

Joint Civil Service Meeting – 7/18/2023, 6:00 PM Transcript of Meeting

Brian Burke: ... [inaudible 00:00:01] board and the [inaudible 00:00:03] city council to order. Pam, if you follow the rule.

Pamela Ulfers: Yes. Ms. Cressey?

Laura Cressy: Here.

Pamela Ulfers: Mr. Ainsworth?

Richard Ainswor...: Here.

Pamela Ulfers: Mr. Burke?

Brian Burke: Present.

Pamela Ulfers: Mr. McGuire?

Jack McGuire: Here.

Brian Burke: Kristine, if you want to call a rule for the counsel since it is, it is an official meeting of y'all too.

Kristine Schere...: Jason Zuckerman?

Jason Zuckerman: Here.

Kristine Schere...: Rebecca Bush?

Rebecca Bush: Here.

Kristine Schere...: Skelly Kreller?

Skelly Kreller: Here.

Kristine Schere...: Rick Danielson?

Rick Danielson: Here.

Kristine Schere...: Jill McGuire is absent.

Brian Burke: Okay, just a little background. We decided to meet, well and then the council passed an ordinance so that we can discuss potential quarterly increases to the salaries of both police and non-police employees and just to remind everyone that the board will make a recommendation to the council after we have a head of discussion and input from the administration, the board will make a recommendation to the council for the non-police and will also set the salary and pay scales for the police.

And the purpose of this too was so that instead of putting the cart before the horse to where the mayor can have in his budget some sort of realistic number as opposed to

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previously it was required that the quarterly increase be included in his budget so that we discuss it at budget workshops but then with this year with the cost of living increase, so that could easily be pushed to 9%, it kind of skewed his budget. And so we thought it'd be best to have it to where we had some of our discussion ahead of time so that more realistic numbers are included in the budget. With that, I'll turn it over to you Mayor.

Mayor Clay Madd...: Yeah, I think thank you Mr. Chairman. I think because we did the change this year, it was a little late. We would probably most likely do this in May as we're getting the budget together, but here we are tonight so we'll move forward. I'll turn it over to Kathleen to kind of talk about the methodology that we came to.

Kathleen Sides: We just considered over the past couple of years that we had done the salary survey, we've done the 5.9 last year and with this being 8.7 that it was just so high to set as a permanent rate on the scale moving forward. So played around with a bunch of the numbers and that we put in there, I ran like what, 8.7 and I'm just picking 8.7, I'm pretty sure it's seven.

Brian Burke: 8.7.

Kathleen Sides: Yes. So we looked at 8.7, 6.7, 4.7, 2.7 and so we came up with 2.7 was what we were going to suggest. And just for your information, every 2% and I'm basing these numbers on fiscal year '23 ending revised budget, these numbers include salaries, retirement and FICA, puts it at, hang on I think, about 225000. It would go up, if you went from 2.7 to 4.7, it's about 225000 and I'm looking at this now and I don't have overtime on here, so that's going to be a little bit bigger but that's how we came up with that number. We felt like it was more in line with what was normal, a normal SSA COLA and then we also took into consideration that we've just done the salary survey and the large 5.9 COLA.

Brian Burke: Have you looked back historically to see what the COLA increases have been over the past say five years?

Kathleen Sides: If you go back to '15 it was zero, '16 was 0.3, '17 was two, '18 was 2.8, '19 was 1.6, '20 was 1.3. And then it went 5.9 and 8.7.

Brian Burke: Have they come up with any estimates for end of 2023 yet?

Kathleen Sides: Yes, I believe, let me pull it, I think it's 2.7.

Brian Burke: It comes out in November of this year, usually.

Kathleen Sides: It's late in the year. Yeah, I'm not sure what month. Our financial forecaster did research and told us 2.7 is the expected for next year.

Brian Burke: Now so we can take into account and the increase along with the city's overall budget, how are the operating expense, the income and expenses looking right now? Because I know the council will be looking at that during budget hearings.

Kathleen Sides: Overall, right now we are at, what we have in there right now is showing a net increase to the general fund fund balance of 2.6 million. But we had a meeting last night and I was asked to pull out one time revenue, one time expenditures and so I haven't done that yet

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to get to that number. Because we have IDA money that came out over the past two years and is still coming out. We have IDA money, we're still owed over \$6 million in IDA money

Brian Burke: So I want to remind everybody the reason for this cost of living increase was to that theoretically our pay scales would stay equal as we went forward to where in 10 years in theory pay scales should be adequate. So I don't want to get too far behind even though this year it was an anomaly, the 8.7 but I don't want to get too far behind to where in three or four years our pay scales are off again and that was whole point of the exercise. I realize this is compounding to where once you give the 8.7 then there's no taking it back so to where the city would be paying an additional 8.7.

Kathleen Sides: Right, it's not like a bonus, like a one time expenditure.

Brian Burke: Everything will be built on top of that and that's what we've got to keep in mind of too, while we're trying to balance this out.

Kathleen Sides: And if we're keeping all other recurring revenues the same then this is just compounding expenditures and not having ...

Brian Burke: Do we have any new income that we anticipate coming in?

Kathleen Sides: We have new, I would call it new but it is offset to capital with grants and things like that. Not like a new tax or increase in ... We did talk about last night we're currently in the middle of a water rate study the state is performing for us to receive a \$2.8 million grant, so those revenues may increase depending on how that comes out.

Brian Burke: So that would offset the existing expenses that we have?

