

Village of Bellaire

ADMINISTRATION AND PERSONNEL COMMITTEE

Dan Bennett, Chairman

Dave Ciganick

Bryan Hardy

COMMITTEE MEETING MINUTES

February 3, 2020

7:30 a.m.

1. **Call to Order:** Trustee ~~Bennett~~ Ciganick called the meeting to order at 7:31 a.m.
2. **Attendance**
 - Members Present:** Trustee Ciganick and Trustee Hardy
 - Members Absent:** Chairman Bennett
 - Staff Present:** Lori Luckett, Clerk; Bradley Keiser, DPW Supervisor; Cathy Odom, Treasurer; and Bill Drollinger, Chief of Police
 - Others Present:** None
3. **Approval of Agenda:** Clarification of Wage Scale was added under New Business. The agenda was approved as amended.

Motion by Trustee Hardy, seconded by Trustee Ciganick, to approve the agenda as amended. Motion carried by voice vote.
4. **Approval of Minutes:** The Administration & Personnel Committee minutes of the January 30, 2020 meeting were approved as presented.

Motion by Trustee Hardy, seconded by Trustee Ciganick, to approve the minutes of the January 30, 3030 meeting as presented. Motion carried by voice vote.
5. **Public Comment on Agenda Items:** None presented.
6. **Old Business**
 - a) **Personnel Budget Items**
 - 1) **Health Insurance:** Trustee Ciganick stated that he had not received any information regarding an HRA. The committee has contemplated changing coverage to the Simply Blue plan coupled with a reimbursement program, potentially a managed fund. We were waiting on a recommendation from the insurance representative. As we are learning it is not straightforward. Treasurer Odom entered the meeting. She explained that the policies presented for consideration are not HRA qualified. The insurance representative will have information regarding an HRA available later today. Trustee Ciganick is perplexed why an HRA plan is necessary and employees cannot be reimbursed by the village. As a result of the extra layer required, he is shying away from the concept. He is not sure that with all the variables and added burden to the employees, the savings are there. He expressed his preference to maintain the course with the current coverage. The village can still explore HRAs for future coverage to understand the difference. Trustee Ciganick made the motion to recommend to village council on Wednesday, February 5, that we continue to offer the same plan that is currently in place for the 2020-2021 budget.

Motion by Trustee Ciganick, seconded by Trustee Hardy, to recommend to village council on Wednesday, February 5, that we continue to offer the same plan that is currently in place for the 2020-2021 budget. Motion carried by voice vote.
 - 2) **Merit Pay:** Trustee Hardy expressed his preference to award merit pay. He sought clarification on the year in which merit pay is paid. Treasurer Odom explained that it was always calculated for payment in the budget

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being discussed, not the year for which merit pay was evaluated. Trustee Ciganick believes it makes sense to consider the current year, not the projected budget. Trustee Hardy agreed. If there is money left in the current budget, that should be used for merit pay. Treasurer Odom expressed her concern about funds being available based on the allocation of wages between the funds. Unless general fund pays the merit pay, she is concerned about having funds available. There was a question about the allocation of wages between departments. Governments operate differently than corporations. Treasurer Odom cautioned against combining all fund balances to determine availability. She provided a brief explanation of the funds. Trustee Ciganick asked if the pay had to be allocated between all funds. Treasurer Odom explained the accounting involved. She is required to make sure that funds are not overbudget at the end of the year. Most of the adjustments are made from fund balance. General fund dollars may not be used for enterprise accounts, water and sewer. Treasurer Odom must make sure that there are enough funds available. Trustee Ciganick suggested that merit pay should be based on funds in the current budget, not projected into the next budget. Is it possible to get to the end of the year, see the hard totals, and still pay merit pay with funds left over? Treasurer Odom explained the budget amendment process. Funds would have to be reviewed at the end of January. Trustee Ciganick asked whether we can wait as long as possible to review and pay merit pay. Performance reviews are done at the end of November. The multipliers are established. The calculations should be done late in the year to be paid by the end of the fiscal year. Treasurer Odom expressed concern about needing to make a budget amendment before the end of a fiscal year. Chief Drollinger suggested a line item in the budget. There was brief discussion that merit pay goes into wages and affects other accounts. Trustee Ciganick thought that moving forward a line item for merit pay should be added to the budget and the determination of amount should be made by the end of January so that it can be approved in the February meeting. Treasurer Odom suggested that next year's budget will have to contain merit pay for two years. Trustee Ciganick reviewed the budget to see if it could be done this year so as not to double dip next year. The current budget, with figures as of January 31 was reviewed to see if funds were available to pay in this budget. Year to date budget amounts for last year and this year would allow the committee to compare apples to apples. The current budget was reviewed and adjustments to Local Streets and Major Streets were made. Trustee Ciganick requested a review of the previous awards and how each was allocated. The total should not exceed the total agreed to be paid out. Previous merit pay has totaled \$4500. There was brief discussion that the line item be entered to cover the possibility of all receiving the highest amount. This does not mean that funds will be spent. Trustee Ciganick proposed a hard dollar amount based on the current fiscal status and the merit pay with the formula to be determined. The dollar amount will not be exceeded. A second motion would be to change the payment of merit pay to be paid at the end of the current fiscal year based on the fiscal health to be determined at the end of January; and in the future, a line item will be budgeted for. Treasurer Odom said the amount would have to go under wages. The new chart of accounts will have to be reviewed to see if it can be a separate line item. It may not need a separate line item. The merit wage is a percentage of the employee's current wage. Trustee Hardy suggested that an amount could be added as a line item, then divided at the end of the year. Trustee Ciganick originally did not think there would be anything available for merit pay this year. It is weighted against performance but still out of the same pot. Addressing this year first, Trustee Ciganick made motions regarding merit pay. Motion to recommend to village council that they distribute up to \$5000 pay merit pay for the fiscal year ending February 29, 2020, the specific distribution to be determined by review scores and gross pay annually per person.

