



AGENDA

**PRESCOTT CITY COUNCIL
SPECIAL VOTING MEETING
Tuesday, December 9, 2014
1:30 PM**

**Council Chambers
201 South Cortez Street
Prescott, Arizona 86303
(928) 777-1100**

The following Agenda will be considered by the Prescott City Council at its **Special Voting Meeting** pursuant to the Prescott City Charter, Article II, Section 13. Notice of this meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02. One or more members of the Council may be attending this meeting through the use of a technological device.

- ◆ **CALL TO ORDER**
- ◆ **PLEDGE OF ALLEGIANCE**
- ◆ **ROLL CALL**

MAYOR AND CITY COUNCIL

Mayor Kuykendall

Mayor Pro Tem Lamerson

Councilman Arnold

Councilman Blair

Councilman Kuknyo

Councilman Lazzell

Councilwoman Wilcox

I. REGULAR AGENDA

- A. Approval of Fiscal Year 2015 employee pay adjustments

RECOMMENDED ACTION: MOVE to approve the FY 15 employee pay adjustments as presented.

II. ADJOURNMENT

EXECUTIVE SESSION

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (i) Discussion or consideration of personnel matters (A.R.S. §38-431.03(A)(1));

- (ii) Discussion or consideration of records exempt by law (A.R.S. §38-431.03(A)(2));
- (iii) Discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03(A)(3));
- (iv) Discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid litigation (A.R.S. §38-431.03(A)(4));
- (v) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03(A)(5));
- (vi) Discussion, consultation or consideration for negotiations by the city or its designated representatives with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city (A.R.S. §38-431.03(A)(6));
- (vii) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03(A)(7)).

Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. §38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed \$500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless City Council takes a legal action at a properly noticed open meeting to approve of such expenditures prior to incurring any such obligation or indebtedness. A.R.S. §38-431.07(A)(B).

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on _____ at _____ m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

Dana R. DeLong, CMC, City Clerk

MEETING DATE/TYPES: SPECIAL VOTING SESSION 12-9-14

DEPARTMENT: City Manager

AGENDA ITEM: Approval of Fiscal Year 2015 employee pay adjustments

Approved By:

Date:

City Manager: McConnell, Craig

12/08/2014

Item Summary

This item is for approval of FY 15 employee pay adjustments. Recommended are adjustments for the two groups of City employees having separate pay plans:

- (1) a fixed increase of 3% for those in the Public Safety Personnel Retirement System (PSPRS)
- (2) a variable merit increase of 0-4% for those in the Arizona State Retirement System (ASRS)

The funding available for both groups is 3% of their budgeted payrolls. This means that while top-performing ASRS employees may receive a 4% merit adjustment, based on their annual performance appraisals, others will earn less than 3%.

The applicability and effective dates of the adjustments are proposed as follows:

- (1) Employees in a probationary status will not be eligible for these pay adjustments unless their probationary period ends on or before June 30, 2015.
- (2) January 4, 2015, the first day of the first pay period of Calendar Year 2015, for permanent status employees with anniversary dates falling between July 1, 2014, and January 4, 2015
- (3) The actual anniversary date for permanent status employees with dates falling between January 5, 2014, and June 30, 2015

It should be noted that the maximum and minimums for the paygrade of each position will not be changed. Accordingly, employees at or near the top of the current pay range maximums will receive less than the percentages indicated above.

These pay adjustments are a necessary interim step toward keeping the City's pay competitive in the public sector employment market, to enable the City to again offer careers to its employees, not simply jobs. The City is now experiencing turnover at nearly twice the annual rate of recent years (16% vs. 8-9%). The classification and compensation study currently in progress will address the market ranges for positions (minimums and maximums), compression (lack of separation in compensation levels for employees with widely varying years of service, the most significant recent cause of which was suspension of any increases from FY 09 through FY 13 due to the recession), benefits, and other items fundamental to attracting and retaining a highly qualified, knowledgeable, and performing "career" labor force. These topics are anticipated to be discussed in detail with the Council during Spring 2015, in conjunction with the FY 16 budget process.

Budget

Funding to support the adjustments described herein was included in the approved FY 15 City Budget and is available. The implementation costs for January through June 2015 are estimated at \$385,000 in the General Fund, and \$242,000 in all other funds to which personnel expenses are charged. Since the adjustments will raise base hourly rates, they will carry forward into future year budgets.

Recommended Action: **MOVE** to approve the FY 15 employee pay adjustments as presented.