Kathleen Sides: Some in the enterprise fund, so not in the general fund. And the general fund is if you look at wages and overtime, seven million as opposed to one million in the enterprise fund.

Brian Burke: Any questions for members of the board of the council?

Jack McGuire: The only feeling I have on this and of course I realize that many people felt it was an aberration of what happened with the cost of living increase that has been referred to as a windfall. If someone was paid into social security for 55 years, I didn't regard it as a windfall. It was something was observed based upon the formula the Social Security Administration uses to determine what the COLA is, the cost of living increase.

So I certainly don't in any respect begrudge that but I can understand that it might not be possible if that type of thing happened again to sustain it year after year after year. I also feel very strongly and in the past this has generally been done that any increase on a percentage basis should be the same for both police and non-police municipal employees. There should be no distinction between those. And I also, again as we know we have two civil service systems.

One for police was enacted by municipal ordinance of the board of alderman and was then to ensure that a future board of alderman meeting could not by majority of vote or

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appealing enshrined in a state legislative act. So the police system is actually regulated by a state act. The only change that can be made in that is if you change the state act. When I learned when the charter was adopted and Mayor Spitz and I argued strenuously that non-police employees should have the same benefits of civil service protection and promotion, hiring and promotion based upon testing and merit that all city employees other than those non-classified appointed by the mayor and exempt from civil service should be under civil service.

And that was implemented and that became the municipal police civil service system that is in the charter. But the only mention of the police system and the charter is a statement that the police civil service system is governed by the act of the legislature and this charter cannot make a change in it. You would have to go to Baton Rouge to get that done and then do it. So this board has the authority to set the salaries of the police officers who are covered by the police system and that is our sole authority subject to funding by the city council.

Now if the city council chose not to fund what this board said is going to be the police civil service system, any salary adjustments, then that would be up to the city council. That's why while we had that law for that, that's why four years ago or so I proposed and said before the salary survey was made in other things the city employees should have a 15% across the board raise. And initially we were told that's not possible, 3.5 maybe this, that the other. But thanks to a large number of city employees and police officers who attended some meetings then, the council eventually adopted 14.2%, which probably is the highest annual raise that we've ever had and that was made the same for non-employees and municipal employees.

In looking at this, I think what we're essentially saying, and it was in the salary survey and what came out of it that, that simply said that compensation will be based on annual adjustment under the terms of the cost of living and the Social Security Administration. What this is doing now is simply saying that the city council and the police board will consider and the police board for recommendations on non-police since we have no authority over that would like to see consideration given to the Social Security Administration COLA but also other financial information provided by the mayor and financial finance director and presumably any other information that would come to our attention, difficulties in hiring, other things.

If you saw the sheriff just implemented a 55% raise for St. Tammany Parish sheriff's office employees. I think that okay, we're saying the COLA but we can change it and if we don't like it then you're not going to get that. I can see the consideration given in a joint meeting of the council and the civil service board under the police it says the cost of living increase shall be set by the municipal police employees civil service board after a joint meeting of the civil service board with the council, consideration given, et cetera, et cetera.

That does not mean that this board has to agree with what the council may want to suggest in that in fact because we have the full authority to set to propose our own salary scheduled for the police department. It doesn't mean we wouldn't and it doesn't mean that perhaps there should be some joint consideration of this is what the city can justify can pull forward, which we feel it could be done, but there are also instances in the past where I have long felt the top of the scale is treated much better in some instances than

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the bottom of the scale. And a percentage increase for the bottom of the scale in many cases comes to a few cents or not much more.

And so I don't think this should in any respect, prevent making adjustments in the overall city pay plans that would go beyond what this raise might be because of the need to adjust it. I know for a long time we've had problems and when I'd said that I didn't want to see anyone employed by the city of Mandeville paid less than \$15 an hour, I saw a sign in Madisonville on a fast food place between there and Covington that said they're looking for people at 15 to 18 an hour. So I guess I can go along with this but with the understanding that I certainly as an individual member of this board reserve my right to disagree with it, and propose alternatives to it.

Brian Burke: I believe with the bottom of the pay scale, a lot of those issues were corrected in the salary survey when we looked at all of the different positions and we tried to bring everybody up to where they were competitive in the marketplace with Slidell, Covington, the parish and I'm not sure about the private sector, how that was taken into account.

Jack McGuire: I think a lot was done there and it was after also our board had addressed and raised the question of some of the non-police categories such as-

Brian Burke: Maintenance workers.

Jack McGuire: Clerical, not just maintenance workers, the people out in the field like the clerical people, the receptionist at city offices and facilities and other things. But I think Mandeville's done a good job in the manner in which it tries to treat its employees and having been involved in this from the inception of the first system when I was the first chairman in 1984 and then left to serve four terms on the council and came back in I think 209, so I've been here again, I feel so very strongly.

We can have buildings, we can build new city halls, we can build a new police station, we can have all these of the infrastructure, streets, water towers, sewerage treatment, lift stations, but the best asset, the most valuable asset this city has is its employees, that first and foremost when it comes to how any of the city finances are handled and I feel strongly about that.

Brian Burke: Any other comments, questions?

Richard Ainswor...: Well I'm looking at last year's being an [inaudible 00:18:02], the 8.7 it looks like for next year social security's going to probably be closer to 2.7. When we passed the committee last year to look at the salary surveys and everything, the language that we adopted was that we would follow social security, I'm sorry I don't know was that the mayor would be required to include in his budget to be presented to the council the COLA increase so that it wouldn't just be brushed aside.

