Aldermen

Ward 1 Position 1 - Robert Reynolds
Ward 1 Position 2 - Brenda Thiel
Ward 2 Position 1 - Kyle B. Cook
Ward 2 Position 2 - Don Marr
Ward 3 Position 1 - Robert K. Rhoads
Ward 3 Position 2 – Robert Ferrell
Ward 4 Position 1 - Shirley Lucas
Ward 4 Position 2 - Lioneld Jordan

Mayor Dan Coody

City Attorney Kit Williams

City Clerk Sondra Smith

Fayetteville
ARKANSAS

City of Fayetteville Arkansas Special City Council Meeting Minutes February 22, 2006

A special meeting of the Fayetteville City Council was held on February 22, 2006 at 6:00 PM in Room 219 of the City Administration Building located at 113 West Mountain Street, Fayetteville, Arkansas.

Mayor Coody called the meeting to order.

PRESENT: Alderman Reynolds, Thiel, Cook, Marr, Ferrell, Lucas, Jordan, Mayor Coody, City Attorney Kit Williams, City Clerk Sondra Smith, Staff, Press, and Audience.

ABSENT: Alderman Rhoads

Pledge of Allegiance

New Business:

Cost of Living Adjustment: A resolution approving a 7.1% Cost-of-Living adjustment for all City employees effective January 2, 2006; suspending merit and step increases for 2006; and approving a budget adjustment for General Fund in the amount of $687,658.00 from Undesignated Fund Balance.

Mayor Coody: We have had some performance issues in the staff that we are dealing with so we can make some changes to where we won't have to deal with these issues again. We want to get back on track. What we want to do for this year is to find a way to resolve these issues once and for all to where we can have a pay plan that is predictable, fair and sustainable for everyone; the taxpayers and the employees. We started the current pay plan process back in 1988, 1989 and we've used this process since then. This was the year that we wanted to go back out to bids and open it up to other vendors and the study that came back obviously didn't appear very workable for us and that's when we started looking harder at it and we determined with Don Marr's help; thank you very much Don; that a lot of the key questions that should have been asked weren't asked and so now what we want to do is find a way to make a stop gap measure for 2006 just this year so we can find a way to keep everybody even to where our employee base doesn't lose buying power and hold everybody and make everyone whole for this year while we look at completely overhauling the way we do our pay plan and pay adjustments. With that I am going to go ahead and ask Susan I guess to step up and see if she has anything to add or ask the Council if they want to start off with anything.

Susan Thomas, Public Information and Policy Advisor: I don't have anything specifically to add to what you said other than I think that two of the things that have been stated very clearly to me by several of the Council members are the notions of accountability and responsibility for the situation that we find ourselves in and the Mayor has already stated tonight that we as staff and directors recognize those short comings and those flaws in the process and they're being dealt with. Those are personnel issues that may or may not need to be discussed publicly in front of a crowd like this but certainly the Council deserves answers to their questions. I think that unfortunately some of those questions cannot be answered tonight by the staff that is present. So I think it might be useful to go ahead and listen to what employees have to say and listen to the questions that you as Council might have for us. I suspect that the Mayor was right also in saying that we will probably have to have another meeting but I think we can use this time to be productive and make progress on where you all stand as Council members, the information that you need, questions that you might have, opinions that you may have about the memos and the recommendations that we have made and then also to hear from the employees that have come to join us tonight in this discussion as well.

Mayor Coody: Thanks Susan.

Susan Thomas: I'm just going to sit back down and we'll answer from here.

Mayor Coody: All right. Does Council have any questions to start off with or do we want to start off by listening to the employee base? All right, does anyone want to visit with us from the podium?

Leonard Graves, Vice President of Fayetteville Fraternal Order of Police: First of all I want to thank you Mayor Coody for seeing the importance of this issue and calling a Special Council Meeting. As expressed in our letter the Fraternal Order of Police had some concerns about the modifications to the current pay practices of the City of Fayetteville and now ultimately it comes to a point of freezing step raises and merit raises for the 2006 year. One of the things that we looked over is for the last past thirteen years the City of Fayetteville has operated under a philosophy of competitive pay practices. These competitive pay practices have been recommendations only from a group that we've hired as a consultant. Not only is this philosophy something that we believe we were working towards but it's a philosophy that has also been used as a recruitment and a retention tool by many divisions in this city. Every employee here took a job with the city for a variety of reasons. Some may have been for the security, some may have been for the benefits, some may have even been because of the job they wanted to do. But these city employees took those jobs and entrusted the City Administration to work towards that philosophy and a number of matters, one of the ways they felt it was asked the management in constant reviews. These employees feel that this was not done and they have been failed. For the past few years the Council had been presented with dismal forecast of the economy while at the same time the City's growth has not been represented. This can be seen in the numerous discussions that the Council has had where you have been presented with the doom and gloom numbers of expenditures and not reflecting what the growth we have had as revenue. The most recent occurring is the 2006 Budget process. The Fraternal Order of Police feels that you were given inaccurate information concerning the projected salary survey adjustments. Again, you were not given the information in December for a reason of discussion and additional proposals issued to you that enlisted a cost of living adjustment. Over the past couple of weeks you have probably been bombarded with memorandums, questioning the validity of our practices now. We ask the question of why now, why these proposals, the questions of our City pay practices being……. Was it because the survey came with high numbers therefore causing the budget issue? The most disturbing fact, the most discovering fact came to the Fraternal Order of Police is when City Administrators took the opportunity to present slanted statistics and numbers to the General Public only to support an idea that the City of Fayetteville Fire and Police personnel were being paid comparably. And why has this issue become an issue of a nightmare that we can set our calendars by only because one certain group of people choose to validate the data that's presented to this Council? We feel by allowing the freezing of the step and merit raises employees are only left with one question: Why are we penalized for City Managers failure to address this issue in a timely manner. Thank you.

Mayor Coody: Before you step down, I agree with a lot of what you said and I disagree with a lot of what you said. First let me say that you make it seem as if this has been some type of intentional slight of hand to misrepresent things to the public and misrepresent things to the employee base which could not be farther from the truth. I want to add that the Policemen and Firemen and all the general employees of the City of Fayetteville have been very well respected especially in the last several years. If you would like me to go through the list of things that we've done for the last few years that hadn't been done before I'd be glad to but I bet you know what I'm talking about.

Leonard Graves: Oh yeah. I know.

