

MINUTES
LAWTON CITY COUNCIL SPECIAL MEETING
JANUARY 18, 2005 - 6:00 P.M.
WAYNE GILLEY CITY HALL COUNCIL CHAMBER

Mayor John P. Purcell, Jr.
Presiding

Also Present:
Larry Mitchell, City Manager
John Vincent, City Attorney
Brenda Smith, Acting City Clerk

Mayor Purcell called the meeting to order at 6:00 p.m. Notice of meeting and agenda were posted on the City Hall notice board as required by law.

ROLL CALL

PRESENT:

Bill Shoemate, Ward One
Rex Givens, Ward Two
Glenn Devine, Ward Three
Robert Shanklin, Ward Five
Stanley Haywood, Ward Seven
Randy Warren, Ward Eight

ABSENT:

Amy Ewing-Holmstrom, Ward Four
Jeffrey Patton, Ward Six

BUSINESS ITEM:

1. Review possible revisions to the current Employee Pay Plan, Chapter 17, Division 17 1-4, and provide direction to staff regarding the implementation of any modifications.

Mayor Purcell said this is a special meeting, workshop session and there would be no audience participation; this is strictly a concept for the Council to consider. Most of the information that the employees would be concerned about will come at a later date but it will not be here tonight. He welcomed the employees in the audience to attend and hear the presentation along with the Council.

Mitchell said discussions on this topic have been taking place for over a year; during last year's budget preparation there was discussion about not making any reclassifications and waiting to deal with this issue. For the last nine months, staff has been updating the job descriptions to be sure they reflect the duties performed. The budget contained requests for 18 reclassifications and over 70 new positions. He said it is hoped that some progress can be made before budget preparation and that some of the changes can be made during the budget process. Mitchell said this process was done in 1998-99 but nothing has been done since that time, and the ordinances require that the pay plan be current, to perform salary surveys every couple of years to make sure the wages and benefits provided to the employees are competitive with those of other communities in Oklahoma. He said surveys were sent to a number of cities and staff did not rely exclusively on the OML salary studies; a number of communities sent copies of their pay plan so we know the information being used in the review is accurate and up to date as of 2004.

Mitchell said we are now looking at a concept that joins our current plan with a merit-based pay plan; we also looked at performance pay plans, broad banding and other types of pay plans. The proposal tonight is the staff recommendation for a starting point. He said tonight staff would like to receive general direction from Council as to the concept being presented and whether a consultant should be engaged to assist in this process. If a consultant is desired, funds will be required, an RFP will be required and it may delay the process by 90 days.

Greg Buckley, Assistant City Manager, said the Council has been given the draft concept. The function, mechanics, placement, rules and process have not been developed. This is a structure of a concept as to how it would be laid out to start building a foundation for the entire compensation plan, then establishing the rules for placement and the operation and function of the compensation. He said he wanted to make clear with regard to the information that has been given out, that this is a concept and a draft format. Buckley said the information is a representation of how it could look with regard to the framework of this concept structure. He said the general overview provides breaking up into two pay classifications; general employees and managerial type employees. The concept provides separating that into four or five pay classifications and grouping employees with regard to their specific type of trade.

Buckley read from Section 17-1-4-131 of the City Code which provides that all city positions as established by appropriations, whether occupied or vacant, are allocated to classes of work in accordance with the actual duties and responsibilities of the several positions. There may be one or more positions in a class. Each class is, in turn, assigned to a pay grade. The grades are numbered from lowest to highest. The body of classes and pay grades constitutes the city classification plan. Such classification of employee positions may be grouped into occupational groups for purposes of convenience and equitable treatment of personnel and compensation. He said this was how he derived the four types of classifications with regard to grouping into occupational groups of Labor/Trades, Technical, Clerical, Professional/Administrative, Supervisory, Management and Executive.

