

CITY OF POCA TELLO
CITY COUNCIL BUDGET DEVELOPMENT AGENDA

April 21, 2016 · 9:00 AM
Council Chambers | 911 N 7th Avenue

1. Compensation, Department Reductions, & Budget Restructure
Joyce Stroschein, Chief Financial Officer

Documents: [BUDGET.PDF](#)

COMPENSATION

Presentation to Council

April 21, 2016

Compensation Systems Comparison

- ▶ **Kinds and Levels**
 - Hierarchy of Jobs
- ▶ **Pay Grade**
 - Vertical Range
- ▶ **Pay Range**
 - Horizontal Range
- ▶ **Pay Step**
 - Movement within the pay range
- ▶ **COLA**
 - CPI considered

- ▶ **Kinds and Levels**
 - Hierarchy of Jobs
- ▶ **Pay Grade**
 - Vertical Range
- ▶ **Pay Range**
 - Horizontal Range
- ▶ **Market Rate**
 - Point within pay range
- ▶ **Market Range**
 - Target range
- ▶ **Market Adjustment**
 - Market considered

Grade and Step System

Market Based System

Pay Scale Comparison

	1	2	3	4	5	6	7	8	9	10
7	11.162	11.384	11.602	11.819	12.039	12.257	12.475	12.695	12.912	13.132
8	11.726	11.955	12.184	12.412	12.643	12.871	13.103	13.333	13.565	13.795
9	12.317	12.559	12.801	13.043	13.285	13.525	13.770	14.011	14.251	14.491
10	12.912	13.169	13.419	13.675	13.925	14.181	14.432	14.686	14.939	15.193
11	13.580	13.845	14.113	14.380	14.645	14.911	15.176	15.442	15.711	15.976
12	14.243	14.522	14.802	15.079	15.358	15.641	15.918	16.197	16.479	16.756

	Minimum	Market Rate	Maximum
13	\$25.99	30.15	36.39
12	\$23.63	27.41	33.08
11	\$21.48	24.92	30.07
10	\$20.46	23.73	28.64
9	\$19.48	22.60	27.27
8	\$18.56	21.53	25.98
7	\$17.67	20.50	24.74

Target Range Plan

Range Min		Range Max	
5%	5%	15%	15%
Hiring Range	Proficient Range	Market Range 5% below & 10% above	Superior Performance Range

Compa-Ratio

- ▶ Comparison between current wage rate and market rate
- ▶ Calculated as current rate divided by market rate
- ▶ Individual specific

Compa-Ratio	Definition	No. of Employees
100%	At market rate	9
Below 80%	Below minimum	34
80% to 100%	Below market rate	200
95% through 110%	Within market range	175
Over 100%	Over market rate	137
Over 120%	Over maximum	2

Police and Fire Classification and Rank Structure

Third Class

Second Class

First Class

Master Patrol

Corporal/Detective

Master Corporal/Detective

Sergeant

Master Sergeant

Lieutenant

Captain

Major

Probationary Firefighter

Second Class

First Class

Driver/Operator

Paramedic

Captain

Battalion Chief

Police

Fire

Example

Accountant

Current pay grade – 22 (of 7 – 35)

Current pay range - 23.182 minimum/step 1 to 27.273 maximum/step 10

	1	2	3	4	5	6	7	8	9	10
22	23.182	23.636	24.090	24.545	25.002	25.454	25.907	26.362	26.816	27.273

New pay grade – 13 (of 1 – 19)

New pay range – 25.99 minimum to 36.39 maximum

Market Rate – 30.15 (16% above minimum)

Market Range – 28.59 – 33.27 (5% below and 10% above market rate)

	Min	Mkt	Max
13	25.99	30.15	36.39

Market Range

28.59	33.27
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Four Examples

Accountant #1

- ✓ 7 months of service
- ✓ Step 1 of current system – 23.182
- ✓ No longevity
- ✓ Compa-ratio of 76.89%
- ✓ Below new minimum by 2.81 per hour

Accountant #2

- ✓ 4 years of service
 - ✓ Step 8 of current system – 26.362
 - ✓ No longevity
 - ✓ Above new minimum
 - ✓ Compa-ratio of 87.4%
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Four Examples

Accountant #3

- ✓ 12 years of service
- ✓ Step 10 of current system – 27.273
- ✓ Longevity – equal to 1.637 per hour
- ✓ Wage with longevity rolled in – 28.910
- ✓ Compa-ratio 95.89%
- ✓ Below market rate but within market range

