

## A G E N D A

SPECIAL JOINT WORK SESSION OF THE CITY COUNCIL, LIBRARY BOARD, AND PARKS & RECREATION COMMISSION OF THE CITY OF COTTONWOOD, ARIZONA, TO BE HELD OCTOBER 3, 2013, AT 6:00 P.M., AT THE PUBLIC SAFETY BUILDING, LOCATED AT 191 SOUTH 6TH STREET, COTTONWOOD, ARIZONA.

- I. CALL TO ORDER.
- II. ROLL CALL.
- III. WELCOME & INTRODUCTIONS.
- IV. ITEMS FOR DISCUSSION, CONSIDERATION, AND POSSIBLE DIRECTION TO STAFF:

**Comments regarding items listed on the agenda are limited to a 5 minute time period per speaker.**

- V. DIRECTION TO STAFF REGARDING THE PROPOSED LONGEVITY COMPENSATION PLAN.
- VI. DISCUSSION REGARDING FUTURE DIRECTION, NEEDS, PROGRAMS, POLICY AND PRIORITIES WITH MEMBERS OF THE LIBRARY ADVISORY BOARD AND THE PARKS & RECREATION COMMISSION.

### LIBRARY ADVISORY BOARD

1. New Carpet Installation
2. Safety Issues & Concerns with Parking Lot
3. Ballast Lights Throughout Library Facility
4. Reclassification of One Staff Member

### PARKS & RECREATION COMMISSION

1. Appreciation for Indoor Play Apparatus & Solar Panel Systems.
2. Need for Dedicated Funding for Recreation Center Equipment and Repairs to Facility.
3. Funding of School Programs (Mingus Swim Team) and Non-Profits (Boys & Girls Club) Versus Need for Funding of Recreation Center Facilities/Equipment.
4. Need for Kids Park Restrooms.
5. Update on Trails Issues.
6. Update on Bicycle Plan.

- VII. ADJOURNMENT

Pursuant to A.R.S. § 38-431.02(B) the Council may vote to go into executive session on any agenda item pursuant to A.R.S. § 38-431.03(A)(3) and (4) for discussion and consultation for legal advice with the City Attorney.

The Cottonwood Public Safety Building is accessible to the disabled in accordance with Federal "504" and "ADA" laws. Those with needs for special typeface print or hearing devices may request these from the City Clerk (TDD 634-5526.) All requests must be made 24 hours prior to the meeting.

Members of the City Council will attend either in person or by telephone conference call.

## City of Cottonwood, Arizona City Council Agenda Communication



 Print

Meeting Date:	October 3, 2013
<b>Subject:</b>	Presentation and Discussion of a Proposed New Longevity Compensation Policy
Department:	Administrative Services
From:	Jesus R. Rodriguez, C.G.F.M., Administrative Services General Manager

### **REQUESTED ACTION**

Staff is soliciting comments and discussion on a proposed new longevity compensation policy.

### **SUGGESTED MOTION**

If the Council desires to approve this item the suggested motion is:

NA. Discussion only.

### **BACKGROUND**

This policy would replace the current longevity policy that was approved on October 16, 2007. That policy was never implemented due to the rapidly declining economy at the time. Since then, the economy has improved and as part of the compensation study of 2013, a new longevity policy has been formulated.

Attached is the old policy and the proposed new policy. The old policy was based on the archaic Compa Ratio program that was never popular with administration and staff. The old policy was also too costly to be sustainable with upper limits of \$5,000 per employee with 25 years of tenure. The proposed new policy is easier to understand and implement and is less costly and thus more sustainable with the upper limit set at \$1,250 for a 25-year employee.

In our research of longevity compensation programs throughout Arizona, we found that every city seems to have a different program and there is no standard available. In fact, in most cases they are not even close. We will present a few of our findings so Council is aware of the tedious process trying to find a program that would be a good fit for Cottonwood. In the end, we too developed our own simple to understand and implement program.

In an effort to make this an affordable program we came up with three different payout scenarios depicted in the longevity calculation attachment and settled on one which would cost about \$43,000. This level of funding is not a burdensome amount, however the City Council

will have the final say on whether or not to have a longevity payout in any given year.

**JUSTIFICATION/BENEFITS/ISSUES**

The proposed longevity policy is intended to compensate our longer term employees for their institutional knowledge of the City and their contribution to the City's success. We are pleased that many of our employees make the City their life-long career and would like to encourage even more to stay on and be part of the City's future.

**COST/FUNDING SOURCE**

The funding is currently in the budget and will be paid out by the various funds.

