

CITY OF ROSENBERG

SPECIAL WORKSHOP COUNCIL MEETING MINUTES

On this the 30th day of June, 2015, the City Council of the City of Rosenberg, Fort Bend County, Texas, met in a Special Workshop Session, in the Rosenberg City Hall Council Chamber, located at 2110 4th Street, Rosenberg, Texas.

PRESENT

Cynthia McConathy	Mayor
William Benton	Councilor at Large, Position 1
Amanda Barta	Councilor at Large, Position 2
Jimmie J. Pena	Councilor, District 1
Susan Euton	Councilor, District 2
Lisa Wallingford	Councilor, District 3
Lynn Moses	Councilor, District 4

STAFF PRESENT

Robert Gracia	City Manager
Linda Cernosek	City Secretary
John Maresh	Assistant City Manager of Public Services
Jeff Trinker	Executive Director of Support Services
Joyce Vasut	Executive Director of Administrative Services
Travis Tanner	Executive Director of Community Development
Tonya Palmer	Building Official
Lisa Olmeda	Human Resources Director
Ashley Scaggs	Administrative Assistant
Dallis Warren	Police Chief
Wade Goates	Fire Chief
Angela Fritz	Executive Director of Information Services
Darren McCarthy	Parks and Recreation Director
Randall Malik	Economic Development Director
James Lewis	Information Services Manager
Luis Garza	Accounting Supervisor
Daniel Kelleher	Main Street Manager
Kaye Supak	Executive Assistant
Paul Jones	GIS System Administrator
Angelia Hayes	Court Administrator

The City Council reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any of the matters listed below, as authorized by Title 5, Chapter 551, of the Texas Government Code.

CALL TO ORDER.

Mayor McConathy called the meeting to order at 6:30 p.m.

AGENDA

- 1. REVIEW AND DISCUSS THE CLASSIFICATION AND TOTAL COMPENSATION STUDY AND ANALYSIS AS PRESENTED BY GALLAGHER BENEFITS SERVICES, INC., AND TAKE ACTION AS NECESSARY TO DIRECT STAFF.**

Executive Summary: On November 25, 2014, the City Council approved the Classification and Total Compensation Study and Analysis (Project) with Gallagher Benefits Services, Inc. The Project consisted of: Study Initiation and Compensation Philosophy, Classification Study, Job Evaluation, Compensation Study, and Final Report.

On January 22, 2015, a strategy meeting with the department heads and management staff was conducted and Project orientation meetings were held with City employees.

Occupational Panel Meetings were held in March 2015 with department employees to provide details relating to duties, responsibilities and career development.

All employees completed a Position Description Questionnaire (PDQ) that detailed their specific position, any related supervisory responsibilities, essential duties, knowledge/skills, education, experience, special requirements, machines, tools, and equipment, decision-making and judgments, physical factors, and working conditions.

From the PDQs, Gallagher Benefits Services, Inc., created Classification Structures, Class Specifications, Class Allocation, Decision Band Method (DBM) Ratings, Pay Structures, and Implementation Options.

Lori Messer with Gallagher Benefits Services, Inc., will present the draft of Final Report at the Workshop Meeting and will be available to answer any questions that City Council may have.

Key Discussion Points: Joyce Vasut, Executive Director of Administrative Services, read the Executive Summary. Lori Messer, Senior Consultant for Gallagher Benefit Services, Inc., gave a presentation regarding the Classification and Total Compensation Study and Analysis, and presented a draft of the final report.

- Benefits were not included in the scope of the study; however, the City of Rosenberg's benefits are in line with other Houston-area cities.
- From an aggregate perspective, current range midpoints of all non-sworn jobs combined are slightly misaligned compared to the 50th percentile of actual salaries in the market, lagging the market by 12.4%.
- From an aggregate perspective, current range midpoints of all sworn jobs combined are competitive compared to the 50th percentile of range maximums in the market, lagging the market by 7.3%.
- Three implementation options were presented, although the plan could be implemented in any number of ways.
- The general consensus was to have the Finance Committee discuss the report before further presenting any recommendations for action to City Council.
- When the compensation study was requested, there was capacity held for it in the budget in anticipation of its outcome, therefore, Finance will be including many of the recommendations of the study when preparing the final budget.

2. **REVIEW AND DISCUSS A PRESENTATION REGARDING THE ACCOUNTING AND BUDGETING CHANGES FOR THE TECHNOLOGY FUND AND TECHNOLOGY OPERATIONS, AND TAKE ACTION AS NECESSARY TO DIRECT STAFF.**

Executive Summary: In order to improve the presentation and understanding of the budgeting and accounting for technology operations, maintenance and replacement, City staff is proposing to change the fund and account structure regarding technology. Currently, the majority of technology related expenses are budgeted and recorded in the Technology Fund (Fund No. 603) with a few miscellaneous items funded throughout the other departments.