Mayor Coody: Now let's not forget everything from trying to fix this situation four years ago. Do you not remember where we formed for the first time the Wage and Benefits Committee to try to get accurate input from the employee base and also have a vehicle to express information back to the employee base through the Wage and Benefit Committee? That has been flawed in itself. So to blame us for all of the problems and not recognize that we've gone to LOPFI to the Wage and Benefit Committee, we've given good raises, we've increased benefits, increased holidays and Fayetteville has an excellent reputation as a good place to work because we do care about our employees is in itself misleading and unfair. So I would appreciate it if everyone would be wholly accurate in their perspective and not cherry pick things they want to say that are bad yet ignore all the good things we have done that other cities haven't. The State of Arkansas just allowed a 2.8% cost of living increase, period. Look at what Ford, GM, Chrysler are having to do, look at what Pinnacle Foods and Superior are having to do here in town. Look at how the University pays their people and see if they give regular COLA's if they give regular raises, compare us to everyone else around here. The City of Fayetteville employees are doing pretty well. Now you bring up the reason that all the sudden we have questions about the study is because it's too much money. Part of the problem is this, and I made this perfectly clear when we made this public, the study came back and said that the Firemen needed to be kept competitive an 18.3% raise, we have .99% voluntary turnover in the Fire Department that's less than 1% turnover in the Fire Department and an 18.3% raise versus a 4.6% for our non uniformed employees in a lot of areas where we have 11% turnover. So when we saw those numbers where a 4.5% or 4.6% increase for where we had 11% turnover, almost 18 ½ % raise where we had no turnover. Things are out of whack, that was an example of this whole study system that we've been involved in has been out of whack. We want to make this to where everyone, our entire family, not just uniformed, our entire family of employees for the City of Fayetteville are treated fairly and equitably and paid in accordance with the appreciation that we have for you. So I would appreciate it if there would be a recognition of the good things that we have done as well.

Leonard Graves: We understand that Mayor and you made the comment about it has been used as we said as a retention statement. We are aware of the last memorandum that came out about the turnover ratio that has decreased throughout the city. Those turnover ratios can be contributed back to the competitive pay practices that you as a Council and the City managers put into place for the past few years. And that's one of the things we just don't want to lose in having.

Mayor Coody: Neither do we, thank you Leonard. Would anyone else like to address this tonight?

Jason French, President of the Fraternal Order of Police: Actually, I had a few questions tonight, but it doesn't look like those who can answer those questions are here tonight.

Mayor Coody: That's a problem.

Jason French: I would like to ask one question of you Mr. Mayor if possible. In your proposal you have asked that step and merit increases be put on hold this year. May I ask your reason behind that?

Mayor Coody: There were a couple of options discussed and I'm having to rely on our Budget and Finance staff to provide for me accurate numbers, numbers that we can rely on. So basically what we discussed a couple of weeks ago was there are a couple of options. The first option seemed to be the most reasonable and that was to do a 7.1% COLA. If you look at 2004-2005 and you look at the 3.5-3.6% COLA adjustments or cost of living adjustment for those two years combine those and you get about 7.1% cost of living adjustment. The original thought was that if we were to do a cost of living adjustment at anniversary date for when City staff were hired and we did merit and step increases along with the 7.1% at anniversary date that that might be a feasible way to keep everyone whole and kind of have as little shock to the system as we could for this year while we completely rebuild our pay plan program. But because our Police and Fire really wanted to have 7.1% COLA immediately starting January 2nd because as you know uniformed personnel get their raises at the first of the year where all the rest of the employees get their raises on their anniversary date that if they got hired December 30th, they get their raises a year after uniformed does. So we thought this was a good way to treat everyone in the whole organization equitably. And the money is about the same. We're really looking at a multitude of options; the Council is the ultimate arbiter of this decision. But two of about five or six options are going from nothing to way too much is to do a 7.1% COLA at anniversary date and merit and step raises or do 7.1 % at January 2nd which is what was preferred by the uniformed personnel. Those dollars work out to be roughly the same. There's maybe a 5% difference or 6-7% difference in those two bulk numbers. Either one of those two scenarios would work except the

7.1% at anniversary gets to a whole big compression issue with a whole lot of employees here. That's why we thought the benefit of doing it at the first of the year raises everybody's boat evenly and equally throughout the whole organization. That would avoid a whole lot of compression issues. Now there was some other questions that have come up that state why would you do, well I don't want to get into all those kind of details right now because we could spin off into infinity, this is a very complex issue, paid benefit, cost of living, merit, step, all these factors impact each other.

Jason French: Sure.

Mayor Coody: I'm not the expert here I'm going to be relying on other people that know a lot more about this than I do.

Jason French: And I don't know if you'll answer to this but it's my understanding that step and merit increases are budgeted by the department heads for their particular divisions in the budget, is that correct?

Mayor Coody: Yes, I want Susan to answer more detail of that though.

Susan Thomas: My understanding is that merit and step is accounted for in the Salary Contingency Account.

Jason French: So therefore that money should be budgeted already and should not really be contingent on what would transpire with the 7.1 increase. That money is already in the 2006 Budget. Or am I wrong in assuming that?

Mayor Coody: The two numbers that I have to rely on that I've been given from the Budget Department are these, if we were to do the 7.1% COLA at anniversary and merit and step raises, that's about a 1.5 million dollar total budget number. If we did the COLA of 7.1% on January 2nd for everyone evenly that's about a 1.66 million dollar number so there is about a $160,000 difference between those two, $100,000 there more or less difference.

Susan Thomas: Can I jump in here also if it makes it a little more clear. The Salary Contingency Account, again my understanding is that that account is where all funds for pay plan adjustment for merit, for step, that number, whatever was in that account should account for all salary related adjustments that would be made in the year.

Jason French: That would include the merit and step increases as well as any raises from a salary survey, is that what you are saying?

Susan Thomas: That is my understanding.

Frank Johnson, Police Chief: Based on a projection.

Jason French: Based on a projection? Do we know what that number was this year?

Susan Thomas: Merit and Step? $575,000.

Jason French: $575,000, which would also include a contingency for any possible salary increases with the salary survey?

Susan Thomas: No. The full number for everything together was $400,000 for the pay plan adjustment and there was $575,000 for merit and step for a total of $975,000 in the Salary Contingency account. On the $575,000, Council recalled during the budget process that when we talked about full employment budgeting for full employment versus what actually happens with employment in the City throughout a year was that really the practice is about 98% employment for general employees. So you made a decision during the budget process to drop that $575,000 hard dollar amount in the budget down to $175,000 assuming that by salary savings throughout the year that you would find that other $400,000. I can say that again if I need to or if you have other questions about that.

Alderman Thiel: Tell us what the adopted budget was, the final.

Susan Thomas: The final amount was $400,000 for pay plan and $175,000 left for merit and step so it's still $575,000 but it was allocated differently. It's all in the same Salary Contingency Account.

Alderman Marr: May I ask a question on that?

Mayor Coody: Sure.

Alderman Marr: So the part that was reduced, the 2% difference of full employment versus 98% employment, if history of this city for the last 10 years holds true that money is still there. It's there in the fact that it wouldn't be paid out in a job going unstaffed for some time period etc. So while it might not sit in the Contingency Fund, it sits in the budget either in the labor line in the department or in the Contingency Fund.

Susan Thomas: That's correct.

Alderman Marr: Okay.

Jason French: Just one other thing real quick is that, and I know like I said there aren't a lot of people here to answer a lot of the questions that we have and perhaps you have but there is no doubt that this problem has been compounded by the fact that the City waited until August to do anything with the Salary Survey and that's well documented. That's unfortunate and what our concern is with the Fraternal Order of Police is it is not only the Police Officers, Firefighters, but that all the employees with the City are going to suffer because of a lack of performance with a certain department in the City and that's not fair and that's all we're asking is what's fair. And we ask that you take that into consideration as I know you will when you make these decisions. Thank you for your time.

Mayor Coody: Thank you Jason.

Susan Thomas: Mayor I would like to add also that these numbers, the salary contingency, the explanation and source of these numbers are all based on the information that has been given to us. I didn't personally calculate these numbers so just a word of caution that this is information that has been provided from Budget.

