

★ Roll Call Number

Agenda Item Number

59A

Date February 11, 2013

Overall report on the evaluation process for the City Council direct reports.

Moved by _____ to receive, file and approve the report, and authorize that any technical decisions regarding dates of implementation and other details, be coordinated between the Human Resources Director and the City Council Personnel Sub-Committee Chairperson.

FORM APPROVED:

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
TOTAL				

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

MOTION CARRIED APPROVED

Mayor

City Clerk



Rauh, Diane <dirauh@dmgov.org>

City DM Council Personnel Committee

1 message

Chris Coleman <ccoleman@dm.bbb.org>
To: "Rauh, Diane" <dirauh@dmgov.org>

Mon, Feb 11, 2013 at 3:23 PM

Friday February 8th, 2013

Hi all....

A quick update on the City's Personnel Committee (Mahaffey, Hensley, Coleman, and the mayor as Ex-officio). We have had a very engaging process. Lots of paper, research, surveys of comps, and detailed meets with our direct reports. Here are some things I want you to hear from the committee because I intend to submit these items so they are published in our agenda heading into the weekend. At Monday's meeting, I will also have a narrative letter, the materials we used in reviewing the employees and a list of goals for each of the employees for 2013.

Important summary items (more details to come):

- The review with Rick, Diane and Jeff are complete and we have a consensus recommendation. It follows. The components listed below are limited to these three employees.
- First, the Council subcommittee take significant pride in our employees. All have tremendous work ethic, high stature among their peers, community recognition as real leaders, significant competency in all aspects of their responsibilities. Equally important is the integrity and character demonstrate and model to the entire organization and to the city they lead. Diane has been a steady and durable leader and trusted ally of the whole Council. Jeff has engaged in meaningful and positive ways from the very start of his tenure with the city. We feel confident about all he offers the Council and city. Rick Clark's style and tenure has made him one of the top business or civic leaders in the community. There can be no arguing the outcomes of the city's work...national honors every month, high financial rating, high morale among employees, tax levy lower than it was a decade ago, budget solutions that allow the rest to happen. Rick's leadership continues to be a huge reason the city has achieved such high outcomes.
- The review for Rudy Simms is being delayed. Rudy was on vacation when we identified the timeline and we are making a concerted effort to engage the Human Rights Commission in the review process. Rudy's review will come back to us on a future Council agenda. He is aware and supports the timeframe that enables Commissioners to engage. All aspects of his review and compensation will be acted on at a later date.
- The last time our direct reports have had a compensation change was 1/1/11. We are obligated to consider changes effective 1/1/12 and 1/1/13.
- Currently the salaries are as follows:
 - Rick: \$204,617
 - Diane: \$102,778

- Jeff: \$159,649

- It is important to note that in 2009 and 2010 there was not change to their annual salary. They had 3.0% to 3.5% increase effective 1.1.11, which averages less than 1% a year between 2008 and 2011, with no other increases since then.
- It is our recommendation that we award a 2% increase in salary retroactive to 1.1.12. Further, we recommend a 2% one-time payment for the employees effective 1.1.13. This has been a strategy used by the city in the past for some employee groups that provide a one time income adjustment, but does not change the base for future or for retirement benefits. (FYI, this compares to SPM increases that were less than this proposal).
- Vacation. The Council Committee continues to be distressed by the amount of Vacation time in each bank. Therefore, the Council is authorizing and encouraging the cash out of up to 4 weeks of vacation. Further, the Committee recommends a new threshold be established that no bank of vacation hours can exceed 500 hours (down from 600). We strongly encourage the City Manager to implement similar vacation policies for employees and bargaining units. Rick is grandfathered by virtue of his initial employment agreement. Council Committee recommends that Rick uses the balance between his annual accrual and the amount cashed out (160 hours per year). This means that Rick is required to use at least 80 hours of vacation.
- Retirement. The City will increase by 5% the match to each employee's 401A plan. Council directs the City's Human Resources department to make the necessary plan amendments.
- Cell and Data Plan. The employees will be granted a \$100 per month reimbursement for cell and data plan with the stipulation that they are available to Council and city leaders as necessary. This is no increase for some and an increase for others. They will now all be \$100.
- Health Insurance. The employees will be required to increase their health insurance co-pay of premium costs from 10% to 15%. They will be required to increase their co-pay of dental insurance premiums from 0% to 15%. The Council Committee will continue to push for all employees and employee groups to share a greater burden of the cost for this valuable employee benefit. We are requiring, as in the past, our direct reports to lead by example.
- Wellness. The Council supports the efforts being made by many employees. The city has a wellness assessment and guidelines program. Our direct reports can earn a 2.5% reduction on health care/dental care (down to 12.5%) if they participate and verify as non-smokers.
- Two additional issues:
 - Rick Clark Retention. The Council is enormously proud and happy with Rick's performance. Every city employee and each of our direct reports has made a positive impact on the city, but Rick Clark's imprint is vast and the Council committee believes is lasting and durable. The Council has previously established a retention bonus for Rick Clark which is earned, but paid out upon retirement. In 2012 it was increased by \$2,500 per year to \$12,500. We recommend it continue, but increase by just \$1,000 in each of the next three years with the final payment to be earned on 6.30.2015, or on the date previously set in subsequent years.
 - Jeff Lester Retention. We are establishing a Retention Bonus program for Jeff. Over the next five years, each July 1st, the City will allocate \$2,000 to this fund. The fund will grow, but Jeff will only be entitled to the assets of the account (\$10,000) when he leaves the city AND if he stays through the final payment. The payments will be made July 1,

2013 through July 1, 2017. The Council, at their future discretion may change or lengthen the plan, but they can not take away the first \$10,000 if Jeff stays though 6.30.2017.

Whew.....The four of us on the sub committee have agreed to this set of changes. We will also have a series of reports for you. I really want your reaction, as it is our sincere hope that we speak with one voice (unanimously) in recognizing the valuable contribution these three employees are making to the organization, to the city, and to our future.

Mid afternoon I will submit this for the agenda.

Chris Coleman