

**STATE OF TEXAS  
COUNTY OF DENTON  
CITY OF CORINTH**

On this the 21<sup>st</sup> day of July 2016 the City Council of the City of Corinth, Texas met in a Workshop Session at 5:30 pm at the Corinth City Hall, located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

**Members Present:**

Bill Heidemann, Mayor  
Joe Harrison, Mayor Pro-Tem  
Scott Garber  
Sam Burke  
Lowell Johnson  
Don Glockel

**Members Absent:**

None

**Staff Members Present:**

Lee Ann Bunselmeyer, Acting City Manager  
Kim Pence, City Secretary  
Fred Gibbs, Planning & Development Director  
Curtis Birt, Fire Chief LCFD  
Jason Alexander, Economic Development Director  
Debra Walthall, Chief Corinth Police Department  
Cody Collier, Acting Director of Public Works, Parks and Recreation, and Utility Operations  
Guadalupe Ruiz, Human Resources Director  
Brenton Copeland, Technology Services Manager  
Mack Reinwand, City Attorney  
Marie Rovira, City Attorney

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**CALL TO ORDER FOR WORKSHOP:**

**Mayor Heidemann** called the meeting to order at 5:30 pm.

- 1. Discuss Regular Meeting Items on Regular Session Agenda, including the consideration of closed session items as set forth in the Closed Session agenda items below.**
- 15.** Consider and act on approving amendments to the Northwood Home Owners Association (HOA) By-law's.

Business Item #15, Item pulled. To be put on agenda in October.

Business Item #16

- 16.** Consider and act upon the adoption of the proposed City of Corinth 2016 Personnel Policy Manual as presented herein.

**Mayor Heidemann** – I have a problem with the educational reimbursement that we give \$100 per month, the reason I have an issue with that is because 67% of it goes to Fire and Police, the rest of the people do not benefit from it. What we have in our policy now is the fact that if someone goes to college or gets credits in their area of expertise, we reimburse them as long as they get a “C” or above, in undergraduate. If they are in graduate school they have to have a “B” or above and we reimburse that. When we post a position, we post the qualifications for that position, for instance if there is a bachelor’s degree, then that is what we hire to. By reimbursing someone because they get a degree, on a monthly basis, I think monies we could reallocate out to paying some of our other areas in the hourly rate using that money so the hourly rate people, even though they do not get the benefits of that, we can use that money to help them. I think you will see that in the compensation study for one of the areas we are efficient in is basically in the hourly rate people that are working in the Public Works and Parks and Recreation. I would like to strike that whole area out of our personnel manual.

**Councilmember Burke** – Is that part of the compensation section 9?

**Guadalupe Ruiz, Human Resources Director** – It is on page 29 on the revised one, Education Pay.

**Mayor Heidemann** – It costs the city right now about \$30,000 a year. For the Police and Fire what we do pay is certification, so if these officers and firemen go out and get certified to get advance training and such, and they become certified, we pay them a monthly stipend on that so they will be reimbursed for those certifications. I agree with that, for the very reason is that they are getting a skillset that will advance them in their profession and it helps the city.

**Guadalupe Ruiz, Human Resources Director** – I would like to make a clarification. When you and I talk about the ratio of employees and Police and Fire make 2/3 of the population. We have 17 people in public safety and 12 in general government that receive education benefits at this time. The month of June, we paid \$2,900 for the whole month for those 29 employees. The \$100 is because they have a degree that is above what is required for the position. We have several employees in this case that they are receiving education pay because their positions requires a bachelor’s degree and they have a master’s degree. I am fortunate to have somebody with a doctorate. That is what the \$100 is for.

**Councilmember Burke** – Are you talking about 2 different things there? Because education pay is just once you get the degree you get \$100 per month. You were also talking about the reimbursement for the education pay.

**Mayor Heidemann** – If they go to school and it is in their field of that they are responsible for.

**Guadalupe Ruiz, Human Resources Director** – That is tuition and on the tuition it is up to \$500 and it pays 70% of the approved course per fiscal year. It only allows for 1 class.

**Councilmember Burke** – What section is that?

**Guadalupe Ruiz, Human Resources Director** – That would be “Tuition”, it is on page 14.

**Councilmember Burke** – The tuition part of that, how much is that costing?

**Guadalupe Ruiz, Human Resources Director** - We have only had 1 this fiscal year.

**Councilmember Burke** – When you say 1, that would be \$500.

**Guadalupe Ruiz, Human Resources Director** – Yes, and it is for one class.

**Councilmember Burke** – And the other is costing around \$29,000?

**Guadalupe Ruiz, Human Resources Director** – It is \$2,900 for one month.

**Lee Ann Bunselmeyer, Acting City Manager** – It is about \$34,000 per year.

**Councilmember Garber** – It is possible to get a breakdown of which team members those are? And how much and for what reason they are getting those bonuses? Or did I miss that?

