

CLEARFIELD CITY COUNCIL
AGENDA AND SUMMARY REPORT
September 22, 2020 – WORK SESSION

Meetings of the City Council of Clearfield City may be conducted via electronic means pursuant to Utah Code Ann. § 52-4-207 as amended. In such circumstances, contact will be established and maintained via electronic means and the meetings will be conducted pursuant to the Electronic Meetings Policy established by the City Council for electronic meetings.

City Building
55 South State Street
Multi Purpose Room
Second Floor
Clearfield City, Utah

6:00 P.M. WORK SESSION

Discussion on Fiscal Year 2021 Compensation Plan Implementation

Quarterly Communications Update

****ADJOURN AS THE CITY COUNCIL****

**The Regular City Council Meeting
scheduled for Tuesday, September 22,
2020 at 7:00 p.m. has been
CANCELLED.**

**The next regular meeting will be held
Tuesday, October 13, 2020 at 7:00 p.m.**

Dated this 16th day of September, 2020.

/s/Nancy R. Dean, City Recorder

The City of Clearfield, in accordance with the ‘Americans with Disabilities Act’ provides accommodations and auxiliary communicative aids and services for all those citizens needing assistance. Persons requesting these accommodations for City sponsored public meetings, service programs or events should call Nancy Dean at 525-2714, giving her 48-hour notice.



STAFF REPORT

To: Mayor Shepherd and City Council Members
From: Rich Knapp, Finance Manager
Meeting Date: September 22, 2020
Subject: Fiscal Year 2021 Compensation Plan Implementation

Recommended Action

Staff recommends the City Council consider implementing the budgeted compensation effective September 27, 2020.

Description / Background

In early 2020, the City contracted with McGrath Human Resources Group to refresh the compensation study that was approved in June 2016. For the refresh, McGrath conducted a survey of surrounding municipalities for compensation data and used that data, along with additional outside market analysis, to reevaluate our current compensation system. The key recommendations of the McGrath refresh includes (1) larger adjustments to address marketability of harder to fill and retain positions, (2) larger adjustment to select positions identified as significantly below the market average, and (3) a general baseline increase for employees meeting expectation set by the City.

More specifically, the study recommended a combined average 7% increase in order to meet market rate. Initially, staff tried to work in a more conservative recommendation of a combined 4% increase to the budget. However, after prioritizing operational expenses and considering our staffing struggles, staff ended up proposing an even lower increase of 1% merit increase and a 2% market adjustment and other adjustments within the pay range to positions identified by the consultants as “under market”. Priority was given to recruitment over retention. Though our current turnover rate is low, the retention portion should be part of future budget discussions.

The rough estimated difference in cost between the full implementation of 7% and 3% is \$360,000

City Council Budget Direction Given COVID

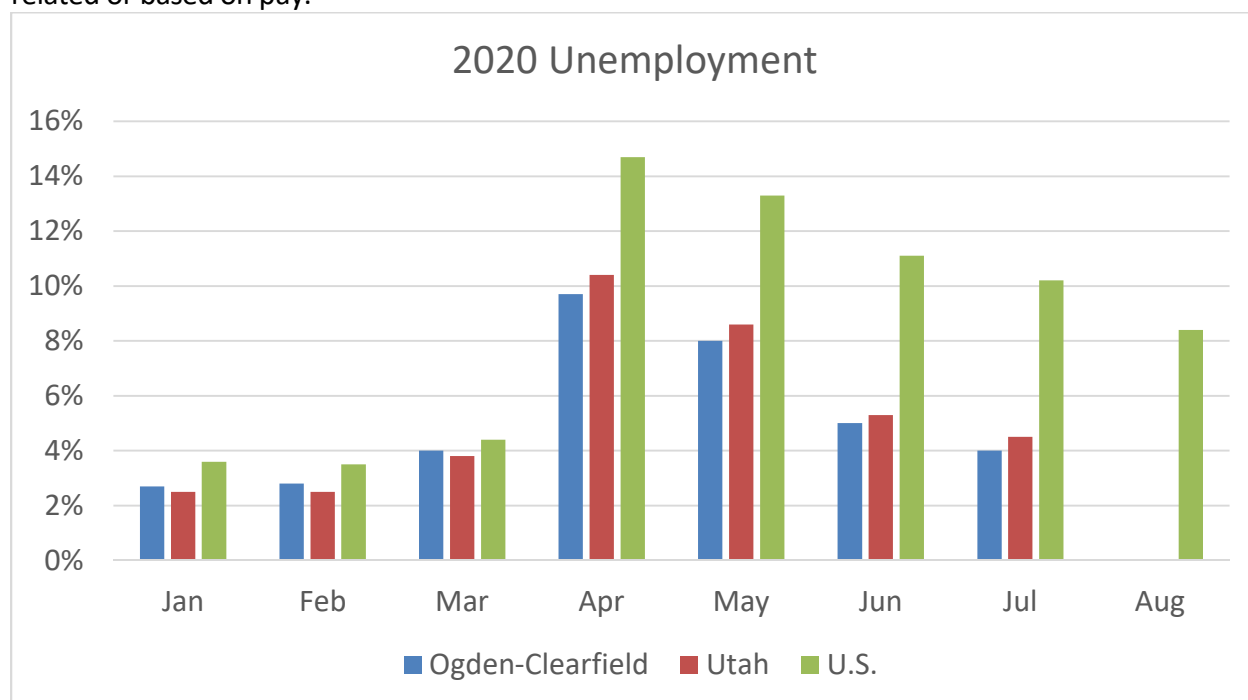
During the budget process, Council approved the full year of compensation adjustments in the budget but instructed Staff to hold off on the actual implementation, and to monitor the uncertainty of the financial and local employment impacts of COVID. It was determined that if employment changed dramatically within our local region as a result of COVID, there could be a chance that the data collected by McGrath earlier in the year would be less relevant, and perhaps not as accurate to use as benchmarks. In addition, Council also expressed concern for the unknown fiscal impact COVID might have on the City's finances. As such, Council selected to not expend the approved budget for the

