

**MINUTES
FAIRVIEW CITY COUNCIL WORK SESSION
FAIRVIEW CITY HALL
1300 NE VILLAGE STREET
FAIRVIEW, OREGON 97024**

December 3, 2003 -- 5:00pm

**I. CALL TO ORDER/
ROLL CALL**

Mayor Weatherby called the meeting to order at 5:00pm.

PRESENT: Mayor Mike Weatherby
Councilor Darrell Cornelius
Councilor Steve Owen
Councilor James Raze
Councilor Jim Trees

ABSENT: Councilor Sherry Lillard

STAFF PRESENT: Mary Jo Briggs, City Administrator
Laura Zentner, Finance Director
Bob Cochran, Public Works Director
John Andersen, Community Development
Director
Caren Huson, City Recorder
Roy Wall

II. Compensation Study

Mary Jo Briggs, City Administrator, introduced Judy Clark of HR Answers (consultant) who prepared the City's Compensation Study. Ms. Clark distributed a summary report on the project and also a summary sheet of all the employment positions in the City. Ms. Clark mentioned that the City of Hood River had declined to participate.

Councilor Raze commented that Ms. Clark was asked by Council to include salary information from County Seat cities. Ms. Clark responded that the City of Hood River would not participate and the other County Seat city that did participate was included in the study. Councilor Raze stated that Council had also asked that each city be broken out individually. Ms. Clark responded that that did occur, and was shown on the individual position reports.

Councilor Cornelis asked why Ms. Clark had used the midpoint of salary ranges for her comparative. Ms. Clark responded that when you look at the midpoint, or the averages, that recognizes that there is a 50/50 split; some would be paid above the midpoint and some below.

Councilor Cornelius stated that the City has pay ranges with a 5%

differential between each step, so there must be some jurisdictions that have more or fewer steps than we do. Ms. Clark responded that, in some cases, the steps were a little narrower or they did not have as many steps that Fairview has. Fairview's ranges seem to be a little wider. Ms. Clark added that if they were to use the maximum pay range that other entities had, and then tried to step it back, Fairview would be appreciably under the market at the first step and would have difficulty in hiring at the entry level. Councilor Owen questioned the forecasted market swing maximum averages. Ms. Clark responded that she was not going to talk about that tonight as that is part of the City's budgeting process. Councilor Owen commented that the data from other entities varies by their number of steps or width of their range; therefore, the market average information is inconsistent in terms of the Community Development Director and forecasted recommended salaries. It seemed to him that because of Fairview's 5% steps increments that we were actually forcing ourselves to pay more than the market. Ms. Clark responded that the Council must remember that the City only prepares a study every three years, whereas other jurisdictions perform them more frequently.

Councilor Cornelius stated that the problem is that we all understand that those who are paid less should be compensated; we can't adjust present personnel who are overpaid and decrease them. Ms. Clark commented that there had been some conversations to look at whether or not all employees would have an adjustment come July 1st, or those who are paid above the maximum market average would not have an adjustment until the market catches up.

Administrator Briggs commented that those employees currently being paid more than market would be frozen until the market and Fairview equal each other; these are just market numbers and there are no promises that anything will be implemented come July 1, 2004, as budget may not allow. Budget decisions need to be made.

Councilor Cornelius questioned if Ms. Clark was satisfied that the comparable wages were also for comparable work. Ms. Clark responded yes; if there was ever a question as to whether job descriptions matched, they would telephone the entity to verify. Councilor Cornelius asked, in terms of freezing at the maximum rate, would that mean that longevity pay would not be made. Ms. Clark responded no; only cost of living increases would not be paid. Councilor Cornelius asked what had been determined regarding senior management and merit increases. Administrator Briggs responded that a League of Oregon Cities survey showed that only 2 or 3 entities have a bonus system, 5 use more ranges, 6 use contracts, and the remainder were similar to Fairview. Administrator Briggs added that she had researched other cities in how they reward

senior management, and she has given it considerable thought, but she would not be bringing forth a recommendation to implement performance pay for senior management.

Councilor Trees asked if there was a handout which showed each city position and the comparative ranges. Ms. Clark responded yes, and that those would be given to each employee. Administrator Briggs commented that that information would be given to employees the following day, and then the information will be fed into the budget process to see whether anything can be implemented. Administrator Briggs asked if there was anything on the spreadsheet that lacked credibility for the Council. Councilor Raze responded that he was tight with money and that he was having a hard time believing that Fairview wasn't already paying the market average to employees.

Council generally concurred that they were happy with the information contained on the blue spreadsheet.

III. Pre-Budget

At 6:00pm, Council was joined by other members of the Budget Committee: Larry Cooper, Mike Howell, Carl Malone, Todd Johnsen, and Cara Phillips.

Laura Zentner, Finance Director, introduced herself and proceeded to provide an overview of Oregon Budget Law. Director Zentner reviewed the 20 different funds that Fairview has, stating that each fund was like a separate checking account; the funds can not be co-mingled. Almost all of the funds have a specific purpose, and they are all required to balance. The General Fund is unique as it may pay for anything in the City and was the principal operating fund. Director Zentner commented that revenues grow at a slower rate than expenditures.

Councilor Cornelius mentioned that it appears that you could be more creative with System Development Charge (SDC) funds when you were looking at improvement and reimbursement portions.

Mr. Cooper asked if the City would have to deal with compression at all. Ms. Zentner responded that there is very limited compression in Fairview, which is assessed vs. market value, with compression dealing with market value. The closer the two figures get to each other, that is compression. Governments are capped at \$10.00 per \$1,000 assessed value.

The Budget Committee participated in a game where each member was a certain City fund.

IV. ADJOURNMENT

Councilor Owen moved and Councilor Raze seconded the motion to adjourn. Mayor Weatherby adjourned the meeting at 6:55pm.

AYES: 5
NOES: 0
ABSTAINED: 0

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Mayor Mike Weatherby

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Dated:

Caren C. Huson Quiniones
City Recorder