**Guadalupe Ruiz, Human Resources Director** - We have a total of 29 employees, 17 are in public safety and 12 are in general government. I have 10 police officers, 7 in the fire department, and the rest public safety.

**Councilmember Garber** – Do we have the specifics over what exactly degree they are and what kind of impact this would be. Maybe that is something we could save for later.

**Guadalupe Ruiz, Human Resources Director** – I know for part of them that they have a bachelors. For those in general government I can see here it is because they have a master's. I have someone in public works that has a bachelors, so it is not required in the level of this individual. If you want me to I can go ahead and state what degree everybody has. I do not have it with me right now.

**Councilmember Glockel** – It talks about the tuition on page 14, but then it goes over and starts talking on page 27, we start revisiting some of the same things. We talk about certification incentive pay, which you mentioned, and then it goes to education pay, which is back towards formal education over what the job requires, it is kind of scattered out. You have to look at page 14 and page 27 & 28 to get the whole picture in my opinion. I do not know how much it is costing but we pay for the training, it is a B license or C license for water, that is a requirement and we pay for it and the guys that got the license and if he quits tomorrow he takes that license to another town and goes to work and we paid for it. If you have a job that requires a bachelors and I have a bachelors and I get a masters while I am here, the city pays for it. There is some verbiage in here that says if I leave within 6 months after getting it, I have to reimburse the city that if I walk out tomorrow, I do not know how you get your money back because you cannot take the whole \$500 out of the check because you cannot get below the minimum salary. That is the only tool you have, right?

**Guadalupe Ruiz, Human Resources Director** – But I have all of your leave, I have your vacation, sick, holidays and that is where I can get that from usually.

**Councilmember Glockel** – So I better have vacation and I better have sick or you cannot do anything to me. I am kind of in the same boat as maybe some of you are. I look at this and I come from a world where we paid tuition, I love to see that, it encourages people to go to school and better themselves, but if they walk away tomorrow, their degree goes with them. They earned it, the city paid for it. If the job doesn't require a masters, should we be paying \$100 a month extra for the masters for a job that requires a bachelors? We have already paid you to go to school. If it requires it and we hired them in and they are overqualified, then I guess we still pay them the \$100 extra for the masters if a bachelors only required. Would you clear that up for me? Is that true?

**Guadalupe Ruiz, Human Resources Director** – Yes, that person would have \$100 per month, \$1,200 per year.

**Councilmember Burke** - The way I understood it was if they earned it after they were hired.

**Guadalupe Ruiz, Human Resources Director** – The individual has it above what was required. On the people with tuition we have had an average of one a year. We do not have that many people that do that. I do not think it is budgeted, so they to absorb it on their own.

**Councilmember Glockel** – Put a dollar figure on it.

**Guadalupe Ruiz, Human Resources Director** - \$500 a year.

**Councilmember Glockel** – What is the total number of dollars you budgeted a year for this program?

**Guadalupe Ruiz, Human Resources Director** – For the tuition? Zero. For the education, \$34,000.

**Councilmember Glockel** – Tuition because you do not know who is going to school, but you know who has a degree and has to be paid the stipend.

**Guadalupe Ruiz, Human Resources Director** -Yes, those 29 people that were mentioned.

**Councilmember Glockel** – I can see where you can do that, what is that number?

**Guadalupe Ruiz, Human Resources Director** - \$2,900 a month.

**Lee Ann Bunselmeyer, Acting City Manager** – \$34,800 per year. Based on her figure of \$2,900 per month. Is that all funds or just general fund?

**Guadalupe Ruiz, Human Resources Director** – That is everybody. Just a listing of the number of employees as of June.

**Councilmember Glockel** – Is that just the tuition for the college credits or is that the certificates too? That is a totally different deal.

**Guadalupe Ruiz, Human Resources Director** - That number she provided, it was education pay.

**Councilmember Glockel** – So that is education pay that is over and above what the job requires.

**Guadalupe Ruiz, Human Resources Director** – Yes, Sir.

**Councilmember Glockel** – It is \$34,800. I am not much for taking away from anybody. I look at the whole package and you look at the compensation study, you look at this, holidays, and you get so much for every month you are here, it seems like we try our best to compensate our folks pretty well. If you are getting a degree that enhances your life and is not really required for you to do the functionality you are doing. If you have a guy out there that is mowing and he gets a master's degree, you are going to give him \$100 per month to have a master's degree and he is running a zero radius mower for us, is that true?