**ATTACHMENTS:**

Name:	Description:	Type:
<a href="#">XV Longevity Pay - 2013-09-18 Revision.doc</a>	New Longevity Policy	Backup Material
<a href="#">XV Longevity Pay - OLD.doc</a>	Old Longevity Policy	Backup Material
<a href="#">Longevity Calcs - 2014.pdf</a>	Longevity Calculations	Backup Material

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I. Policy

The City of Cottonwood values the years of service its employees give the organization. The purpose of this policy is to provide guidance to govern the annual distribution of Longevity Compensation.

II. Eligibility

- A. An employee must be a full-time classified employee (an employee working 40+ hours weekly).
- B. An employee must have completed five (5) years or more of continuous service.
- C. Years of continuous full-time service will be calculated as of June 30<sup>th</sup>.
  1. Time off payroll does not count toward years of service (military service, unpaid leave, etc.)
  2. For the purpose of longevity calculation:
    - a. 2,080 hours per year for classified regular employees
    - b. 3,001.44 hours per year for shift firefighters
- D. An employee must have at least an overall satisfactory rating (3) in their most recent performance review.
- E. If applicable, all eligible employees will have their longevity compensation credited to their retirement plan if enrolled in one of the two City sponsored retirement plans:
  1. Arizona State Retirement System (A.S.R.S.)
  2. Defined contribution 401(a) plan (A.S.R.S.)
  3. Public Safety Personnel Retirement System (P.S.P.R.S.)

III. Procedures

- A. The Cottonwood City Council, during the annual budget preparation process, may appropriate funds for this program, subject to budgetary limitations.
- B. The Finance Department will compile a full-time classified employee listing as per Section II. Eligibility, and make the necessary calculations based on Section IV. Calculation of Annual Longevity Pay Compensation.
- C. The Finance Department will, no later than the first council meeting each November, prepare a Council Communication regarding Longevity Compensation for the past fiscal year.
- D. The Cottonwood City Council may choose to increase, reduce, or eliminate the amount of appropriation based on the City's economic situation.
- E. If approved by the City Council, the Finance Department will produce an employee listing as of November 1<sup>st</sup>, and make the necessary calculations.

SUBJECT: LONGEVITY COMPENSATION POLICY

- F. The Finance Department will make two equal disbursements on off-payroll weeks by no later than mid-December.
- G. Longevity compensation will be subject to statutory deductions.

IV. Calculation of Annual Longevity Compensation – Years of employment calculated as of June 30<sup>th</sup> each year – Compensation is a flat amount given annually not multiplied by number of years.

- A. 1 - <5 years \$0
- B. 5 - <10 years \$250
- C. 10 - <15 years \$500
- D. 15 - <20 years \$750
- E. 20 - <25 years \$1,000
- F. 25+ years \$1,250

V. Policy Restrictions

- A. No prorated payments will be made for partial years of service.
- B. Part-time, temporary, and volunteers are excluded from any longevity compensation.
- C. Employees contracted through a Phased Retirement Plan are not eligible for longevity compensation.
- D. An employee who terminates employment with the City of Cottonwood, then returns, will forfeit all accrued time.
- E. Employee must still be employed with the City of Cottonwood at the time of various distributions.
- F. An employee receiving an overall rating of <3 (unrounded) in their most recent performance review will forfeit that year's longevity compensation, regardless whether or not they complete their Performance Improvement Plan successfully.
- G. The cap of maximum annual longevity compensation per eligible employee is set at \$1,250.

SUBJECT: LONGEVITY POLICY

I. Policy

The City of Cottonwood values the years of satisfactory performance its employees give the organization. The purpose of this policy is to provide guidance to govern the annual distribution of Longevity Pay.

II. Eligibility

- A. An employee must be a full time classified employee
- B. An employee must have completed five years or more of continuous service
- C. Years of continuous full-time service will be calculated on July 1<sup>st</sup>
  - a. Time off payroll does not count toward years of service
  - b. For the purpose of longevity calculation
    - i. 2,080 hours for classified regular employees
    - ii. 2,912 hours for shift firefighters
- D. Must have attained a compa-ratio of 100+ in an approved classification position
- E. An employee must have at least a satisfactory rating in their most recent performance review.
- F. All retiring employees are eligible for longevity pay upon retirement through one of the two City sponsored retirement plan.
  - 1. Arizona State Retirement System (ASRS)
  - 2. Public Safety Personnel Retirement System (PSPRS)

III. Procedures

- A. The Cottonwood City Council, during the annual budget preparation process, may appropriate funds for this program, subject to budgetary limitations
- B. The Finance Department will compile a fulltime classified employee listing as of July 1<sup>st</sup> of each year, and make the necessary calculations based on the Longevity Pay criteria
- C. The Finance Department will no later than the first council meeting each November, provide the City Council with a status report on the City's financial position.
- D. The Cottonwood City Council may chose to reduce or eliminate the amount of appropriation based on the City's economic situation.
- E. If funded, the Finance Department will produce a final listing of employees still employed by the City of Cottonwood and make the necessary calculations.
- F. The Finance Department will make the disbursement on an off payroll week by mid-December

