

MINUTES OF A CONTINUED MEETING OF THE CITY
COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO,
HELD IN THE COMMUNITY ROOM, COEUR D'ALENE PUBLIC LIBRARY

October 5, 2017

The Mayor and Council of the City of Coeur d'Alene met in a continued session of said Council at the Coeur d'Alene City Library Community Room October 5, 2017 at 12:00 Noon, there being present upon roll call the following members:

Steve Widmyer, Mayor

Dan Gookin) Members of Council Present
Kiki Miller)
Dan English)
Woody McEvers)
Loren Ron Edinger)
Amy Evans)

MEMBERS OF EXECUTIVE TEAM PRESENT: Jim Hammond, City Administrator; Troy Tymesen, Finance Director; Mike Gridley, City Attorney; Bill Greenwood, Parks & Recreation Director; Hilary Anderson, Community Planning Director; Mike Anderson, Wastewater Superintendent; Tim Martin, Streets and Engineering Superintendent; Terry Pickel, Water Superintendent; Lee White, Police Chief, and Kenny Gabriel, Fire Chief.

GUEST PRESENT: Andrea Fogleman and Bonnie Brazier of BDPA.

CALL TO ORDER: Mayor Widmyer called the meeting to order.

BDPA REPORT – Human Resources Director Melissa Tosi introduced Andrea Fogleman and Bonnie Brazier with BDPA, noting that they have over 24 years of experience and offer an extensive background of working both with private and public agencies. Bonnie and Andrea also own the Northwest Data Exchange, which is a wage and benefits clearinghouse utilized by many Human Resource professionals. BDPA completed the City's 2001 study that included the writing of all the new classifications, conducted the wage survey and recommended a wage structure. The City has utilized their firm since that time for updates to the original plan. Ms. Fogleman presented the review of the internal equity and market competitiveness report that their firm conducted for the City this year. She noted that the importance of the report is to develop a system for internal equity, external competitiveness, and that it serves the purpose of attracting and retaining qualified employees. She reviewed the process they utilized to collect data and review job descriptions. Additionally, she explained and reviewed the kinds and levels chart. She presented the survey process that included the geographical market area consisting of larger cities in Idaho, the Treasure Valley, Post Falls, Kootenai County, and Spokane. The recommendation is to be competitive in the market, not to be the highest or the lowest paying employer. She reviewed the current pay range for the City of Coeur d'Alene and noted that the pay increases max out in 9 years. This differs from other organizations that have their market

level in the middle of the range and the maximum pay in the chart is generally in an open range, approximately 20% over market, which makes it a much longer process to reach the maximum pay wage and is quite often tied to a performance based evaluation process. The reasoning behind the original range for the City was that it based on a performance based merit system and open range system stayed in place due to employee agreements. The current market research demonstrates that the City's current pay grade leveling of minimum and maximums is within a reasonable market range.

Mayor Widmyer noted that the City has an average employee retention of 10.5 years, and wondered what are other cities norms. Ms. Fogleman noted that she did not have that data. Mayor Widmyer asked if the step system is the norm in the market place. Ms. Fogleman verified that the step system, cola, and merit are normal. She did note that other cities do an open range with a performance management system; however, she cautioned that if a performance-based system is used, than evaluations need to be done right. Ms. Brazier noted that around the state they see a difference in merit increases, as most are offering 2-3%, not 5% annually. She did note that the fact that the City is within 5% of market is good for the city as a competition with Spokane. Mayor Widmyer requested they research the data regarding average longevity. Ms. Fogleman reviewed the total compensation including benefits package of sick and vacation, premium paid by employee for health care benefits, and HRA/VEBA. She noted that suggestion for the future is for the City to review the compensation guidelines on how employees move through the ranges.

DISCUSSION: Councilmember McEvers asked for more information regarding the addition of positions. Ms. Fogelman explained that they were previous titles and that the job duties have changed or it is simply just the title change. Ms. Brazier noted that they try to stay away from staggered positions, like Planner 1, 2, and 3 and try to title them according to their job duties and differentiations. Councilmember Miller asked if education factor into placement within the internal equity. Ms. Fogelman explained that it is included in job qualifications, and that the EEOC is very specific that when you have a certain education requirement it must tie back to the job duties. Councilmember Evans asked if the number of people supervised become part of the leveling. Ms. Brazier noted that it is only the breath of the job and duties, not quantities or number of people supervised. Councilmember McEvers asked how the City compares to Spokane, as they are bigger and have a different structure. Ms. Fogelman explained that the data is included in the study and that they would not recommend the City pay the same of Spokane but rather an average of the data. The data provides a market trend and insures the kinds and level chart is competitive. She acknowledged that there are many variables between organizations, which is why they use a simple average. Councilmember McEvers asked about the process of talking with individual employees and getting information back from the supervisor. Ms. Fogelman confirmed that the supervisors reviewed the job descriptions.