Mayor Coody: One thing I want to add is that the Salary Survey we did is not an entitlement. Once we have these consultants tell us what the outside world is doing compared to what we're doing, compared to the local regions etc., etc., that shouldn't be seen as an automatic boost. It is a tool for management to just make sure that we can stay competitive and that we're paying well and that we're doing the right thing by our employee base. It is a recommendation, this needs to be perceived as a way of just keeping everybody whole and doing the right thing, not as a way that if the consultant said that there's 100% raise coming then we're being put upon, we're being hurt. That's not fair. I think everyone in this room recognizes the City of Fayetteville is a good employer, with the Benefit package with the health package which is hard to; we've got benefits that are hard to beat. We wish we could pay better but we've got a choice, either we can pay everybody and never hire anymore Firemen and Policemen and let the services slide as our community continues to grow, we've got to find a way to do a balancing act in several different factors. We've got to treat the employee base well because we respect you and we couldn't do without you and we have a lot of respect for everyone in this room and we appreciate everything you do. I would like to find a way that we can act as a family of City employees and know that uniformed personnel folks and non-uniformed personnel have different ways of looking at things but I think we need to show proper respect to the entire organization. And when we have men and women that have to stand in water, raw sewage at 2:00 AM in the morning when its 20° their feet may be warm but that may be all. We need to treat everybody as if we can't do without them because frankly we can't. But we also need to recognize the tax payer needs to be respected as well. We need to pay as well as we can but we need to balance those interests with our revenue stream and our income and what we're asking the taxpayer to provide. We have to rely on each other here to do each other's work and look out for both parties. I'm just asking for some teamwork here and some forbearance because we want to put this right. We recognize none of us are happy about this, we recognize we have this issue going on and we want to resolve it to everyone's not just your benefit, not just the taxpayer's benefit, to everyone's benefit. This is going to take a little bit of time, none of us are happy about this, we wish we weren't here but we are. Now the question is how best to deal with the circumstances and how to move on from here. Yes Ma'am.

Alderman Thiel: I have a couple questions. Is there a representative from the non uniformed division that's going to speak to what they would like to see? We've heard from the FOP, I haven't heard from the Fire Department and any of their employees, what they would like to see? Are there representatives from the other groups or just the FOP?

David Williams, President of the Fayetteville Firefighters Association: May I interrupt a minute; we were just listening to some of the discussion.

Alderman Thiel: Okay, I would like to hear from each area and find out what about this proposal concerns you.

Mayor Coody: David, I guess you are being called out.

David Williams: I'm being called out. We appreciate the hard work that you all do, we know that this is a tough item to discuss and it takes some hard choices and I wouldn't want to be in your shoes for sure. We do have some concerns Mr. Mayor with the proposal that you have put forward. One question we have about it: by not allowing the merit and step raises have you all looked at what that's going to do to the compression issues of employees throughout the whole city? One example would be we've had some new hires on the Fire Department in December of 2005, we hired two employees, oh I'm sorry, four new employees and in February we hired two more. If we don't give any step raises in 2006, when December rolls around, those firefighters that were hired in December will stay where they were at with that 7.1%. In February of 2007 those others will move up to the next step because hopefully we are going to give step raises again in 2007 which will make it to where an employee that did better on a civil service exam, was more prepared to come to work and do a good job for the City could be deemed being punished for doing that well. Had he come out fifth on the test he would be getting more compensation. I feel, I know this will also create other issues within the Fire Department, I'm sure it will other City departments as well and that's just something that we would like for the board and the Mayor and your staff to truly take a good look at. You may already have and may have some answers to that but that's one issue that we have with that.

Mayor Coody: I would hope that when we do this whole process again we're going to be looking at every single aspect of this with a much more thorough perspective to where your questions will be answered.

David Williams: Would these questions be answered prior to implementing any new raises or are we going to wait until 2007?

Mayor Coody: Let's just speak with the City Council. I'm guessing here but I'm expecting the City Council will take some kind of step to do a stop gap temporary situation to keep everybody whole as we move forward into rebuilding our whole pay plan practice.

David Williams: Right, which I guess that's why I'm weighing real heavy on the step and the merit raises because I think that is a way of not keeping everybody whole so to speak. I don't know exactly what the solutions are but I think if possibly, I know we have a Wage and Benefit Committee but if we were able to come up with a committee or possibly a task force where you get some representatives from the FOP, from the firefighters, from other City groups to sit down with some staff members and some Council members, I think with our heads together we can come together and create a very good reasonable solution to the problem for 2006 and we would definitely welcome that.

Mayor Coody: Alright. Does anyone have any questions for David?

David Williams: I do have one other statement that I feel that I need to make and you commented earlier Mr. Mayor on the low turnover rate within the Fire Department; if I may I would like to talk a little bit about why there is low turnover rate on the Fire Department. Part of it is contrary to some people's belief; firefighters are pretty loyal to their employees on a national standard, but also within the City of Fayetteville and State of Arkansas under Civil Service. You can only get hired on from the ages of 21 to 31, that's a 10 year gap before you lose your opportunity to go elsewhere. You can not transfer from the Fayetteville Fire Department to say the Little Rock Fire Department in any capacity such as a higher rank other than Fire Chief. I'm a captain with the Fayetteville Fire Department, If I left Fayetteville today to hire on with Little Rock, one I'm past 31 so that probably wouldn't work for me; two, if I was to be able to I would either start as the Fire Chief or as a rookie firefighter which for me neither one of those are, well Fire Chief might be okay, probably not for Little Rock, but firefighter wouldn't be a good option for me. So, we're kind of bound once we get into it by certain standards within our profession and I'm sure the FOP probably have some, Police Departments have similar standards, I don't know what those are, I haven't really researched those. But if you all have any questions I'd be more than happy to answer them.

Alderman Jordan: Just one question, David have you brought these compression issues up before?

David Williams: We have brought up some compression issues, not the ones I just spoke about per say, several years ago we tried going through the departmental chain of command and fortunately the Department Director no longer works here. I think that's a plus for everybody but we had some issues that fell on deaf ears and we couldn't get our point across to where it needed to go. We've been in contact with Kit Williams about these issues and are trying to figure out a way to resolve some of these problems. It's a slow and hard process. There's many ways of resolving it but we're trying to have the best outcome for the City and for the firefighters. It's been a breath of fresh air being able to work with Mr. Williams on that. We're not resolved yet but they are being looked into I believe I can honestly say that. So does that answer your question Mr. Jordan?

Alderman Jordan: I think so, but you have brought this up before, but right as at this point in time you haven't had the answers that you want?

David Williams: We just haven't had a resolve yet. We've brought it up and I've mentioned it once to our new Chief. It's a problem that has been dumped into his lap that he really had no idea of, and I told him that we were working as an association, we were working with Mr. Williams trying to get some resolve, but I felt that he needed to know what was going on.

Kit Williams, City Attorney: I'd like to say on that that our hopes had been that the survey would come back and because of increases in the matrix that would be able to take care of some of these compression issues which are also tied to some longevity pay issues. And the City's intent and desire not to ever reduce somebody's pay but to try to make sure that all the employees are going to be within the matrix in the future and not have anybody outside the matrix which is the prime reason in my belief that we get these compression issues. When someone then gets promoted from one rank to a higher rank and they're already making more than the lowest paid person at this rank than that's when some of these compression issues start and we had both hoped that the change in the matrix would help alleviate some of these problems and obviously, if the matrix doesn't change than none of these will be alleviated automatically. There would have to be some other solution which I don't know what it can be at this point in time.

