

**MINUTES OF THE CITY OF HEPPNER SPECIAL CITY COUNCIL MEETING
HEPPNER CITY HALL, 111 N. MAIN STREET, HEPPNER, OREGON
6:00 PM, APRIL 29, 2010**

NOTE: Where stated “Motion Carried” is considered unanimous, unless otherwise stated.

ATTENDEES:

**Mayor, Les Paustian
City Manager, David De Mayo
Keith Lewis
Joann Burleson
Cindi Doherty
Cody High**

**Brian Harmon, Public Works Director
Chad Doherty, Public Works
Dan Doyle, Public Works
Robert Whalen, Public Works
Anne Spicer, City Attorney
Judy Eckman, City Treasurer**

Absent: Judy Buschke, John Bowles

Member of the Public: Doug Dubuque

1. GENERAL BUSINESS.

A. Call to Order. The April 29, 2010 Special Meeting of the City of Heppner City Council was called to order at 6:00 PM by Mayor Paustian.

B. Pledge of Allegiance. Mayor Paustian led attendees in the Pledge of Allegiance to the Flag.

C. Announcements—Agenda additions and deletions.

Mr. De Mayo distributed a List of Ground Rules for Discussion to Council members, which Mayor Paustian read to the members present.

Review of Packets.

1. Mr. De Mayo stated that the preliminary information included several charts showing current salary information for the City of Heppner, salary and benefit comparisons for various neighboring cities, a History of Merit and Incentive Pay for the City of Heppner, and a draft suggestion for future positions. Mr. Lewis has also provided information from the City of Baker

for reference. These samples are very good, although they do not contain physical requirements for the positions.

2. Mr. Paustian introduced Mr. Doug Dubuque, who will be appointed to serve as a “Citizen at Large” on the Personnel Committee.

3. Mr. De Mayo stated that a structure for advancement and compensation needs to be created which will clarify the positions and job descriptions for a system of advancement. This would eliminate any guessing on requirements of the individual job. With regard to the requirement for certifications, these are governed by state law. He also would like to encourage promoting individuals from within and having precise job descriptions and requirements which would enable employees to develop the proper requirements of their jobs. Mr. Harmon is a good example of an employee who has been promoted during his tenure with the City.

4. Ms. Eckman stated that she has prepared a chart listing all individual Public Works positions, titles, and hire dates along with the potential maximum salary and certifications. This shows current salary, potential merit pay at this time, CDL and Certifications for each employee. This also shows amount for employee’s current certifications. This also shows the on-call pay, \$45.00 per employee for on call week. The Public Works Maximum Salary Potential shows the current base salary, maximum with 4% merit, CDL, Certifications, and Maximum Monthly Salary and Maximum Annual Salary. This is for budget purposes. A Wage Comparison chart for various cities was prepared for comparison, mainly Public Works. This chart shows Heppner’s data and other city’s policies are at this time.

The Public Works Maximum Salary figure is the very maximum salary for each job.

Mr. De Mayo explained the Merit range and Incentive range. Merit pay was set up to show the range for entry level through top pay. Merit pay is a permanent raise and Incentive pay is only effective for one year. In order to be eligible for Incentive pay within a grade, an employee would have to be at the top of his pay range. This is explained in detail in the evaluation instructions. In order to be eligible for Incentive pay, an employee would have to have reached the top of the pay range which would take a number of years. This explains the resolution that is passed each year. These figures do not include COLA this year since it is not being paid. Mr. Paustian stated that the wording is confusing and should be re-worded in the future. According to Mr. Paustian, the Merit pay is based on a percentage and awarded by the supervisor. In the past, Merit pay included vacation days, based on the percentage of the merit pay.

With regard to vacation pay, the cap is set at 120 hours. Currently, employees are allowed to carry more than 120 hours on the books, but if employment terminates, they would only be paid for a maximum of 120 hours.

