

**OFFICE OF THE CITY COUNCIL**

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**CITY COUNCIL EXECUTIVE COMMITTEE MEETING MINUTES**

**September 22, 2015**

**8:30 a.m.**

**Location:** City Council Conference Room A, Suite 425, City Hall – St. James Building; 117 West Duval Street

**In attendance:** Council Members Greg Anderson (President), Lori Boyer, Bill Gulliford

**Also**: Council Members Anna Lopez Brosche, Joyce Morgan, John Crescimbeni, Garrett Dennis, Lori Boyer, Matt Schellenberg ; Peggy Sidman and Paige Johnston – Office of General Counsel; Kirk Sherman, Kyle Billy and Kim Taylor – Council Auditor’s Office; Cheryl Brown – Director/Council Secretary; Kelli O’Leary – Employee Services Department; Kristi Sikes and Laura Dyer – Council Administration Division; Jeff Clements and Yvonne Mitchell – Council Research Division; Rupal Wells, Leeann Krieg, Dan Macdonald – ECAs; Carol Owens – Legislative Services Division;

See attached sign-in sheet for additional attendees

**Meeting Convened**: 8:35 a.m.

Council President Anderson convened the meeting and the attendees introduced themselves for the record. Council Secretary/Director Cheryl Brown explained the City Council budget preparation and approval process, which overlaps two Council President/Executive Committee terms because of the timing of the Council leadership election in relation to the budget adoption process. She noted that the salaries of the executive council assistants (ECAs) are set exclusively by their respective council members and do not fall under the purview of the Council Secretary/Director. President Anderson discussed the Finance Committee recommendations that were ultimately adopted in the 2015-16 budget. The Council President presented in the City Council budget a plan referred to as the “2/4/7” plan which the Finance Committee adopted. At a separate meeting the Finance Committee adopted a budget amendment in the amount of $737,000 to increase salaries of non-collective bargaining employees who in 2010 received a 2% pay reduction that has not been restored. Twenty City Council employees are on the list of over 1,200 citywide employees compiled by the Employee Services Department who are eligible for the 2% restoration contemplated by the $737,000 non-collective bargaining appropriation. The Executive Committee discussed whether the 20 city council employees would benefit from both the 2/4/7 plan budgeted in the City Council budget as well as the 2% restoration which was part of the non-collective bargaining restoration and how those two actions were intended to interact. The Executive Committee agreed that it was not the Council’s intention to both restore the 2% pay cut to Council employees from the citywide pool and also to award additional increases from the Council pool; the Council staff pay increases were to come exclusively from the 2/4/7 Council-specific pool.

**Motion**: City Council employees shall be eligible for either the 2% citywide restoration for non-collectively bargained employees or the 2/4/7 Council-specific increase, whichever is greater – **approved unanimously**.

Council Auditor Kirk Sherman described his division’s pay scale and the difficulty he is facing in hiring qualified employees at the starting the salary of $40,500 for a new entry level auditor and recommended that the base starting salary for a candidate with a bachelor’s degree in accounting and no experience be increased to $45,000. The previous Council President and the Mayor’s Budget Review Committee had approved the increase and provided for that rate in the new budget. The increase in the starting salary will also require that the salaries of several Auditor 1’s be increased for equity purposes, and Mr. Sherman is recommending increases for several mid- and upper-level auditors to recognize their level of responsibility and performance. He noted that the Council Auditor’s Office has lost several very experienced personnel to other City agencies or independent authorities offering higher salaries. He explained the salary range progression of his employees over time as they gain experience, earn graduate degrees, and earn their CPA certificate. Kelli O’Leary, Director of Employee Services, explained the department’s annual update of salary ranges based on U.S. Department of Labor wage statistics and the requirement to do a full market salary survey every 4 years to recalibrate all the ranges. Ms. Brown stated that the rest of the Council staff is facing the same salary compression, recruiting and retention difficulties and noted that over the next few years the upper level managers will begin reaching retirement eligibility.

**Motion**: approve the pay ranges for the Council Auditor’s Office that were included in the FY15-16 adopted budget – **approved unanimously**.