Buckley said the function of establishing those is a framework; instead of having a number of pay steps, this would limit that to eight steps versus A through Q. He said by breaking up into the categories, fewer grades are needed. The current pay plan has 19 grades for general employees and 19 grades for managerial employees; breaking that up into the smaller classifications can limit the number of grades within each classification relevant to that job grouping. Regarding the assignment of putting positions into the pay classification and grade, there is a sheet that states labor/trades, technical and clerical grade level requirements which lists the functions of those requirements for the positions that would be compared related to what is needed for a job position to be assigned to that grade, so it would be position related based on duties and responsibilities, knowledge and skill, supervisory experience, functions of the position. Buckley said this should eliminate any ambiguity as to how a position is classified or reclassified. The dollars associated with creating the pay class would then be based on the market analysis of those pay groupings which is described in Section 17-1-4-133: The pay plan shall consist of pay grades for each position classification and shall be based on ranges of pay for other classes, requisite qualifications, general rates of pay for comparable work in other public and private employment in the area, cost of living data, maintenance or other benefits received by employees. He said another page outlines the salary schedule for labor and trade and the types of positions that would be attributable. Buckley said this is strictly conjecture on his part with regard to our current pay plan and those types of positions that he would relate to those types of areas.

Devine said he had no idea where Buckley was at and that he would like to be able to keep up but there are no numbers on the pages. Mitchell said we are looking at a new system that would not only reconfigure the positions into four or five groups but it would also reduce the number of steps and grades; it does not necessarily reduce the compensation but it consolidates the pay plan, making it more usable and workable.

Shanklin asked if anyone would receive a reduction in pay. Mitchell said no, that would not be the recommendation; once we place everyone into this matrix, regardless of whether they move up or down from their current salary, no one's compensation would be reduced.

Shanklin asked if this had anything to do with a cost of living or across the board raise that the Council has given two or three times since 1999. Mitchell said no, it would still be Council's decision during the budget process to assign a cost of living adjustment to the plan. Mitchell said one proposal would be when an employee moves into the eighth step, there could be a performance step for each year that would be dependent upon their evaluation and that would only work for that year, so each year they would go back through the evaluation and get a performance step if they were eligible.

Shanklin asked if anyone compared Lawton other cities as to the percentage of payroll compared to the general operating budget. Buckley said they got the pay plans from Tulsa, Oklahoma City, Edmond, Midwest City, Moore, and Stillwater to see how their pay plan structure is set up and also did a preliminary salary survey that will need to be updated, but they did not relate the personnel services percentages to the total budget.

Shanklin said he wanted to see what Norman pays, although Lawton is not in the ballpark with Norman. Mitchell said the first step would be to place the positions in the matrix, then start looking at the salary ranges for each of the grades and then look at Shanklin's question. Shanklin said some of the budgets of those cities will be \$25 million more than Lawton's. Mayor Purcell said other cities may have double the budget but he felt most cities would spend 80-85% for personnel. Buckley said they would look at the position relation to the pay and see if Lawton is paying relative to the market for that position.

Shanklin asked if we are tied to a Southwest price index. Vincent said we were to look at the Dallas consumer price index for situations like rate increases on utilities, and that was passed in a resolution.

Shoemate asked if there was an estimate of the difference of the cost of the current pay plan and of any proposals. Buckley said no, this is just the concept and if the concept is approved, they would start putting the salaries together and the grid is blank right now because the positions must be placed and related to establish the pay structure. He said a determination would be needed on whether eight steps was right and if the separation should be 2% or 3% or 5%; and what the separation between grades would be. Shoemate said he liked what had been put together but wanted to make sure it would fit in the budget.

Givens said the statement was made that no employee would have a salary reduction. He asked what happens to employees who have been here a long time and are already in the top step so they are way over for the new grade and step system. Buckley said generally the employee would be frozen at the current salary until the pay plan catches up to where they are currently being paid. Jim Scholes, Human Resources, said when the position is vacated, it could then be filled at the correct level.

Givens asked how it was determined that step three would be the average market salary. Buckley said in the concept of the market there is a minimum and maximum salary range for a position, and in that pay range you establish an entry level point, keeping in mind the position in the market, the skills and abilities to fill the position, and then for experience and length of service, they should be higher than someone that has just entered the field in that position.

