

AMERICAN FORK CITY COUNCIL  
JULY 21, 2016  
WORK SESSION MINUTES

Members Present:

James H. Hadfield	Mayor
Kevin Barnes	Councilman
Carlton Bowen	Councilman
Brad Frost	Councilman
Rob Shelton	Councilman
Jeff Shorter	Councilman

Staff Present:

Craig Whitehead	City Administrator
Camden Bird	Administrative Management Analyst
Terilyn Lurker	City Recorder
Lynn Ruff	Interim Finance Director
Kriss Garcia	Fire Chief
Judy Thimakis	Human Resource Director
George Schade	IT Director
Cherylyn Egner	Legal Counsel
Colleen Eggett	Library Director
Derric Rykert	Parks and Recreation Director
Darren Falslev	Police Chief
Audra Sorensen	Public Relations/Economic Development Director
Dale Goodman	Public Works Director
Adam Olsen	Senior Planner

Also Present: Cathy Hoffman, Rocky Mountain Power Public Relations

WORK SESSION

*The purpose of City Work Sessions is to prepare the City Council for upcoming agenda items on future City Council Meetings. The Work Session is not an action item meeting. No one attending the meeting should rely on any discussion or any perceived consensus as action or authorization. These come only from the City Council Meeting.*

1. Discussion on Rocky Mountain Power Emergency Operations. (Requested by Dale Goodman, Public Works)

Mayor Hadfield stated that Cathy Hoffman of Rocky Mountain Power was present for this discussion. They were there to talk about the power grid and emergency operations, as the city had an interest in accessing wells in a power outage and where they would be on the list for repair in a power outage.

Cathy Hoffman stated Rocky Mountain Power did have plans for an emergency/disaster but those plans were specific and confidential. When they respond to a disaster the

response depended on the size, location, and scope, and then they respond accordingly. They do have certain assumptions in place for emergencies. She stated an emergency could occur any time with little or no warning. The events of an incident were not predictable, so the plan was only a guide and may require modifications to meet the requirements of an event. Ms. Hoffman stated that communication and the exchange of information was a high priority. She commented that incidents external or internal may interrupt critical services including water, gas, power, etc. The recovery operations were unique and may require expertise or equipment that were not present day to day. Ms. Hoffman commented that a plan could never address every possible event, but it defined a process for resolving most situations. They also took into consideration that the human element was unpredictable in a crisis and that should not be overlooked. In a major incident, Rocky Mountain Power utilizes an Incident Command System to help facilitate their response. They coordinate communications, resources and all response activities. Mr. Hoffman stated that activation of the response function would take place according to the escalating threat and the human impact on the incident.

Ms. Hoffman stated that incidents were typically handled at the lowest possible geographic, organizational and/or operational level, with authority and resources escalating as required. The response and escalation was based on the magnitude of impact an incident would have on the company in terms of the number of customers out of service, anticipated duration of event, staffing levels, and conditions of the system.

Ms. Hoffman stated that the activation criteria of the system was based on assessing the situation, insuring the safety of the public and the employees, communicating status internally and externally, and returning to normal operations as soon as practical. She stated that when she talks about taking up to 72 or more hours to have power back on, it depended upon the situation. They would not start up a generator until they check everything because safety was their number one priority. It may take time to get the power back on.

Mayor Hadfield stated that Rocky Mountain Power has a substation just west of 500 East on 1500 South. The power went north to the substation behind Harts and then it was sent to Pleasant Grove and up to Highland. Many of the city wells were close to the main grid. The priorities in American Fork were the Hospital and then the utilities that operate the pumps for water. If they had to have wells up and running, the location of the wells in relation to the power grid was key. He felt if the grid was interrupted, there were ways to switch and back feed the grid. The city had 8 wells, but they were not all operating at the same time. Mayor Hadfield stated it was not like they were at the end of the line for the power to be turned back on.

Mayor Hadfield stated in recent years wind and ice storms have been what the city has have seen and that has typically impacted only homes. He was not aware of any huge power outages in this area.

Councilman Shelton stated that as a customer they were not allowed to understand the

confidential nature of their response, but he understood her to say that Rocky Mountain Power would do what was in the best interest to insure safety and there was no guarantee there would be service in a set timeframe. He felt she was implying they needed to look at their own backup generator.