**Guadalupe Ruiz, Human Resources Director** - Yes Sir.

**Councilmember Glockel** – I would think that is probably a benefit that I would not take from anybody but I would not recommend that we continue it.

**Councilmember Harrison** – It took me 18 years to get a bachelors. I was in the military and I was working and worked after that, so I think it is an incentive for employees to hold and to maintain their job here in the City of Corinth. I think it is a benefit to both them and their families, I think it is a benefit to the city, I see no reason we would change it.

**Councilmember Glockel** – In the same proposal, the proposal was to cut short term disability. If someone is on maternity leave they would have no short term disability or if they got hurt they would have not short term disability other than workers comp. I am talking about off the job. Which costs less than this and we were proposing to cut that. It was \$26,000, but yet we continue a \$34,000 benefit and I am not proposing to take it away from people you have already given it to but I think that is something that really needs to be looked at in the future.

Different subject, on page 44, I think that employees shall not transport alcoholic beverages, etc. It is a black and white thing, it is an assumed thing that your officers are going to have to sometimes do that when you confiscate alcohol. This is in black and white that says “no employees shall ever have alcohol”, if you want to make it right, put some verbiage in there for police on official duty. Item G on page 44.

Are we going to talk about short term disability? Because it was taken out but it is listed now, there is nothing in here that anyone has any facts about. Are you going to talk about it here or when are you going to talk about it?

**Guadalupe Ruiz, Human Resources Director** – Councilmember Glockel was pointing out that I had included that benefit in and had been a proposed revision to be eliminated but I had not stated how the benefit works. The way short term disability works is it is a benefit if somebody has to be out, that is not work related, because of illness or accident. The benefit pays 66-67% which is 2/3 of the weekly income up to \$500. The benefit is limited at \$500. The minimum benefit is \$25 and if the person had an accident, not work related, the benefit starts on the 8<sup>th</sup> day, so the 1<sup>st</sup> week they have to use their leave and then on the 8<sup>th</sup> day they start getting a benefit. If it is sickness then they have to cover 2 weeks with their leave and then their benefits start. This benefit goes for 13 weeks. Currently, the cost for somebody that is max, somebody that the benefit is \$500, the cost for the city is approximately \$14.50 a month. The total cost for the city, that is budgeted is, \$26,000.

**Mayor Heidemann** – What are we replacing that with?

**Guadalupe Ruiz, Human Resources Director**- The reason this was brought up is when the committee was getting together, the consensus was that we had to be consistent when presenting to you with the market cities. The market cities did not have short term disability, it would be hard to come to you and tell you that we want to make sure we get to the market with sick, vacation, accruals and maximums. However, short term disabilities will leave in when we know that nobody else is offering it. That doesn't take away the fact that it is a great benefit and this group has the authority to leave the benefit and offer it to employees. There is no accrual that is going to provide this benefit, however, that was the reasoning behind why it was brought to the Council to balance the recommendations.

**Lee Ann Bunselmeyer, Acting City Manager** – The idea was we would make it a voluntary benefit. How many other volunteer benefits do we have where basically the employees choose?

**Guadalupe Ruiz, Human Resources Director** – They have additional life insurance and they have optional AFLAC, cancer, and accident. However with AFLAC we do not allow them to use the disability because it would offset with this other benefit. It would make no sense for them to pay for something that they were not going to benefit from. It is important to point out, as we were waiting for the information from the benefit consultant. So what we have is that the cost right now for the city is .29 cents for every \$10 of benefits. If we were to offer voluntary, then the rate goes up and the reason is because not everybody is going to elect it. So the cost goes up approximately 35% more than the cost it would be for the city if paid by the city. Also, it is going to be based on age bands, depending on your age, that is the rate you would have to pay for short term disability if this becomes voluntary.

**Councilmember Burke** – As I recall you all made changes to the sick days. Made adjustment to that so you wouldn't end up penalizing the employees or at least it would balance out.

**Guadalupe Ruiz, Human Resources Director** – One of the things that was considered was personal time, that was one and currently provides the non-exempt employee 3 hours every month. This is a use it or lose it benefit. It is an approximate total of, if everyone used it, of 36 hours per year. That was one considered to be eliminated also. Then the recommendation included to increase the accruals on sick from 64 to 96. Proportionately for the fire department that is to be consistent with the market cities, however, it is important

to point out that you start the accrual but it takes a long time to accrue and get all those hours. You would have the whole year before you can accrue those 96, about 18 days.

**Councilmember Burke** – If somebody was worried they did not have accrued time, they could purchase this for a year and transition off. They will have accrued enough time.