It wasn't definitely that, that was going to ultimately be the increase but it would be included in his budget so that the council would have to discuss it and then make appropriate adjustments. It was never a definite.

For social security purposes, they've got their 8.7% increase on January 1st I assume.

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Brian Burke: Yes.

Richard Ainswor...: And we have a nine-month lag-

Brian Burke: Right, because of the way our budget falls.

Richard Ainswor...: So the people who got social security increases did get 8.7. So our people have been living with higher inflation for those last nine months. It's going down somewhat, but they have been living with pretty high inflation and even though the numbers have come down, with the COLA inflation, it's still going, I mean it's still there.

So if the feeling is that we can't do the 8.7, which I think there's probably a consensus that we can't, I would still hope that we could be rather generous for last year if the city's budget can accommodate it, realizing that might be a one-off that inflation, it looks like it's coming down and it looks like the future COLA raises for social security is lower, much more reasonable. I mean I think our employees have been living with the same increases in everything as every else in the country.

Brian Burke: And I do believe too, that ... I'm sorry.

Richard Ainswor...: I think we should be as generous as we can be under the circumstances in light of what the city budget is.

Brian Burke: And I just want to be clear, there's nothing that prevents us in future years if you come back to a 1.3% increase for us giving more, there is nothing that would prevent that from happening to where because now we've tightened up on the merit increases to where now a merit step increase is a true merit increase.

So that 2.5% is not automatic, it should not be automatic anymore, to where we find that we're looking at a 1.3 increase, we're always free to give something a little more generous so that they truly do get a cost of living, the employees truly do get a cost of living increase in addition to a merit increase. What we don't want to do is go back to where the merit increases substitute for cost living increase. That would make all the work that we did a moot point. Sorry go ahead.

Laura Cressy: I'm just looking, I'm kind of late coming into all of this, but one of the other things I think the 2.7 I see, but there are a lot of people who are having ... that take supplemental because of the low cost. They are part of a program and if we give them the 2.7 sometimes that kicks them out of the program, which that makes their income decrease. They don't get to participate because they make a little bit too much money and I'm a little bit concerned about that.

The raises, I see it, but if it's not big enough then it pushes them ... They lose the benefits that they are getting from like a welfare program or even for the supplements for the kids. Would that push them out of, because it's just a little bit, it pushes them just a little bit over and kicks them out of the programs that they're used to having. So I was thinking about that. We do have cost of living but are we going to kick them out if we give them that small of a increase, would that kick them out of the programs that they're used to getting to supplement their children and their food and their rent? Sometimes these subsidies, if I make too much money then I'm out and then that makes it worse for me.

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- Brian Burke: Correct. You've actually gone backwards. Without mentioning any names, do you have any city employees that rely on certain programs?
- Joanna Anderson: That's what I was just asking Kathleen is how would you be able to figure that out? I'm not sure.
- Jack McGuire: It's now the supplemental assessment what we refer to as food stamps.
- Joanna Anderson: So I'm going to have to find whatever the threshold is to receive that? Sorry, we use these.
- Richard Ainswor...: I realize that we set the pay for the police and the council does for other municipal employee. Do we have a sense as keeping in mind the discussion about the budget, how the council feels about what would be appropriate for the municipal employees so at least we can try to be on the same page?
- Jack McGuire: I'm not an attorney but I like to practice law without a license and one of the things that has struck me in this discussion and what Richard is referring to, I regarded the salary survey which was very extensive, there were a number of meetings on it, the City Task Force worked on it and I regarded them using as a benchmark for adjustments and compensation that it was adopting the social security COLA, the COLA as published by the Social Security Administration.
- And what I'm hearing here is well, yeah, but that was just to put it in the budget and then the council could reduce it if they wanted to, if it was too high or what have you. Unless I've misunderstood that, then I may well have, but I regarded it is saying, okay, we've flown by the seat of our pants, we've done this, that, had alternative things, let's have a standard to use and what better one than the cost of living COLA as published by the Social Security Administration because we were saying this would be an annual cost of living increase, not a merit increase. Not something where everybody, somehow everybody has the top of the merit.
- Everybody had outstanding performance. And we know that doesn't always happen. But I certainly took that as being something. As a matter of fact, that's why when we had a resolution on this that this board passed, I voted against it because I felt that we did not felt that we did tie it to the social security COLA.
- Richard Ainswor...: Jack, I thought we did too at that time and I don't disagree with the-
- Jack McGuire: Hold on. You are an attorney so I'm not practicing without a license now.
- Richard Ainswor...: Joanna, do we have and the language before we changed it a couple of months ago.
- Joanna Anderson: I can pull it quickly.
- Richard Ainswor...: Please just so we can get that in. My feeling is that that was my understanding Jack as well, but my only concern is that in the real world, the cities have a budget and maybe we have to make some accommodation to that, but if we did, I'd like to see it not be too much of an accommodation because it looks like there was a one-year thing and that it's dropping down so that any other future COLA increases just social security, we're going

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to be much more in line with what we probably should [inaudible 00:26:33]. So it's not going to be 8.7 but people have been living with a higher inflation for the last year without the benefit of that increase.

Jack McGuire: Well and what we're saying, essentially the way this is being treated is well we'll be guided by the COLA of social security but we don't have to follow it. But if we think it's too high we can use a lower figure. But if we think it's too low, we can use a higher figure. Now if it were 1%, I'd like to use a higher figure. But again, I think what you're saying here is we're in effect going away from what I viewed as a requirement that it be the social security COLA and instead we're saying we're going to no longer say it's a requirement, but we'll say that it is one of the tools that we can use to come to a figure and then we can take it or we can go above it and we can go below it. I think that's what this is saying.

