



General Government & Social Services Committee

August 13, 2019

Summary and Motions

Committee chair, Susan Lamb, called the meeting to order at 1:03 p.m. Committee members Steve Kay, Richard Moloney, Chuck Ellinger, James Brown, Bill Farmer, Angela Evans, Fred Brown, Jennifer Reynolds, and Kathy Plomin were present.

I. Approval of July 9, 2019 Committee Summary

A motion was made by CM Ellinger to approve the July 9, 2019, General Government & Social Services Committee Summary, seconded by CM Plomin. The motion passed without dissent.

II. Hazardous Duty and CDL Supplements

Committee Item: Evaluation of Pay Practices at the Division of Waste Management

John Maxwell, Director of Human Resources, first reviewed the hazardous duty supplement, which amounts to \$50 per month or \$0.29 per hour. He reported 490 employees receive this supplement, who fall under 11 divisions and noted this is different from hazardous duty retirement. Maxwell explained an increase of \$1.00 per hour would cost \$1.3 million across all funds. Next he reviewed details for the CDL supplement, a total of \$0.08 per hour. He reported 253 employees receive the CDL supplement, who fall under eight divisions. He explained an increase of \$1.00 per hour would cost \$693,579, across all funds. Maxwell pointed out 249 employees receive both of the supplements and concluded an increase of \$1.00 per hour to both supplements would cost a total of \$2 million. He explained the administration's concerns, such as the scenarios described would only affect a small percentage of employees and that it would be best to propose an increase for all positions. He concluded his presentation by recommending the Division of Human Resource continue to review and benchmark hard to fill positions, to wait to make adjustments to supplemental pay, and to maintain the open-range system for civil service positions.

Public comment was allowed. Comments included why Waste Management employees deserve and need hazardous duty pay; the need to be treated fairly; a comparison of a \$2.00 increase per hour to an annual salary of \$50,000; the day-to-day challenges of the job; recent route changes and having to collect more containers on garbage routes for same amount of money; almost 20 employees who are injured; and outside job offers.

CM J. Brown asked about employees who receive hazardous retirement and LFUCG's hazardous duty supplement. Maxwell said divisions of police, fire, and corrections receive KRS hazardous retirement and the employees who receive LFUCG's supplement generally do not also receive the retirement. J. Brown confirmed the employees receiving the supplement listed under the divisions associated with hazardous retirement are non-sworn. He asked about the standards used to determine the amount for each supplement. Maxwell said this was likely determined with consultants and analysis; he added that supplements are not very common. J. Brown clarified the \$1.00 increase in the presentation was an example to show the fiscal ramifications. He said raising either supplement doesn't fully address the main concern to keep up with industry standards and making LFUCG jobs attractive. He said next steps should include how to make increases to the civil service compensation schedule on an ongoing basis.

CM Plomin asked about the rationale of this presentation in regards to the original issue of pay for Waste Management employees. Maxwell explained this presentation is a result of the discussion that took place on May 14, which included the supplements being an opportunity to affect employees equally across government. Plomin asked what the timetable is for the recommendations, which Maxwell said they are working on benchmarking now and hope to finish that review within a couple of months. She asked about the desk audit to determine when supplements are assigned. Maxwell explained how the factors outlined in the ordinance, which must make up for at least 50 percent of an individual's duties, are evaluated with the duties performed in a job.

CM F. Brown said hazardous duty and CDL supplements are two separate issues. Sally Hamilton, Chief Administrative Officer, explained how the committee's previous discussion about adjustments that affect employees across the board directed this presentation to report who receives these supplements. F. Brown talked about limited man-power for CDL jobs and how pay is not competitive with the private industry. Maxwell highlighted the definition of hazardous duty by reading the ordinance; describing the job duties to include lifting, carrying, pushing, heavy equipment, etc. F. Brown said the definition concerns him.

F. Brown expressed concerns about police and fire positions receiving this supplement. Maxwell explained that the positions receiving this supplement are generally not under collective bargaining agreements, they are civil service employees; citing a heavy equipment technician in the Division of Fire as an example. F. Brown said there is no question Waste Management has hazardous duty responsibilities and questioned why some of the other positions would receive this supplement; he asked if this could be broken down further, which Maxwell said the council can adjust the ordinance but there could be legal implications to consider. He asked about the benefit of an across-the-board raise using the supplement and Hamilton explained it would increase employees that are similar to one another. She added the need to consider changes across all of LFUCG in order to remain competitive and address challenges such as retaining employees.

VM Kay asked what percentage 156 employees represents of Waste Management (the total receiving hazardous duty) represents, Maxwell said about 75 percent. Kay concluded an increase to the hazardous duty supplement would disproportionately be in favor of Waste Management. Kay summarized the intent of the committee item, highlighting an interest to recognize the special work the employees within Waste Management do for the city while addressing the perspective that they are not adequately compensated, and recognizing this without having a negative impact on the rest of the workforce. He acknowledged the administration does not recommend adjustments to these supplements. He would like the Law Department to create a category of hazardous duty that applies to people who are subject to the types of dangers similar to what is faced by people in refuse collection, implying that a higher level of risk that could be identified. Kay talked about the city failing to be competitive in all categories and the need to make the issue a high priority.