proposed market compensation system until a determination could be made to ensure it would not be better used elsewhere.

Current Financial Data—The City is in a strong position financially. The City’s unrestricted reserves and net operational resources are higher than anticipated due to the CARES reimbursements, record setting sales tax receipts, furloughs, spending freezes in Q2, increased building permits, and historically conservative budgeting.

Current Fiscal Concerns—The City maintains its ongoing fiscal concerns, with a primary focus on the largest potential negative impacts, regardless of COVID, such as ongoing future health care increases, costs associated with redevelopment risk, and short and potentially long term reduction in various revenue sources.

Current Employment Data—The Ogden-Clearfield area unemployment rate for July is 4%, which matched the March 2020 unemployment rate. Compared to the national August unemployment rate of 8.4%, our area is doing well. While there are more people in the US still out of work due to COVID, that is not necessarily the case in our area. When unemployment numbers are this low, it is extremely difficult to fill positions with quality employees. This difficulty is specifically addressed in the compensation study by addressing the marketability in a number of specific harder to fill positions and market impacts on retention for positions with higher turnover or “flight risks,” while also providing a baseline increase for employees (who are meeting expectations) to help avoid or reduce turnover related or based on pay.





In addition to responding to the difficulties associated with a low unemployment rate in our area, the City is aware of several surrounding cities that have implemented increases.

	Increase	Effective Date
Layton	3%	Retro back to July 1
Syracuse	3.83%	July 1
Clinton	4%	July 1
Sunset	\$2.50	Early September
Davis County	4.74%	Jan 1
Clearfield Proposed	3%	Sept 27

The proposed start date of Sept 27 is the beginning of the pay period closest to $\frac{3}{4}$ of a year. It is difficult to change variables in the middle of a pay period.

Alternatives

Subject to alternative direction, staff believes the following to be viable alternatives:

- Implement the previously approved budget compensation changes September 27, 2020.
 - The proposed start date of September 27, 2020 is the beginning of the pay period closest to $\frac{3}{4}$ of a year. It is difficult to change variables in the middle of a pay period.
- Instruct staff to retroactively implement the previously approved budget compensation changes dating back to July 5, 2020.
- Instruct staff to continue to watch the economic indicators and return with a proposal in January 2021 (or another time) to consider the implementation of the previously approved budget compensation changes.
- Instruct staff to eliminate the previously approved budget compensation for FY21.

Key Additional Considerations

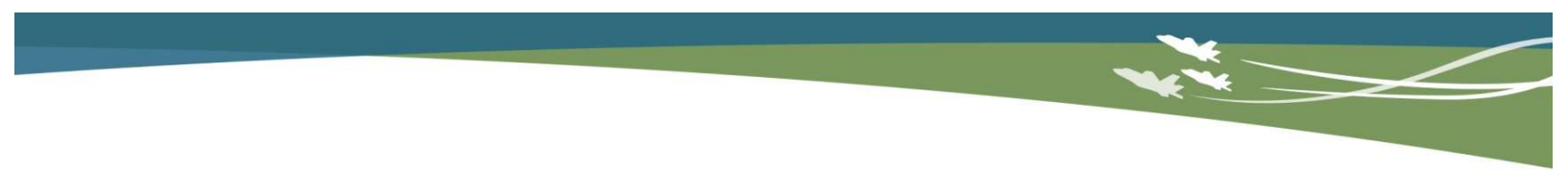
A sooner implementation helps with retention, recruitment, and the policy priority of a highly motivated and well-trained workforce, but costs more.

A later implementation gives the City more economic, labor market, and City financial data.

Corresponding Policy Priorities

Maintaining a Highly Motivated and Well-Trained Workforce

Fiscal Impact



The cost for three quarters of the fiscal year equate to \$216,222.

Schedule / Time Constraints

The further out on implementation, the more strain on retention and recruitment.

List of Attachments

- None



STAFF REPORT

TO: Mayor Shepherd and City Council Members
FROM: Trevor Cahoon
MEETING DATE: September 22, 2020
SUBJECT: Quarterly Communications Update

DESCRIPTION / BACKGROUND

Each quarter communications staff will update the Council on previous campaigns, current projects, and upcoming campaigns. Staff will present on: promotion of recreation and aquatics programming and specials, social media outreach update, and seek feedback on resident outreach and participation.