Brian Burke: It is actually. Joanna, do you have the language?

Joanna Anderson: Yes. The cost of living pay scale adjustment shall be proposed in the city's annual budget each fiscal year. The proposed cost of living increase shall reflect the cost of living increase decided upon during the previous year by the Social Security Administration. Any adjustment made to the pay scale will be effective for the first payroll where the pay period starts after the new fiscal year.

Brian Burke: So it does include it in the budget.

Richard Ainswor...: [inaudible 00:28:29] whether it has to be the same or if it's-

Joanna Anderson: A cost of living pay scale adjustment shall be proposed in the city's annual budget each fiscal year. The proposed cost of living increase shall reflect the cost of living increase decided upon during the previous year by the Social Security Administration.

Richard Ainswor...: Well to me that reads as if it needs to be the same.

Jack McGuire: Well that's saying it's mandatory that it be put in the budget but the final decision on the budget on funding it is in the hands of the council.

Rick Danielson: Because it comes back to what's available financially.

Jack McGuire: Correct.

Rick Danielson: I mean if you can't afford it, you can't do it.

Jack McGuire: And that was the problem. It depends on the size surplus you're sitting on too.

Rick Danielson: And I don't disagree, Mr. McGuire. I just have a couple thoughts on this. So we're playing catch up in this process meaning that Social Security Administration releases their number in November for January 1st. We get the number but we're nine months later. So in November of 2021, social security said 5.9%. Ours didn't kick in until September of 2022. November of 2022, 8.7. We're now trying to look at what will be September of 2023, what's fair, what's reasonable, what can we afford?

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And then obviously November of 2023, the current estimate is 2.7, so inflation continues to be high. You can look at it in a lot of different ways. I can never speak as eloquently as Mr. McGuire does and certainly with the background and historical data, but I agree with everything he has said and have been involved and have said a lot of the same things, primarily that our number one asset is our employees, period. And when we did the salary survey, we made a major investment, we bit the bullet to do a catch-up that had not been done in a long time. What can we afford? What can we not afford?

Me personally, I feel 2.7 is too low. What's the appropriate number? If I was going to pick a number I'd say at least 5% but that's going to be a budgeting thing. That's how I feel. And then we'll have to kind of go through because as we talked about last night, we need to know surplus or not surplus, looking at what are those costs that we're looking at, what is the revenue coming in and how do we manage all of our obligations that need to be put in there? Certainly starting with our employees and some of the other fixed obligations and fixed costs that we do have. So I don't know the perfect number but I do think 2.7 is too low.

Brian Burke: Yeah, I would agree with Councilman Danielson. I was looking at 4.7 just because two additional percent because I want to keep it available to us to where in these low years it bubbles down to 1% that we have the flexibility to give our employees a decent cost of living increase each year because the two and a half is gone, but the automatic it's going to have should be gone to where we want to make sure that you're getting something each year so that the entire pay scale continues to grow so that in 10 years we don't find ourselves where we were two years ago.

Rick Danielson: Correct.

Jack McGuire: This discussion for me is one more reason why the city should have, as I kept proposing many years ago, abandon a fiscal year and adopted a calendar year budget process. And each time I was told, oh we can't do that because that means we'd have to have an additional audit in the year that it's done and we would be paying for two audits in one year. Frankly with the way so many things are based on a calendar year, I mean even the US government for your income tax uses a calendar year, does it?

I'm just trying out to the council, I wish that the city would again look very closely at the efficiencies that could result from adopting a calendar year, not a fiscal year. I used to design, I never was very good at mathematics, when I have to sit with the city funny enough, I say wait a minute now this is all now that's going to include September, October, November, December. So I've got to go back and do this and wait, these figures are for eight months only. What about the ... Uh-huh. I don't understand why anyone would want to use a fiscal year.

Skelly Kreller: I agree with Mr. McGuire on that because I mean being once in a private sector, it was calendar year and when I came on the council, it just doesn't make sense to have the fiscal year. I understand why because I mean this is not the private sector and it's government but our government, IRS is unaccountable and I would definitely entertain that. The other thing too, and I agree with Mr. Danielson, when I was crunching the numbers, I thought, I don't think the city can afford an 8.7.

But the two point figure I think is low and I think we should be in the middle and my numbers were about 4.5 because what I think we need to consider is along with that, the

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COLA, if it's 4.5 and we get a merit raise, okay, and let's say this individual gets a four, so that's 8.7, that's a nice number coming from a 2.7 and adding four, that's really I think kind of chinchy. So I'd like to meet it a little bit in the middle.

Richard Ainswor...: If you took last year, that's 8.7 and the projected for this year is 2.7 and split it right up the middle, I just did that, it comes out to 5.7 and I think that kind of right in the middle of the real world where inflation last year was 8.7 and now it's 2.7, at least the COLA somewhere right smack in the middle is kind of where we live right now and to me, 5.7 if that's what the city's budget can handle with the reasonable amount to think of because inflation has come down since 1997. So, I'd like it to be as close as we can in a sense to the 8.7, but in the real world the city's budget, if we want to get something as objective as we can, we take it from last year and this year projected and split it down the middle and meet at, let's say, 5.7.

Skelly Kreller: Kathleen, would we be looking at real numbers if we do that, real numbers?

