

CITY OF OREM
CITY COUNCIL MEETING
56 North State Street Orem, Utah
September 3, 2019

6:00 P.M. WORK SESSION – CITY COUNCIL CONFERENCE ROOM

Due to the amount of public attendance the meeting was moved to the City Council Room

CONDUCTING

Mayor Richard F. Brunst

ELECTED OFFICIALS

Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner

Brenn Bybee, Assistant City Manager, Steven Downs; Deputy City Manager; Greg Stephens, City Attorney; Scott Gurney, Fire Chief; Gary Giles, Police Chief; Chris Tschirki, Public Works Director; Neal Winterton, Brandon Nelson, Finance Division Manager; Karl Hirst, Recreation Director Ryan Clark, Development Services Director; Jason Bench, Planning Division Manager; and JoD'Ann Bates, City Recorder

DISCUSSION - Career Ladder Funding

Mayor Brunst welcomed all those in attendance and reminded everyone this meeting is for a general discussion in regards to the Career Ladder Program funding. He passed out proposed budget adjustments that were proposed by the Police Chief, Fire Chief, City Manager and other City Staff members.

General review and discussion continued regarding the items on the proposed budget adjustments as presented.

Mayor Brunst indicated he would like to start by removing and not using line items 1, 2, 12, and 28. He feels this would still give them enough to fund the Career Ladder program, being \$345 thousand dollars a year.

Mr. Seastrand indicated he had some concerns with line item 1 and 2. He commented it was his understanding that items 1 and 2 were recommendations that come from the Fire and Police Chiefs. Mr. Davidson indicated items 1 and 2 were conversations that he had with both of the department directors and were identified as opportunities to make adjustments. The basis for the career ladder program is to try and get money in the hands of employees sooner rather than later. Shifting dollars from a retirement program where an employee may be the beneficiary of those

funds in 15-20 years down the road versus today was the intent. The overtime adjustment as related to the fire department with the 1.4, 1.5 is really a structural adjustment that was not made with the split of the public safety into two different departments. That program was put in place a number of years ago which today no longer applies. Orem City is the only city with this type of overtime policy and overtime contribution, this is not provided to any other city employee other than police and fire. Mr. Seastrand stated it is his understanding that the value of getting the funds in a higher wage was the driver of this proposal. Mr. Davidson indicated that employees have represented and it has been suggested, the current wage scale is not commensurate with other agencies, this recommended change is an effort to put more money into wages and to address impacts that challenge. He also feels this will help the city remain and continue to be more competitive. Mr. Seastrand stated he feels if they are comparing to other agencies then they need also be comparing benefits. Mr. Davidson responded by stating from a total compensation perspective, they believe they are competitive. However, the discussions they hear more often than not, is the pay is lacking, so they are trying to find ways to bolster the base wage at the same time doing it with the limited resources they have. The 401k overtime was seen as a way to do that because the majority of our peers do not provide that benefit.

Mayor Brusnt indicated he was not comfortable taking away from fire and police and feels they should not take away item numbers 1 and 2. They are able to fund the program with the budget adjustments proposed without taking away items 1 and 2.

Mrs. Lauret inquired if anyone has run a scenario on the end benefit in terms of their top high three years that retirement is calculated from. Mr. Davidson indicated if they were to switch from and overtime benefit into a base wage there would be a greater percentage of employees that would benefit from it. The spectrum is very broad regarding the amount of overtime is worked. Mrs. Lauret inquired as to line item 12 and asked for understanding. Mr. Davidson responded that for the last 2 years the dividends they have received from UIA have been placed in miscellaneous revenue and have been available for one time purposes, within the general or capital projects fund. He hopes this is a number that will increase and continue to increase due to success in the growth of the UIA network, but at the same time they have not been applying that revenue to the Utopia debt.

Mr. Spencer stated the concern he has is how they keep the experienced officers in Orem and feels there needs to be a considerable amount to offer current officers looking to leave. He also inquired regarding classes offered to police and fire in order to obtain those increases. Mr. Davidson stated the certification and advancement discussion took place internally with the police and fire departments and then the follow-up was made to the administration as to how they bring some consistency to it. He believes both Chief Giles and Chief Gurney have represented they are going to provide everyone with an opportunity to participate in those classes, and will make classes available with both inside and outside the department. Chief Gurney stated as he and his staff structured phase one, they made sure that everything was upfront and available for all employees to see. Whatever he can do to help this employees achieve their career goals is what they need to do. A plan has been laid out and they can see what they need to do in order to make those advancements. Some of the certifications will be required to obtain in order to advance. He feels they require those employees to obtain things that are available. We want to provide the opportunity for them but not push them down a specific path. Chief Giles stated he feels they are very fair with the program. Last year they actually gave the officer the step before they actually took the class. They have brought in a

training Sargent that does nothing but brings in training and classes. Some of the certifications were already in place and they have committed that all the classes will be brought in house in order for them to take advantage of the training. He continued to explain some of the advancements and classes specific to the police department. He feels this is a fair program and feels his officers can get through it in the timeline given.

General discussion continued regarding the step programs and how it will affect those already employed. Discussion also ensued regarding clarification as to the percentage of employees that did not participate in the initial program.