The preliminary FY2016 Budget for technology, based on the current fund and account structure, is included in the agenda packet. The highlighted operational costs are proposed to be moved to the General Fund, as the Technology Department. Those line items not highlighted will remain in the Technology Fund for tracking of the maintenance and replacement of computer software, hardware and other technology related equipment.

Currently there are transfers from the General Fund, Water/Wastewater Fund and Civic Center Fund, which provide all the funding/revenues for the Technology Fund. The large transfer from the General Fund will no longer be necessary since the technology operational costs will be moved to the General Fund and the Water/Wastewater Fund will contribute its portion through the administrative transfer to the General Fund which already exists. Additionally, the maintenance and replacement costs which will remain in the Technology Fund will be budgeted in each individual department based on their individual calculated proration of the Technology Fund expense. Therefore, each department will have an Information Services Fees

line item, similar to the Fleet Replacement line item, and there will no longer be a large lump sum transfer from the General Fund to the Technology Fund. The schedules capturing the proration allocation are also included as supporting documentation for your review.

These changes will better reflect the actual expenses of each department and remove a large lump sum transfer that did not include the proper detailed accounting for technology services. Additionally, the line item account names and numbers in the Technology Fund will change to more accurately describe the related expenses. The dollar amounts presented are preliminary and are being used for presentation purposes only and will change prior to the release of the Proposed FY2016 Budget document.

Key Discussion Points: Joyce Vasut read the Executive Summary and clarified that we are not increasing the technology budget, only reclassifying accounts with the goal of having the technology fund look more like a technology report. James Lewis, Information Services Manager, presented the proposed changes to the accounting structure in order to more accurately reflect the breakdown by department. Joyce explained that the desired outcomes are to create a technology department within the general fund, with greater transparency in contributions by department, and better allocation of costs to the respective departments which should be incurring the costs.

3. **REVIEW AND DISCUSS FY2016 BUDGET PRIORITIES, AND TAKE ACTION AS NECESSARY TO DIRECT STAFF.**

Executive Summary: On June 23, 2015, City Council discussed the listing of fifty-three (53) budget requests as prioritized by staff. A draft minute excerpt from this meeting was not yet available to include with this item. City Council requested more time to review the items and submit their prioritized rankings of the twenty-five (25) items from the list that they felt were the highest priority. City Council will submit their list to City staff prior to the meeting.

A list of the twenty-five highest ranked items as prioritized by City Council will be presented at the meeting for consideration by City Council. On July 07, 2015, the list will be presented as a Resolution for City Council consideration and if approved, City staff will incorporate the highest ranked items in the FY2016 Proposed Budget.

Key Discussion Points: Joyce Vasut read the Executive Summary and presented the updated priority list for FY2016 budget requests. She explained that it makes things easier when the proposed budget is more closely aligned to the adopted budget, so we would like to reflect what Council prefers to begin with. Some Council Members expressed their desire to ensure that technology investments will be utilized for many years to come. Councilor Benton requested to see the formula that the finance department used in re-ordering Council's priorities of the budget requests, which Ms. Vasut agreed to accommodate at a later date of his convenience.

4. **REVIEW AND DISCUSS REPUBLIC SERVICES PROPOSED SOLID WASTE AND CURBSIDE RECYCLING RATES FOR FY2016, AND TAKE ACTION AS NECESSARY TO DIRECT STAFF.**

Executive Summary: Beginning in the third year of the Contract with Republic Services, and each subsequent year thereafter, the Contract states that the rates for solid waste/recycling services "shall be adjusted upward or downward to reflect changes in the cost of operations" per Section 10.02: Modification to Rates. This rate change calculation is based on the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers as well as changes in fuel costs. Republic Services initially submitted a service rate increase of 1.8%. However, staff review of the CPI calculations confirmed an error in Republic's calculations.

Due to the large percent change in the price of fuel from April of 2012 and April of 2015, the rate for FY2016 will decrease by 1.9%. This rate decrease only pertains to the rates charged to the City by Republic; it does not reflect the fees charged to residents by the City for garbage/recycling service. Staff has verified the calculations and determined that the rate charged to the City should decrease 1.9% per the terms of the Contract.

A representative from Republic will be present to answer questions. Staff will return at a later

date to discuss this rate decrease's impact on the fees charged to Rosenberg residents.

Key Discussion Points: Jeff Trinker, Executive Director of Support Services, read the Executive Summary and introduced Frank Gracely, Municipal Manager of Republic Services. Mr. Gracely petitioned Council to forego the rate decrease and keep the current rates in effect, since the contracted CPI rate modification formula is not representative of actual annual operational costs. The variance is specifically due to the formula's use of gasoline prices, as opposed to the compressed natural gas and diesel fuel that is actually used by the fleet. The general consensus of Council was in agreement with Mr. Gracely's proposal. No further action will be required as a result of not changing the rate.

5. **ADJOURNMENT.**

There being no further business, Mayor McConathy adjourned the meeting at 8:25 p.m.



Linda Cernosek, TRMC, City Secretary