't think this is even needed and the attachments are incorrect as well.

Mr. Marmie - Councils are set forever as far as any kind of increases.

Dies due to lack of a motion

Mr. Marmie - The reason why I skipped over 23-44, I know there is going to be probably a lot of discussion, we have basically 5 minutes, do you think it can be done in 5 minutes, or just break and then come back after Council people at least 5 minutes before Council begins.

Director Spurgeon- If it pleases the Chair, I'd like to give you my pitch and then leave it to your discretion whether you feel it needs more time or not.

20. **Ordinance No. 23-44** AN ORDINANCE SETTING COMPENSATION AND STATING POLICY WITH RESPECT TO CHIEFS AND DEPUTY CHIEFS OF THE CITY OF NEWARK, OHIO; REPEALING ALL ORDINANCES AND RESOLUTIONS IN CONFLICT WITH THIS ORDINANCE; AND DECLARING AN EMERGENCY

Mr. Marmie - I'm going to back up, I know there's going to be a lot of questions, I'd rather folks have at least 5 minutes before we begin full Council, so this meeting will stand paused until after full Council, full Council will start at 7pm.

Mr. Marmie - Finance Committee resumed, I will read Ordinance No. 23-44 again.

Director Spurgeon - I have espoused a pattern based compensation philosophy 7-4-4-4, this is the one where I want to ask Council to ratify parity adjustments. So, in the Department of Public Safety, what we have seen with our Command Staff over the years is compression. It could be a number of different factors, but my opinion, having been around for a while it's austerity. As we have bargained parity differentials in the ranks, if you get promoted it's 13%, (12.7), we don't always have the money to award the Command Staff, so they've been patient, this didn't happen overnight, it's about a 25 year proposition, I'm asking the Council to bless that now, so what is my ask. Substantively we have removed a one year requirement before you could use sick leave, just like we did in the Management Policy, so if you accrue it, you get a days worth, the Director of Public Safety says if you can have the day off you can get off now, so that's the first substantive change, some cleanup language, much like the other Statements of Policy 4-4-4 and now the parity adjustment. So, I mentioned 12.7%, Firefighter to Lieutenant 12.7, Lieutenant to Captain 12.7, Captain to Assistant Chief and so on. When we created the Deputy Chiefs and Chief that wasn't a consideration and that's what's caused this wage compression, it effects our ability to retain out talent, there are industry colleagues that out -pace them and while I don't espouse leading the pack on compensation, I do think we ought to be able to make it to the 60-65 percentile, they can talk to their industry colleagues and they're making more, however, we all have the responsibility to the public treasury, so what we've tried to do is say listen, we appreciate you, we recognize this compression, we wish to keep you, you do a great job, but we have a responsibility to the taxpayer as well, I believe we've done that. I've got numbers to share if you would like, but that is the rationale over this one set of parity bonus, if you will, or parity adjustments.

Mr. Lang - I appreciate you bringing the legislation forward. Do you have any numbers on the comparison numbers that you used to kind of look at, you're saying to kind of put us in the middle of the pack.

Director Spurgeon - Sire, those are more professional reference, many people know that I have been in that industry for 30 years, I didn't pull comparators, because once we get west of 37 a lot changes, so , I can tell you Heath, you can get in the car and drive pretty quickly and find Chiefs are making more than ours and Deputy Chiefs more than ours. So, I don't want to represent that I've got here is an objective comparator, some of this is arbitrary rough math and some of it is math. Director Hickman believes and I agree, he said Bill where everybody make the same Chiefs make the same, Deputy Chiefs make the same, it's the same type of work, this is where we wish to land. So, the logic was as we took an NFD Assistant Chief and the