Brian Burke: I was just having her calculate too, she had run 5.9, 8.7 and 2.7, so last year this year and projected next year and divide that by three and what we come up with, that's what she was working on when you asked her.

Kathleen Sides: 5.9.

Brian Burke: Okay and what was Councilman Kreller's?

Rick Danielson: He was at four and a half.

Skelly Kreller: Four and a half.

Brian Burke: Okay. I mean you asked to crunch the numbers.

Richard Ainswor...: I think it's closer to 5.7, but of course you have to [inaudible 00:36:16]. So, it would actually have it a bit higher.

Laura Cressy: I think it's realistic. I think again, if you're going to give a raise and you're going to be pushing people out of those programs and we have a lot of maintenance people are in those programs and depend on that program, if you have them too little and kick them out of that, you're hurting them. You're not helping them.

Rick Danielson: And Ms. [inaudible 00:36:39], I see where you are, we're saying that the directors that worked incredibly hard over the last year plus to fill in so many vacancies that we've had to finally get to the point where we've got reasonable staffing so not everybody is pulling three different jobs, so we can't take those steps backwards.

Richard Ainswor...: If our rule said instead of taking last year's social security COLA, maybe we should have language that would say that we'll take into account last year's COLA projected for this year and come up with a figure. It's not just one year COLA, we would look at the anticipated and make a calculation based on those two things.

Laura Cressy: How did we get back to the change back to the calendar year, how do we go about doing that change? What are the steps that we need instead of the-

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- Rick Danielson: There would be a charter change if I'm not mistaken, and then there woulda recommendation from the council as an ordinance and then if approved would go on a ballot for the voters to vote up or down. And I think it was 2014, 2015 we had the same discussion and we got the same pushback that Mr. McGuire got while he was on the council. Can't do it. Too many variables, on and on and on.
- Mayor Clay Madd...: We actually looked at changing in three different ways January one to December 31, July one to June 30th, which is how the state of Louisiana does it and there was one more, I can't remember.
- Brian Burke: October. So governmental.
- Mayor Clay Madd...: And all of them were not favorable. They all had more cons than pros. I personally like it the way it is only because I look at Covington and they're doing their budget meetings. We're about to have during Thanksgiving and Christmas and I would never in a million years personally just my personal opinion, want to be doing budget during the holidays. That's just my personal opinion.
- I'd be against it. If I could while she's crunching those numbers, I wanted to make a comment. I just wanted to remind everybody that I absolutely agree with Mr. McGuire having had a one-on-one meeting with all of our employees and know everybody's name, there's no doubt in my mind they're the number one asset of the city of Mandeville and that's why we did the salary survey. SSSA was a great company. I just met some firemen today that also did a salary study through SSSA and they got good results from that.
- The results from that and we set up the committee were to catch us up to market brief because we were not getting as many police applicants for the first time in many years, but also those hard to fill starting maintenance workers in public works. And so I feel like the raises that we gave as a result of the salary study kind of caught us up to market rate. And then we did the 5.9 social security index last year. Kathleen has done a good job at crunching numbers and our job is to propose, but I've always said for many other things we will work within the confines of what the city council approves. But as she's doing that, as Mr. McGuire and Mr. Burke were talking at the beginning, I wanted to just, if I could read an email real quick and it'll take just a second.
- This email comes from one of our public works employees who is my age, let's just say we played football against each other and he whooped me up and down the field. He came into our public works department a few years ago before I was mayor and it was a kind of second career forum, but this was written on May 18th of this year. So about two months ago. Mr. Mayor, I just wanted, and this let me preface it with, and Joanna knows that these public works guys are not the best emailers that it was very rare for me to get an email from public works and it was out of nowhere but it just said, "Mr. Mayor, I just wanted to take a moment to let you know I'm thankful for what you and your administration are doing for the employees of the city of Mandeville.
- When I started here just a few years ago, I was only making \$10.36 an hour. And now with the fighting you've done, I almost make triple that. It might not mean much to some people but I just wanted you to know that it did not go unnoticed again. Thank you." And so I feel like that speaks a lot that I shared it with Ms. Joanna and his supervisor because that speaks volumes of what we're trying to do here. We want employees to feel valued and we want to pay a very competitive rate for salary and we want to attract and retain

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the best in this region to come work for the city of Mandeville and we have great employees in all of our departments but as the city council members have said there is budget constraints so we have to work in those. So I think it's been a good conversation and like I said, whatever's ultimately decided we will work within those confines.

Brian Burke: Thank you. Do we have any comments from the audience?

Shane Maricelli: Shane Maricelli. Here on behalf of the Fraternal Order of police 542 which represents members of the Mandeville Police Department. If I'll start with, we are blessed as a police department because we have a city council and we have a civil service board and we have a mayor that does very strongly support us. And just in my time here, financially wise there has been increase, which has helped definitely.

But the one thing that the city council, or no one ever can prepare for is unfortunately that cost of living that comes up and under our current administration through the government. Unfortunately it inflated a lot more than what anyone would've anticipated or guessed. And I just wanted to bring up a couple of things on behalf of our members that have been discussed just for y'all's consideration.

First issue was brought up is a lot of members feel like basically the same sentiment that y'all were talking about with the original wording and pay scale, the way it was worded, it felt like we should have been grandfathered in with the 8.7 because the original wording was with the pay scale and the way it was worded was we were going to take the recommendation from the Social Security Administration and then that would be proposed and then they proposed it up.

