SPECIAL MEETING
FINANCE AND PERSONNEL COMMITTEE
Monday, February 19, 2018
Municipal Center Classroom, 5:30 PM

1. Call to Order: The meeting was called to order at 5:30 pm.

2. Roll Call: Chairman Alderman Curry, Alderman Schaefer, and Alderman Mihevc. Also in attendance Mayor Jett, Alderman Glab, Director of Finance Lynch, Human Resources Manager Campanella and Joellen Earl.

3. Public Comment: None.

4. Staff recommendation to eliminate the McHenry Vehicle Sticker Program and Motion to present a recommendation to the full City Council at the next available meeting.

Chairman Curry opened the floor to the Committee for comments.

Alderman Schaefer stated that he has always been an advocate of finding an alternate revenue source to replace the sticker program and would not support elimination of it without one. The revenue from stickers is used for roads and sidewalks and the budget is already limited.

Alderman Mihevc stated he is in favor of eliminating the program when an alternate revenue source is determined.

Director Lynch reported in 2011 in an effort to increase compliance with the program, the city contracted with a company to assist with the program. Using Secretary of State data, city data, and US Postal Service data, they created a comprehensive address database, which is used to mail renewal forms to all city residents each year. The first year this was accomplished realized an increase in revenues but unfortunately, over the years revenues are declining.

The benefit of the sticker program is the revenue. The cost of the program including materials and staff time for initiation of the program each year, enforcement, and feasibility of increasing compliance is the downside.

Chairman Curry asked Director Lynch why revenue is down 8-9% from 2011. Director Lynch said the forms are mailed yet less people are buying the stickers.

Chairman Curry asked if staff had determined the percentage of compliance and Director Lynch said not at this time but if she had to guess, approximately 70%.

Alderman Schaefer asked how many forms are mailed and Director Lynch said she did not have that information with her at this time.

Chairman Curry asked if there are any ideas as to how to gain more compliance. Director
Lynch said that in the past there was discussion about adding the fee to the water/sewer bill. However, this is not feasible as not everyone in the city is connected to municipal water/sewer.

Alderman Schaefer asked how Antioch handles their sticker program and Director Lynch said they have a fee for each vehicle added to residents' water/sewer billing. This would be difficult to process in McHenry because if a resident has only one vehicle, the Utility Billing Clerk would have to manually deduct that amount from the water/sewer billing account for each person on each account monthly.

Mayor Jett said he was in favor of eliminating the sticker program. There are revenue opportunities in other places. Reduction in front office staff, which has resulted in savings, has also increased workloads and this program is a lot of work.

Chairman Curry asked if the reduction in the front desk staff is an offset of the program. Director Lynch said the positions have been reclassified and it would be difficult to attach a dollar amount to them.

Alderman Schaefer noted the sticker revenue is solely earmarked for streets and sidewalks and as for General Fund dollars, we are just playing with math. Chairman Curry noted if the city saves somewhere else in the city it would be an offset as it is all General Fund dollars.

Alderman Glab stated every complaint he has received from residents about city stickers is because their neighbors are not complying and this tells him that we are not enforcing the program properly and we let it slide and now we need to reinforce it. The reason we have administrative costs is that we have never followed up with people who were not paying for a sticker and more residents stop buying because we do not enforce it and revenue slowly drops off. Alderman Glab stated he would not support the elimination of the sticker program and recommended the city add funding to bring the sticker back into compliance and asked Director Lynch how much the fine is for noncompliance. Director Lynch said the sticker fee is $12 if purchased before the deadline of July 1 and $3/month after that. A ticket for not purchasing a sticker is $25, same as a parking ticket.

Alderman Glab restated he was against eliminating the program and the city should concentrate on not just the revenue from the stickers but the benefits of having the program.

Chairman Curry asked for a recommendation from the Committee.

Alderman Mihevc stated this is a worthwhile discussion for the Council to engage in and made a motion to forward this item to the Council for consideration; second by Chairman Curry.

Alderman Schaefer said he would prefer the Committee make a plan.

Chairman Curry summarized that the motion on the table is to forward this item to the
Council with a recommendation to eliminate the sticker program and asked the Clerk to call the roll.

Voting Aye: Mihevc, Curry
Voting Nay: Schaefer
Motion carried.

Alderman Glab asked for clarification on the motion that was passed.

Alderman Mihevc said his intention in making the motion was to recommend to the Council the elimination of the vehicle sticker program.

Alderman Glab left the meeting at 5:47 PM.

5. Presentation and Discussion of Classification and Compensation Study conducted by GovHR.

Human Resources Manager Campanella introduced Joellen Earl, representing GovHR.