12.7% they get in the promoted ranks and we added that and that established that's what a baseline Deputy Chief across the enterprise will make and then we added 4-4-4, that establishes what's in the legislation, that's what a Deputy Chief will make. We took a 24 Deputy Chief after the 4% raise, added an additional 12% and that makes the base for the Police and Fire Chief and 4-4, no 4% the first year because they already benefited from the math off of a Deputy Chief's raise, if that makes sense. The last substantive change was a slight difference in Police and Fire uniform allowance, Director Hickman believes and I agree, just make them the same, we chose not to grab 600 from Police, we just awarded Fire and again we've got the numbers in front of you. So, a comparator, I would be happy to run some of that, but I don't have access, I could run over to State Employees Relations Board Unionized Industry, if you wanted comparators, but I would just caution comparators you've got to dig awful deep just to the salary, it's the number of people, number of firefighters, number of police, what is their taxing authority, what are their resources, that type of thing.

Mr. Houser - We've obviously within Fire had some difficulty with staffing levels in terms of hiring and things like that especially through the end of the year we've seen ongoing in both police and fire in the union ranks. Obviously parity adjustments are being made in terms of management here, do you feel the same argument could be made in terms of parity adjustments within the union employees as well.

Director Spurgeon - That's where I have to be cautious, because our business partners are in a bargaining unit that's subject to collective bargaining and there is a give to get and so do we wish to tell there's some in the audience tonight and we appreciate them and so it's public record 7-4-4, which we felt acknowledged that, at the same time having the responsibility to protect the public treasury. So, I'm hesitant to say what I think or what I feel because again it is subject to a negotiation and I guess the other thing I would say to Mr. Houser, is since Director Hickman has come on board I have tried very hard to stay in my lane because I retired out of the Fire Department and I spent 5 years as Director of Public Safety. So, Director Hickman may have some additional thoughts on that, but for me, I am hesitant to comment.

Mr. Lang - I'd welcome some comments from Director Hickman, if he has some thoughts on how we landed on these numbers.

Director Hickman - Sure, I think when Director Spurgeon talks about parity, I look at parity with a different perspective. For me, parity, is parity between the Command Staffs. When I talk about parity, I think they need to be compensated the same because their shops are the same, they're doing the same business. That comparator that you talked about is that 12% difference between the rank and file. So, if you think about it, when a pay raise is given, whatever that percentage is, it goes to the

person at the bottom levels, highest paid firefighter, highest paid police officer. Everybody after that is separated by percentage, okay. So, the comparator to me is that 12.7% between the Assistant Chief and the Deputy Chief. With ratification of the Fire Contract, the Assistant Chiefs are now making more than the Deputy Chief in base pay, that's crazy. So, that's why we're taking this, it's a significant step, but these guys deserve it, it's rewarding them and it's retaining them, is what we're going for here. Does that kind of answer your question a little bit?

Mr. Marmie - So, here's the, I'm just looking at numbers as a whole, okay, and I understand the parity, what you're trying to accomplish. My concern is with the 26% increase in a year, that's my major concern. A one-time 26% increase is a huge increase, would it not be more beneficial to do this over time?

Director Hickman - I guess that's a matter of perspective, I don't know.

Mr. Marmie - I'm looking at the whole, as far as the City and things that we need to do for our safety forces and other things within the City and I mean having an understanding of wanting to get somewhere and being able to get there today is a huge difference. We've got to look at not only those individuals in those positions, but also our entire safety forces. What impact will this have? Will it have a positive?

Director Hickman - Will it have a positive? I think it will have a positive in your Command Staffs.

Mr. Marmie - Will it have a positive, overall in our safety forces?

Director Hickman - I would only be guessing, I don't know. I guess what my initial reaction to that would be is, I would hope it would get their attention. I think that would motivate people to study and want to get promoted and get to those positions, that's what we need to we need to attract and retain good people and we're very fortunate with the Command Staff that we have. We have very forward thinking, very responsive, we have two excellent Command Staffs.

Mr. Chute - Can I ask you in a different way, sort of the same thing though. DO you anticipate any negatives about this. It seems to me, if we adopt this, it seems to me, is there a potential negative, as you say, you have an Assistant Chief that doesn't make as much as the Deputy Chief, does that make it harder to attract people to the Command Staff? To take the test?