Mitchell said the current pay plan works well if everyone from within is being promoted, but one problem is where a division or deputy director has been here for many years and they are at the end of their pay scale and you are trying to hire the director. He said our policies are that we do not hire a director beyond C step, so there is a problem trying to compensate the director above the level the deputy is being paid at that has been here for 25 years. Mitchell said it is not a real problem, although it has come up in certain instances.

Mayor Purcell said the January 13 memo says the pay plan will consist of four to five classes and asked if labor, trades and technical and clerical is one classification. Buckley said yes. Mayor Purcell said classification two is professional and administrative; three is supervisory and management; and four is executive, so there are four classes. Buckley said yes and that more may be needed as we go through this process because they may not necessarily overlap for pay, responsibilities and duties on the same level as another class. Mayor Purcell said labor and trades then might be one classification, and then technical and clerical could be another classification. Buckley agreed and said this is generating a concept for representation purposes, not a complete plan.

Buckley said there is the issue of whether to stay with the current pay plan and not look at changing the structure. He said if that is done, an exercise is needed to update and review that plan because there are several positions that no longer exist and are not filled but are still in the pay plan; there is redundancy in the compensation in the pay plan with regard to positions and titles and functions. The primary example is the

clerical where there is a fiscal assistant, fiscal associate, clerical assistant, clerical associate, senior clerical assistant, senior clerical associate, a secretary, senior secretary, administrative secretary, executive secretary and legal secretary. Buckley said some of those positions are no longer relevant or filled; no one is in the fiscal assistant type positions but they are still in the pay plan.

Devine asked how hard it is to remove those from the pay plan. Buckley said they can be removed; the difficult part is we do have positions in senior clerical, senior clerical assistant, clerical associate, clerical assistant, and the job functions are basically the same but they may or may not be in the same pay grade.

Devine said when the budget is being prepared, all of those vacant positions are figured into the cost to include the employee salary. He asked if that was correct. Mitchell said it is correct in one sense, but last year, 18-20 vacant positions were eliminated and we had no intention of filling them so we reduced that number of positions. Devine said if we are not going to use those positions, we should remove them and not budget to fill them. Mitchell said that can be done at budget time and we are going through here to identify those.

Mayor Purcell said there are positions that can be eliminated that we never plan to use again, such as Devine was suggesting, but that is not what was budgeted. He said we knew there would be a vacancy for Human Resources Director, for example, and knew it would be vacant for three months until another person was hired and we budgeted for those positions which were vacant but we were in the process of hiring as opposed to the others where there was no intention to hire a person and those were not funded in the budget. Devine said some are still there that are not filled but the salaries are still being allotted. Mayor Purcell said there was an intention to fill those.

Warren asked if the first day of implementation would cost the same as the current cost and then thereafter during the budget, the figures would change. Mitchell said no, because some positions are likely being underpaid but that will not be known until we go through the process. Mitchell said there may be a need to transition into the plan over a two year period, but some positions would be over the market and others would be under, and without taking money away from those that are over the market, it will cost a little bit more.

Mayor Purcell asked if this would be done in time for this year's budget. Mitchell said that was his original hope but he did not think they could make it. Buckley said they might be able to phase some of it in during the next year if they can reach a general understanding of where they will be. Buckley said they need to go to the EAC and get their involvement with regard to getting the mechanics in place and then understanding the plan and bringing back a proposal based on everyone having input. Mayor Purcell said the EAC would be involved.

Buckley said at this point, Council needed to agree or disagree on the concept before more work is done. Warren asked if staff felt confident, given the present resources, that they had the ability to do this or would they feel more comfortable contracting it out. Mitchell said staff has the ability internally to do it but he did not want to get to the end and have Council wish they had hired a consultant. He said he thought it would take longer than first anticipated, and nine months have been spent on it so far, so it would be unrealistic to think it would be finished by mid-April or May, although that was the hope because 18 positions were being reviewed for reclassification and we declined those last year because of this process, and now everyone will have to wait a little longer.

Mitchell said when they start putting in the salaries, Council may wish to have a consultant review it before it is adopted, and that is another option. Shanklin asked why it would need to be reviewed. Mitchell said to make sure that we are on solid ground as to what is being proposed and to see that it is equitable and fair. Shanklin said it was done in 1998 or 1999 and it was kicked out and Mr. Baker did it for the next six months on his computer, rearranging it the way he saw it, and he did not want to see that happen again.