Ms. Earl announced that in 2017 the city engaged GovHR USA to conduct the study for non-bargaining unit employees. Forty-nine non-union positions were covered by the study to determine if the jobs were rated appropriately in the city’s classification plan. A new classification plan listing all of the positions was created with the highest level being department heads and city managers to entry-level jobs. A compensation survey was also conducted by looking at the market for similar positions to determine if the compensation should be adjusted. Also included in the report is a method of implementing and administering in the future, the classification and compensation findings.

An analysis was conducted to determine the communities that compare to McHenry for compensation. Meetings were conducted with city employees and those employees completed Job Analysis Questionnaires as part of the job evaluation process. Analyses of the job evaluations and compensation studies were processed to complete the final report. Ms. Earl provided a summary on the methods used by GovHR to compile the study along with the list of communities selected for comparison. All of the communities selected for comparison rates 90 points or more in the analysis except Crystal Lake and Woodstock, which were selected at the request of the city.

Chairman Curry asked what EAV or sales tax have to do with compensation adding the comparison should be the job. Ms. Earl stated that they need to obtain market data to determine if the compensation paid in McHenry matches was is in the market. Instead of arbitrarily selecting communities to compare. It would not make sense to compare a community with a much higher EAV or budget to McHenry.

Ms. Earl reported 15 communities were surveyed for compensation. Overall, we received an 80% response rate with only three communities not responding. Most of the positions when comparing, require at least three data points and most of the comparisons resulted in more than three.
The Comprehensive Table depicting the classification plan, list of positions, job score, job grade assigned, and salary data at the 50th percentile, current salary range, current actual salary for the incumbent in the position, and proposed salary range was reviewed. GovHR was asked to calculate the ranges at the 50th percentile, which means 50% of the jobs in the comparable communities, are paid more and 50% are paid less. There are 12 grades and 3 bands on the table; Grades 1-4 are administrative and technical, 5-9 supervisors and advanced technical, 10-12 directors and city managers.

Overall, because the city has been unable to adjust the ranges over the years due mostly to the recession, the city’s current ranges are below the market value. Another item that was notable is that the city has many long-term employees being paid under the minimum pay for the range or really low in the new range. If the city was so inclined, implementation of an additional adjustment for tenure was included in the final report.

In closing, Ms. Earl recommended the city conduct a survey each year of the comparable communities to update the job classifications.

Alderman Schaefer asked how the internal salaries were reviewed and how it was determine that the job duties are comparable. Ms. Earl stated that was the purpose for the Job Analysis Questionnaire and interviews conducted with city employee.

Alderman Schaefer asked if the educational background for position “A” in Algonquin was compared to the same position in McHenry. Ms. Earl answered no, what they do is an internal job evaluation and other jobs in the city are compared to develop the hierarchy. When looking at compensation, the survey community tells us which of their jobs are comparable based on our definition. In addition, some communities use a different title for the comparable jobs. Many employees wear multiple hats and comparables are never perfect, which is why a baseline is established.

Alderman Schaefer asked if there were any positions below the minimum of three points noting the city has several new recreation center positions. Ms. Earl stated if in the table, the data is blank, this would mean we did not get enough data because we did not get the three data points or we did not survey for the position. If for any reason we did not receive data from the market, compensation was based on internal comparability.

Alderman Schaefer asked if GovHR also performs studies for the private industry. Ms. Earl answered no, but many clients request private sector data to try to apply it to the public sector, which is very difficult.

Chairman Curry asked how proximately was determined. Ms. Earl said that sometimes it is based on distance and sometimes it is geographic; it is based on where you can pull people from to employ. Villages and cities 13,000-54,000 in population within 60 miles were surveyed and source data was from the Illinois Controllers Office.

Chairman Curry reiterated in his opinion, the value of the job has nothing to do with a
comparable community’s EAV or finances. When he conducted his own survey using the data provided by GovHR, he removed the revenue information and found McHenry to be comparable to only five communities used in the survey. For example, Woodstock was not in the original list; however their property tax value is extremely low and if you take that out, they become a perfect comparable. Ms. Earl said assessed value, per capita income, and sales tax revenue can have a real impact on a community’s compensation and Chairman Curry said he left that data in his survey with the exception of sales tax revenue.

Chairman Curry asked why communities close to the border in Wisconsin were not surveyed; Ms. Earl answered Wisconsin uses different metrics to determine their analyses and were not comparable to Illinois.

The Committee agreed that they should have more time to evaluate the information and recommended the study be discussed further at the April 5 Committee meeting.

6. Staff Reports.

None.

8. Any Other Business.

None.

9. Motion to Adjourn:

Alderman Schaefer made a motion, second by Alderman Mihevc to adjourn the meeting.

Voting Aye: Schaefer, Mihevc, Curry
Motion carried.

The meeting adjourned at 6:30 pm.

Respectfully submitted,

Marci Geraghty, Executive Assistant/Deputy City Clerk

Reviewed and approved this 12th day of March 2018.

Alderman Scott Curry, Chairman