**Guadalupe Ruiz, Human Resources Director** – It would take some time. There would be no accrual. If we think about this, this is a benefit that is 2/3. We are talking about 30 hours that you get with this benefit if you are not at the max with the benefits. Anybody that is making \$39,000 or less. It is a great benefit.

**Councilmember Burke** – I do not think I said what I was trying to say clearly. In other words somebody did not have accrued sick time, they could purchase this policy voluntarily to cover themselves in the interim until they accrued the time and at that point they would get rid of this. That would essentially be like a short term disability coverage in the event that they were injured or sick. Something off the job, because comp kicks in if you are injured here.

**Councilmember Glockel** – It would take you 7 years if you started out to get a full 720 hours, it would take you over 7 years, 96 per year. If you had maximum today which is 520, if you moved to the new maximum, 520-720 it would take you 2 years and 2 pay periods to max out. That would give you 18 weeks.

**Guadalupe Ruiz, Human Resources Director** – I have to point out that right now no one has that on the 520 because it was recently moved up. The max used to be 128, so it was only about 3 weeks you could accumulate, right now the max I have for somebody in the non-fire department is about 7 weeks. That is all that is in the bank. Not because they have been abusing it, it is because we had a ceiling of 128.

**Lee Ann Bunselmeyer, Acting City Manager** – Guadalupe, when we talk about leave and being able to use it if they have injuries or various things, could they only use sick or could they use a combination of sick and vacation? Because you are just referencing the max on the sick time.

**Guadalupe Ruiz, Human Resources Director** – Yes, the sick time, they can use it if it is for something that is not family medical leave, then it is limited only to sick time. Dentist appointment, Dr.s appointment, 2 days the flu, if it is more than that then it would have to be under the family medical leave. At that point is the only time that employees are allowed to use any other combination of leave. Sometimes, depending on the situation, if it is looked into but it is intended that any other leave would have to be pre-approved. Sick time is if you are sick, you just call in sick.

**Councilmember Glockel** – You are using the term family leave are you interchanging that with short term leave?

**Guadalupe Ruiz, Human Resources Director** – Family medical leave, a lot of times people thinks that this is a benefit, it is a benefit as it protects your job, so it is just the umbrella that protects your job. However, there is no money involved in it. It is the short term disability, that is the one that supplements income. The FMLA is only that umbrella that says if you pass the 12 weeks, then we start looking to see if we can keep your job open. That is just to protect your job.

**Councilmember Glockel** – I had not heard the number, I assumed there was some at 520, I was not aware it was 128. You have people now with only 70, so it will only be 9 years before they get to where you are talking about before they are fully vested in their new allocation. If they got to 520, that would give them 13 weeks if they used every bit of their account. That would give them the 13 weeks, but today, you get 13 weeks and you are only paying 1/3 of it, if you want to you can supplement 1/3 of it with your hours if you want to based on this \$500. A lot of these guys just starting out I think it is very critical that they have this option. What percent of the insurance budget is this \$26,000?

**Lee Ann Bunselmeyer, Acting City Manager** – Just total health and everything? I would bet it is less than .01%. We budget almost \$2,000,000 in health insurance and at \$21,000 it is really pennies when you look at it in relation to our total health insurance.

**Councilmember Garber** – When is the final approval for this manual? I ask that because it seems that we talk a lot about benefits and we have not even scratched the surface on the budget talks yet.

**Lee Ann Bunselmeyer, Acting City Manager** - On the short term disability, how we wrote that into the policy is whether we choose to leave it as a benefit or we choose to have it where it is an employee chosen benefit, it does not change the wording in the policy. It just says we are doing short term disability so you could approve that section and make those decisions during the budget process. As far as the education piece, that is specifically described in the policy so if you wanted to strike that, you could do that tonight. Another option would be you could pass the policy during the budget discussions if you choose to eliminate the education pay or any other benefit, we can always come back with those specific sections and have them deleted from the policy.

**Councilmember Garber** – The reason I ask is, basically what I was asking Guadalupe for is more information. I think Councilmen Glockel touched on it, before I would make any decision there has got to be more information. I do not think that \$100 a month is too much for someone with a PHD in Human Resource Management and they are in Human Resources. If they are riding a lawn mower and they have a degree in Art History, I have no clue how that is helpful to our city and why we would pay for that.

**Guadalupe Ruiz, Human Resources Director** - We have a crew leader with a bachelors.

**Councilmember Garber** – Those probably are not even actual examples, I was trying to get far off those 2 sides of the spectrum as I possibly could. Without that information exactly what the degree is in and what our citizens are paying for that position I would not be able to make that decision.