David Williams: Well it's one of those unfortunate things I think we are going to have to continue to work towards to fix some of the problems. We've realized that we are just one segment of the City and the whole City has to run. We also are aware that some of the other City employee groups have had similar compression issues and those got resolved. We are just hoping that we can go and get these resolved with some of the same ways that the other city employee groups were able to get theirs done.

Mayor Coody: Brenda.

Alderman Thiel: So, non-uniformed employees have resolved the compression issue because I thought there was still some problems with that, with non-uniformed.

David Williams: I do not have that documentation in front of me; I wasn't prepared quite for that tonight and I can't speak for the non-uniformed employees.

Alderman Thiel: I hope we have someone that can.

Mayor Coody: I do too.

David Williams: I don't know how theirs was. I know, I'm just speaking off the top of my head here, and forgive me if I misspeak a little bit but I believe it was three or four years ago there was some fund set aside to deal with some compression issues throughout the City. Like I said, I don't have that in front of me, we can provide that for you if necessary. Maybe it was two years ago during the last survey and our position was when the salary survey came back and it showed different employee groups needed different raises and the Fire Department's was real small and minor which at that time we had stated in the Wage and Benefit Committee that we would not seek any raises because they were a small amount if we could resolve the compression issues that we had. We were told that there was a fund set aside and we were working our numbers trying to get those out there. Then when we got our numbers around the money had been divvied out to the other employee groups and there was none left for our issues which this is getting way off base of what we're here for tonight. We can work on this with Mr. Williams and the staff that would be great.

Mayor Coody: We don't have to try to answer all the questions tonight, obviously we're not going to be able to but we need to get this dialogue going so we can get on down the road with what we need to do.

David Williams: Like I said we want to visit with you all about them and try to resolve them to the best of both parties cause we know there's only so much to go around for all City groups and we just want to make sure that in the long run that all City employees are treated fairly.

Mayor Coody: Exactly.

David Williams: All right well thank you all. If you have any other questions I'll be here.

Mayor Coody: Thanks David. Does anyone from the non-uniformed end of business here that would like to speak with us tonight?

John Brooks, Crime Scene Technician: I am not the official representative for the non-uniformed personnel; I can tell you that I have had some discussion with a good majority of the non sworn personnel. They would like to see the 7.1% plus their merit increases. It think there's this situation that's come up where it's non-uniformed versus uniformed, I don't think that exists to the extent that that's being portrayed. I want their raises just like they want my raises. I don't think that's an issue here. But the majority of the people I have spoken with would like to see the 7.1% for the cost of living adjustment plus their merit and their step.

Mayor Coody: Sure. You are in the Police Department right?

John Brooks: Yes.

Mayor Coody: Is there anyone here from the non-uniform employee base, water and sewer workers, and folks like that?

Alderman Thiel: Well who is on the committee that we have; the Wage and Benefit Committee?

Mayor Coody: I'm sorry?

Alderman Thiel: The Wage and Benefit Committee?

Mayor Coody: There are a few of them. I hate to disagree with you John but when I went to the last Wage and Benefit Committee meeting, there is a deep divide between the uniform and non-uniform employee base here. That was evident from all the conversations that I heard.

John Brooks: Well there might be on the committee but I don't think that exists that I've seen in the trenches with everybody else so that's just my personal.........

Mayor Coody: You may be right. All right, thank you.

Deidre Uselton, Community Resources Project Administrator: I'm with the Wage and Benefit Committee and I spoke to a lot of employees in my division. I actually represent exempt, I'm not sure who all those are in the City but I think........

Alderman Marr: What division are you in?

Deidre Uselton: I'm with Community Resources and Code Compliance. The majority I spoke to are happy with the 7.1%, we're happy with anything actually, on our side that's what we say. We do want Police and Fire; we want everything to be even. And if we start the process over like the Mayor stated and reinvent the wheel, I think that we can have it straightened out by next year.

Mayor Coody: Thank you.

Shane Wills, Parks Maintenance Worker II: Connie Edmonston had a meeting last week over trying to keep things lined out where everybody knows what's happening here tonight and after that meeting we talked, my friend, a co-worker and the Superintendent of Parks had a brief discussion and we talked about how it seems like the consensus was in our circle, three or four guys that we were all for the uniformed people to have their raise. However they were able to work that out but we also felt that the real crux of the matter would be not having the evaluation raises because that, for me and the people that I was talking with that afternoon, it's a real consideration when you're out there in the parks or doing whatever we're doing that we want to be noticed and recognized, speaking for myself I actually enjoy that once a year sit down luckily enough for me to get some feed back on what my job performance has been. My own thoughts on this, I think this has been voiced earlier tonight, that if someone was out there and didn't really need to express how much they needed the money on their yearly wage increase because of the evaluation and didn't need to feel like they needed to express to their work performance then I on the other hand have been for however many years and planned on continuing that. They didn't have to do that because they were going to get a raise anyway. In my opinion you're not going to take care of your job as well as you would if you had to be evaluated. I think that is a big consideration and also it's just 1% in this year, if it goes through, last year I got an 8.4% and they told me that was the highest I could get, and it was more than 7% I mean I know it was just 1% but that 1% does count. That's basically what I have to say is that little bit of extra push because your evaluations coming up is something I think that would be bad for us to lose if we were just to get a flat rate no matter what. That's my understanding is what is on the table for possibly happening.

Mayor Coody: Thank you for your input. I'd like for the City Council to start discussing this. I don't know how far you want to go tonight. I suspect we are not going to resolve this this evening but we can get as far as we can.

Alderman Reynolds: Have we listened to all the divisions that's present?

Mayor Coody: I don't have any idea but I don't see anyone lined up to speak to us.

Alderman Thiel: There's one more.

Mayor Coody: Oh Jan, come on up.

Jan West, Inspections Clerk: I work for the Building and Safety Division. We don't have a representative on the Wage Board. I surely don't agree with what Deidre said. The 7.1% is fine, that's great, it gives us a cost of living raise but if we don't get our merit raise and I would assume it's the same for the Police and Fire with their step, we're actually only getting a 2.1% raise because I spoke to my boss about what his normal across the board, not everybody gets it, but what's the normal thing, and he said about a 5% raise. 5% from 7.1% is 2.1%, that's all the cost of living would be and that's all our raise would be and I think we all deserve more, we work hard, we work short handed, and we're willing to do this because we enjoy, most of us enjoy working for the City of Fayetteville, I have for 17 years, I hope to be here another two, even if it is in the step retirement form of it. We all, our department, we go to classes to improve ourselves to do a better job for the City and I think that we should be paid for this, we should be rewarded for doing this not only on our time, because I took the test on my own time, you all paid for it but I got a better thing by this but now I'm being told I'm not going to get a raise for this, I'm not going to get my merit raise, but I'll get 7.1%.

Mayor Coody: How much would you expect to get this year just to kind of educate us on what would be a normal if things went along as usual?