CM Moloney confirmed the hazardous duty supplement hasn't been raised since it was created. Based on his experience as commissioner of public works and environmental quality, he said all jobs that receive these supplements are hard and everyone on the list is important. He cautioned against any attempt to single out certain jobs because many of them are dangerous. He expressed concern about the lack of consideration to increase the supplements on a routine basis to stay competitive with the market. He talked about the challenge to fund a \$2 million increase and mentioned priorities for a potential surplus in November while pointing out the need to pay back funds that were allocated for the pension, which were used for employee bonuses. He said he is concerned about the division's reliance

on Labor Works, who often provide people who don't show up that cause strain on the drivers; a problem he said needs to be fixed. He said after the pension funds are addressed, the priority needs to focus on all employees receiving hazardous duty pay.

CM Evans and Kay talked about previous committee discussions that led to the presentation on hazardous duty and CDL supplements. Evans said that everyone really appreciates the work of our Waste Management employees, even if the committee doesn't come to a conclusion today. She mentioned the connection between ad valorem taxes and this issue. She said LFUCG can't compete with the private sector and that she doesn't think we can separate supplements based on the division.

CM Reynolds said all non-sworn employees are important and that she is committed to finding a solution through the hazardous duty and CDL supplements, as well as across all of LFUCG. She said we will continue to lose people if they are not appreciated and compensated. She described her impression of employees from many divisions with the feeling of despair and lack of hope for future jobs. Reynolds concluded we need to give people a future within LFUCG.

Kay said he wants the council to continue to look at raising the CDL supplement because of the difficulties to keep people with this license. He pointed out that 54 percent of the cost of an increase to the CDL supplement will come from the urban services fund, versus the general fund. He would like the Law Department to work on a way to distinguish the kinds of hazardous duties; he added that if there is a way to legally differentiate the benefit to Waste Management employees, the committee should entertain that option.

CM Lamb talked about her great appreciation for all employees' work and her hopes to find a solution. She stressed the difficulties to address these issues with funding the city does not have. As a result of this discussion, she said there are opportunities to work on and mentioned potential funding from a potential FY19 fund balance, which will be accompanied by many other requests.

J. Brown said he is in support of increasing both supplements while mentioning the lack of increases to the supplements and concerns about singling out positions under the definition of hazardous duty. He said we need to look at why these employees don't receive hazardous duty retirement as well as incentives for maintaining our current workforce and hiring. He said a separate issue and committee item is overlapping pay scales and annual increases for employees. He said we need to look at making increases to hazardous duty and CDL supplements in the fall, around the time of fund balance discussions. J. Brown and Hamilton established there is sufficient funding in the urban services fund to increase the supplements but the problem is the total of \$716,000 that would come from the general fund. Hamilton said she would like to stay within the parameters of the hazardous duty and CDL supplements and pointed out the issues Bill O'Mara, Commissioner of Finance, will have with using fund balance money for salaries. She said she wants to monitor personnel and the impact of not filling 40 vacancies and mentioned the possibility of splitting the increase over two fiscal years, which in turn would lower the impact on the general fund to about \$350,000, a total that is much easier to reach. She suggested the next presentation include numbers, availability, and scenarios to achieve this. J. Brown explained for full disclosure that he has a family member who works in Waste Management and lots of other family who works throughout LFUCG.

While referring to page eight of the packet, F. Brown said he wants a breakdown of the number of employees impacted under each fund, particularly the general fund. He separated the use of general fund from other funds and said some of the other funds are healthy enough to make some changes. He

said we need to attack this from a fund balance direction. He would like to see the definition of hazardous duty based on federal guidelines. Hamilton said she thinks the state has a definition of hazardous duty non-retirement and pointed out that hazardous retirement is directed by KRS, making it a legislative issue. Hamilton mentioned that many positions are funded across multiple funds.

Lamb discussed the idea of holding a special committee meeting following the fund balance discussion. Moloney talked about the collective bargaining component associated with hazardous duty retirement but said those changes would be done at the state. He said the administration needs to come with a recommendation on this issue. He would like to consider a way that the supplements increase on a regular basis and said LFUCG needs to find a way to stay competitive.

CM Ellinger explained that fund balance money is typically used for non-recurring projects and that we need to fund the money to address this, separate from fund balance. Hamilton agreed it would be a bad precedent to use fund balance for this increase. She said she will start looking at the personnel funds as a possible source of funding, which Ellinger supported this approach.

There was a motion to allow Kay to speak a third time. Kay said he thinks it would be beneficial for this item to come back to the committee prior to a fund balance discussion. He believes the council needs to determine the direction they want to go in as a recurring cost prior to fund balance and whether they want to apply fund balance money towards increases during this fiscal year and integrate increases into the budget going forward. He also talked about considering an increase to the supplement by an amount other than \$1 and used \$0.50 as an example.

J. Brown asked about the percent increase across all funds other than the general fund and if that would cover all employees who receive the two supplements or whether there are any employees that get the supplement only from the general fund. Hamilton said we can find this out. She confirmed the administration will return to the committee in October with a response from the Law Department about the separation of duties under the hazardous duty definition, an answer to F. Brown's question about funds and the respective positions they each support, and come back with budget terms. Moloney mentioned the complexities of the breakdown of funds that pay for portions of many positions that receive a supplement. Hamilton said the data presented today is based strictly on their salaries and explained some cross-over, such as for special events, happens through reimbursements.

III. Items Referred to Committee

A motion was made by CM Plomin to change the committee item description of the Lexington History Museum by deleting the "use of downtown Arts Center," seconded by VM Kay. The motion passed without dissent.

A motion was made by CM Evans to adjourn at 2:28 p.m., seconded by CM Plomin. The motion passed without dissent.