Not that we would 100% get the 8.7, but it felt like that that should have been proposed, which that was put out in October of 2022. And then in May, June this year we had the change which now is basically gives the civil service board the chance to put up any number that they don't have to go with the 8.7 that is proposed by social administration.

They can come with any number, they would take it into consideration, which obviously y'all are, but it doesn't have to be the 8.7 due to the new wording which we voted in. The other hesitancy or issue or concern is we don't want to fall back behind and five, six, seven years down the road we're looking at having do another 10 or 15% raise because it doesn't look good I guess you would say in the public's eye to see the city having to give employees big bumps rather than being able to give the small significant amounts over time, which help keep us in competition with other departments.

I know Slidell got a 5% this year, I think the sheriff's office got six something. And so I think that overall as a lodge we agree 8.7 is a significant amount but we would potentially like to see between the, at least a 5% by the civil service board. We think that's a fair number. I know that y'all have always been fair to us and whatever y'all recommend and do, it's not going to change how we do our job or how anybody works for y'all and we appreciate all y'all support and all y'all do for us.

Brian Burke: Anybody else? Kathleen, what were those numbers again?

Mayor Clay Madd...: Can I just say something about that. Mr. Marcelli has been recently promoted to sergeant and so we've had some promotions and in both public works and police over the last year

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or two where internal people have had the opportunity to go into higher roles. So we're very proud of that.

- Brian Burke: Great, thank you. Besides, if you do that 5.9, 8.7 and 2.7 divided by three, what do we call it?
- Kathleen Sides: 5.9.
- Brian Burke: Yeah, which was last year.
- Kathleen Sides: And 2.9?
- Brian Burke: No, 5.9, 8.7 which is this year. And 2.7 which is projected for the end of this year.
- Kathleen Sides: What's the average of that?
- Brian Burke: Yes.
- Kathleen Sides: 5.8.
- Brian Burke: 5.8. I think that's the best way you can come up with some sort of realistic number. So if everyone would agree I'd entertain a motion that the ...
- Richard Ainswor...: Can we hang here a little bit more from the city council about-
- Kathleen Sides: Can I give you those numbers?
- Richard Ainswor...: ... the municipal employees so we can gauge?
- Brian Burke: Sure. Any other comments by the council?
- Jason Zuckerman: So just a couple thoughts on my end and I've been listening very attentively to everyone and I've got to say I actually agree with everything, almost everything everybody has said across the board, certainly about our employees. It's no different than the private sector. Our organization is actually nothing without our employees. And I was a major participant in the salary survey and supported the pay scale adjustments that we did very strongly.
- And I believe that the city, I'll be the first one to say I'll as an elected official, I'll take criticism for overpaying our employees because we want to overpay our employee, not overpay. We want to pay highly competitive salaries and very good compensation packages so that we can retain, we can attract and retain. So I'm 100% for that and as far our police department, I think that they know how strongly I support them and we'll give them pretty much anything they need to keep doing what they're doing.
- For me it comes down to what can we do and what's reasonable. We're just now getting into the budget process. We haven't been through the operating budget yet. We really haven't seen, been through the different scenarios in the operating budget to see what the budget will allow. So I'm not ready to throw out a number yet that I can agree to. I

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think for me I need to get through much more of the budget process to decide what can we do.

Certainly I'd like to do as much as we can. And I would certainly put it above other priorities to do as much as we can for our employees. That goes without saying. So I'm not ready to throw a number out that I feel comfortable with yet till I get through the budget process. But I do agree with what everybody has said tonight. I do think it's a priority. And also we will need to look at what the overall impact is with those different numbers that have been thrown out. I don't know what, like Dr. Kreller asked a little while ago, what are those actual numbers? What are the trends? So we need to see what those are, we go through those and then see what the impact is on the overall budget.

And then, I also don't want to be in a position of having to come back in a few years and reevaluate the pay scale and do another salary survey and adjust it. But it all has just happened in the last 18, 24 months, all of these adjustments that we've made. So I want to be a little cautious about overshooting it too quickly as well. So I think that there's definitely a happy medium in there, in terms of what can we do on top of what we've already done, what can we do with what we have available.

Brian Burke: Yeah, I believe the 5.8 would be roughly what, 6.50, something like that.

Kathleen Sides: 5. ...

Brian Burke: 8% increase.

Kathleen Sides: 5.9% would be an additional as compared to fiscal year '23's budget, an additional 700 ish thousand.

Brian Burke: Okay. And y'all were proposing 2.7 which would've been ... I don't think you-

Kathleen Sides: 3.25 ish. So if I look at the 8.7 is 1,000,000 1.047.

Brian Burke: 1.047?

Kathleen Sides: Mm-hmm. The 5.9 somebody recommended is 710,000 thousand. 5.8 which was the average was 698,000 thousand. And then the 4.5 somebody asked for was 541,000 thousand.

Jason Zuckerman: What was the 2.7?

Kathleen Sides: 2.7, 325,000 thousand. And just from a financial department perspective, I mean I'm an employee too. I'd love the 8.7 plus a 4% merit increase. But I think we also have to remember that from '23 to '22 we went up \$2 million. That's going to be recurring with our survey and our 5.9. And we're not increasing our revenue. I mean our sales taxes are going up but I don't know that our ... We're going to have to, we're talking about what we're cutting, are we cutting capital projects, our operating, a lot of our operating isn't really controllable, the big numbers in it.