Jan West: If everything went along the same way? Well, you would have to ask Steve, but I think probably about a 5% because the test that I took was for a permit clerk, I'm the only one in our office that has taken the test and passed it so far. Others are going to take it and they'll pass it too I know. But this is a step up from the position I'm in now so I was told that by getting this that would give me a raise plus then my regular merit raise which I figured would be around 5%.

Mayor Coody: You're talking about going up to getting a promotion to another level.

Jan West: Yes, another level.

Mayor Coody: But if you got promoted to another level you would get the raise appropriate with that promotion and then 5% for merit on top of that.

Jan West: No I think it would be, well again it's something you'd have to ask Steve, that he would be able to answer that better than I. But I was counting strictly on a 5% raise.

Mayor Coody: You'd rather have a 5% raise than a 7.1% cost of living adjustment?

Jan West: I'd like to have both.

Mayor Coody: Sure.

Jan West: I mean you like your raises.

Mayor Coody: Well, yes I do. I think we all do but when we look around at the rest of the world, to tell the taxpayer out there who is paying our salaries, if they work for the State they got a 2.8% cost of living adjustment and they need to pay for a 13% raise for City employees, that's where it gets pretty sticky pretty fast. We would love to pay everybody ¼ million bucks a year but that's just not realistic. I don't think 13% may be realistic for some jobs, I don't know. But in this economic climb those kind of increases are hard to come by unless you work for the City.

Jan West: Right.

Mayor Coody: Thanks Jan.

Jan West: Thank you.

Alderman Thiel: Where did we come up with the 7.1%?

(Applause from the audience)

Mayor Coody: Uh, excuse me, I'm sorry, I'm going to try to have everybody be respectful of the time. Is there anybody else that would like to address us tonight? All right, I'm going to bring it back to the Council now and close it to public comment. Everybody's had their chance or a couple shots at it.

Alderman Thiel: Well my question is where did the staff come up with 7.1% if the State is doing 2.8%?

Mayor Coody: Well the reason that I asked for the consumer price index for 2004 and 2005 and if you combine the 2004 and 2005 cost of consumer price index it turns out to be about 7.1%. In order to be fair and this is pretty generous to make our employees as whole as possible; we've recommended a 7.1% cost of living adjustment. I don't think other people are doing that. That's pretty generous compared to what everybody else is doing. If I understand right and somebody correct me if I'm wrong but Superior and Pinnacle both are asking their employee base to work two weeks for free. State's is 2.8% COLA no raise, the University's not lavish and not handing out raises.

Alderman Thiel: What is the University doing?

Mayor Coody: Susan, do you have the University's?

Susan Thomas: I don't have that information on what they are doing this year. Lioneld might.

Alderman Jordan: Not much.

Mayor Coody: What is the University doing this year?

Alderman Jordan: I think my last raise was 2.5%.

Mayor Coody: I hope this is sinking in that we are trying to be generous as best we can.

Alderman Marr: All right, I'm going to give this a stab. First of all I'm not trying to throw darts at people. I want the employees and the citizens to know that I think that the Council sitting up here is knowledgeable enough to say that this is the perfect example of how not to do compensation. First and foremost, it's late, its methodology wasn't done on the front end, the compensation philosophy is not clear. You ask why we question it, you know it's kind of be careful what you wish for you might just get it, you happen to have an HR guy sitting on the Council and when people come in and say I think we're being screwed by how this survey is being done thinking that it might not be high enough or it might be too low in certain areas it gets someone like me engaged saying I want to be fair. That's our role professionally, to be fair and in being fair; I want to understand how it's done. I don't think it's our job to sit up here and administer the operations of the City on a day to day basis. We're told over and over that we are policy makers, not administrators so first of all I don't think that we're the ones to sit here and do that. But now that we're where we are we sit down and look at it and say how would we analyze this operationally, which is more depth than I have done historically as I've looked at the survey. We haven't had this kind of fisher if you will between the survey results and the implementation and the budget projections. So I began digging into it and I came up with question after question. So for asking why are we doing this, I don't think you should blame the Mayor, I don't think you should blame HR for saying that the survey data is invalid. I'll take responsibility for that because I think it's a piece of crap. The reason I think that it's wrong is because after seventeen years of history of one provider doing it, we switched, and then the arrows began, bad RFP, things not written clearly in the RFP so that the provider didn't do things that should've been done and didn't know to do things that should have been done. There were questions philosophically that have to be answered that weren't which are on this list of what we want to correct. Is the City of Fayetteville's labor market the same for all positions? The uniformed officers of the City, Police and Fire have what in compensation we call a surrogate market. You don't have enough cities in Arkansas that are Civil Service cities to be able to get enough compensation data to have it compared so you go out and try to identify or create a market, a market that doesn't really exist. If I said to the entire force of the police or the entire force of the Fire Department: raise your hand if you're from College Station, Bowling Green Kentucky, Ames, Iowa, I could go through the list, we might get one or two people. We created a survey off of the size of a town and a University being in it and a growth rate. And when we did that we took that data that we collected from those cities and we didn't geographically modify it to make it a Fayetteville dollar. Now I could use an extreme example and say if you went to New York and said what do you pay a New York Firefighter and you put that in the survey data it's going to average our numbers differently and when it does that the way you make it equal is you convert it to a national average and then you convert it to the Fayetteville modified wage rate so that the dollar in New York equals the dollar in Fayetteville. This survey didn't do that. Now I don't know if it's ever done that, but I know that it didn't do it and that will have some impact on the validity of the numbers so that's my first problem with it.

My second problem with it is that it is best practice in compensation, you can go to Watson and Wyatt, Ernst and Young, name the company, they all have a job matching program that says when we write the job description and we submit it to the person to fill it out you send it to someone to fill in, you have a less than match, an equal to, or a greater than match. What I mean by that is if we have a job description that's Police Officer 1, and in Fayetteville we have a Police Officer and a Corporal and we have another job, well the market doesn't necessarily have a Corporal in every other department. They might have a Police Officer 2 and so the respond in filling out the survey looks at it and says where does my job match, does it match Police Officer 1; does it match Police Officer 2? Is it greater than or less than, which ever one of those I am matching because it puts the dollars that you say that that job gets paid into context. This survey eliminated that process. It did a substantial match. It went out and wrote a much longer job description and said if you substantially match it fill in your wage date which leaves a lot of ambiguity to the person filling it out. Because if I like what Brenda is doing in her job, it's a substantial match and if I don't like what Brenda is doing in her job even though 80% of it might be similar I might not match it. So I create ambiguity in the match process. That's the second issue with I think what they talked about.

