FINANCE AND PERSONNEL COMMITTEE  
Monday, April 2, 2018  
Municipal Center Classroom, 5:30 PM

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


Also in attendance Director of Finance Lynch, Mayor Jett and Deputy Clerk Geraghty.

3. Public Comment: 
None.

4. Motion to approve the March 12, 2018 Finance and Personnel Committee meeting report.

Motion by Alderman Mihevc, second by Chairman Schaefer to approve the March 12, 2018 Finance and Personnel Committee meeting report.

Voting Aye: Mihevc, Schaefer, Curry
Absent: None.
Motion carried.

5. Motion to approve the March 26, 2018 Finance and Personnel Committee meeting report.

Motion by Alderman Schaefer, second by Chairman Mihevc to approve the March 26, 2018 Finance and Personnel Committee meeting report.

Voting Aye: Schaefer, Mihevc, Curry
Absent: None.
Motion carried.

6. Reconsideration of the City of McHenry Vehicle Sticker Program.

Chairman Curry announced upon further review of the committee vote to forward to the Council a recommendation to terminate the vehicle sticker program, it was determined that this was not the proper time to eliminate the program. Chairman Curry recommended a motion be made to rescind the motion passed by the Committee February 19, 2018.

Motion by Alderman Schaefer, second by Alderman Mihevc to rescind the motion made to forward to the Council a recommendation to terminate the vehicle sticker program.
Voting Aye: Schaefer, Mihevo, Curry
Absent: Mihevo
Motion carried.

7. Review of Classification and Compensation Study conducted by GovHR.

Chairman Curry stated HR Manager Campanella was present to provide an update and answer questions regarding the Classification and Compensation Study.

Chairman Curry questioned the 60 mile radius used for comparisons because in his opinion, 60 miles is far to drive for a job and not too many people would do that. The Chairman distributed a copy of an analysis he put together using communities within 25 miles of McHenry as opposed to 60 miles in the GovHR study. His analysis used information from the GovHR study for communities within 25 miles of McHenry as this is more reasonable and he eliminated the comparisons to General Fund budgets and revenues. He then determined under that scenario, which communities were the most comparable to McHenry. Algonquin remained the top comparable community but some of the others changed and Woodstock Algonquin, LITH, and Lake Zurich were in the top four.

HR Manager Campanella noted that many communities did not respond to the GovHR survey and therefore, it was important to reach out further away from McHenry. Various point values were assigned to each factor in the survey and distance was a low value. Other determining factors had a higher point value. The survey took a collection of all point values and they were inserted into a graph to see how they compared. The result is still the same even if we remove a comparable community.

HR Manager Campanella further stated that several employees are retiring and the city has had to re-advertise those positions because the salaries were too low and only a few or no applicants responded and many did not meet the qualifications. The city’s pool of candidates include those who are currently employed however not many people will change jobs for less money.

Alderman Schaefer asked if there was a difference in salaries between a department versus a district. HR Manager Campanella said the pool of applicants is the same. Districts provided less data to the study however the city needs to position itself to pay an equitable wage or we will lose people to districts and turnover costs the city money.

Alderman Mihevo asked if we knew the trend in terms of fulltime staff over the last few years it seems the city is trying to do more with less and asked if we had hard numbers.

HR Campanella said opening the Recreation Center skewed the trend. However, in terms of HR and Payroll, it takes the same amount of effort to service a part and fulltime employee. The city processes approximately 230 payrolls every pay period. The study only considers fulltime employees. The city has not eliminated as many positions as
have been consolidated.

Chairman Curry stated in his opinion there is no question that the salary ranges need to be updated. He further stated that many positions such as administrative assistants have many comparables listed in the survey versus other less common positions, which makes it difficult to get a hard average. HR Manager Campanella stated the communities either did not respond or did not have a similar position and GovHR was satisfied with the response rate. Chairman Curry asked who reviewed the job analysis questionnaires and HR Manager Campanella answered she and Department Heads reviewed them.

Chairman Curry noted the study proposes a huge impact on personnel and he stressed the importance of being certain that the study is as accurate as possible. HR Manager Campanella stated there are 12 or 13 positions in green that will have an impact to the budget. There are just as many positions within the proposed range however many of those are employees who have been with the city over 10 or 20 years. Which is why there is a catch-up plan proposed in the study for long-term employees who would be at the bottom of the new range. HR Campanella explained the reason that some positions are proposed to increase over 10% is because those positions are underpaid.

In response to Alderman Schaefer's question about eliminating employees during the economic downturn, Finance Director Lynch reported the city eliminated three positions with severance packages and three positions were not replaced due to retirements. Alderman Schaefer noted this action was intended to preserve many city jobs and asked if this is why so many positions are now underpaid. Director Lynch noted that for many years, salary increases were not considered.

At Alderman Schaefer's requests, the Committee agreed that all salary ranges should be updated. Alderman Schaefer suggested the positions with proposed increases over 6% be reviewed again, and responsibilities clarified and the Committee agreed. HR Manager Campanella stated she would review the documentation and report her findings to the Committee.

Chairman Curry asked about the timing when the ranges are amended. HR Manager Campanella stated in her experience, ranges are adjusted during the budget approval process. Once the ranges are caught-up, the impact to the budget should not be significant.

Alderman Schaefer inquired about the two positions that are being paid more than the proposed range. HR Manager Campanella stated at this time, those salaries will not change.

In conclusion, Chairman Curry summarized that the Committee agreed that salary ranges should be updated and that all immediate increases requested over 6% be reevaluated.
8. Discussion on Staff Recommended Positions.

HR Manager Campanella stated three new positions have been requested. In her opinion, the biggest need is the City Planner position.

Chairman Curry asked if this position would be responsible for the Planning and Zoning Commission instead of Director Martin, and HR Manager Campanella answered yes and would report to Director Polerecky.

Alderman Mihevc noted the study and proposed reorganization is a work in progress.

Chairman Curry announced that positions approved after adoption of the FY 18/19 Operating Budget would require approval of a budget amendment.

Alderman Schaefer noted the city previously had a city planner position and eliminated it. In response to Chairman Curry’s questions, Director Lynch stated she thought the position was eliminated in 2008 adding the duties were assumed by other positions.

Chairman Curry noted the city currently has positions in Community Development that did not exist in 2008, Economic Development Director, Economic Development Coordinator and Economic Development Assistant. Discussion ensued on past organizational changes that occurred in the Community Development Department.

Alderman Mihevc said it would be helpful to see a current organizational chart by position with new positions and responsibilities included.

Director Lynch stated the proposed positions were not included in the FY 18/19 draft budget because she and Administrator Morefield did not want to present an unbalanced budget. At this time, the new position(s) and compensation study together cannot be included in a balanced budget.

Chairman Curry concluded that future discussions should take place with a review of the current and proposed organizational chart and if the Council agrees these positions are to be considered, a budget amendment would be appropriate.

9. Staff Reports

None.

10. Any Other Business

None.

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

Voting Aye: Schaefer, Mihevc, Curry
Absent: None.
Motion carried.

The meeting adjourned at 6:50 pm.

Respectfully submitted,

Marel Geraghty, Executive Assistant/Deputy City Clerk

Reviewed and approved this 14th day of June 2018.

Alderman Scott Curry, Chairman