So that's my concern in not going, I think some people have said, I think you just said Jason not going too high at one time. I think this middle number is probably reasonable

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but I think if we come back and get into these operating discussions, we're going to have to look at ... because this is a continual and growing thing. This is where everybody was on the scale at '23's budget. So everybody's going up steps and those things too. So I just wanted to throw that out there that on one hand you can say we have this huge budget and we have a lot of surplus, but if we're going to go up a million a year, we're not.

- Brian Burke: Joanna, correct me if I'm wrong on this, but to score satisfactory, there's no increased merit increase. Correct? Under than a new plan?
- Joanna Anderson: That's correct. And an average score there is no merit increase. You have to go above and beyond to get the merit increase going forward.
- Brian Burke: And that would be one step to 2%?
- Joanna Anderson: Correct.
- Brian Burke: And so in order to get two steps, 4% y'all have to have a perfect rating. Correct?
- Joanna Anderson: Almost a perfect rating.
- Brian Burke: And that's when we tried to eliminate, bring it back into a true merit system where only the best of the best, people who go way beyond the call of duty gets the two-step increase now.
- Mayor Clay Madd...: And we call the 6% the pull the baby out of burning vehicle.
- Richard Ainswor...: Are we supposed be coming up with a figure today to adopt or are we having a discussion?
- Brian Burke: We are making a recommendation to the council for non-police and we're going to set the salary for the police. Is there a deadline or could we come back? Because I know-
- Rick Danielson: Well, I don't know if there's necessary deadline but I mean there's a proposal I would think that the administration would run that number and whatever increase that would be would've to be offset to keep the budget balanced. And with any give there's going to be a take. So we've got to figure that out.
- Kathleen Sides: And our budget meeting, our budget review sessions start next week. So obviously the sooner the better to have this where we can rerun these numbers and get it to council to be prepared for the upcoming budget workshops.
- Brian Burke: We have another meeting coming up on August 1st. If we wait and actually adopt something on the first, would that mess you up as far as ... So you need something from us tonight?
- Mayor Clay Madd...: Preferably that I think that was the goal. Just we have what's the next one on next Wednesday, on the 26th and that's an operating meeting.
- Rick Danielson: And that's when we start getting into numbers.

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And I know the administration's going to come back with raising this [inaudible 00:55:48].

Brian Burke: But I agree with Mr. McGuire though I would always like to see the same increase given by all city employees.

Rick Danielson: No doubt as far as I'm concerned, no question.

Brian Burke: I think that's good. We would make the recommendation for the non-police but we actually set it for the police and I'm still not ready to concede that there's an issue once we set it to where the council, since it's our authority granted by statute and the council come in and adjust the police.

Rick Danielson: I don't know how there could be a reason to have two different numbers.

Brian Burke: Right, okay. Just everybody ...

Rick Danielson: As far as I'm concerned.

Brian Burke: So at this time though, I would entertain a motion that the municipal employees civil service board make a recommendation to the council to increase non-police by 5.8% and in that motion for the police civil service board to make an increase for the police at 5.8%, which is an average of that takes into account last year, this year and the projected increase the next year. So I think that's that the only logical way to come up with a reasonable number.

Mayor Clay Madd...: You're saying two 5.8%, not by 5.8%.

Brian Burke: No.

Mayor Clay Madd...: Your motion is to-

Brian Burke: That the increase would be 5.8%.

Mayor Clay Madd...: To bring it to 5.8, not 2.7.

Brian Burke: No, no, it would be increased by 5.8%.

Richard Ainswor...: Jack was right, and Joanna read that we passed something with the committee and we passed something saying that we were taken into account social security [inaudible 00:57:14]. It was always offered to me that a figure that came out last November and we wouldn't [inaudible 00:57:21] September the following year, 10 months later or so, or 11 maybe was awkward because the economy has changed.

So it seems to me we would have to have a change of language and then we've already had that change but to say we would take into account the cost of living for the current rate year and the projected and use that in our calculation and also take into account the city's budget parameters to make sure that we could afford it. So I would like to change that. Have we already changed it?

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- Brian Burke: Yeah, we changed that to where it would be based upon COLA and discussions with the administration based on objective budget numbers.
- Richard Ainswor...: But maybe we should also include the projected social security appraisal. Last year [inaudible 00:58:13] anticipated and that would help give it ... Because we're not bound by those two figures but it would be part of our consideration. That's what I'm saying.
- Kathleen Sides: And the next year's projection is included in that average. We came up with just now. The 5.8.
- Brian Burke: And the way that everything right now is up to them, I can only see taking some sort of average, just like you're saying.
- Richard Ainswor...: And we're obviously changing what that was already changed what we had come out of that committee with.
- Brian Burke: We changed it about two months ago.
- Elizabeth Sconz...: Elizabeth Sconzert, city attorney. I think. Mr. Ainsworth, I think your concern is addressed by the way that we worked the new amendment in there so that we did intentionally, Brian and I worked together on this and intentionally made it broad enough so that you could bring in the projected in there. It's broad enough that you're actually covering it.
- Richard Ainswor...: So we don't need it.
- Elizabeth Sconz...: I don't think so. I think we worked really hard on it.
- Brian Burke: Yeah, we've it around around for a while.
- Elizabeth Sconz...: But just to address that concern, I wanted to make sure you were okay with that.
- Brian Burke: And just while you're up here, I just want to make sure everybody knows, the only thing that was changed in what you and I did was procedurally, so way we could have that this discussion early on, nothing was really changed subsequently from what came out of the salary survey committee and what was originally adopted by the board and then passed by ordinance with the council.
- Elizabeth Sconz...: Correct. The intention was that we wanted to make this more collaborative and transparent so that everybody kind of was on the same page and had this opportunity to air out all the different factors into it and where everybody's coming from in your each perspective roles and also to give the employees also an opportunity to hear, to see it instead of just being hit with a number and being like, well where'd that come from?
- Brian Burke: Because this discussion was always envisioned was going to take place at the budget hearings and then when we thought it through, it didn't make sense because the mayor's budget was overly inflated because especially now nobody anticipated that his budget would include some sort of 8.7 and then it was unrealistic to think that the council was going to pass it. So why not hash it out beforehand.

