



General Government & Social Services Committee

October 15, 2019

Summary and Motions

Committee chair, Susan Lamb, called the meeting to order. 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 September 10, 2019 Committee Summary

A motion was made by CM Ellinger to approve the September 10, 2019, General Government & Social Services Committee summary; seconded by CM Farmer. The motion passed without dissent.

II. Hazardous Duty and CDL Supplements Update

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

Melissa Lueker, Director of the Division of Budgeting, said this presentation is in response to the committee discussion in August. She explained a table of the hazardous positions broken down by division and fund (490 positions). She added that one employee might be split across multiple funds. She said the total impact of a \$1.00 (per hour) increase is \$1.3 million across all funds and pointed out the breakdown of the cost for each fund. She showed similar tables for CDL positions (253 positions), costs broken down by division and fund, and reported the total impact of a \$1.00 (per hour) increase is \$693,579 across all funds. Referencing the final table in the presentation, she described three scenarios with increases at \$1.00, \$0.75, and \$0.50, separating the costs under hazardous and CDL, as well as for a full year, half-year, and the general fund. Lueker concluded the presentation recommending to continue to review and benchmark hard-to-fill positions and to wait to make any adjustments to supplemental pay, highlighting a 1 percent across the board raise would cost a total of \$775,860 in the general fund.

CM J. Brown confirmed an across the board raise is for all non-bargaining employees who are eligible for raises. He talked about potentially increasing the supplements and asked if there are formulas that provide regular increases to the supplements. John Maxwell, Director of the Division of Human Resources, said a lot of times this depends on market conditions and added that most compensation systems add supplements to the pay. He explained the supplement can be helpful to use occasionally for a day or two, here or there. J. Brown and Maxwell confirmed collective bargaining employees do not get the supplement but they do get hazardous retirement, which is included in the employee's base pay and therefore negotiated when their base pay is negotiated. J. Brown asked if hazardous retirement is tied to an indicator or negotiated for adjustments for inflation or cost of living increases. Maxwell said the state outlines guidelines for limited positions that are eligible for hazardous retirement.

CM F. Brown asked if there is an overlap in the positions that receive hazardous and CDL supplements. Lueker said most of the CDL positions are also hazardous positions. He confirmed an understanding of the scenarios table, emphasized the total general fund cost, and established that the positions being talked about received the one-time employee supplement in the summer. He discussed with Lueker the total cost of a 1 percent across the board increase, which would affect around 1,500 employees, compared to a \$1.00 supplement increase for hazardous and CDL, which would affect just under 500 employees, concluding the general fund impact for either increase is fairly close in cost.

VM Kay explained the original intent was to find a way to increase compensation in Waste Management without singling out a particular part of the government and without having to review the entire compensation system to consider how job titles are compensated. He talked about the options impacting a significant number of employees outside of Waste Management. He believes the CDL supplement is the place to look because it disproportionately favors Waste Management and the cost is less in the general fund. He said this would help with inequities in Waste Management and with the issue of finding people for the city's CDL positions.

CM Moloney talked about the way hazardous duty pay is incorporated into police officer's salaries and asked why we couldn't do something similar for CDL, changing the language in the job title and description so LFUCG jobs aren't competing with each other; he acknowledged the collective bargaining difference and the separation of hazardous duty retirement. He asked which supplement would be more important to increase to help LFUCG jobs if you had to choose one. Maxwell said hazardous duty and CDL supplements were included in the paygrade when Human Resources benchmarked positions in the 2014/2015 study, and the same was done for Police and Fire. Sally Hamilton, Chief Administrative Officer, provided her opinion and said she would pick the CDL supplement because it's across the government that we have trouble hiring people with this particular qualification.

CM Lamb talked about her hope to understand what other cities are using and a more regular reevaluation timeline of supplements. She said that should probably be built into any decisions made today so it is not upon the employees to express concerns, adding that it should be a responsibility of the government to review and conduct benchmark analyses.

J. Brown said this conversation is a small part of a bigger conversation that the city is having challenges retaining and recruiting people in some of the most important jobs in our city. He said we have the opportunity to give the administration more tools to recruit people into these jobs. He acknowledged the focus on CDL but said he has concerns for the jobs that have been labeled hazardous. With understanding it is built into the pay, he said we need to consider anything on top of that to encourage folks to do those jobs and stay in them. He said it is not fair to the administration or fiscally responsible to make an increase this year.