Ms. Hoffman restated that they have a recovery plan in place and they would respond as rapidly as they could in a safe manner. Every incident was situational. They would restore power as quickly as they could, but she could not tell them exactly how long it would take them to power up. They also take into consideration many different variables so they were flexible. They understand the critical nature when power is out and get the power on as quickly as possible but she could not say exactly when the power would be on.

Councilman Shelton asked if she had to make a decision if she would purchase a backup generator. Ms. Hoffman indicated she could not answer that and stated again that they would not turn on the power until everything had been checked. She understood they wanted an answer, but she could not give them an answer to that question.

Councilman Shelton stated he was frustrated that they couldn't know the nitty gritty details of the plan so they would know if the city needed a generator. Another question was what resources they had locally to help them with a decision on whether or not to obtain a generator.

Ms. Hoffman stated that they try very hard to restore the power as quickly as possible. When the Teton dam broke, they put together a video showing their response and she would be happy to share that with the Council. In an emergency, they would bring in crews from other areas in order to respond to the situation, such as from Wyoming and Idaho. She stated that they have responded to two other major disasters back east because they understand the critical nature of having power.

Councilman Shorter asked who had the authority to take the generator if we had our own backup generator. Mayor Hadfield did not think anyone could take it away.

Fire Chief Garcia stated that there were companies around that had dozens of generators they could get through the Utah State Emergency Operations Center. He thought they would have more than a dozen they could get quickly if needed.

Ms. Hoffman pointed out that they have worked with and coordinated their response efforts with the State and the Governor knew how they would operate. There was a coordinated effort with state agencies.

Councilman Shelton stated he had to come to personal satisfaction that they could

provide services in an emergency situation. He also understood where Chief Garcia came from, but he thought it would be helpful to know exactly what was available in an emergency. He did not want to have to say there were 24 cities fighting for 12 generators.

Mr. Whitehead stated it was not as much the time it would take to get the power back on, but it was what Rocky Mountain Power priorities were. For example, would the hospital have a priority over a residential subdivision? Ms. Hoffman stated that was correct and Rocky Mountain Power's priorities were similar to what the city's priorities were.

Mayor Hadfield stated that Cedar Hills only has underground water while we have a 10 million gallon water tank. In an emergency that tank could last 72 hours with restrictions put in place.

Councilman Bowen appreciated the Mayor's comments that there were substations close by and he also appreciated Ms. Hoffman's comments about not being able to make guarantees. It was helpful to look at other perspectives. If they have a statewide disaster, or one along the Wasatch Front, Rocky Mountain Power would be checking the lines before they would turn the power back on for safety reasons. Councilman Bowen commented that if we had a generator, the city could turn it on so the citizens would have water. He noticed the dependence factor verses independence. Would they be dependent upon the power company or a third party company for a generator or would they be able to turn on the wells with their own generator? If there was an emergency, the constituents would approach them and won't be appreciative of waiting for the power company or a generator to arrive. If he was in Rocky Mountain Power's shoes or the State office's shoes, he would be appreciative of communities that could stand on their own.

Ms. Hoffman stated they could take that to a personal level, as there are those who would be able to take care of themselves in an emergency. There would also be those who do not prepare. At Rocky Mountain Power, they would do everything they could to get the service back on, but there were variables in every situation. Again, safety was their priority and they would not turn the power back on until they could ensure everyone's safety. She also pointed out that communication was important and they do know how to get in contact with each other so they know what was going on with each entity.

Mayor Hadfield stated the issue was if the threat was there to invest a major portion of the budget to purchase a generator to have on hand. The council would have to make that decision. He stated that in 1995, there was a windstorm that took a year to clean up the mess but that was not a major power outage.

Councilman Frost stated it was a matter of whether or not they wanted to be independent. Something could happen and having a generator was like an insurance policy. If a generator was ever needed, the government leaders would be either a hero or a fool. It was a matter of weighing out the risks. He knew Rocky Mountain Power would do everything they could to get the power back on, but it would be nice to know they could

continue to provide water if necessary.

Mayor Hadfield stated the bigger threat to him was a rockslide in the canyon that took down the 10-inch water line and interrupting the water getting to the tank.

