

MINUTES

**McCall City Council
Special Meeting
McCall City Hall -- Legion Hall
June 15, 2017**

Call to Order and Roll Call
Business Agenda
Adjournment

CALL TO ORDER AND ROLL CALL

Mayor Aymon called the special meeting of the McCall City Council to order at 9:05 a.m. Mayor Aymon, Council Member Giles, Council Member Swanson, and Council Member Witte (via Phone) all answered roll call. Council Member Scott was absent

City staff members present were Nate Coyle, City Manager; BessieJo Wagner, City Clerk; Linda Stokes, City Treasurer; Michelle Groenevelt, Community Development Director; Kurt Wolf, Parks and Recreation Director; Jay Scherer, Airport Manager; Eric McCormick, Golf Course Superintendent; Traci Malvich, Human Resources Manager; Nathan Stewart, Public Works Director

BUSINESS AGENDA

BDPA Salary Presentation of the Internal Equity and External Competitiveness Study

Bonnie Brazier and Andrea Fogleman Consultants from BDPA presented to the Council. The consultants covered how the salary schedule was developed and how the schedule applies to the current staff including compensating for years of services. The consultants also provided administrative guidelines and recommended that market adjustment happens at least every two years; however, annually is more ideal. They stated that costs associated with turnover needs to be considered when hiring so paying market value should see a lower turnover rate. Personnel was identified, at the last council meeting, as a top priority.

The consultants recommended that the council codify or pass by resolution the City's pay philosophy. This makes it clear what the priority is going forward. They again reiterated the recommended market annual adjustment and a performance adjustment as well.

The council wanted to know if the market ever went backward. The consultants responded stating that typically the market would maintain and would not go backward.

Staff stated that a market adjustment and a 3% merit pool for the 2018 budget would be about a \$200,000 adjustment. It was suggested that going forward, staff and Council should look at personnel right along with capital needs when developing the budget. It was stated that health care costs are conservatively looking like an 18% increase which equated to about \$198,000.

Staff will look at possible ways to make this possible within the budget for FY2018

Council Member Giles was in favor of making it happen. City Manager Nate Coyle felt that it is doable with an impact. Council Member Witte wants employees to come up to market but does not feel \$400,000 is doable in one year. She also did not think that a 20% increase a year in health care was sustainable.

Council Member Swanson asked if the market or the performance increase was more preferable.

Community Development Director Michelle Groenevelt felt a survey to employees could be beneficial. There was much discussion regarding the types of responses that might be received from such a survey and were anticipated to be highly variable.

Council Member Swanson would like to fund the market adjustment as soon as possible. He felt that \$400,000 could be difficult in one year. Council Member Swanson also wondered if there would be a pool of money available for individuals taking on more work and filling in for vacant positions, He also commented that a 1% merit increase for everyone was not very motivating for staff.

There was some discussion around developing a policy around vacant positions and whether people taking on increased workload should be addressed.

Council Member Swanson felt that the market adjustment was a priority.

Public Works Director Nathan Stewart stated that the market adjust must happen.

There was discussion on how market increases needed to happen to stay competitive.

Human Resources Manager Traci Malvich stated that without a market increase and with only performance related increases can cause a compression effect at the top of the salary scale.

Mayor Aymon asked for a health care plan that may have options for the level of care people may want or need that could save money. She reiterated that it is imperative to retain employees so a market adjustment is needed. There was some discussion about bonuses vs merit increases. It was stated that wages and bonuses are taxed at a different rate.

Mayor Aymon would like to see the options for funding the market adjustment and some health care plan options and would like for the staff to have an option when selecting health care. There was discussion regarding the complications of plans with options. There was also discussion about the costs of employee only coverage being passed on to the employee; there were concerns that when health care goes up, and even with a pay increase, employees do not see any increase in their take home pay. It was also noted that there was no real incentive for employees to choose a lesser, cheaper health care plan. There was some addition discussion as to what was driving up the cost of health care. Council Member Giles expressed concern that options could cost the city more and would prefer to stay with the current options and look for the best option.

Community Development Director Michelle Groenevelt felt that the cost of housing should be considered along with retention and recruitment.

Council Member Witte stated that from the work the consultants did she understood that the benefit package was 3% above market so it would make sense to look to bring that to market value. It was clarified that the benefits are comparable; however the City just pays 3% more than the market.

There was some discussion around a sick leave incentive health care plan that could help with the premiums.

Council Member Giles felt that the \$400,000 impact should not be problem and felt that the the adjustment could happen.

There was some additional discussion around a resolution or some kind of policy adoption to protect the plan for employees going forward. Council Member Swanson was not afraid of the price tag and felt it was important to bring staff up to market. Council Member Witte agreed that employees are the city's biggest asset and agrees with the idea of a resolution.

Michelle Groenevelt thanked the Council for their commitment to employees.

Council Member Swanson stated that the challenge was to appease the community and take care of staff. It was sometimes a wrestle with public perception and the need to get the work done.

City Manager Recruitment Strategy

a. Council Decision and direction on City Manager Recruitment Strategy

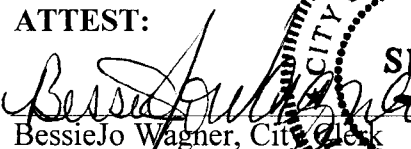
Human Resources Manager Traci Malvich presented to council the options of either an in-house recruitment or an outside recruitment to fill the City Manager vacancy. Manager Malvich and City Manager Nate Coyle covered some different strategies and funding in a competitive manner. Advertising vs recruitment and a hybrid process was discussed.

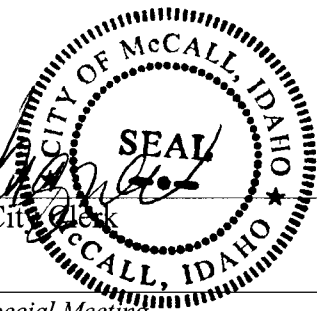
The general consensus of the Council was to move forward with an outside recruiter. Manager Malvich will put together some options for the Council.

ADJOURNMENT

Without further business, Mayor Aymon adjourned the meeting at 10:45 a.m.

ATTEST:


BessieJo Wagner, City Clerk




Jackie J. Aymon, Mayor