

1 Minutes of the Centerville City Council **work session** held Tuesday, June 3, 2014 at 5:10 p.m.  
2 at the City Hall Council Chambers, 250 North Main Street, Centerville, Utah.

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4 **MEMBERS PRESENT**

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6 Mayor Paul A. Cutler

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8 Council Members Ken S. Averett  
9 John T. Higginson  
10 Stephanie Ivie  
11 Lawrence Wright

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13 **MEMBER ABSENT** Tamilyn Fillmore

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15 **STAFF PRESENT** Steve Thacker, City Manager  
16 Blaine Lutz, Finance Director/Assistant City Manager  
17 Lisa Romney, City Attorney  
18 Katie Rust, Recording Secretary

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20 **BUDGET WORK SESSION (CONTINUED FROM MAY 20, 2014)**

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22 **Elected Official Salaries**

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24 City Council member salary was last increased in 2006, and Mayor salary was last  
25 increased in 2004. Continuing a conversation begun at the work session on May 20<sup>th</sup>, Steve  
26 Thacker, City Manager, recommended the Council increase both City Council member and  
27 Mayor salary by \$200 per month (\$100 from the General Fund and \$100 from the RDA budget).  
28 Council members seemed to indicate support for the recommendation. Mr. Thacker suggested  
29 funding the General Fund portion of the elected official salary increases from additional  
30 available revenue in the General Fund, as identified in his Budget Message.

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32 **Salary Administration Guidelines**

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34 Mr. Thacker presented 2014 pay range midpoint data for positions in many Utah cities  
35 compared with pay range midpoint data for the same positions in Centerville. Mr. Thacker  
36 stressed that pay range adjustments do not change individual employee salaries. Mr. Thacker  
37 recommended a 2% market adjustment to Centerville employee pay ranges to meet the City's  
38 goal of offering competitive employee salaries. Management position salaries are currently  
39 below the average compared to other cities of similar size in Utah. Mr. Thacker did not  
40 recommend pay grade adjustments for management at this time, other than the 2% market  
41 adjustment recommended for all pay ranges, but suggested it should be considered at some  
42 point.

43  
44 Last year the Council authorized a total of 2% to fund merit increases and an additional  
45 0.5% to recognize outstanding performance. Mr. Thacker reported that not all of the 0.5% was  
46 used by department heads in FY 2014. For FY 2015, he recommended the Council approve a  
47 total of 2.5% to fund merit increases for meeting expectations and an additional 0.5% to award  
48 for outstanding performance, or 3% total. This recommendation is 0.5% more (\$17,000 in the  
49 General Fund) than his original recommendation to the Council. He explained the additional  
50 increase is in response to further comparative information gathered. He added that the budget  
51 needed for health insurance has reduced by \$17,000 since the Tentative Budget was prepared.  
52 Mr. Thacker explained the salary increase approaches taken by Bountiful City and Farmington  
53 City as comparisons. Bountiful has 5% step increases yearly for the first 5 years, plus cost-of-  
54 living raise this year across the board of 2%. Farmington is using a total of 4% to fund raises  
55 this year. Councilman Wright pointed out that costs to the City for insurance and retirement

1 benefits are increasing in FY 2015. Mr. Thacker responded that the increased cost to the City  
2 for FY 2015 benefits will fund the same level of benefits the employees received in FY 2014.  
3 The savings in insurance cost compared to the amount in the Tentative Budget could fund the  
4 additional 0.5% merit increase.  
5

6 Councilman Wright stated City employees have received a pay raise every year, yet  
7 there are residents in the City who have not received any pay raises. He suggested the  
8 insurance savings be used to fund streets maintenance or some other service. Councilman  
9 Wright said that the merit increase logic has been used as long as he has been on the Council,  
10 and recommended taking a different approach – give a cost-of-living salary increase of 1%, plus  
11 0.5% to reward outstanding performance at least for one year, in addition to the increased cost  
12 to the City for retirement and health insurance. He stated looking at the comparative data he  
13 feels City employees are paid well, and funds should be used for other expenditures. Mayor  
14 Cutler stated in his experience it is more effective to give increases based on merit than union-  
15 type cost-of-living increases. Councilman Wright responded he is still suggesting a 0.5% merit  
16 increase. He said he feels there are no controls in place with the current method.  
17 Councilwoman Ivie stated she feels it is an entitlement issue, with the City used to being able to  
18 give raises. She added that the City does not always have the money and it is not the end of  
19 the world to tell employees they will not get as much of a raise as last time. The Council  
20 discussed going without an elected official salary increase and using those funds to fund other  
21 services.  
22

23 Councilman Averett stated he agreed with the decision last year to trim back the salary  
24 increases, and feels the City has done a good job of being respectful of the employees while  
25 remaining conservative. Councilman Averett stated he feels it is important to offer an increase  
26 that at least covers inflation. He emphasized the need to retain a productive work force and  
27 pointed out that turn-over has training and other costs associated with it. Councilman Averett  
28 added he believes the economy is healthy and robust, and he would not want to lose valued  
29 employees to other cities and the private sector. Councilman Wright responded he is asking for  
30 one year for stabilization, and he believes the benefits already offered are incentives for  
31 employees to stay. Councilman Wright asked about the estimated cost of living increase (i.e.  
32 consumer price index) for the past year. Staff responded it is estimated to be 1.5% for western  
33 states, 2% for the U.S.  
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#### 35 Request for Additional Police Officer