A motion was made by J. Brown to increase the CDL supplement by \$1.00 and increase the hazardous supplement by \$0.50 for the next budget year for non-bargaining employees; seconded by Ellinger. Discussion on the motion included the following. F. Brown confirmed the costs associated with the proposal would be \$693,579 for CDL and \$346,790 for hazardous, for a total of \$1,365,227. He said he is in favor of starting something January 1, 2020, and pointed out the cost for a half-year increase of \$1.00 for CDL would only effect general fund by \$95,000. He said CDL appears to be our problem and recognized the cost spread across other funds. Kay said the CDL impact disproportionately affects Waste Management and the impact on the general fund if less money. He said hazardous duty would affect 153 Waste Management employees out of a total of 490 positions, highlighting many other positions would get a raise that may not be experiencing the same situation. He commented about the difference between employees who experience hazardous situations occasionally versus every day, stating the latter are the ones we want to help the most. Evans talked about concerns for a motion for a budget that hasn't been discussed yet, not knowing how these numbers impact our budget now, and if a \$1.00 increase versus a 1 percent increase would be more helpful to the employees. Reynolds said she thinks we should raise both supplements sooner rather than later, commenting on clearer numbers that would affect the budget. She said she is in favor of an increase for all employees, probably at 3 percent, in addition to the supplement. Moloney asked which increase would help the employees make more; he said we need to do something for CDL to make the position more attractive. He questioned the actual

benefit to the employees. J. Brown said if the increase starts in January the administration would have to find the funding now, which would still commit to the increase in next year's budget. He pointed out another item in committee to look at base raise increases going forward based on some kind of indicator as opposed to an arbitrary decision by the administration and council. He said waiting until the next budget gives the administration time to adjust but he would support the CDL increase starting in January. Hamilton said the total general fund cost for a half-year increase of \$1.00 for CDL and \$0.50 for hazardous is \$219,272, starting January 1, 2020. She said we don't have the funding in the personnel budget to afford that increase so they would have to make cuts under other variances in operating accounts to come up with the money. J. Brown said more time would be beneficial for all of government and he would hate for divisions to make operating cuts to afford a mid-year pay increase. Moloney said he cannot support increasing both supplements, the focus should be CDL, and that the administration could consider adjustments to both supplements in the next budget.

Kay asked for the general fund impact of a \$1.00 increase for a half year for CDL, which Lueker said \$95,320. He reiterated a minimal impact on the general fund, a maximum impact on employees in Waste Management, and said the question for hazardous duty remains on the table.

A motion was made by Kay to amend the original motion to make a \$1.00 increase to the CDL supplement for a half-year starting January 1, 2020, and delete the increase for the hazardous duty supplement; seconded by F. Brown. Discussion on the motion included the following. Plomin talked about the situation for CDL positions getting worse if it is not addressed and not being able to attract new employees, agreeing that CDL is the priority. J. Brown asked what the current hazardous supplement is, which Lueker said \$0.289. He asked what divisions we are having trouble recruiting and retaining employees other than Waste Management and Water Quality. Maxwell said our eligibility lists are down from last year and they are having difficulties across all divisions; he eluded to Human Resources working with Hamilton to address specific positions that are very difficult to fill. J. Brown talked about supporting the amendment but how he didn't want to take away another carrot to help keep folks in the other divisions. He asked what the cost would be to increase the hazardous supplement to \$0.50 for the general fund, Lueker said it is \$131,362. J. Brown said it will be a challenge to reopen the door on these supplements after the conclusion of this discussion. Kay said this does not preclude the council to consider this, especially hazardous duty, in the future; he talked about potentially looking at how often employees are experiencing hazardous duties in their work. Hamilton confirmed the motion is not removing the hazardous supplement from employees.

A motion was made by Kay to amend to make a \$1.00 increase to the CDL supplement for a half-year starting January 1, 2020, and delete the increase for the hazardous duty supplement; seconded by F. Brown. The motion passed without dissent.

A motion was made by J. Brown to increase the CDL supplement by \$1.00 and increase the hazardous supplement by \$0.50 for the next budget year for non-bargaining employees; seconded by Ellinger. As amended, the motion passed without dissent (to make a \$1.00 increase to the CDL supplement for a half-year starting January 1, 2020, and deleting the increase to the hazardous duty supplement).

J. Brown asked the Commissioner of Public Works & Environment Quality for an update about specific issues and challenges within Waste Management, including the conditions of the division such as morale and policies. Commissioner Nancy Albright said she has had several meetings with all levels of management staff to listen to the concerns and find a path to address those, such as issues with the new routes. J. Brown talked about how the folks who do the job every day have good ideas on how processes

could be better, mentioning an idea for seasonal employees instead of using a temporary staffing agency. He encouraged her to help address the root causes that brought the inequity and pay issues to the council.

Evans talked about her appreciation for how this item was addressed in committee but how specific issues in divisions get personal, which happens across all of government. She said she hopes we continue this conversation for all positions that are difficult to employ. She talked about this discussion possibly having a snowball effect and other employees in different divisions doing the same thing and that the discussion needs to be had at a higher level to fix those problems; she mentioned RethinkLex.