Merit Pay and Incentive Pay are two different items. Mr. Paustian feels this needs clarified.

5. Personnel Committee vs. Council. Mr. De Mayo explained that the system is set up so that the committee makes a recommendation to set a policy and submits it to the Council for action.

In the past this policy has not been strictly adhered to. According to Mrs. Spicer, a committee cannot enforce changes.

Mr. De Mayo stated that the logical thing would be to go back to the previous policy and present this to the Council for action based on the Personnel committee's recommendation. The original plan was set up for the Merit pay to be 2-3-4% plus corresponding vacation. Merit pay is awarded with annual employee evaluations, and the amount is dependent on evaluation scores. Mr. Harmon explained the employees would like to be awarded the merit pay plus vacation. He pointed out that every city has its own policy and pay structure. He feels it would be unfair to take the merit pay/vacation away from employees since there is no COLA being awarded this year.

Mr. Paustian explained that he had attended the recent County Budget Hearing and learned that COLA is dependent on the Consumer Price Index.

Mr. Harmon stated that using vacation is not an issue, but comp time has to be used before vacation time. This is the reason that overtime is being brought up at this meeting. In many cases, employees accrue so much comp time that they never reach a point where they can take vacation time.

Mrs. Spicer confirmed that the current policy can be enforced since the Council did not approve the change that was presented.

6. Concerns Expressed. Mr. De Mayo stated that one of the concerns is that employees should not be paid for simply "doing their jobs." He stated that with a small staff, if one employee happened to get sick or injured or out for an extended period of time, the work load would increase for other employees. According to Mr. Harmon, back in 2001 there were five full time employees plus 4 part time employees in Public Works. This lasted during the spring and summer. Back then Public Works was not doing the volume of work that they do now. There wasn't a large knowledge base, except for one person. Today, there is a smaller staff of well trained, organized, and efficient employees doing more work. Work that is being done by current employees is work that was previously "farmed out." These employees need to be recognized for their work, i.e. awarded merit pay. All employees work a weekend every month. Comp time rolls over and is mainly weekend pay. This is the only actual comp time. Employees do not earn many hours of overtime. Weekend comp time is a minimum of two hours.

Merit Pay: One of the complaints has been that merit pay was being awarded subjectively. According to Mr. De Mayo, in a small community, this is not a problem, and if it was, it would be very obvious, because favoritism would affect employee morale. Mr. Harmon recommends Merit pay awards and Mr. DeMayo reviews them. The evaluations are thoroughly reviewed by Mr. De Mayo.

Mrs. Doherty asked if there was any recourse for an employee who does not agree with his evaluation. There is a process through the Chain of Command grievance procedure outlined in the personnel policy and eventually comes before the Council. Employees are counseled in six

months and the evaluation is given in one year. During the 6 month counsel session, they are advised if improvement is needed, etc. Mrs. Doherty feels the 6 month counseling is important.

The personnel committee had requested that they be allowed to review evaluations. Mr. Harmon feels this is unnecessary and they should trust the supervisors. According to Ms. Eckman, in the past, the Council awarded this authority to the supervisors.

Mr. Lewis stated that he feels the Personnel committee did not have all the information available on merit and incentive pay. Ms. Eckman produced the resolution which gave the City Manager permission to do the evaluations.

Certification Pay. Mr. De Mayo discussed the two approaches to certification pay. One is that it can be paid for by the certification, or include this as part of the position and not pay for the individual certification. Ms. Eckman and Mr. De Mayo discussed this and if you include this in the position, it ends up costing more than if you pay for the certification because the merit pay is figured against the salary. Certifications are paid monthly per certification and are \$50.00. There are only certain certifications that this applies to. CDLs are \$25.00. There is a list of certifications that apply and within this list, certain employees can apply for these. Certificates have various requirements. Mr. Harmon does not recommend the certifications but leaves it up to the employee. Some of the jobs are covered under Mr. Harmon's and Mr. Doherty's certifications. Number of years in the business and ambition are motivations to get the certifications. It is possible that an employee can get all the certifications. There is always a risk that an employee could leave Heppner for a more lucrative job. Mr. Harmon would like to see his employees get as many certifications as they can due to the knowledge gained. This also in the City's best interest. Some certifications are required by state law. Mr. Harmon recently obtained his back flow inspector certification which has saved the City funds by not having to hire a contractor to do the inspections.