Mr. Sumner stated that it is proposed some of the funds come from the Neighborhood in Action (NIA) program and asked if that would also affect the Neighborhood Preservation Unit (NPU). Mr. Davidson indicated this is not part of the NPU, the funds indicated are left over from previous years. Mr. Sumner asked for clarification of line item 1 and 2 and if they would decrease. Mr. Davidson stated in the case of the overtime which currently is 1.4 multiplied by 1.5 for every hour worked over, yes the fire and police would see a change in their overtime calculations. They would no longer be compensated for overtime at their base wage times 1.4 times 1.5. They would be compensated at the base wage time 1.5. In the 401k overtime contributions the money would be taken and as part of the program, distributed to all employees that qualify for the program whereas right now not everyone gets a piece of that money due to their choice to work or not work overtime. Mr. Sumner commented a few years ago the State made a change to their pension plan and grandfathered those already in the program under the old program. He inquired if there had been any discussion of grandfathering in current employees to the step program. Mr. Davidson indicated that had not been discussed and feels this program is for current and future personal and when you start doing things like grandfathering certain people into a program it can become a point of contention, similar to the tier one and tier two compensations the State recently made. Mr. Sumner inquired to Chief Gurney and Chief Giles as to the group of employees that they discussed this issue specifically item 1 and 2 with and what are their feelings on the ladder program and the proposal for wage increases. Chief Giles indicated the 401k issue was brought up several months ago with Sergeants, Lieutenants and Captains and they voiced their preference as to having the wages upfront. Chief Gurney indicated he has sat down with each platoon and discussed how they get where they want to be and they have stated that obviously they need the money now. He agrees the 401k benefit should have gone away when the departments split but for some reason it didn't. He has employees that do benefit from the overtime, it is not equal across the board and he feels it is not on a grand scale.

Mr. Lentz indicated he is ok with decoupling line items 1 and 2 from the career ladder program but questioned how affective are those two items at actually retaining current employees. If they discontinue items 1 and 2 and shift it straight across the board with a wage increase at every level would that be a more effective retention tool for their employees. Chief Giles indicated absolutely. He continue to state that he appreciates the way this has been done by offering up a lot of different options he feels whatever options they can have to benefit the employees is what they need right now. Chief Gurney indicated it is about the pay they are getting now and they are looking long range as to their three highest years towards retirement. Mr. Lentz stated in giving them the money up front they still have the option to contribute additional monies to their 457. Mr. Lentz feels they should not include line items 1 and 2, and leave it up to the chiefs to administer them as they seem fit. Mr. Davidson stated the overtime wages are not included in

their retirement calculations. In the case of shifting money and using it on the front side does benefit employees in terms of the URS retirement benefit. The challenge at hand is in the next 3 years they will have about a \$600 thousand dollar funding gap, and it is his concern as to how they are going to fund this program. It was in that spirit this conversation began. Mr. Lentz wanted to address the UIA dividend issue and concerns about if this is going to be reliable in the future. The increases they have seen he believes will continue and doesn't see the reluctance in applying the UIA dividend to this program. Mayor Brunst stated it was his understanding that the dividend was meant to help pay off an existing loan to UIA and feels that loan should be continued to be paid down. This money should be used for short term items like UIA or Utopia. Mr. Lentz commented he feels it is a misunderstanding of the funds and feels this is not a short term revenue. He continued to inquire to Chief Giles regarding overtime for dispatchers. Chief Giles indicated they have been able to resolve that issue with Mr. Davidson. Mr. Lentz inquired as to line item 27 and asked if this will affect other departments regarding fleet vehicles. Mr. Davidson indicated in the terms of fleet he feels they are in a good position. It will become a crunch in the event they don't have any one time money. They are currently in a healthy budget than they were a few years ago and have the flexibility in the short term to supplement those funds. If there is a change in the economy or other issues they may not be able to supplement those amounts. In the short term he does not feel it will be problematic. In the long term, it may require them to keep some vehicles a little longer and it may require some additional maintenance costs.

Mr. Macdonald explained to the audience what the proposed list was and that the city has become over the past years very stable. He received many calls from residents that are willing to pay the extra tax increase to allow for the 4 new police officers. He indicated they are trying to level the playing field, and regarding line items 1 and 2 he would rely on the chiefs to make sure it is done correct. Every leader is tested and proven in tough times, not in easy times, and he feels these employees are up to being proven in tough times. He stated he feels it is important to have a sustainable budget. He feels that taking line items 1 and 2 should be a decision made by Chief Giles and Chief Gurney along with Mr. Davidson. He wants to see officer and firemen be promoted and feels we should be flattered when someone leaves for advancement in another city, it says something about our training.

Mayor Brunst made some concluding comments that by looking at the proposed budget adjustments eliminating line items 1, 2, 12 and 28 gives them the \$345 thousand dollars a year they need, it keeps police and fire whole as far as benefits go, and to him those are important.

General discussion ensued. It was the general consensus of the City Council to give approval to the City Manager to move in the direction of the proposed budget adjustments excluding line items 1, 2, 12 and 28 and move forward with the current Career Ladder Program.

Mr. Lentz voiced his concern as to a clear understanding of line item 12 and would like to see this discussion at a future date.

Kevin Wilkey a City of Orem Fire Fighter, being his last days working for the city addressed the City Council.

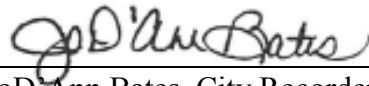
ADJOURN

Mr. Seastrand moved to adjourn the meeting. **Mr. Spencer seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, David Spencer, and Brent Sumner. The motion **passed**.

The meeting adjourned at 7:37 p.m.

Approved: September 17, 2019




JoD Ann Bates, City Recorder