Accountant #4

- ✓ 25 years of service
- ✓ Step 10 of current system – 27.273
- ✓ Longevity – equal to 3.411 per hour
- ✓ Wage with longevity rolled in – 30.684
- ✓ Compa-ratio of 101.77%
- ✓ Above market rate but within market range and below maximum

Phase-In

Year 1

1. Adopt new Kinds and Levels
2. Adopt adjusted pay ranges
3. Roll in longevity to base salary
4. Adjust employees below minimum to minimum

Year 2

1. Adjust those in hiring range by 2%
2. Adjust others up to max of 91% compa-ratio, depending on time in job
3. Market adjustment, if any, to those over market

Year 3

1. Adjust up to a max of 96% compa-ratio, depending on time in job
 2. Market adjustment, if any, to those over market
 3. Implement pay for performance
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Department Reductions

April 21, 2016 Budget Restructure

FinanceDepartment

▶ Total Reduction \$21,388

- *Reduce wages and benefits* *\$19,888*
 - *Reduction of the type of open position*
- *Remove education benefits* *\$ 1,500*

Video Services Department

- ▶ **Total Reduction \$8,864**
- ▶ **Eliminate the Government Production Assistant position**
 - \$8,864 savings
 - Would result in loss of Sunday production
 - Reduce amount of overall production availability
 - Delegation of duties to other staff

Engineering Department

- ▶ **Total Reduction \$70,023**
 - ▶ Move Engineering Admin Assistant to Fund 054 Public Works Director \$62,323
 - ▶ Reduce office supplies \$5,200
 - ▶ Eliminate Survey Annex Building Utilities \$2,250
 - ▶ Reduce Vehicle Repair Budget \$250
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Engineering Department

- ▶ **Total Reduction \$99,000 One Time Money**
- ▶ **City Annex Building – sale of city property**
 - *Appraised value \$98,000*
- ▶ **Vehicle**
 - *Estimated salvage value \$1,000*

Street Department

- ▶ Total Reduction \$68,000
 - *Eliminate Hydrologic Engineering Studies \$45,000*
 - *Defer replacement of used equipment \$23,000*

Police Department – Revenue

- ▶ Total Revenue Increased
 - School Resource Officer Support from School District \$160,000

Police Department

- ▶ Total Reductions \$45,677
 - Reduce Lead Dispatch position to a Dispatch position \$7,498
 - Reduce Dispatch Supervisor position to a Dispatch position \$20,699
 - Reduce Steno Supervisor position to a Steno position \$17,480

Parks & Recreation–Revenue Ideas

- ▶ Outdoor Recreation Programs
 - *Increase Fun Run fees \$1 per race est. \$3,300*
 - *Increase Just Cuz race fees \$5 est. \$2,400*
- ▶ Team Sports Programs
 - *Youth Flag Football increase fees \$5 est. \$1,700*
 - *Youth Basketball increase fees \$5 est. \$5,750*
 - *Youth Volleyball increase fees \$5 est. \$1,300*
- ▶ Community Recreation Center
 - *Swimming lesson increase non-member fees \$2 est. \$3,000*
 - *Dance/Tumbling lessons increase non-member fees \$2 est. \$970*
 - *ID Cards increase one-time card cost \$1 est. \$600*
- ▶ Parks Department
 - *Increase fees for non-profit concession permits \$5 per day and \$20 per month*
 - *Increase Shelter Pavilion reservations by \$5 per use category*

Parks Department – Reductions

- ▶ Total Reductions – \$71,225
 - Conversion of all land lines to cell phones for Maxicom system control – \$8,500
 - Eliminate yearly rental fees for Caldwell Park portable restroom – \$1,025
 - Sanitation dept. reimburse Parks dept. for snow removal, lawn care and time clock maintenance – \$14,100
 - Library dept. reimburse Parks dept. for lawn care, flower beds, trash clean up, tree trimming, and time clock maintenance – \$18,800

Parks Department – Reductions

- 40% reduction of 1 seasonal laborer– \$1,400
- Elimination of 1 seasonal hand mower position– \$4,500
- Suspend subsidy of Senior Activity Center utilities including gas, water, trash, sewer, & electricity – \$22,900

Recreation Reductions

- ▶ Total Reductions \$29,018
- ▶ Outdoor recreation – reduce Nordic Center maintenance – \$6,000
- ▶ Team Sports – reduce sports field maintenance staffing levels – \$7,000
- ▶ *RPAC*
 - *Reduce operating hours Sunday close at 6pm vs 8pm – \$3,780*
 - *Reduce operating hours Saturday close at 7pm vs 8pm – \$1,890*