Director Hickman - Just for clarification, so if you had a lower ranking person making more than the rank above them, yes, that makes it tough to attract quality people and want to take that job.

Mr. Lang - Does the new structure accomplish that, is there enough distance. In other words with the overtime that some other positions can earn, or is it just going to be a big outlier and not matter that much.

Director Hickman - Without looking at what some of the Assistant Chiefs made last

year, I think we can safely assume they were some of the highest paid if not the highest paid in the City because they get overtime. That's just the way that it is, they get overtime, these guys don't. They're working for straight pay and they put in a lot of hours off the books.

Mr. Marmie - Here's the biggest thing I've said this for years. Safety is the number one priority, it's the number one purpose for any municipality to be in place, is the safety of the citizens. Number two is infrastructure. So, we need to make sure though that even though safety is our number one, we don't sacrifice number 2, 3 and down the line. I still believe that we need to do the best thing for all of our safety forces. I'm not opposed to moving this on, I'm a little hesitant with the numbers, I'm going to be honest, 100% honest.

Director Hickman - I completely expected that.

Mr. Marmie - I think it's a huge jump and trying to get there and don't want to make sure that there aren't repercussions from it if we make a huge jump like that. If there's other things that we discover, until we get, well let me back up. I do believe that Intel is going to change our landscape here and when our landscape changes, so will our income. I'm anticipating an increase in tax income. I'm anticipating that our City is going to get better and be able to do more. I'm anticipating that possibly we will be at those tax base rates that those that are on the west side of 37 are currently at. I anticipate that, it hasn't happened yet, so that's why my thought of should we do it all at once or should we work towards getting there because we don't want to get the cart out in front of the horse. So, we want to make sure that we're doing this responsibly and we're doing it in a manner that we're bringing everybody in our safety forces along, they have the vision, they understand that we back them too and we want to do more for them. So, that's where I'm coming from on that. Just so you know my thoughts on where I'm at.

Mr. Lang - Director Spurgeon I just wanted, you know I like to ask the cost of these raises, I think you had a total.

Director Spurgeon - It's going to cost 84, but the impact is absorbed in the first year because and Mr. Marmie said it very well, Tim and I share the same concerns. Again we wish to tell our service good work, our rank and file, we appreciate you, but we want to make sure they're properly led, we're going to balance that with our shared obligation, the public treasury and I sincerely believe we have in this proposal. It's about 107,000 that first year because you're buying that parity, it's 12.7 for Deputy Chiefs and 12.7 for two Chiefs and after it's 4-4-4, so of 184,000 impacts in the first year and then we think it will stabilize.

Mr. Lang - I share Mr. Marmie's concerns about the numbers and where we landed, but I am generally in favor of moving this on.

Motion to send to full Council, second by Mr. Chute

Mr. Barker - I guess I just want to go on and say that it's not that we don't want to pay these, it's just that we have to make the best fiduciary decision and as Mr. Marmie stated we all want safety to be number one and I am also concerned with the number just because that's a large number we've had come to us raise wise. I will be supporting this because safety is key. I just as Mr. Marmie had stated earlier if there's a way to spread it, I would be even more comfortable spreading it, but I understand.

Mr. Houser - There is an emergency clause attached to this piece of legislation, correct?

Mr. Marmie - Yes, this is different than the elected and appointed because it would become effective immediately. Here's the thing I will share. I am in support of passing this forward, I know I'm still going to have some additional questions, I want some discussion, I just want to make sure that everybody is on the same page and I want to make sure that if anybody on this committee has questions, everybody has two weeks. If you can't get your answers in two weeks, shame on you. These folks are all willing to talk, I do know that. They are open books and I really appreciate that, so any further questions or discussion.

Motion passed 5-0

Meeting stands adjourned

Doug Marmie, Chair