Councilman Shelton commented that since 9/11, in his industry they have had to go through extensive research where they have to explain to their clients what would happen if there was another emergency. He was trained to know what they have in place and not to take someone's word for it. He thought that if they showed what happened in Idaho with the Teton Dam it might give him some comfort.

Ms. Hoffman stated that with regards to confidentiality, when they were running their ICS there were things that needed to stay within their company. Cyber security was taken very seriously for them, as well as for many other companies. There were certain things that need to stay confidential. In a cyber-attack they would assess situation, look at the scope, and gather information quickly so they could determine how they would respond. Ms. Hoffman stated they have been known to send crews out to other areas hit with a disaster and they know they could get others to respond in the case of a disaster here.

Mayor Hadfield thanked Ms. Hoffman for her information. The Council needed to decide if that was worth the amount of money to spend to have something on hand. Once they bought a generator they had to continually maintain and upgrade the equipment.

2. Review of the compensation study on compression of salaries. (Requested by Terilyn Lurker, Recorder)

Mr. Whitehead stated that at the last budget work session, they talked about the wages and merit increases for employees. They held off on implementing merit increases and all employees have been informed of that and were aware of the process they are going through. He commented that Judy Thimakis has done a great job getting the raw data to determine what their recommendation would be and Camden Bird has put together a summary and power point presentation. Mr. Whitehead stated that they took all the recommendations from the supervisors on merit increases and factored that in before the wage compression was determined. They were using the 3% increase to help offset the compression analysis.

Councilman Shelton asked if they were then assuming all employees received a 3% merit increase. Mr. Whitehead explained that the department supervisors had already made a recommendation for merit increases, so it was not assumed that all employees received 3%.

Dr. Thimakis stated that when they implement a salary program with new salary ranges, one of the first things they do was bring all employees up to the minimum and then they look at the compression issue. One method was that they look at the person's complete

applicable experience to their position and one way they could do that was to apply 2% per year of experience, assuming 20 years in the career range. That was the model they used for this project. It was important they pay equitably and pay market, as they were looking at morale of employees. In the recent employee survey, 10-15% were concerned with salary. This also addressed equal pay issues, which was a federal requirement. It got everyone on the same level so they do not have any inequities.

Dr. Thimakis stated they would be going over the purpose, employee overview, salary ranges, current salaries, their recommendations, and the next steps.

The purpose of the study was to remain competitive and retaining quality employees as well as recruiting as best they could. There were 141 full time employees. There were 42 with 0-5 years' experience level, 45 with 6-10 years, 28 with 11-15 years, 15 with 16-20 years, and 11 with over 21 years. This includes years of experience with prior experience directly related to their position.

Ms. Thimakis stated that they had a chart showing the current ranges of the employees. It was their recommendation for 2% per year per experience to bring them to where they should be in their range. She stated it does not include employees who are already paid equitably and only for those with a historical record of competence performance. She noted that no one could get more than the maximum of the range, and no one get could get less than their current salary.

Ms. Thimakis stated their recommendation would correct the wages of 46 employees. This was the most equitable way, to look at all years' experience and placing them where they should be in the range. This would help with past compression issues and put employees in line with market.

Dr. Thimakis stated there were seven employees with proposed increases ranging from \$1 to \$1,000 per year (\$2,278 total), 22 employees with \$1,001 to \$5,000 increases (\$56,301 total), 14 employees with \$5,001 to \$10,000 increases (\$101,949 total), and 3 employees with over \$10,000 in increases (\$47,085 total). This was salary only. If they implement this over two years, it would impact the budget at \$103,807 per year and would keep the General Fund balance over 15%. This would be funded out of surplus this year and would be included in the budget for next year.

Councilman Bowen clarified this was above the 3% already in the budget and he was told that was correct. Ms. Thimakis explained that they need to reward employees for their good performance. Mr. Whitehead stated if they did not give merit increases, they would need approximately \$400,000 for the wage compression. The merit increase was approximately \$247,000.

Mr. Whitehead pointed out that the department supervisors did not know the results of

the compression study before they went through the normal evaluation process for merit increases.

Dr. Thimakis stated they need to decide on whether to approve the recommended plan and whether to approve the merit increases.