**Guadalupe Ruiz, Human Resources Director** - Most definitely, I can have that.

Business Item #18

**18. Consider and act on nominations, appointments, resignations and removal of members from Corinth Economic Development Corporation.**

**Mayor Heidemann** – This item will be done in executive session.

**2. Receive a presentation, hold a discussion, and provide staff direction on the findings of the 2016 Compensation Study conducted by the Human Resources Department.**

**Lee Ann Bunselmeyer, Acting City Manager** – In January staff came to Council to receive direction on how to proceed with a compensation study that was budgeted in the current budget. At that time Council directed staff to do an in house by our Human Resources Department. I will say that Guadalupe, Jane and Mariya did a really amazing job in the short time that they put this together, they spent a lot of hours and I want to thank them for all their efforts. Guadalupe is going to go through the process and I am going to briefly explain what has transpired over the last few months. After we received the direction from staff we did have a committee of directors that just met and we discussed what positions we were going to use as the benchmark positions. Those are the items that are listed in the manual that we provided to you. After that, HR and their staff went and sent the information out on those benchmark positions to the cities that were approved by the Council. We received data and based on how they were trained back in 2013 when we did the compensation study with Ray and Associates, they prepared this study under those same principles. Once they finalized that, we had a review with the directors. The findings are presented as HR

developed them. There were no changes that were made by any of the directors, it was truly a plan that was reviewed and done by Human Resources based on their training and findings from the other cities.

**Guadalupe Ruiz, Human Resources Director** - The beginning of this presentation is the same that I presented back when we came in January. Demonstrate a Commitment to Employee Development and Growth that is one of our goals. The action we have is to examine salary and benefits to make sure they are competitive. In 2013, we conducted a study by Ray and Associates, Inc., HR staff was performing some of the work under their supervision. We adopted the proposed pay schedules as they were presented by Ray and Associates, Inc. and what we did is for everybody that was under the minimum pay on the general government, no police and fire, got an adjustment of their salary. For police and fire steps, because they were placed in a step that was closer to their salary, the problem we encounter is that we had compression and we had people with 4 years in the same step as people with 1 year or had just started. At the time we had Council members that supported us to set funds apart so we could take care of that compression. That took place in January and February of 2014. Since then we have had merit increases, we have had 3% for general government employees and for those employees on steps, the progression of one step on their schedule. For those employees that are on the max of the range, they get a lump sum. We do not want those salaries to go over the pay schedules. Since 2013 it was implemented, 2014 merit increases and progression and the same for 2015-2106.

At the time Ray and Associates, Inc. provided some recommendations, one included to make a 2% across-the-board adjustment before implementing the schedules and that was not possible. The other one was to make across-the board adjustments to the pay schedules as we move every year to make sure that is stays competitive. We were not able to do that either. We were able to set funds aside for the performance based salary increases.

In January of 2016 we came and asked how do you want us to do this compensation study, to use external professional and help? Or do you want HR staff to conduct it? The direction was for HR. The direction was also to use the same list that we used in 2013. For the position in the market that we wanted to compete in, it was determined to keep it at the same which was at the middle of the market. Middle of the market does not mean average. It was all the cities and we picked the one in the middle.

The methodology that was followed to conduct this study was for police and fire pay schedules, when we establish the pay ranges, we get the information on the pay schedules from the other cities and we input this. When we look at the maximum on the range we use a methodology that we learned to make sure that we are not having a wider range than it should be. If we use what we provided here and look at the maximums of all the cities, this would have been in the middle as the max. We took those cities that do not have steps, they have a wider range and we pulled them out to make sure that they are not making our range wider. That is how we determined that range. We used those cities and that averages what we use as a base. We make sure that the max we are going to establish is going to allow for incentive when someone goes to the next level. We have to make sure that max is going to be an incentive for the level before.

The findings that we have for police is 3%, the steps for corporals is less because Ray and Associates, Inc. will not go beyond what the market stated. Instead of having a 3% and make it all equal, they were of the idea to keep it no more than the max. Everything else is a step of 3%. When we look at a police officer, the starting pay, \$23.75, I need a 6.7% increase to get to the market. For a corporal, I need an 8.9% increase to get to the market. When you look at the maximums in the steps you will notice it has 13.2%. One thing we noticed during this study is that the market is starting to make a wider range on the bottom positions. In this case we would have to add a couple of steps here to be able to compete with the market. They are starting to compress on the higher positions. One in particular, that Chief helped to verify, was the drivers, there is only one step in Lewisville. Those are the findings for police.

**Mayor Heidemann** – Your findings are just basically on their base pay right? That is not with certifications? That is all over and above what they would get here?