Moloney talked about this increase helping the issue of not being able to fill positions. Lamb said there is an opportunity to look at all supplements across LFUCG; she committed herself to work with the administration on a reevaluation timeframe as it relates to supplements.

Public comment was allowed. Comments included challenges to fill the trucks, injuries, changed routes, frustrated employees, working with the commissioner, and the hazardous element of the job.

No further comment or action was taken on this item.

(This item was reported to the full council on December 3, 2019 through a partial summary of this meeting.)

III. City Golf Course Analysis Update

Monica Conrad, Acting Commissioner of General Services, explained this is an update to presentations made in 2017 and 2018. Curtis Mitchell, Golf Services Manager, first reviewed the opportunities outlined in the last update and said investing in player development was a big focus this year. He talked about volunteer opportunities that help enhance customer service, a sponsorship with the Gilbert Bunnell Foundation, and events such as the 100th Kentucky Open at Kearney Hill golf course. Mitchell highlighted operational improvements, including the use of RecTrac, an electronic perpetual inventory system. He also highlighted course improvements, which include the renovated Tates Creek pro shop and the use of innovative turf management techniques. He emphasized the focus on events, partnerships, and community through tournaments and partnerships with schools, the Division of Police and others. He explained the successes of junior golf programming. He reviewed financial trends of fiscal years 2017, 2018, and 2019, broken down by golf course and said the changes have had a positive impact overall. He commented about the decrease in revenue as a result of fee changes and weather and reviewed the improvements at Lakeside and Tates Creek golf courses. He said they have decreased their annual operating expenses by \$500,000 and mentioned the opportunities they continue to work on.

Ellinger and Mitchell discussed the impact of the weather and how Lexington has had a lot of rain the last year and a half. Ellinger asked about \$34,000 in FY2019 revenue. Mitchell said it's from events. They discussed the Gay Brewer Jr. course as the biggest loss in revenue and how it has been affected the most by the changes in terms of senior play and loyalty card discounts. Mitchell noted they are reevaluating the rates.

F. Brown commended the junior golf program and said we need to get young people involved in golf and parks because he believes this helps keep kids from doing less desirable activities. He pointed out the effort to drop expenses and mentioned how the issues identified in the recent internal audit have been resolved. He said we need to keep in mind golf courses are a part of our parks and talked about their

role as green space and impact on neighborhood enhancement. He mentioned how the city shouldn't try to break even in this type of industry. F. Brown recalled the purchase of Gay Brewer Jr. as money well spent and how the city used it to solve a lot of stormwater management problems. He said he thinks golf courses help make our city great.

Plomin asked if golf courses are showing up in RethinkLex. Conrad said directors and commissioners have not received the recommendations yet but that the decrease in expenses is because of their team thinking efficiently and innovatively. Plomin estimated Gay Brewer Jr. is about 30 percent of the shortfall. She asked if revenue is realized through events like the Kentucky Open. Mitchell said yes and cited examples such as the 2018 Girls PGA Championship and the Lexmark event that had over 150 participants. Plomin talked about electronic advertising on golf carts and other advertising opportunities. She asked about targeting the age group between juniors and seniors, which Mitchell said that age group is hard to capture but they do need to work on it.

Moloney asked which golf course women play the most, which Mitchell said Meadowbrook and Gay Brewer Jr. Moloney talked about the land restrictions of Kearney Hill, which prevent the land from being sold. He continued to point how the water company has the final say for Lakeside, that Meadowbrook is owned by the school board, and no one will want to build at Gay Brewer Jr. because of the stormwater treatment plant that serves the University of Kentucky. He recalled work done by FEMA in the Pine Meadows and Cardinal Valley areas and said the city would owe the federal government millions of dollars if Gay Brewer Jr. was developed. He concluded it will cost a lot of money to sell the golf courses.

Gibbs said he would like to see the number of rounds played at the golf courses and recalled the consultant reporting Lexington with a low percentage of capacity at which our courses are operating at. He suspects that the number has decreased and would also like an update on the percent of capacity. Gibbs pointed out the value of green space and said there are other ways the golf courses can be utilized. He referenced national trends for golf courses that compared the small number of courses that opened over the last few years to the many courses that closed. He talked about the environmental impact and asked for a report of the chemicals used on the courses such as pesticides.

J. Brown asked about the loyalty card. Mitchell said the loyalty card is still used but not at discounted rates so essentially they stopped the double discount. J. Brown said he would like to see the changes in the usage of the loyalty cards. He pointed out how people have to pay to enjoy the golf course greenspaces compared to parks, which are free.

No further comment or action was taken on this item.

IV. Items Referred to Committee

A motion was made by Kay to remove the *evaluation of pay practices at the Division of Waste Management* from the committee; seconded by Plomin. The motion passed without dissent.

A motion was made by Farmer to adjourn at 2:29 p.m., seconded by Plomin. The motion passed without dissent.