Councilman Shelton asked how many employees were over 100%. Mr. Whitehead stated that 100% was midpoint and 120% was maximum in the range. Councilman Shelton pointed out there was one employee who has been with the City for six years but was already over the maximum in his range. He asked how that would be handled and Ms. Thimakis stated the employee would be redlined, meaning they would get a bonus but their baseline wage could not increase.

Mr. Whitehead stated past practices had been to not add anything to their base pay if they were over the maximum but they would get a bonus. If they earned a 2% merit increase, they would get that amount in a one-time check. Mr. Whitehead pointed out that ranges do change and employees could fall back in their ranges in the future.

Camden Bird commented that in 20 years, they would expect people to reach the max of their range. Employees would not get over 100% in the recommendation. There were five employees over 109% and they would not be affected.

Councilman Barnes asked if they were doing this to try to get every city employee where they should be or to get certain employees where they want them to be. Dr. Thimakis stated this was for all employees who were performing competently, and pointed out that most of them were in the Police Department. Mr. Whitehead stated there some employees who had no adjustments due to performance issues; each director had a chance to address that.

Mr. Whitehead stated the goal was to be equitable to all employees with the same analysis and same variables and same standard being applied. With this wage study done last year, there were new ranges developed per position. For example, in this compression study if an employee has been employed by the city for 20 years and has been a sergeant for fifteen years, this compression study would make sure they were where they should be with wages.

Councilman Shorter asked why they could not use the merit increase to fix the compression problem and he was told that the employees would not like that. He noted that employees would be dissatisfied, but this was taxpayers money they could use those funds for compression if necessary. Mr. Whitehead stated they did not have enough for the merit increase to cover the compression issue and that they had already applied the merit increases, if given, toward the compression.

Councilman Shorter asked how many issues they had with gender equality. Dr. Thimakis indicated she did not look at gender when she analyzed the wages. If they did not approve this recommendation, she would then have to look at gender inequities.

Mr. Whitehead explained they budgeted 3% of the department wages for the merit increase. The department supervisor then takes that amount and allocates the raises based on their performance evaluation. One employee could get 2%, while another could get 5%.

Councilman Barnes asked if it was possible to see what it looked like before the merit increase so they could see if the merit increases did any good. He would be interested to see how many employees got 1%, 2% or 3% raises. If all or most employees received a 3% increase then he questioned what was the point of a merit increase?. Mr. Whitehead noted it was unacceptable to turn in 3% for all employees in their departments, however, they would not evaluate on a bell curve saying one would get no raise while one got 5%.

Councilman Frost asked if this included the total compensation or salary only. He was told it was salary only. They would need to add in additional funds for retirement.

Mayor Hadfield stated that if they look at the current salaries and look at the difference, it was brought back into line. When the pay was all over the chart, it showed there were some underpaid and some overpaid. He felt the 2% was easy to manage and easy to defend.

Mr. Whitehead stated the 2% rule for each year of experience was easy to defend because it was equitable. He commented that if they only took employees to midpoint pay, it would unduly harm some employees who should be higher in the range.

Dr. Thimakis stated they also need to look at turnover rate, especially in the police department, as turnover was costly.

Councilman Shorter asked why they had good employees that are underpaid. Mr. Whitehead stated he did not know why most of those were underpaid, but he did know in one instance the department head used wage increases as a weapon. It was a punishment if you did not get a raise.

Councilman Frost stated they needed to recognize the anomalies and address those quickly. Mr. Whitehead stated they wanted to do that, especially for those who should be higher in the range. He stated that the employee who was at 155% had worked in a different capacity prior to their current position.

Councilman Shelton stated that his concern with merit increases was how you made it fair and equitable. You cannot hold a police officer to the same standard as a librarian or streets crew workers, but each department should have measurements and goals. He hoped it would be based upon merit and that there was a fair measuring stick.

Mr. Whitehead commented that there were standard evaluation forms for the police department, fire department, for the supervisors, and for the employees. They were fairly standard and every supervisor was to go through that every year and give their employees a score which was then transferred into a merit increase. They put trust in the supervisors. Performance evaluations were subjective. There were goals included in the evaluations.