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- Elizabeth Sconz...: And flip side, if you don't have the council being the ones that are coming in with the big red ax cutting everything up too. So this is just more collaborative and transparent for everybody to be involved.
- Mayor Clay Madd...: And just like I said at the beginning, ideally we would've had this meeting in late, probably late May so we wouldn't be backs against the wall in terms of the timeline so that we would've been able to present the number in our original budget delivery to the council.
- Brian Burke: Next year, now that we have the procedure in place, you'll come in a little earlier?
- Jason Zuckerman: One piece of information I guess that I think may be missing, and I don't know if we can get it at this point, but when we did the salary survey, at least it was my feeling at least that the results that came out of the salary survey were very thorough and I thought the consultants did a really, really good job. It felt good.
- And I think that when we went through the process adjusting the pay scales, we targeted the high end of the range of all those salary surveys, not just in compensation but overall compensation with benefits and all those things. So that we were at the top across the board, that was our target. I think we hit that. So the piece of information I think may be missing is that that's still a relatively recent survey. I mean it's only what, 18 months old?
- I don't know that that information is that stale yet. And it would be interesting to reach back out to those consultants who I thought did a really good job to see, okay, well this is what we ended up implementing out of your survey. We hit the top range, we implemented true merit raises and the average was this over the last fiscal year. We implemented a 5.9. Was it 5.9 last year? This year? 5.9% COLA, if we do that again, where does that put us in relation to the 18-month-old salary survey? Are we now overshooting what we just did or is it reasonable? Could they answer the question?
- Mayor Clay Madd...: We think they answered that...
- Jason Zuckerman: Huh?
- Mayor Clay Madd...: We think-
- Jason Zuckerman: Yeah. I mean look, I just think it'd be good to know because it's not that old information yet. It's something that we could ... and the answer may be no, that's what y'all are doing, that's what everyone else is doing. That would probably make it a lot easier.
- Brian Burke: Well no, they had agreed with the 5.9 and then I think that it was their opinion, I always keep up with the pole so that you [inaudible 01:02:59] it did go stale. And that's why I'm proposing the 5.8 to where kind of splitting the babies where if one goes stale, but at the same time we're not limiting ourselves in the future as far as making additional instead of, I mean pay increases in the future.
- Richard Ainswor...: Last year with the committee we addressed salaries and salary structure and all that, and that came out, I think very reasonable, good places. We addressed the merit system. And now we also addressed the cost of living, which we're talking about now. I don't want to bring up anything preliminary, but are there any other things like human resources that

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we need to eventually start addressing in retirement or any other things? But then just wondering, I mean I know that that's not discussion for tonight, but are there other things that we haven't addressed yet that we need to look at?

Brian Burke: As far as compensation?

Richard Ainswor...: Common benefits or just any other human resources, compensation issues?

Joanna Anderson: When we did the salary survey, they looked at total compensation. So they looked at all the benefits and they said that we were in line with everyone else, all the other municipalities. We did change one of our policies regarding caps on our sick leave, sick and extended sick for new employees as they come in. So that helps with some of the, what's the term? Unfunded liability. Thank you.

Brian Burke: Good job.

Joanna Anderson: Thank you. To help with some of the unfunded liability that existed because there was no cap. So right now to me, like Jason was saying that the information's not that old. So going forward, certainly as costs change with insurance and things like that, I'm sure we'll have to come back and take a look at those things. But for the foreseeable future, I think we're good.

Richard Ainswor...: Do we have to change any language in this?

Brian Burke: I kind of spelled it out. Do I have anybody willing to make that motion?

Laura Cressy: I'll make that motion, the 5.8.

Brian Burke: 5.8. Recommending for the non-police and making the second? For the motion by Ms. Cressey. Second by-

Jack McGuire: You're setting it for the police?

Brian Burke: Correct.

Jack McGuire: And recommending it for non-police?

Brian Burke: Correct.

Jack McGuire: So the motion could be that the board sets the police for five point such and recommends that the same be done from the non-police?

Brian Burke: Correct.

Richard Ainswor...: Would that give us the option theoretically or probably not practically that if the city wanted to raise it more than 5.8, would the council be poised if we could revisit this and raise up?

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Brian Burke: If it comes to it, I'm sure somebody on the council will get in touch with me. We can have an emergency meeting. If that comes to fruition.

Rick Danielson: And obviously it's still based off of available funding and I think that goes without saying.

Brian Burke: For the non-police. I'm still not conceding the police issue, but we can deal with that another day. Jack, you want a second motion? Yeah. All right, motion in a second. All in favor say aye. Aye. All opposed? Carries unanimously. All right, thank y'all. Any other discussions further? Mayor, you have something?

Mayor Clay Madd...: No, I just wanted to thank everybody.

Brian Burke: Thank y'all. Appreciate it. Anything else? Motion by Mr. Ainsworth. Second, Ms. Cressy. All in favor signify by saying aye.

Jack McGuire: Aye.

Brian Burke: And thank y'all.