President Anderson explained the Council staff salary budgeting process that involves the outgoing and incoming Council Presidents, who agreed to place a 5% salary pool in the budget for some type of increases. The previous administration declined to place that amount in the Mayor’s proposed budget, on the grounds that the Council controls its own budget and could insert any amount it desired for Council employee raises. He noted that the Council staff has not been subject to performance evaluations, which Cheryl Brown explained was due to the fact that all Council employees are appointed officials/employees, not covered by civil service rules, and she was advised that it would be inappropriate to do performance evaluations on appointed employees. Mr. Anderson explained the 2/4/7 plan approved by the Finance Committee during the budget process – a 2% increase for City Council appointed officials, a 4% increase for City Council appointed employees making more than $50,000 per year, and a 7% increase for City Council appointed employees making less than $50,000. City Council members and Executive Council Assistants are not covered by the 2/4/7 plan.

**Motion**: approve the distribution of Council staff pay increases based on the 2/4/7 plan approved by the Finance Committee – **approved unanimously**.

The committee discussed the difference between increases for ECAs (controlled by the appointing council member) and other Council employees. Laura Dyer explained that when the 2% pay reduction took place in 2010, the Council made the decision that no new ECA hired thereafter would qualify to be paid the full $55,000 at the top of the ECA pay range, but would be limited to the 2% reduction amount to maintain equity among all the ECAs.

As noted above the Council Finance committee appropriated $737,000 which represents the restoration of the 2010 2% reduction and the funds were placed in a Council Contingency non-collective bargaining restoration account. Peggy Sidman explained that, although the Council appropriated $737,000 in the FY15-16 budget to restore the 2% pay reduction to employees who had not had any pay increases since that reduction in 2010. The Council Contingency non-collective bargaining restoration account is not self-appropriating, meaning that additional legislative action will be needed by the Council to appropriate the funds out of the designated Special Council Contingency fund where it now resides to the various departmental budgets where it will be expended. Twenty City Council employees are on the list for the 2% restoration from this account. Two City Council members and two ECAs who were employed in 2010 and are still on the Council payroll will be eligible to have their 2% restoration funded by the $737,000 Special Council Contingency fund; any pay raises for other ECAs must be funded from the Council’s $100,000 Operating Contingency fund. In response to a question from Council Member Boyer, Ms. Dyer explained that the City Council’s budget was treated somewhat differently by the Budget Office in the last several years than had been the case previously. The Budget Office does not permit the Council to budget the full $55,000 maximum for each ECA position but deletes amounts requested in excess of what the ECAs were currently being paid or for which a letter of intent for a prospective pay raise is not in hand.

Peggy Sidman noted that as a result of the Executive Committee’s action at the beginning of the meeting to make the 2% restoration to a specific list of employees, there may be some additional budgetary capacity available to deal with pay increases for the other ECAs. Council Member Gulliford expressed concern about what he sees as inherent unfairness in the way some ECAs are paid the maximum possible salary from their first day of employment without regard for longevity or experience and expressed a desire for the Personnel Committee to take up that issue in a future meeting. He suggested the possibility of individual council member accounts to pay for ECA salaries, parking, etc. with the ability to utilize any funds left at the end of a fiscal year for district-specific projects. In response to a question from Council Member Schellenberg, Kirk Sherman indicated that there may be a small amount left in the Council Operating Contingency fund that could be used for ECA increases. Ms. Brown explained that when the 2% pay cut was instituted in 2010, budgets thereafter contained a provision that, although the ECA salary range continued to have a maximum rate of $55,000, no ECA would be paid more than $53,900 ($55,000 minus 2%). In response to a question from Council Member Boyer about whether the 2% pay restoration action taken earlier would automatically restore the full salary of the two council members who took the cut in 2010 and are still on the council, Peggy Sidman stated that the restoration would take two legislative actions – an appropriation of a portion of the $737,000 to the City Council budget for that purpose and, in the case of the council members, an amendment to the 20115-16 budget ordinance which sets the Council Member’s salaries which was included as a waiver that is necessary to pay council members less than the amount provided for in the Ordinance Code.

**Motion**: direct the Council Secretary to survey each council member to determine what salary they intend to pay their ECA in FY15-16, calculate the total amount needed to cover the cost of those increases and report the results to the Executive Committee will meet again in late October to develop legislation to accomplish the desired adjustments – **approved unanimously.**

President Anderson said that at a future meeting the body will consider a study of the future structure, needs and staffing of City Council operations. Ms. Boyer requested that the committee also consider performance evaluation mechanisms for the Council staff.

The committee will meet again in late October.

**Meeting adjourned:** 9:57 a.m.

Minutes: Jeff Clements, Council Research

10.1.15 Posted 10:00 a.m.

Tapes: City Council Executive Committee meeting – LSD 9.22.15