**Guadalupe Ruiz, Human Resources Director** – Yes, this is comparing pay schedules to pay schedules.

When it comes to the fire department, it is the same methodology, the same concept that we apply and these are the findings. We are not hiring more firefighters/EMTs, it is all paramedics. I cannot assure you that they will always do that because every time is harder and harder to recruit. A lot of other cities are going out there and their pay schedules include recruiting, they are hiring them with only paramedic and not firefighter then they teach them or they hire them with firefighter and not with paramedic and send them to school. We are not there yet. In this case the EMT is 10% less. In 2013 our EMT's were over the recommended schedule so they were grandfathered in. We have 3 employees that are over the maximum of the step. With these findings they will continue to be over so they will not receive, if implanted, any increase.

Fire departments is one that is so unique. We have to be very careful when we look at the schedules. What we have noticed is that other cities spend a high number of hours to attract them. Here we have all the hours, straight time, and other cities go ahead and include overtime. They show the annual here with 3,033. We have to be careful when we are doing this study to make sure that we can consider the actual hourly. I assure you that these findings are considering all of that.

On police if we were to implement this the way it was presented to you, that would be the cost to be in the middle of the market where 50% of the market pays more and 50% of the market pay less. Finance provided me with some numbers so that if we wanted to consider only a percentage of that cost and not implement it at 100%. Based on our findings I would not recommend going lower than 60% because at that point the employees on the max ranges would start being over the pay range. Anything less than that is going to complicate the placing of our employees.

When it comes to the fire department, this is the cost and the options are 87% and 60%.

When looking at general government, it is different than police and fire. In this case the overall process is that we have job descriptions and questionnaires, those questionnaires are what employees and supervisors have to fill out if they are looking into a new position or reclassifying a position. That is information that we use to do the summaries to send our survey out and that is how we get our market data. Then we also have internal classification. The combination of those two are what provide us with a job placement. Internally we classify all the positions and it is based on the duties and responsibilities of the job descriptions and the questionnaires that we have. There are 10 factors. All the positions get rated. Although it is very market driven process it is not just the market. Those positions you see there are not necessarily where individuals will go to those ranges. That information is given to these positions and at that point, depending on the influence of the market, it can add points or take points away, then we do the placement.

When looking at the general government, when we are looking at the market and looking at the salaries out there, we have to do the placement of the one position we are looking at, after the internal equity and the market together. Re-allocating a position in general government, not necessarily implies that the employee is going to have more salary. We had 43 job classes that actually required a movement up, 10 that had no change, and 2 that required going down. That does not mean that the employee will need an adjustment. There are some positions that did; Maintenance Workers, Municipal Court Clerk, Operations Manager, Permit Technician, PT Animal Control Officer, Seasonal Summer Camp Leaders, and Technology Services Specialists. We only had 7 positions that had incumbents that will require some salary adjustments. Everybody else will not need an adjustment.

This one slide represents our pay range, it is at 40%, which means when we are at midpoint, it is 20% from the minimum and all the way to the maximum is 40%. When we distribute salaries we will look at 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup>. That is how you know your distribution. The intent is to always have your salaries in the midpoint. Before the compensation study, looking at where we had our distribution of salaries, this was how the distribution looks as of right now, 34%, 22%, 32%, 11% and we have one position that has been over the max since 2013. If we do the reallocation, because people just come to the beginning of the range,

that are under the minimum, that is a distribution. It is going to take time for these people to progress again. Cost of living, merit increase, that is the only way this group of employees have to move within the range.

**Councilmember Glockel** – If you do not mind, please do that allocation again.

**Guadalupe Ruiz, Human Resources Director** - Yes Sir. Let's say that I have to reallocate somebody that was making here, the market said that instead of being this range the range should be at \$14.52, right now it would have been in the middle of the market, but after the reallocation it is going to be at the 1<sup>st</sup> quarter. Now it is at the beginning of the range instead of being in the middle of the range. That is why you see how this moves to the side, but again, not everybody within the pay range will not be considered for a pay increase. Only the people that are falling under the minimum that we are considered paying the minimum so they do not fall behind the pay range.

**Councilmember Burke** – I am a little lost, I think you are saying you adjust the whole scale up. For the general employees the pay scale needs to be adjusted up slightly.

**Guadalupe Ruiz, Human Resources Director**- This is what happened because we are not moving the scale, what we are moving is the people within the scale, the positions within the scale. You move the scale and then I reallocate the people. In this case, we use the scale that was in the budget, which is the one with 2%. We use that as a base and then we reallocate the people there. This is the range that should be for this position so let me find it and when I find it that is where I will place my position. It happened to some of them, if they were on grade 30 and we happen to be on grade 31, I moved that position another grade.