Discussion ensued regarding the amount of work and amount of change of duties required to elevate the pay grade. Councilmember McEvers asked if the survey included how many cities have employee contracts. Ms. Brazier noted that the cities that have fire departments have contracts and approximately half have agreements with police, and noted that Lewiston and Coeur d'Alene are the only ones with three groups. Mayor Widmyer noted the members of the

Fire Union and Associations were in the audience and provided them an opportunity to ask questions of BDPA.

Councilmember English asked how rare it is that the healthcare insurance is paid for at 100% for a single employee. Ms. Fogelman said that several cities have zero premium required for single and some for families; however, those cities would likely increase it. Ms. Tosi noted that that trend has changed as premiums have raised and employers have started passing that cost along. Mayor Widmyer noted that deductible buy down was added as a negotiated item to keep medical insurance down. Finance Director Troy Tymesen explained that through the higher deductible and higher amount into the employees VEBA account the money is in the team members hands and they may think twice about their medical choices. He noted that he feels it is progressive method to stave off medical increases. Councilmember Gookin noted that he was unclear when the Council funded the BDPA study that they would be recommending raises and moving people around on the kinds and level chart and did not feel that was within the Council purview. Ms. Brazier explained that the Lilly Leadbetter Act requires a city to have wage comparison information as a defense against claims on how positions are aligned. Ms. Tosi noted that she often brings updates to the kinds and level chart before the Council for approval.

Ms. Tosi noted that the Fire Union and Police Association agreements go through September and the applicable BDPA recommendations will be discussed during negotiations. Fire Union representative Bill Dodd asked if BDPA accounted for cost of living differences between cities. Ms. Fogelman explained that they looked at rates they are being paid, based on all of the positions of entry-level firefighter, and averaged them together. In the past, they looked at cost of living in various locations and found that those costs were inherent into the pay, which mitigates those variables. Discussion ensued regarding seasonal worker pay and the Police Department review of the study and their disagreement with the findings. Mayor Widmyer clarified that the current decision does not involve Police or Fire.

Councilmember English noted that he felt that the information presented is useful for setting the budget and that in the future the city could look at those areas in which they are currently generous; however, he likes that the City is better than market rates. Water Superintendent Terry Pickel noted that three new positions are being added in the Water Department as they have duties they needed to expand due to the complexity of their job, required certifications, and that he would pay them a lot more if he could. He requested the Council consider the Spokane market as a direct competitor. Ms. Tosi noted that it has been 15 years since the City conducted a review. Additionally, employees come to her office requesting higher pay and job description rewrites, so it is important to have a third party involved in the process. Spokane is a close competitive market; however, the City has not encountered substantial turn over for people taking jobs in Spokane. She noted that the study is a positive study showing that the City is competitive and there are positions that should be moving a bit and that the City needs to address them. She explained that the study is vital for the Human Resource Department as it ensures the City is paying employees appropriately.

Councilmember Edinger asked if the City has the funds. Mr. Tymesen confirmed that the city has the funds and noted that there are three groups to bargain with and all issues will come back to money. This study will provide some boundaries for future wage requests. He noted that

there are other groups that are exempt and or not represented and this is the only way to get them to the table. Councilmember English asked if we were late for this budget cycle or early for the next. Ms. Tosi explained that the summary was finalized in June, so it is late for this budget year and clarified that the positions discussed are conducted the duties at the wrong wage and should be considered now. Councilmember Miller asked how they plan to correct pay with those positions currently receiving assignment pay. Ms. Tosi noted that the Planner positions were receiving assignment pay much longer than anticipated. Councilmember Miller summarized that there are some federal mandates requiring a study; however, the changes are not mandated rather a recommendation, but not for contracts that come up next year. She expressed concern that the longevity factor from other cities is a variable that is not accounted for nor is the cost of living. She noted that our population doubles in the summer so it is different from other cities. Ms. Fogelman felt that the 12% over market amount considers the cost of living difference. She reiterated that this is a positive result for retaining employees. They also utilize standard compensation methodology.

