



Employee Benefits & Compensation Commission

**Presentation to
The Mayor & City Council of Havre de Grace
April 16, 2018**

Background



- **Havre de Grace City Ordinance No. 971 (3 Aug 2015)** established the **Employee Benefits and Compensation Commission** for the purpose of assisting the Mayor and City Council with budget and funding obligations
- **City Ordinance No. 992 (3 July 2017)** amended the initial ordinance incorporating modifications to the frequency of reporting, the elements to be reported and added the **City Human Resources Manager (HRM)** to the Commission as a non-voting member

Commission Membership



Civilian (Voting)	City Council (Voting*)	City Staff (Voting)	City Staff (Non-Voting)
Emory Plitt	Monica Worrell (Chair)	Patrick Sypolt	Steve Gamatoria
Linda Packard	Dave Martin	Chief Walter	George DeHority
Jim Ringsaker			Chris Ricci
Fred Wills			

**The Commission has a standing meeting on the second
Wednesday of the month**

*** As the Commission Chair, Council Member Worrell only votes if there is a tie**

Commission Reporting Requirements



- **The Commission is to deliver recommendations to the Mayor and City Council at the second City Council meeting in April of each year**
- **The report and formal presentations will address the following elements:**
 - A. Strategic direction and consideration of employee benefits and compensation expenses to include employee wage rates, fringe benefits, the employee pension fund, and other post-employee benefits (OPEB), from a funding and budgetary perspective;**
 - B. Exploration of alternative benefits for employees from those benefits currently in place, and analysis through routine reviews and comparisons of other comparable government and municipal employee benefits and compensation to assess the value and validity of current City operations and generate viable alternative solutions;**
 - C. Review of the current personnel manual and recommendations concerning the same;**
 - D. Consultation with the Administration as needed with regard to City Code Chapter 130 and recommendations related to the benefits provided to exempt service employees;**
 - E. Consideration of potential outsourcing opportunities.**



Commission Goals

- **Provide realistic alternatives for employee benefits and compensation that consider employee recruitment and retention, and are at the same time affordable to the City based on current and projected revenues**
- **In addition to the five elements in Ord No 992, the following actions from the 2017 report provided further efforts to accomplish over the year:**
 - 1. Develop and encourage an Employee Wellness Program that incentivizes employee participation**
 - 2. Develop a Personnel Evaluation System that includes an employee component for involvement with professional growth and development**
 - 3. Review the City's anticipated update and standardization of all job descriptions**
 - 4. Evaluate the City's Organization Structure**

Summary of Accomplishments

Ordinance Elements



- **The City is still on a pay as you go funding plan for OPEB, which is allowable under the recent GAAP changes. The Commission maintains this position and notes that the funding for 2019 anticipates accelerating the “catch up” by 1 year (from 3 to 2 years).**
- **The Commission tracked the impact of switching from a Health Savings Account (HSA) funding plan to a Health Reimbursement Account (HRA) funding plan and the switch is trending well. Healthcare costs have declined over \$350,000 from a year ago, a reduction of almost 22%.**
- **A Personnel Manual review was conducted and few comments were generated. This is attributed to the acceptance and implementation of prior year comments. The manual is clear, consistent and compliant with current regulations.**
- **The Commission had numerous discussions to evaluate positions for outsourcing. Lawn mowing of municipal properties was adopted, freeing Department of Public Works (DPW) employees to perform City specific efforts such as water line work, street and sidewalk maintenance and the efforts to expand and improve City Parks.**

Summary of Accomplishments

Other Actions



- To support the development of a Personnel Evaluation System that includes an employee component for involvement with professional growth and development, the HRM has worked with the City senior managers to achieve consistency in job descriptions and to include the employee in the establishment of annual goals and development requirements.
- The Commission reviewed the revised job descriptions and found the work by the HRM and department managers to re-write each of the job descriptions has ensured the job descriptions reflect the work being performed by the employee and include the employee in the performance process.
- The Commission reviewed the City organizational chart to evaluate how tasks are delegated, lines of responsibility and the overall effectiveness of the organizational structure. Findings included definitional matters such as lines of control and consistency in format across the chart. The City Dir of Admin addressed these findings and a more consistent organizational chart has been prepared.

Other Accomplishments



- Adding the HRM to the Commission as a full time member has proved to be very beneficial. Mr. Ricci has provided direct insight into the recommended implementations and the Commission has been able to directly address any questions or issues he has encountered.
- The Commission provided the Mayor and City Council President with an adjusted salary analysis. Note that this is not a recommendation to give the Mayor and City Council raises, but an analysis of what would be a fair adjustment given the extended time the salaries have been at the same level.

Recommendations



- **The Commission recognizes the efforts taken by the HR Manager to position the City workforce to implement a merit pay system and recommends the Mayor and City Council continue towards this goal**
- **Recommend the City continue to pursue outsourcing of efforts where cost effective. Also, the cross municipality sharing of employees where shortfalls occur has potential for savings and should continue to be pursued**
- **Recommend the City look at long range staffing plans (a significant percentage of management staff approaching retirement eligibility), focusing on current staffing pool to identify potential future management candidates**
- **Recommend the City develop an education program to include management and technical training. This has the dual benefit of cost savings from in-house promotion versus external recruitment and would enhance employee morale.**
- **Recommend the City establish an OPEB trust fund as it has for pension benefits. The City is experiencing an economic recovery and some of these funds could be set aside to fund post employment healthcare commitments for employees.**
- **The Commission also discussed the City's investigation into opportunities to take advantage of Intern programs where practical. Internships provide the City with low cost labor for entry level personnel. Intern programs also provide the City with an opportunity to evaluate potential employees for future career service positions.**

Next Steps



- **Continue to develop and encourage an Employee Wellness Program that incentivizes employee participation**
- **Finalize a strategy to address the Auditors discussions relative to the funding of OPEB obligations, with specific emphasis on health care benefits and evolving Federal direction**
- **Continue to evaluate the Pension System for long-term sustainability**
- **Continue development of a Personnel Evaluation System that includes an employee component for involvement with professional growth and development**
- **Continue analysis of outsourcing opportunities whereby the City can best utilize its assets and resources in the most efficient manner**