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37 Councilman Wright stated he suggested last year that the Police Department look into  
38 the possibility of utilizing reserve and part-time police officers. He repeated the suggestion for  
39 this year, stating that the situation he has in mind would involve already-trained, retired FBI and  
40 police officers. Mr. Thacker responded that last year Chief Worsley expressed his opinion  
41 against that option. Mr. Thacker added that he had not perceived a majority of the Council  
42 wanting to move in that direction. Councilman Higginson stated he remembers the Chief  
43 questioning the likelihood of finding quality part-time police officers. Councilman Wright stated  
44 that before hiring an additional full-time officer, he feels they should look at the part-time officer  
45 option. Councilman Higginson expressed a desire to see data supporting the need for a new  
46 officer. Mr. Thacker responded that the Chief can bring back crime statistics to explain to the  
47 Council.  
48

49 City Manager Thacker stated he is willing to support the addition of a new officer  
50 because it has been ten years since an officer has been added to the Police Department, and  
51 Centerville has grown substantially in that time. He stated he would like to see it happen, but

1 acknowledged that it could be put off another year. Councilman Averett described an incident  
2 that recently took place behind his office building in Centerville that necessitated three different  
3 police officers, one of which had to come from Woods Cross and one from the County because  
4 the City did not have enough officers available. Councilman Averett agreed with the request  
5 that staff come back with statistics to support the request for a full-time officer and a response  
6 regarding the feasibility of utilizing part-time officers. The Council discussed some of the criteria  
7 that would be involved with the part-time option. Mayor Cutler summarized the Council's  
8 request: (1) statistical data that justifies the request for an additional full-time officer; (2) a  
9 comparison of the number of part-time police officers that would be needed versus a new full-  
10 time officer; and (3) the issues that would be involved with hiring part-time officers. With  
11 regards to the budget schedule, Mr. Thacker suggested the funds set aside for a full-time officer  
12 in the Tentative Budget could be put in the Contingency Fund to be accessible, if needed, after  
13 the City Council makes a decision.

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15 Employee Compensation Continued

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17 The Council returned to a discussion of employee salary increases. Councilman Wright  
18 repeated his request that the Council approve a 1% ubiquitous cost-of-living increase with an  
19 additional 0.5% to reward outstanding performance, in addition to the continued health  
20 insurance and retirement benefits. The Council and staff discussed the State requirements  
21 involved with changing the compensation format for appointed positions. Councilman Wright  
22 suggested adding a paragraph to the ordinance passed for FY 2015 that adds the ability to use  
23 the cost-of-living option in lieu of the merit-based option. Councilman Higginson stated that if  
24 the numbers used are the same, he did not see a reason to change the wording. Councilman  
25 Higginson continued stating he feels a full-time employee in any city can expect health  
26 insurance and retirement benefits, and it is his opinion that an increase below the cost-of-living  
27 increase is not a raise. Councilman Higginson stated that a 1.5% increase with an additional  
28 0.5% increase for exceptional performance would send the message that times are tough but  
29 the City will at least keep up with inflation. Council members Averett, Ivie, and Wright stated  
30 they could support the 1.5% + 0.5% increase. Mayor Cutler asked if a majority of the Council  
31 would support a change to the cost-of-living method proposed by Councilman Wright.  
32 Councilman Higginson spoke in favor of keeping the current merit-based method.  
33 Councilwoman Ivie stated she would support adding a paragraph to the ordinance giving  
34 management the option of using the cost-of-living increase method. Mayor Cutler stated he  
35 feels there is a fundamental difference between giving all employees the same increase and  
36 giving merit-based increases.

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38 Mr. Thacker explained he feels, as the City Manager, that a 1% across-the-board  
39 increase would defeat the philosophy and principles on which the City has operated its  
40 compensation program for years. As an alternative, he suggested the Council support at least  
41 his original recommendation of 2% for merit increases with an additional 0.5% for outstanding  
42 performance, but in light of the comparative data, he believes 2.5% for merit increases plus  
43 0.5% for outstanding performance is justified. Councilman Wright explained he feels the  
44 increased cost of living is ubiquitous, and the increase should be as well. He also expressed a  
45 desire to see evidence of employees "exceeding expectation". Mr. Thacker responded he does  
46 not feel it is good practice to get into nitty-gritty staff judgments in public meeting. He expressed  
47 that the 0.5% is used with discretion, and the department heads feel the ability to recognize  
48 outstanding performance is a critical motivation tool. Councilman Higginson stated he  
49 supported last year's increase (2.0% + 0.5%) that matched inflation because it was a tough  
50 year. He feels the Council has sent that message already, and he would support the 2.5% +  
51 0.5%. Councilman Wright stated he feels there is merit in cost-of-living increases, and he feels

1 the ordinance should include the possibility for future Councils to consider using that method,  
2 but he can agree with the 2.5% + 0.5% suggested by the City Manager. Mayor Cutler stated he  
3 has asked department heads to recognize outstanding employees as part of a quarterly  
4 performance review. They could be highlighted in Council meetings or in a public area of City  
5 Hall.

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7 Justice Court Judge

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9 City Manager Thacker explained that the State sets a range for judge salaries and  
10 requires that judges receive an increase equal to the average increase of other city employees.  
11 The FY 2015 range for Centerville's Justice Court Judge is \$30,030 - \$54,054. The judge's  
12 salary in FY 2014 was \$41,234. Councilman Higginson expressed a desire to evaluate whether  
13 or not Centerville needs its own judge. Staff responded that the Court brings in more revenue  
14 than its operating costs.

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16 ADJOURNMENT

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18 Mayor Cutler adjourned the work session at 6:51 p.m.

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25 Marsha L. Morrow, City Recorder

\_\_\_\_\_ Date Approved

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Katie Rust, Recording Secretary