Mr. Lewis asked what the Public Works certification requirements are. According to Mr. Harmon, these include Backflow Inspector Level 2, Wastewater Treatment, Wastewater Level 2 Collections, Level 1 Drinking Water Distribution. There is not a job description for Assistant Public Works Director. Mr. Paustian feels that firm job descriptions are needed. According to Mr. De Mayo, one of the reasons for certification pay is that with it is a requirement for continuing education. It is the employee's responsibility to attend the classes. Job descriptions need to be worked on by the Personnel committee. According to Ms. Eckman, the City does have job descriptions for most positions but not the Assistant Public Works Director. The descriptions from Baker could be incorporated into Heppner's. According to Mrs. Spicer, the City Council needs to approve all job descriptions. Mr. De Mayo also stated that the evaluation system needs to be revised so that the evaluation matches the job description.

According to Mr. Paustian, documentation is important.

Financial Constraints. According to Mr. Harmon, Heppner is not in bad financial shape. The City has come up with ways to save money. Mr. Doherty stated that the employees would like to go back to the previous policy of awarding merit pay and vacation days. Mr. Harmon would like to see the overtime line in the budget increased if possible. One employee currently has 60 hours

of comp time. This a newer employee and cannot use vacation time until he is on board for one year. Mr. Doherty would like to see the comp time policy changed so that employees can use their vacation time.

Mr. High asked if someone else can be hired to do some of the jobs, i.e., mowing, etc. so that employees can use their vacation hours. According to Mr. Harmon, there is the possibility of getting a CAPECO worker this summer. Ms. Eckman stated that comp time is only earned on weekends. The CAPECO workers are not paid for by the City.

Mr. Harmon explained weekend duties. The schedule calls for the telemetry system to be checked at the office, check the sewer plant chemical levels, etc. The Operator in Charge has to file reports. The Level 2 Wastewater Treatment Operator is responsible for the sewer plant. Overtime is higher during the winter due to weather problems. Mr. Paustian talked about working with the golf course. The City is working closer with the golf course and this has improved. According to Mr. Harmon, the Public Works employees need to be taken care of since they are extremely valuable employees. Mr. Paustian stated he has had a lot of praise for the Public Works employees.

Future: The next Council meeting will redo the resolution to reflect the 2-3-4% merit increase. The new resolution needs to reflect the old resolution. The Personnel committee will need to discuss and make a recommendation to the Council on Job Descriptions. Council members would like to keep the certification pay separate. According to Ms. Eckman, the new resolution could be acted on at this meeting. On Job Descriptions, Mr. Harmon asked if the Council would like the job descriptions to reflect certifications and in order to have the job title, they would have to have the certifications. COLA will not be awarded this year. The COLA is taken from LGPI and equates to 0% this year. According to Mr. Harmon, if this really is 0%, he would like to ask Mr. De Mayo to go away from the LGPI calculation and use a formula such as Stanfield uses. Ms. Eckman thinks that the employees are accepting of the fact that there will not be a COLA this year. Ms. Eckman provided a new resolution for Council review and action.

Action: Motion by Mrs. Doherty to Approve Resolution No. 770-10, A Resolution Establishing the Pay Range Policy for Employee Compensation for FY 2010/2011 and Rescinding Resolution 769-10. Seconded by Mrs. Burleson. Motion Carried Unanimously.

3. ADDITIONAL DISCUSSION.

4. ADJOURNMENT. Meeting adjourned at 7:45 PM.