So one was job matching and one was geographical adjustment. There are two factors that are used in compensation, its cost of labor or cost of living and companies make a philosophical decision which to use. I asked the question what did Hay use, what does the City of Fayetteville use, I haven't received an answer to that question yet. So what did Condrey use and why do we use it? If you went into a software system that has this geographical modifier and you plugged in College Station Texas, $50,000 in Fayetteville Arkansas and you said what is the cost of labor in College Station equal to Fayetteville and what is the cost of living in College Station equal to Fayetteville they are $10,000 apart. Cost of labor is the entire market where my employee base can come from here it might be Greenland, Prairie Grove, Fayetteville, West Fork, Bentonville, Rogers, the whole area. The cost of living is the Fayetteville city limits. The cost to live within the limits is very different than the cost to live outside of them. So which number you use is important when you are collecting data and no one has defined that yet? So those are three issues with the survey and I don't think you can pick and choose the numbers you like in a survey that's flawed and say we think the non-uniformed people should get a 4.6% too because it's a low number and we like it and we don't think that the firemen should get 18% because it's a high number so we don't like the survey, you don't do that. A survey is a survey and the data doesn't change once you collect it. What you do is you apply it to the context of your compensation philosophy. We heard some philosophy tonight, turn over rates, should it be considered or not considered, that's a philosophical policy decision. If you think that you don't need to make pay adjustments because turnover's low, that's a compensation philosophy. There's at market, market leader, and market ladder, we I think have tried to be an at market company meaning that we don't want to pay better, we don't want to pay worse, we want to kind of be in the middle which is why I think the City looks at mid-point. But that's not answered because when I asked the consultants, describe to me the compensation philosophy of the City of Fayetteville the reply I got was I'm not sure what it is, I'm not sure there is one. Now what that say's to me is how do you apply the data? So I'm sorry that you don't like that I don't like the survey and I'm sorry that those questions weren't asked on the front end and that's one huge problem why this is an example of what not to do. The second problem is the RFP was written on 8/24/05, the contract was signed on 9/29/05, and the deadline was 10/31/05 with an absolute latest language in it 11/07/05. This Council didn't get a number until a memo on 12/21/05 and it didn't get a plan now until 2/22/06 which I can understand because you can't really make a recommendation when you don't have good data, what do you use? So the Mayor's been looking at DLR which I challenged him today is that the right number because cost of living in Fayetteville is different than the national average cost of living. I think that the other issue is you can do, you know compensation philosophy, I was sitting here thinking one issue is where the range starts, if you have problems filling jobs and your range is too low and no one applies, then that's one problem for comp and so that's why you want to pay at market. If your benefits are better and you think that with that market pay puts you better than, like in retirement and health care and whatever those items may be then you might be okay with where you are. I mean there's so many questions that are unanswered. And there's timing issues, I can tell you as an Alderman sitting here, I'm upset at the timing and I want a meeting with Michele and Steve and Kevin because I want to know why the budget of $400,000 was so off for survey data that would have been coming in and we could've made a call to check about it. I want to know why it's taken so long and I think your frustration being in HR and our goal is to represent both management and employees is that you have no confidence in the process therefore you have no confidence in the plan or the data and you have no confidence that it's going to be corrected because it's taken so long to get to this point. I mean that's my outside assessment looking in.

So one is I think you have to have some trust on whether this Council is going to push a meeting and the next meeting and the next meeting and the next meeting, that this whole thing has to be done and those questions have to be answered because one part of it that I completely agree with all of you that challenges me on it is that it shouldn't be done in the 12th hour. You shouldn't change your compensation philosophy at the end when you're looking at the report. You set it on the front end and collect the data and then you apply it. But I will say this, my company does a Northwest Arkansas Survey, now this probably makes no application to unfortunately Police and Fire because it's private employers, but to the average person working in a non-uniformed job if I can find it here. Companies have three numbers that they collect in Northwest Arkansas, they collect COLA, cost of living adjustment, they collect merit data, and they collect what they call business increase which means I don't look at COLA and I don't look at merit, I look at what I can afford with just their budget. We track trend analysis on what those numbers come in each year, so what was the merit average over 2004, 2005, 2006, what was the COLA and what was the business increase and I can tell you that the merit increases average if you look at the last two years is 7.34% and the COLA was 5.01% and the business increase was 5.3%. That's 2% two years ago and 3.01% this last year for the COLA. So when you're talking about a 7.1%. number this 3.5% and 3.5% is this BLRCPI index, it's not related to this market. I didn't support the original memo which was for anniversary implementations for the uniformed side and I didn't do that because it was changing it in the 12th hour. I think the committee is not reflective of everybody who should be involved in it. I think the committee should have Aldermen on it who have to approve the budget and can maybe force the time frame if it gets lagging. I think it should have more management on it and I think it should have employee representation more departmental-at large some of the, all of the departments, I don't know how it's made up but, I think it's more of your employee view and then you get shocked because you hear a management view and then you hear an elected view. Instead of everybody being at the table and hearing it all and talking about it through the entire process, so all of that to say I don't know that it's 7.1% I mean you asked to look at doing merits, what does it cost to do merits and steps in one year of the COLA and the reason I ask that is because if you all will go look at your grid this is particularly for the non-uniformed employees, based on your rating and the percent of increase that you get it is a number that is much higher than COLA and I looked at a couple of areas so if I'm a new employee and I come in and I get a 3 on my rating, I get an 8% increase, well I can tell you that the private market doesn't do an 8% increase as a merit only. In that range is probably built COLA plus merit and it's probably a 3% and a 5% which got to your 8% and the way you check it is when you go to the top of the range and you look at someone that got a 3 because every job has a maximum value and when you get to the top they're there, they can't go anywhere unless it moves. So the chart is typically built to give the cost of living increase and in your chart if you're at the top of it and you get a 3, it's a 3% increase which is probably in line with COLA. So the argument could be made that when the ranges were set up two years ago it had a COLA increment in it. Now I don't know whether it is or isn't, another question that I've asked Hay to be able to answer for us. The reason I asked that is because I had employees say to me today well if we're getting COLA now how come we've never gotten it before because you've looked at it as a pay plan adjustment which moves the range and then you have the merit adjustment which is performance and in your grid it's both of them I think combined but I don't know for sure. So I'm a firm believer in merit increases on the non-uniformed side because I think your performance and your reward for performance should be tied to the work that you do. So that appeals to just my court of philosophy if we're going to set up here and do it. And step I look at the same way is that you wouldn't be getting the step if you weren't good enough to stay here because we should get rid of you instead of letting you be here. I know I've given a dissertation on compensation and I'm sorry but you're asking us to give a pay plan adjustment on data that's just not good. I can't support that. I can support leaving it exactly the same and letting you do your merit and your steps and coming back and studying it again. But then there's a feeling that the pay plan should adjust is what I'm hearing from you and I think there needs to be validation on whether there was already some cost of living increment in any of the prior years. I know there wasn't last year because you only did it two years ago, that's why I'm saying one year of the 3.5% and then do your step and do your merits and see what that number is but that's my thoughts on this.

Mayor Coody: Thanks Don for your help on this. It's good to have an HR specialist on the City Council right now.

Alderman Ferrell: Can I ask you a question Mayor?

Mayor Coody: You certainly may.

Alderman Ferrell: Alderman Marr, you mentioned the anniversary dates, did you come up with commonality on that? Do you think it's a good idea after being announced perhaps to move that to where all their raises would be on anniversary dates?

Alderman Marr: I think it would need to be studied more but my initial inclination is no and I'll tell you why. It's because you try to create the environment that you are going to test to market. I think it is more common for Police and Fire Departments to have annual January implementations and step increases and not anniversary. So when you go to the market to collect that data you want it to be as similar to what other departments do. One thing we would check and see is do other departments do it on anniversary or do they do it on a calendar or a physical year and if they do it that way I think you should be consistent with the marketplace you're going to test.

Alderman Ferrell: Okay. On the survey I just wanted to make sure I understood that one, on the survey, it was a bad survey but, did they do what they were asked to do or did they do more or did they do less?