Recreation Reductions

▶ CRC

- Reduce CRC operating hours M–Saturday close at 9pm vs 10pm – \$4,350
- Permanent reduction in CRC electricity as a result of lighting upgrade – \$3,500

▶ Fort Hall Replica

- Reduce operating hours M–Saturday close at 5pm vs 6pm – \$798

▶ Summer Productions

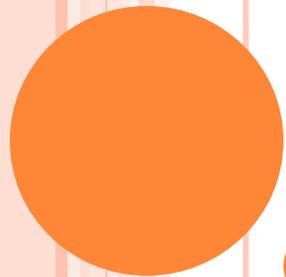
- Reduce Municipal Bank Concerts from 6 to 5 – \$1,700

Cemetery Reductions

- ▶ Total Reductions \$4,876
 - ▶ Decrease in PT seasonal staffing levels – \$3,876
 - ▶ Decrease in allowable full time staff overtime hours – \$1,000
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Transit – Revenue

- ▶ City of Chubbuck Support Match – \$26,000



BUDGET RESTRUCTURE MEETING

April 21, 2016

THE BUDGET CHALLENGE

- The current challenge is \$1,386,495
 - Includes Aetna medical with status quo for distribution
 - Fire is included at the Aetna Rates
 - Includes Delta Dental rates with the 5% increase
 - Includes the updated rates for workman's comp without a change to the experience rating of 59.6%
 - Includes the Police Union 2016 negotiated final increase to social security replacement (equal to Fire's plan)



MARKET VALUE OF PROPERTY

- Bannock County completes assessments and enters data into reporting system
- Board of Equalization reviews appeals- appeals are filed by the 4th Monday in June
- Final market valuation information available to taxing districts by July 11th-18th
- Homeowners exemption will be \$94,745 for the majority of homes
 - The new legislation which is \$100,000 for a homeowners exemption applies to new construction occurring after July 2016



HOMEOWNER'S EXEMPTION HISTORY

	2012	2013	2014	2015	2016
Exempt Value	\$92,040	\$83,974	\$81,000	\$83,920	\$89,580
City's Homeowner's Exemption	\$804,330,812	\$722,632,991	\$760,929,818	\$801,903,354	\$783,548,568



HOUSE BILL 474 – FOREGONE TAX

- House Bill 474 becomes effective July 1, 2016
- Recovery of the foregone increase from prior years
- Must complete the following
 - Provide notice of intent to take the foregone tax and the purpose of the foregone tax
 - Hold a public hearing (can be in conjunction with annual budget hearing)
 - Certify by resolution the amount of foregone increase to be budgeted
 - After adoption of the resolution the Clerk of the District will file a copy of the resolution with the County Clerk and State Tax Commission



LONGEVITY ANALYSIS

- Finance reviewed the detail of each person receiving longevity in the salary projection
- Total cost of longevity increase for FY17 is \$115,815
- Tax Supported Funds - \$89,961
- Fee Supported Funds - \$25,854



STEP MOVES

- Total Step Moves \$278,613
 - Tax Supported Funds - \$173,810
 - Fee Supported Funds - \$104,803
 - 159 employees moving thru steps
 - 11 Department Heads moving thru steps
 - 10 employees are over market



COMP PLAN REVIEW

Type of Financial Support	Budget Increase
Tax Supported Funds	\$603,825
Tax and Fee Supported Funds	\$46,346
Fee Supported Funds	\$181,245
Total Cost for FY 2017	\$831,416

- Employee compensation over market (100%) #146
- Employee compensation under market (100%) #375
- Employee compensation under minimum (80%) # 58



PROMOTION – RANK MOVES

- Total cost of Promotion/Rank and Class Certification moves is \$164,851
 - 30 employees
- Tax Supported Funds - \$147,372
 - Fire and Police sworn personnel
- Fee Supported Funds - \$17,479
 - Sanitation, Water, and WPC



INTENT TO RETIRE

- 29 Employees have filed an intent to retire in FY 2017
- Total payoffs for vacation, sick leave, and comp time
 - \$795,837
- Monies available in Fund 952 to support these retirements
 - The amount available is \$270,898



EARLY RETIREMENT – 25 YEARS OF SERVICE

- 41 Employees eligible under this criteria
- 25+ years of service with the City of Pocatello
- PERSI eligible
 - Public Safety 50 years of age
 - All other services 55 years of age
- Have met their rule of 80/90 combined service years and age
 - Rule of 80 for public safety
 - Rule of 90 for all other services

Total compensation value of employees eligible is \$3,673,097

Total payoff required without benefits or potential incentives \$1,178,742