Dr. Thimakis stated she was going to look at different performance measurement packages that were online; she wanted to go with a new system. She also wanted to train supervisors and managers on evaluating their employees.

Councilman Shelton stated it has been a pattern over ten years in several departments; they need to get back to where the merit increase was based on merit. It was frustrating and contributed to the issues they had.

Fire Chief Garcia stated that when his captains evaluate their employees, they have to justify in writing why that employee received below 3% or above 3%. He also reviews all performance evaluations and has to agree with them.

Councilman Shorter stated there were three employees who should receive over \$10,000 and questioned if their supervisors would try to take the raises away. Mr. Whitehead stated that the supervisor would not be able to stop that adjustment based on merit and years of experience. They looked at those closely, but could not say why the employee was not in the proper range.

Mr. Whitehead stated that three years ago, they bought an online system called Neogov. It was implemented, but they did not like the program so they went back to paper using similar measures. He stated there were good software programs out there and they have a goal to get the evaluations done. They do need to get back to training the supervisors on the evaluations. Evaluations were subjective and most supervisors do not like to do them, but that was necessary for merit increases.

Councilman Shelton asked if an employee felt their evaluation was incorrect what appeal process and protection against retribution was in place. Dr. Thimakis stated the employee could talk to her and she would look into the situation. Councilman Shelton thought that the open communication was helpful; he did not think people felt comfortable before and would rather go without a raise than lose their job.

Mayor Hadfield stated the first-line supervisor rates the employee, the second-line supervisor approves it. If the employee does not like the evaluation they should go to the second line supervisor. Councilman Shelton thought that was the problem in the past.

Mayor Hadfield stated this would be on for action at a future meeting. Mr. Whitehead asked if they needed formal action or not, but one question was whether or not they wanted to implement the merit increase or do they want to come back for further discussion on the compression portion.

Councilman Frost felt they could go ahead with the merit increase and then they would have to make a tough decision.

Councilman Barnes stated he was in agreement with what Councilman Frost said and felt they needed to go forward with the merit increase and look seriously over the compression issue over the next year.

Mayor Hadfield felt they needed to focus on those employees who were so far below the line.

Councilman Shelton asked if the compression issue would take care of itself if they were giving 3% merit pay increases year after year but employees were give 2% per year of experience. Dr. Thimakis stated that if they continue doing that, everyone was moving up at the same rate and in essence they were not fixing the problem. Mr. Bird stated that would be keeping it at status quo; this was an attempt to fix the inequities. Dr. Thimakis did not think the Hay wage study looked at the compression issue; it was only looked at the grade and range.

Councilman Shorter asked if they would be looking at compression each year. Dr. Thimakis stated that every time they do a market study, they have to look at wage compression. If they adopt this and stay on top of this they would be in great shape for the future.

Mr. Whitehead stated that there were three employees that need to be raised over \$10,000 and he knows one of them but he has no idea why that employee was at that level. He stated that with this study, the ranges changed and a reason behind the large discrepancy could be due to the fact that the range increased.

Mr. Rykert stated that as a department head, he had expressed his concern that he did not want to do this wage study if there was not a willingness to correct it. In the past, they didn't correct it and that was why they had people out of ranges. This gave them a chance to correct the problem.

Mr. Whitehead commented that they needed to remain market competitive, especially in the police department.

Councilman Bowen thought it was worth getting this right. He understood one goal from strategic planning was moral and he thought this was related to employees being adequately compensated. He noted they also need to be good stewards of the money.

Councilman Shorter stated he was okay with moving forward on the merit increases but not the compression study yet.

Mr. Whitehead stated the next question was what information they needed for the wage compression for further discussion. They did not want to keep dragging this out. He noted that this would require a budget amendment and that the adjustments would come from budget surplus this year.

Mayor Hadfield stated this would be addressed at a future work session.

Councilman Shelton stated he wanted to make sure they have good controls in place going forward. They need to learn from the past mistakes and make sure employees are fairly rewarded. He stated he had brought up bonuses in the budget work session so they could try to figure out how to do that. He felt horrible because they have excellent employees who had wages used against them. He wanted to make sure it was equitable and that was what he wanted to work through over the next year.

3. Adjournment

The work session adjourned at 5:00 p.m.



Terilyn Lurker  
City Recorder