**Mayor Heidemann** – What you are basically saying is, going back to your findings, that you have 16 maintenance workers that if you want to bring them up to that core tile, you are looking at \$23,000? Is that right?

**Guadalupe Ruiz, Human Resources Director** – Yes. What I am saying is these people within their range, they are going to be under their minimum. To bring them to the minimum pay of the new pay range. Let us say that the minimum was \$12.32 and now it is \$13.00, those people are the ones we are saying we will pay the minimum. The other person, although I moved it to that range, it is still within the range, no increases. This is what happened in 2013. Anybody that was within the pay range, we did it. It is very hard to get these people to move, it takes a long time for somebody to move within the ranges in the general government. Here the only way to move is merit increases and cost of living.

**Councilmember Glockel** – You said something I thought I understood until you said the \$23,000 under the general maintenance. Is that how you funded the cost? I'm looking at 17 of 19. Those numbers over at the side, is that how you funded the study? What is this general fund over here?

**Guadalupe Ruiz, Human Resources Director** -The study was funded on our salary. This is the cost to take these people to the minimum of the new pay range.

**Councilmember Glockel** – That is not the implementation of the study that is cost to get these people to where you want them.

**Guadalupe Ruiz, Human Resources Director** – We say implementation of the study because if you were to follow the findings and place it as we present it, to move these people to their new minimum, that would be the cost, by fund.

**Councilmember Burke** – What is total cost to implement it on all the departments? Police, fire, etc.

**Guadalupe Ruiz, Human Resources Director** – I will turn it over to Lee Ann Bunselmeyer on the numbers. Is there any questions with the methodology? Or the findings?

**Councilmember Burke** – It sounds like you did the same thing for each different type of employee. It is a little more complicated regarding general government because the job classifications are not as comparable, so you had to do more work to try and come up with an average. You came up with an average and we are a little below it, so we need to increase the pay scale slightly there as we did on each of the different types of employees.

**Guadalupe Ruiz, Human Resources Director** – It requires a lot of time, but at this point after doing it, we feel confident that we are good with the results. What we do is go with each director and said here are the red flags, do you see anything that does not look good.

**Mayor Heidemann** – If I understand it correctly, just in the findings here for the hourly is about \$52,000.

**Lee Ann Bunselmeyer, Acting City Manager** – Yes, pretty close when you add them all together.

**Councilmember Harrison** – That puts you on schedule.

**Lee Ann Bunselmeyer, Acting City Manager** – For the general government employees. Not your public safety.

**Councilmember Garber** – So that is a little over \$200,000 a year, which does not include potential merit increases.

**Lee Ann Bunselmeyer, Acting City Manager** - Correct. We did a 3% the last two years, I believe the implementation for merit is about \$160,000 for your general government employees. But this does not include anything with merit this is just to implement the compensation study to bring everybody into market, the new minimums. Our next step is if Council wants to continue looking into implementing the compensation study, then the next step would be for Guadalupe to finish the placing of those positions and bring the actual pay scales to the Council for you to review on both the general government side and the step plans for police and fire. That would be the next step if you want us to continue in the process.

Additionally, just for Council consideration as well for police and fire, if you were to implement once we get through this process and you say we want to implement it and go to 100%, which is 50% of the market, then it would be the 100% so it would be \$163,000 for police and \$158,000 for fire, so that would be \$300,000 to be added to next year's budget. If you said we cannot afford 100%, what can we afford? We have provided that information for you. On the general government pay scale, those numbers are a little bit easier to find in our budgets, for general fund, if you adopt the study and you adopt the reallocation of the positions for the general fund alone you are looking at \$23,000. That is those 16 positions on your maintenance workers. I think overall it is about 25 employees. For the water/wastewater fund, it would be \$23,000 and drainage would be \$5,000.

Another option is you could implement the new pay scales and not move the pay. That would be you would have folks that would fall below the minimum, we do not recommend that, but would definitely be an option for the Council. I do not think there are any decisions that Council needs to make tonight, if you want to continue for us to receive information to start providing those pay scales to you, on the general fund side on police and fire for you to review, we could have those and send those out to the Council. Those could be some of the discussions that we have during the budget process for the next few months. We will make assumptions in the proposed budget that we provide to Council at the end of July. I will probably just put in there to continue steps, not to implement any portion of the compensation study. As you go through the budget discussions, depending on what your recommendation is, we can always make those adjustments for when you make the approval of the budget in September.

**Councilmember Glockel** – Last year we have this number of the Ad-valorem tax, the portion of the employee compensation package was pretty much equal to ad-valorem. All we have left to deal with is sales tax and franchise tax. The big tax is the sales tax over and above ad-valorem tax.