Motion by Trustee Ciganick, seconded by Trustee Hardy, to recommend to village council that they distribute up to \$5000 for merit pay for the fiscal year ending February 29, 2020, the specific distribution to be determined by review scores and gross pay annually per person. Motion carried by voice vote.

Trustee Ciganick made second motion to recommend to village council that beginning with the annual budget of 2020-2021, merit pay not to exceed \$5000, be budgeted in the appropriate line (to be determined). Decision of the amount to be distributed shall be determined just prior to the first meeting in February in each budget year.

Motion by Trustee Ciganick, seconded by Trustee Hardy, to recommend to village council that beginning with the annual budget of 2020-2021, merit pay not to exceed \$5000, be budgeted in the appropriate line (to be determined). Decision of the amount to be distributed shall be determined just prior to the first meeting in February in each budget year. Motion carried by voice vote.

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b) **2020-2021 Budget Review:** Tabled until clarification of wages in New Business item a).

7. New Business

a) **Clarification of Wage Scale:** There was a question about the timing of the cost of living increase. Does it accrue on the employee's anniversary date or March 1, the beginning of the fiscal year? Motion to recommend that any cost of living increase, if approved, will occur on the first day of the fiscal year. Any additional increases shall be as previously stated, i.e. anniversary date.

Motion by Trustee Ciganick, seconded by Trustee Hardy, to recommend to village council that any cost of living increase, if approved, will occur on the first day of the fiscal year. Other increases shall be as previously stated, i.e. anniversary date. Motion carried by voice vote.

The committee returned to **2020-2021 Budget Review:** Trustee Ciganick indicated that he had not been able to review the most recent budget proposal. Staff reviewed the proposed additional cuts. There was brief discussion about the Parks budget and reduction in donation to Glacial Hills. Capital outlay was removed to be consistent with other accounts. Public Safety will be looking for a part-time police officer. Another paving crew will be providing a quote for paving Broad Street. The equipment purchase will require deposit of \$1000. Treasurer Odom reviewed the fund balance expenditures for the Local Street expenditure for Broad Street and the equipment purchase for Water. There will still be money in the fund. Trustee Ciganick anticipates that, with the rate increase, revenues will be replaced quickly. With the adjustments discussed, the deficit has been eliminated. The merit line item will have to be included and will reduce the remaining amount.

Motion to recommend approval of the budget 2020-2021 as presented. There was discussion that it needed to be scheduled for public hearing.

Motion by Trustee Ciganick, seconded by Trustee Hardy, to recommend to village council the budget for 2020-2021 as presented be scheduled for public hearing. Motion carried by voice vote.

8. **Discussion Items:** Trustee Ciganick stated that Treasurer Odom will be preparing guidelines for fund balance accounts; what is the range of amounts that fund balances should not go below or exceed.

9. **Communications/Informational:** None presented.

10. **Member/Public Comment:** None presented.

11. **Adjourn:** The meeting was adjourned at 8:46 a.m.

Minutes compiled by:
Lori Lockett, Clerk
Minutes are subject to approval.

Approved: _____

Date: _____