Councilmember Gookin asked if there were other cities that have one pay grid that includes public safety. Ms. Fogelman noted that the systems are mixed and that there are advantages and disadvantages with separate schedules. The more typical system is a separate schedule, as it is based on rank. The disadvantage of that system compared to the City's current pay grade structure is that there is currently a 40% range spread from minimum to maximum pay. Most police structures for pay increases have 5% ranges and then the employee must progress to a new rank. Police Chief White noted his opinion in the grade structure and difficulty in moving police into the existing chart. Councilmember Gookin asked if there is a way to simplify the kinds and level chart. Ms. Tosi explained that the city structure is simple compared to cities such as Boise, who has three different pay structures for their Police Department and it takes them 20 years to get to the maximum pay. Additionally, Boise has separate charts for new, old and lateral employees. She noted that the City of Meridian has different levels for Police as they progress in each rank.

Mayor Widmyer reiterated that Police and Fire are not a part of the decision to be made at this meeting. He clarified the decision involves nine positions to move up a grade on the kinds and level chart. Councilmember McEvers noted that as a Restaurant Owner he does not have to deal with these types of regulations; however, the bottom line as a Councilmember is that the City is growing and it is the employees who make the City what it is, and feels he has to back up the employees. He noted that he would support taking a step forward and will come back for more discussion in Police and Fire. Councilmember Edinger noted that with his years of experience past Councils have tried to do the best for the employees and he will continue to do.

MOTION: Motion by Gookin, seconded by Miller, to authorize staff to move forward with BDPA recommended increases for the employees represented by LCEA and/or exempt; that can be paid for with existing budgeted funds within the Fiscal Year 2017-2018; to include the following: Effective October 1, 2017, the positions recommended for upward movement would move up one pay grade figured at the appropriate pay grade difference totaling \$47,291.30, including an additional \$11,870.98 for the remaining increase for the two positions recommended to move up two pay grades with the setting of a budget amendment at the next Council meeting.

DISCUSSION: Councilmember Miller asked what the reason was to move forward with a budget amendment at the next council meeting. Councilmember Gookin noted that he felt it would be more transparent. Councilmember English noted that between now and end of year there would be many items that come along that would need to be included in an amendment, and he feels that this was done in public and in a transparent way. Councilmember Evans asked if the Finance Director would speak to the amendment process. Mr. Tymesen concurred that they usually amend the budget toward the end of the year and they very transparent with the use of the "open gov" software the public has more access to information than previously.

ROLL CALL: Gookin Aye; English Aye; Edinger No; Evans No; Miller No; McEvers No.
Motion failed.

SECOND MOTION: Motion by Evans, seconded by Edinger, to authorize staff to move forward with BDPA recommended increases for the employees represented by LCEA and/or exempt; that can be paid for with existing budgeted funds within the Fiscal Year 2017-2018; to include the following: Effective October 1, 2017, the positions recommended for upward movement would move up one pay grade figured at the appropriate pay grade difference totaling \$47,291.30, and including an additional \$11,870.98 for the remaining increase for the two positions recommended to move up two pay grades.

DISCUSSION CONTINUED: Councilmember Evans asked if finance could come up with the additional \$11,870.98 to bring all the positions to market at the same time. Mr. Tymesen felt that there would be enough in the budget to cover the cost without needing to amend the budget. Councilmember English noted that he understands the equitability need and felt this makes sense and for the amount needed for the entire recommendation implementation at once. City Administrator Jim Hammond noted that the study is good information to share as it demonstrates how the city is compensating employees relative to its competitors. Councilmember English asked if this action would freeze any positions. Ms. Tosi noted that there are two exempt positions recommended to be downgraded, but this will not reduce them but we have frozen those positions in the past.

ROLL CALL: Gookin Aye; English Aye; Edinger Aye; Evans Aye; Miller Aye; McEvers Aye.
Motion carried.

ADJOURN: Motion by McEvers, seconded by Miller that there being no further business, this meeting of the City Council is adjourned. **Motion carried.**

The meeting adjourned at 1:55 p.m.

ATTEST:

Steve Widmyer, Mayor

Renata McLeod, City Clerk