**Lee Ann Bunselmeyer, Acting City Manager** – Actually, number 2 is the fire service contract revenues and then your sales tax. Those are your 3 big revenues for the general fund.

**Councilmember Glockel** – So a year from now, I hope you can make that same statement. If the fire contract goes away a year from now, then we are dealing with sales tax. Once we start this there is no turning back.

**Lee Ann Bunselmeyer, Acting City Manager** – Correct.

**Councilmember Garber** – In our company we run about this thing all the time. We have so many patients and so many Respiratory Therapists and there was a push, we are under market. I go out and start visiting other companies and what I find is our therapists are seeing about ½ the number of patients that these other therapists are seeing. We can increase pay, but I am going to cut some folks. If we are going to compare apples to apples then we need to do that. What we do not know is how much responsibility each of these individual positions carry in the other cities. There is not an efficiency matrix, so one of the matrix that we use is revenue per full time employee. That number is \$200,000 and that is industry wide and \$200,000 per full time equivalent for those types of things is what they would consider to be efficient. Do we have those things here? Is there a number of police officers by population that we could look at and then middle of the market, I'm sure police officers are reasonable? Accountants, finance people, customer service reps, those types of things, do we have those types of efficiency matrices to be able to compare these salaries against?

**Lee Ann Bunselmeyer, Acting City Manager** – Guadalupe, do you know the answer to that? I don't.

**Guadalupe Ruiz, Human Resources Director** – No Sir.

**Councilmember Garber** – What I am saying is the top of the list, the top pay for a position and the bottom of the pay, a lot of times there is a big difference. The medium, in the middle, none of those cities were consistently right in the middle for every single position that we have within the city. Some were way low and some were way high but none of them average in the middle.

**Guadalupe Ruiz, Human Resources Director** - To be the consistent city.

**Councilmember Garber** – So if we are comparing ourselves against The Colony or Little Elm, they pay way above in some of those positions but way below in some others.

**Lee Ann Bunselmeyer, Acting City Manager** – I hate to put you on the spot, but do you remember when Ms. Ray walked the Council through the designation of the cities, there were several factors that were included as to why those were brought in.

**Guadalupe Ruiz, Human Resources Director** – Yes and what I can do is provide a new list. It was several factors that were there. She had a recommendation for the cities and then the Council took some cities out and added others.

**Councilmember Garber** – Yes.

**Councilmember Glockel** – I went another step, for instance we used Denton in the study. I am not picking on the police department, it was the only one I had time to look at. Denton, has 160 officers and 60 civilian people under this guy that we are comparing his job classification with ours, I think we need to look at a lot more facts because the city has somewhat the same number of people. Sachse is the next smallest on sales tax. You look at some of these that are smaller than us, Gainesville is only 16,000, but they had \$429,000 in sales tax in July.

**Lee Ann Bunselmeyer, Acting City Manager** – We will provide the factors in how the cities were selected. You are right, there are different components. One is who do you compete with, we are in the middle of Denton and Lewisville. Adjacent to Lewisville and Flower Mound. Those are the cities we are competing with so when the Council chose those cities the last time, that is why those were included. We looked at cities that were comparable at the time in sales tax, in ad-valorem, are you near a lake? There are very different factors that were considered to determine what pool of cities to use. We will definitely pull that and provide that to the Council. This was just to report the findings, we will provide more information to Council and these are discussions that we will continue through the budget process.

**Mayor Heidemann** – I will suggest this to the Councilmembers. If you have specific questions like that, can you send her an email and tell her what your expectations are? That way we can get down to the nuts and bolts.

There was no Closed Session.

### **CLOSED SESSION**

The City Council will convene in executive (closed session) to consider any matters regarding any of the above listed agenda items as well as the following matters pursuant to Chapter 551 of the Texas Government Code:

**Section 551.071.** Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; (2) and/or a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with chapter 551.

- a. Corinth Economic Development Corporation governance and membership.**
- b. Interlocal Agreement for fire Services.**

**Section 551.072.** To deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

**Section 551.074.** To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

- a. Deliberation of the employment, reassignment, or duties of the City Manager.**

**Section 551.087.** To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

After discussion of any matters in closed session, any final action or vote taken will be in public by the City Council. City Council shall have the right at any time to seek legal advice in Closed Session from its Attorney on any agenda item, whether posted for Closed Session or not.

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON CLOSED SESSION ITEMS.

**ADJOURN:**

**Mayor Heidemann adjourned the Workshop Session at 6:55 pm.**

Approved by Council on the 18<sup>th</sup> day of August, 2016

Kimberly Pence  
Kimberly Pence, City Secretary  
City of Corinth, Texas