Buckley said the next to the last page shows professional/administrative grade level requirements, building a structure with regard to how positions are placed and related; it has job duties, responsibilities, skill sets,

requirements that would place them in the structure, so it takes out some of the ambiguity or subjectivity. He said the City has many good employees who deserve a pay plan that holds that integrity.

Mayor Purcell said that clerical is a broad term; there may be a person typing all day from hard copy versus all the way up to a department clerical who must make appointments and keep calendars. He asked if there was the ability to look at those duties as opposed to the title. Buckley said yes, but we can consolidate and not have eight clerical type positions, but may need only three or four and still provide equitable pay. Buckley said that exercise should be done whether or not this pay plan concept is carried out.

Givens asked who would determine what cities are used for a market comparison. He said he understood that had been an argument in the past and that it might be an issue that could be addressed early on and get a consensus because otherwise it could cause a problem toward the end. Mitchell said that same discussion was held during negotiations with the labor unions, but the emphasis would be some sort of geographical region approach, and population but not solely on population. Givens suggested Council might need to approve that prior to figures being plugged into the pay plan. Buckley said the Code spells out what needs to be looked at, public as well as private, in the labor market. He said that is a varying market, depending on the position; the labor/trade positions have a smaller market than the division supervisors or major department head.

MOVED by Shanklin, SECOND by Warren, to approve the concept presented by the City Manager and have him get this done. AYE: Warren, Shoemate, Givens, Devine, Shanklin, Haywood. NAY: None. MOTION CARRIED.

Mayor Purcell said action was needed on whether staff should continue or whether a consultant should be hired.

MOVED by Shanklin, SECOND by Shoemate, that staff continue forward.

Mitchell said progress reports would be provided.

Devine suggested it might be appropriate to look at cities in other states and see if there are those with similar populations and income levels that could be used for comparison. Shanklin suggested that would be in a much poorer region of the country but that it could not be found in this geographic area such as Wichita Falls, Abilene or Tyler, Texas because they are much more affluent locations than Lawton. Devine said he was trying to find something equitable instead of comparing with larger cities with larger budgets. Mayor Purcell said the cost of living in the cities being compared should be a factor. Shanklin said Smith County, Tyler, Texas, did \$3.4 billion in retail sales and had 116,000 population; Comanche County has 114,000 population by the 2000 census and did \$967 million in retail sales, which is four to one better than here so they have more tax money to work with.

Devine said his water cost \$16 for the month but the bill was for \$86 so something was wrong. Mayor Purcell said it is a utility bill and covers more than just water and it is the money that is used to run the government. Devine objected to residents being charged through utility bills for things that should be funded through sales taxes, in his opinion.

Haywood asked how much was allocated for the consumer index. Mitchell said once we plug everything in, we will look at it and have an adjustment. Scholes said some positions may be compared to local and comparable jobs in certain other cities, and other positions may need to be compared in different markets depending on how unique the job may be.

VOTE ON MOTION: AYE: Shoemate, Givens, Devine, Shanklin, Haywood, Warren. NAY: None. MOTION CARRIED.

Devine said last year at budget time the general employees were to appoint a committee to negotiate and asked if that had been done for this year. Mitchell said the EAC committee meets regularly and will probably be providing recommendations. Devine said last year they waited until the last minute and it caused problems. Scholes said he had been invited to one of their meetings.

John Thomas, Employee Advisory Committee Chairman, said they had never waited until the last minute to let them know the request. He said they have always gone to the City Manager in November or December and let them know what they were looking for and they said we are to be heard only during the budget hearings. Devine said it was not brought before Council. Thomas said they would send letters to Council this year. Haywood said the Council knew but did not push it. Mitchell said they were negotiating with fire and police so it was difficult to have an open discussion in the budget session. Devine said the general employees are just as important.

Mayor Purcell said the EAC will send a letter to Council advising of their requests for the next budget.

There was no further business and the meeting adjourned at 7:00 p.m. upon motion, second and roll call vote.