SUBJECT: LONGEVITY POLICY

IV. Calculation of Longevity Pay

<b>LONGEVITY PAY MATRIX</b>					
	<b>Years of Service (\$s /year)</b>				
<b>Compa-Ratio</b>	<b>5+</b>	<b>10+</b>	<b>15+</b>	<b>20+</b>	<b>25</b>
100%-105%	\$25	\$50	\$75	\$100	\$125
105.1% - 110%	\$50	\$75	\$100	\$125	\$150
110.1% - 115%	\$75	\$100	\$125	\$150	\$175
115.1% - Above	\$100	\$125	\$150	\$175	\$200

(Calculation example: 12 years of service @111% Compa-ratio = \$100 X 12 =\$1,200)

V. Policy Restrictions

- A. No prorated payments will be made for partial year's of service
- B. The gross dollar value of the Longevity Pay is not meant as covered salary for the purposes of calculating retirement benefits.
- C. Employee must still be employed with the City of Cottonwood at the time of distribution.
- D. The cap of maximum longevity pay per individual is set at \$5,000.

Yrs of Svc	# of Emp	Award Amt	Extension
5	4	\$500	\$2,000
6	10	600	6,000
7	19	700	13,300
8	15	800	12,000
9	9	900	8,100
10	3	1,000	3,000
11	5	1,100	5,500
12	3	1,200	3,600
13	3	1,300	3,900
14	4	1,400	5,600
15	2	1,500	3,000
16	4	1,600	6,400
17	0	1,700	0
18	4	1,800	7,200
19	2	1,900	3,800
20	3	2,000	6,000
21	1	2,100	2,100
22	1	2,200	2,200
23	1	2,300	2,300
24	1	2,400	2,400
25	3	2,500	7,500
			\$105,900

# of Emp	Award Amt	Extension
57	\$500	\$28,500
18	1,000	18,000
12	1,500	18,000
7	2,000	14,000
3	2,500	7,500
		\$86,000

# of Emp	Award Amt	Extension
<b>57</b>	<b>\$250</b>	<b>\$14,250</b>
<b>18</b>	<b>500</b>	<b>9,000</b>
<b>12</b>	<b>750</b>	<b>9,000</b>
<b>7</b>	<b>1,000</b>	<b>7,000</b>
<b>3</b>	<b>1,250</b>	<b>3,750</b>
		<b>\$43,000</b>

## City of Cottonwood, Arizona City Council Agenda Communication



 Print

Meeting Date:	October 3, 2013
<b>Subject:</b>	Joint Meetings – Parks & Recreation Commission and Library Advisory Board
Department:	Community Services
From:	Richard Faust, Community Services General Manager

### **REQUESTED ACTION**

A joint meeting of the City Council, the Parks & Recreation Commission and Library Advisory Board to discuss future direction, needs, programs, policy and priorities.

### **SUGGESTED MOTION**

If the Council desires to approve this item the suggested motion is: N/A

### **BACKGROUND**

In the overview of public service objectives and needs for the City, the Parks & Recreation Commission and Library Advisory Board representatives have historically weighed in on specifics involving future concerns as they parallel a variety of Community projects and needs. As it pertains to input desired by the City Council, this provides another avenue towards “public process” to be utilized by the Council for communication input and strategic planning.

### **JUSTIFICATION/BENEFITS/ISSUES**

A survey of each advisory body has produced the following questions for Council review:

#### **Library Advisory Board**

- 1) New Carpet Installation (Appreciation to Council for new Carpeting)
- 2) Safety issues and concerns with parking lot.
- 3) Ballast Lights throughout the Library facility (continuous noise issues)
- 4) Reclassification of one Staff member

#### **Parks & Recreation Commission**

- 1) Appreciation for Indoor Pool Play Apparatus and for Solar Panel Systems
- 2) Need for Rec. Center “Dedicated Funding” source annually for equipment replacement and repairs to facility – Request for \$65,000 annually to replace equipment such as treadmills that are almost 4 years old. Priority need with a mission towards keeping the Center maintained well and visually appealing to patrons.
- 3) Funding of School Programs (Mingus Swim Team) and Non-Profits (Boys & Girls Club) versus need for funding of vital Recreation center facilities/equipment.
- 4) Need for Kids Park Restrooms – Any potential for near future funding and construction?

**COST/FUNDING SOURCE**

N/A

**ATTACHMENTS:**

Name:

Description:

Type:

No Attachments Available

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