Alderman Marr: Well, and let me make a comment on that because I don't want my comments to come across that I'm disrespectful of a professional colleague because I think Condrey and Associates is a very fine compensation firm, they do tons of municipalities and they do good work. Our RFP did not ask for geographical modifying. Our RFP had discrepancies in midpoint versus averages and what numbers would be used. So I think our RFP could be much better to get what we want out of it and more importantly the mistake that I think that Steve and those guys at the consulting company made is at the very first meeting what you should do is to have the Mayor in this case and the Council and the committee define what the compensation philosophy is. Because you're first role is just to collect data and make your recommendations based off of what the philosophy is. If you don't know what the philosophy is you can't make a recommendation.

Alderman Ferrell: That's kind of why I asked that questions when you said they were, when you asked them about their philosophy that........

Alderman Marr: What concerns me on that, that's the only area of the RFP that I think, was reflected in the RFP that did not take place.

Alderman Ferrell: Mayor, one more comment. I know we've got a lot to go over here, but one of the things I think that in visiting recently with an employee is when we're going to do our wage and survey benefits and the timing on this last one got us out of kilter but I want to make sure that I understand. If we're going to talk about budget in October then once we've got all of our paperwork done and we know what our philosophy is, shouldn't we have a common time of year or each time we do it like say May, if that's possible and agree upon that so if it's May that gives you I was told it takes four months June, July, August, September if the budget starts in October or sooner. I'm just saying I think it sends a good sign if we can establish a clear date.

Mayor Coody: To have the compensation study done?

Alderman Ferrell: Yes and stick with that.

Mayor Coody: No we all agree with that, there's no doubt about that. This process was not driven, everything that could go wrong did go wrong and the problems cascaded from there and that's why we are making some changes to make sure that we get back on track and stay there. As I've stated earlier, none of us are happy with this current situation.

Alderman Marr: Mayor there is one piece of information that I think I'd like to see and I think the rest of the Council should see and that is a list of every employee in the City, their wage in 2004, what their increase was in 2005 and a collected percentage of what the increase was. I think it's important for us to know what percent the pay changed in 2005.

Mayor Coody: Kevin's supposed to be back to work I think tomorrow, he's coming back in from out of town so we should have that hopefully by the end of Friday afternoon I would suspect.

Susan Thomas: I know he is coming back in town tomorrow I don't know if he is going to be back at work.

Mayor Coody: Well we'll get it to you next week anyway unless we can't for some reason.

Alderman Thiel: Now what you asked for was 2004 and 2005 and the increase and to show the percent?

Alderman Marr: Yes.

Alderman Thiel: So we don't have to, good.

Alderman Marr: Right, so that we know for the individual and the total collected.

Alderman Thiel: So that's going to show us what?

Alderman Marr: It's going to show us whether we average 3% or 5% or 7% or what it was.

Alderman Thiel: Well it's going to show, well some of that is going to be step merit and some of that is going to be increase.

Alderman Ferrell: It will still be a percentage.

Alderman Thiel: Do you want that separated?

Alderman Marr: Well I want promotion separated but our current grading system doesn't separate COLA and step rate.

Alderman Thiel: Right and the merit system varies a lot. Not everybody gets 5%.

Alderman Marr: That's why I want to see it and visualize it.

Alderman Thiel: I do too.

Alderman Lucas: Is there anyway of finding out if COLA has been included in it?

Mayor Coody: That's one of the things we wanted to find out from Hay. Susan, you were trying to call them today?

Susan Thomas: We can make the request. I think the, and this is all well before my time but I think the individual we worked with is no longer with Hay so it's sometimes difficult to get information but we certainly will try to see how that was formed.

Alderman Lucas: No one on our staff knows this?

Mayor Coody: I certainly don't. One of the things that happened, Susan correct me if I'm wrong on this, I believe that what we did when we went out for the RFP was that we basically and I could be wrong on this, but I understood that we basically took the RFP that we had been handing. We had been using Hay all these years since 1988 and 1989 and we basically had them do the same job that Hay had been doing without really evaluating if that was the job that needed to get done.

Susan Thomas: I would rather have HR answer that question; I don't know how they did that process.

Alderman Marr: I can tell you they didn't do it at all like Hay had been doing it. The methodology is different than when Hay did it.

Mayor Coody: All right. Well we want to do this right and we will want to reinvent this process so we can avoid this every two years, this nightmare. We want to put a program into place that is sustainable, that is predictable, we know what's coming year after year, we can be pretty close to reality when we budget in the future that's fair to everyone, that's what we're going to strive for. That's what we are going to achieve.

Alderman Marr: So when will we make a decision so that they know, I mean I guess the question is are we going to make a decision on this; a total number or are we going to say we are going to do a COLA now and then come back and talk further about merit and others or what will be the day. Because I know all these people that are sitting in this room they want to know when the decision is going to be made. It affects their paycheck stub.

Mayor Coody: We've all got other business to take care of, I suspect that Steve and Kevin and Michele will be back in the saddle next week I am assuming.

Susan Thomas: And it's possible to separate the issues a bit. I think that there's sort of a historical perspective that the Council's looking for on what went wrong and what happened and there's a separate policy discussion about what we're going to do about it. I don't know that that would be up to the Council but it's mandatory to have that full blown historical perspective in order to know how to make a decision on how we want to deal with the situation right now. I think that the Council can decide if they want to discuss the plan tonight. If we want to talk about the COLA's, if we want to talk about the numbers I think we can do that, that would be your decision.

Mayor Coody: Frank.

Frank Johnson: I would like for you to consider that when you refer to the individuals who I think are partly responsible for where we are at right now, that concerns me some what. And I think to have a dialogue right now that would give all City employees some comfort in knowing there is some positive direction to this whole process.

Alderman Thiel: Well, I think we all agree that we need to have a policy set. We need to hire someone to; I meant I think that part is agreed on. So you are just referring to a percentage that we're looking at.

Mayor Coody: Basically it's some kind of temporary patch right now to get us through this time.

Alderman Thiel: And I think what Don has alluded to is we might need to see a little bit more information to get an idea of what's already happened as far as a cost of living increase?

Alderman Jordan: I thing that's a good point Brenda. I think if you just jump out and do a percentage without doing a study of the step and merit I mean you're just sort of oh well here's a percentage and then you may have to go back and readjust that later.

Alderman Marr: We need to know what happened in 2005 as a percentage and I think as soon as we have that number we can say whether we think the 7.1% is good too low, too high, whether we think we should be only one COLA instead of the two years plus the merit and step, I tend to lean more that way if our percentages come out the way the grid is built, if it doesn't then I like your recommendation.

Alderman Thiel: And I'll say my philosophy on this if that's what you want, I mean I think the merit and the step is important. I think to me that's important. I think what I'm looking at is whether or not the 7.1% is the figure we need to look at if that is what you want to hear from someone else.

Alderman Jordan: If you want to hear my philosophy, I totally agree with that, I believe the merit and the step is important because it gives workers something to work toward. Whether they do good performance or bad performance they can still get a certain percentage raise and well I'm going to get the same as so and so is going to get so why should I put out any more than anybody else. But if they have some sort of goal that gives them hope that if the harder they work they will be rewarded for that work. I've never agreed also with anniversary dates. We have done this at the University. You have our yearly anniversary start in July, well workers that get hired in June don't get a raise until the next June so you have workers that come in after July that have the benefits of a full raise all year long, does that make sense, I see everybody nodding their head, they know what I'm talking about, but we've dealt with that. I don't agree with that, I will never support that.

