



CITY OF GERMANTOWN TENNESSEE

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Personnel Advisory Commission

April 7, 2014 – 2:30 p.m.

**Personnel Conference Room
Municipal Center, 1930 S. Germantown Road**

MEMBERS PRESENT: Scott Williams, Chairman; Sudhir Agrawal; Mark Holland;
Ronald Poll; Steve Priddy; Alderman Rocky Janda;
Susan Hopson; Patrick Lawton; Gelieta Wilson

MEMBERS ABSENT: Rebecca DeRousse

PRESENT NON MEMBERS: Jessica Brown, Mary Milam

Call to Order

Chairman Scott Williams called the meeting to order at 2:30 p.m

Approval of Minutes

The minutes from the March 19, 2014 meeting were accepted as written.

City Administrator Updates

Patrick introduced Jessica Brown as the budget and performance analyst for the city handling merit. The budget is in the process of presenting to the financial advisory board and the key component to that is personnel. The meeting today will be extremely helpful as the budget performance team wraps up their portion of the personnel information.

Follow Ups – Health Care Discussion

The health prescription summary plan was sent to the PAC team prior to the meeting. The cost to the city is 47.9% for employee benefits per budgets report. It was 52% last year. It was suggested that communication needs to be sent to the employees concerning the cost of using the emergency room (\$250 co-pay) vs. the use of clinics (\$35 co-pay) and the savings that it would give to the city. Also a need for communicating to the employees to use the 90 day prescription; only 15 percent are using this service. Eighty five percent are in the 30 day fill, 10.5 are in the 90 day mail order, and 4 percent are in

the retail 90. Dental cost is going up this year also. We need to educate the importance on teeth cleaning every six months as preventive care.

TML – McDonald Insurance was brought in last week. There is an opportunity there to begin initially into a wellness program. Also plans are to discuss with HCS about a wellness program later this week. Susan met with Rebecca concerning a program that Baptist offers for prevention of weight and diabetes that is run by a nutritionist.

Merit Discussions

A brief overview of the history and program of the city's pay structure was given by Mary Milam. The pay structure is an open range, it has a median, midpoint and maximum. It is a market base structure. The midpoint represents the employees who meet the requirements of the job. The city conducts a market analysis every year. We conduct a public sector survey every two years. This is a program that represents 30 to 40 benchmark jobs. The participants this year were Memphis, Shelby County, Bartlett, Collierville, and Olive Branch locally and Franklin, Brentwood, Galveston, Henderson and Smyrna in mid Tennessee. The average increase was 2.6% that included 4.8% from the city of Memphis. If you remove the 4.8% from Memphis then the average would be 2.1%. Last year up to 2.5% merit increase for the city of Germantown was given. The public safety employees are on a career development program which is basically a step program but it is also based on educational and certification requirements. Rocky Janda asked what the average increase was last year and what the impact to the budget was. An analysis that was conducted in February and March was presented by Jessica. A sample of 33 positions across 3 grade types which include the administrative, skilled and the technical compared to the municipal market and then the general market which includes the private sector and then a composite score of those two together.

The median salary is 3% above municipal market while our midpoint which is based upon our structure is 2% above the municipal market. Compared to the private sector, our median and our midpoint are 6% below the general market. Finally we did a composite, position found equally in both the municipal and the general market we weighted them evenly; however, if a position was more likely to be found in the municipal market we weighted it 75 – 25 and then those that were just municipal we weighted it 100%. The median salaries are right at market and our midpoint salaries are structured at 1% below the composite market. We also did a comp-to-ratio which is the actual salary divided by the grade midpoint, we are 2% above the midpoint. Based upon the analysis that was conducted and also upon the conversations that we have had with Bartlett and Shelby County, we are recommending a 3% increase merit for employees and then a 2% structured increase to align our structure. Bartlett, Shelby County and Brentwood are proposing a 3% increase. The national projection is 2.8% - 3% merit increase.

We have the IEDP (Individual Employee Development Plan) that supervisors give to employees quarterly and they talk about targets and goals so employees are aware of how their performance is going throughout the year. We tie it back to the city's vision, mission and values. Then at the end of the year there is the fourth quarter IEDP and your performance management review come together to give you what that score might be which determines your merit increase.

There is no bonus program. We need to explore how to give that exceptional employee higher than the average 3% merit increase. A performance improvement plan has been presented by Susan. Rocky presented that those under \$50,000 could get up to 5%, those from \$50,000 to \$100,000 could get up to 4% and those over a \$100,000 could get up to 3%. It was decided that this would be too

difficult to manage. The average pay for skilled labor is about \$33,000, mostly labor intensive. Explore ways to raise deductibles and increase pay. Offer a hi-low plan and let the employees decide.

Our turnover rate is about 4% for all employees. There is a Personnel Review Team to evaluate if there is a need for a new job opening to keep us competitive in the market.

Based upon the compensation analysis merit trends within the market, the City recommends a 3% increase (\$300,000 – budget) for all employees and a 2% structure increase. This was accepted by the commission. It was also recommended that a maximum increase of 4% to be divided up within the department within guidelines of 3% average for the exceptional employee.

ADJOURNMENT

It was recommended that we meet next on Wednesday, June 11 at 2:30 p.m. There being no further business to be brought before the Commission, the meeting was adjourned at 4:00 p.m.