Mayor Coody: Well, whatever we do with one group, we want to do for all groups and I do believe we need to treat everybody more equally.

Alderman Jordan: And I do agree with some sort of committee with Alderman on that committee to go through this and be there. I think if it's early on there would be an understanding more of what's going on.

Frank Johnson: Just one other thing Mayor. I appreciate the comments, I think it's also important that you're involved and it's important in stating a philosophy regarding pay and compensation but in the end it's also going to come down to a Budget Manager. I feel like the budget is still going on, it was painful enough just to get through the very first part of it and I feel like it's still going on and at some point you'll get the number that you have to look at based on your philosophy and I'm sure that's a whole other discussion but at the same time speaking on behalf of the Police officers most of them, they rarely ever talk about earnings. I don't hear talk about how much money they make and that they deserve more. It's always been about the process and fairness in the process so if they come at you as somewhat agitated or frustrated it's because of some of the things you have already stated. It's a process that was put into place that should've worked and didn't work and if you look at me and if this happened at the Police Department you could fire every one of us. As the Chief of the Police Department I can tell you that I have no argument against that. I can tell you that when this meeting is all said and done they are still going to be looking at me expecting some kind of answers so I think what you are doing is very very important for at least the Department Heads. I don't want to speak for Tony but we are just moving in a direction to get an answer both in philosophy and what the ultimate amount is going to be so I'm thankful for that.

Alderman Marr: Mayor, I would like to see us set a Special City Council Meeting following Agenda Session next Tuesday.

Mayor Coody: The only question is going to be, I would love to but I just want to make sure that everybody that needs to be here will be here.

Susan Thomas: We can probably verify that. I also received a note that this does not include the steps for Police and Fire. This is just for the general employee's average for 2005 the increase is 6.63%. Obviously we will get you all of the numbers.

Alderman Thiel: Where did you get this note from?

Susan Thomas: HR. Apparently this is a calculation that's used for other policy decisions.

Alderman Thiel: Mayor, am I understanding right that the policy we're talking about is probably going to be set by a committee of some Alderman and not necessarily the Wage and Benefit Committee changing right now, but a committee to set up policy, is that right Don?

Mayor Coody: Oh I don't know. I think this is going to be a Council decision with a lot of input.

Alderman Thiel: Okay well, okay.

Susan Thomas: On the RFP there would be a Selection Committee and perhaps you could expand the scope of that committee if you wanted it to be......

Alderman Thiel: I think the policy needs to be set by the entire Council but prior to doing an RFP or it would be part of the process but I think there needs to be a committee formed very quickly. Obviously I think Don Marr needs to be on it because he is very knowledgeable. I don't need to be on it because I don't know that much about setting this kind of a policy. But I think that's important that that be done and I think it would probably happen faster if there was a committee set up that would kind of be working on a future RFP plus bringing something to the Council as soon as possible so that we can adopt this as our policy.

Susan Thomas: I think if you double up duties like that it's obviously going to be a bit more efficient time wise.

Alderman Thiel: Yeah.

Mayor Coody: We can sure do that.

Alderman Reynolds: I think the Council serving needs to be on the committee. I think we need to know more of this stuff up front instead of the last minute that things are going wrong. I had some of the Policemen call me; they asked me questions I couldn't answer because I hadn't heard the answers. You don't get much information from HR as an alderman so I think the City Council needs to be involved and I think if our employees do their job than they need to be paid. The ones that don't, they need to move on, but if we've got good employees we need to pay them. I'm for that. Thank you.

Mayor Coody: I don't think anyone would disagree with that.

Alderman Ferrell: Is that what you wanted to hear Chief was that we're moving on, that there's going to be a date that we're going to take some action because obviously it's coming?

Frank Johnson: Not a date I mean I think the statements you are making now give some indications to the employees on what your philosophy is. They can hear it from me but you know they want to hear it from you and this is the first they have heard of this and this is going to drive the discussion on the direction we take with our policies and procedures, our compensation practices. There in and there after the discussion on the actual budget matter, and like I'm saying, I'm very appreciative of your time right now and the discussion that you're having right now.

Alderman Ferrell: I can tell you right now that my philosophy is to pay a good fair wage to attract and to keep good personnel and I think you have to do that. And I think everybody feels that way. It's unfortunate that we're a little behind here but I think that's the only philosophy that you can really operate under and have a strong and effective workforce.

Alderman Lucas: And I agree with what all the Alderman have said just so it will be unanimous or something. I think the evaluations to me are very important, I think that's a very important tool and evaluation merit raises on the basis of the evaluation. I think we have to pay our good employees right. I think because we want to keep them, I mean you have good employees, that is really an asset and so I agree with what's been said.

Mayor Coody: Yeah, we all do.

Alderman Jordan: I want the employees to know that you can't fix what's already happened. You can't fix the past but we can fix the future. We can change the will be and we will.

Mayor Coody: All right, so we're going to meet again Tuesday after the Agenda Session and we will get together, Susan do you have anything?

Susan Thomas: Before we wrap up, are there other than the information that Don has requested, are there any other information questions. Obviously anytime over the next several days before Tuesday you can call if there's information that you need we'll get that for you. Are there specific concerns about the recommendation or other information that you need that we can prepare and have ready for next week?

Mayor Coody: If you do have any, you don't have to come up with them right now, you have our number, call, make your questions very specific and we will get specific answers.

Susan Thomas: I think another thing that we should probably, I think everyone has alluded to it but nobody has said it outright and I think that it's important for us as staff to say to Council and also for the employees to hear is that we're in this position because of decisions that were made and steps that were taken and missed steps that were taken and we understand the frustration. I know that sometimes because of the position that we're in that frustration is focused at us and therefore by default we don't understand or we don't sympathize with that. But I think we are very clear and very sympathetic to Council's frustrations on the limitations that we placed on your decision making ability particularly during the Budget cycle and I think that we are also very sympathetic to the employees and their frustrations, the timing of this, particularly the ones that participated in it and have been participating in it since a year ago this month. I know that when you don't provide people information they are required to come up with their own answers to questions and sometimes those answers are good and sometimes they are not so good. You get, I don't want to say a conspiracy base, but when you don't have answers and you don't have somebody standing up taking accountability and responsibility for things then people are going to come up with their own answers to what happened. I hate that that has happened over the last few weeks and even in the last couple of months but I hope that somehow through this process over the next nine months we're going to do what we need to do as a Council and as staff and as the administration to ease those concerns and sort of squash those conspiracies that we've come up with some master minded plan to ruin this whole thing intentionally because that's certainly not what happened. I think that from an accountability and responsibility part at that level we understand and sympathize with your frustrations and we understand and sympathize with those of the employees as well.

Mayor Coody: All right, is there anything else that anyone would like to say? All right thanks everyone. I hate that we are in this situation but we're going to fix it and we're going to fix it well and we're going to fix it right. Thank you all for coming our tonight.

Meeting Adjourned at 7:35 PM.

Dan Coody, Mayor

Sondra Smith, City Clerk/Treasurer