The Hutto City Council met in a regular session on Thursday, January 8, 2015 in the Hutto City Council Chamber, 401 W. Front Street, Hutto, TX 78634.

CALL SESSION TO ORDER

Mayor Holland called the session to order at 7:07 p.m.

ROLL CALL

Members of the City Council that were present were Mayor Debbie Holland, Mayor Pro-tem Ronnie Quintanilla-Perez, Councilmember Anne Cano, Councilmember Paul Prince, Councilmember Michael J. Smith, Councilmember Melanie Rios, and Councilmember Max V. Yeste.

Members of staff that were present were Karen Daly, City Manager, Micah Grau, Assistant City Manager, Charlie Crossfield, City Attorney, Matt Bushak, City Engineer, Amy McGlothlin, Human Resources Director, and Earl Morrison, Chief of Police.

INVOCATION

The invocation was given by Pastor Will Hutchinson of Resonate Community Church.

PLEDGE OF ALLEGIANCE

Mayor Holland led the Pledge of Allegiance.

PUBLIC COMMUNICATION

5A. Remarks from visitors.

There were no remarks from the visitors.

REGULAR AGENDA ITEMS

OTHER BUSINESS

6A. Consideration and possible action on the December 18, 2014 City Council meeting minutes.

MOTION: Councilmember Prince moved to approve the December 18, 2015 City Council meeting minutes. Councilmember Rios seconded the motion. The motion carried with 7 ayes and 0 nays.

WORK SESSION

The work session was conducted for information and educational purposes. No action was taken by the City Council on the item listed.
Work Session and discussion regarding the market pay study.

Amy McGlothlin, Human Resource Director, gave the staff presentation. The City contracted with Ray Associates, Inc. to assist the City with a market pay study. She added that Katherine Ray of Ray Associates, Inc. would present the results of the study and explain the recommendations.

Ms. Ray gave an overview of the services that Ray Associates provided:

- Compared the City’s salaries with those of Hutto’s market cities;
- Combined the City’s current internal equity and market competitiveness data to create and recommend a new compensation plan;
- Calculated the cost to the city to implement the new plan;
- Recommended needed changes to policy or procedures for administration and maintenance of the compensation plan; and
- Conducted the study collaboratively with the City with the City’s HR staff who performed some of the work under the guidance of Ray Associates, resulting in cost savings to the City.

Ms. Ray added that the City Council chose the cities of Belton, Cedar Park, Cibolo, Georgetown, Kyle, Leander, Town of Little Elm, Pflugerville, Round Rock, Schertz, Seguin, and Taylor as Hutto’s benchmark cities.

Ms. Ray continued by explaining the following.

- Recommended pay schedule for General Government employees and recommended pay schedule for Certified Police.
- Job Placement Recommendations which explains, “What happens if someone’s salary is (1) below market, (2) above market, or (3) within the market range but not appropriate for the employee’s background, credentials, tenure, and performance?
- Samplings of the City of Hutto’s position in the market for specific employee positions

Ms. Ray added that the final report shows that the general functional areas where Hutto’s salaries are most below market are:

- All Police positions except Chief of Police (at entry level only)
- All Information technology positions
- Several executive/managerial positions
- Several professional positions

Adding that the rule of thumb used was plus or minus 5% above or below market.

In response to Council’s question regarding the lump sum pay and legal opinions regarding this practice, Ms. Ray pointed out that it would need to be performance based and that the City has a policy regarding this practice. Ms. Daly, City Manager, added that the Human Resources Department would be working on this type of policy and would be bringing back to Council for consideration.

Ms. Ray presented the recommendations for the City’s consideration.
1. Adopt and implement the new pay schedules for General Government and Police effective the first pay period in February 2015 to bring the City's salary structure to mid-market (50th percentile)

2. Incorporate tenure-based adjustments for certified law enforcement personnel and general government employees effective the first pay period in February 2015

3. In future years, the City should look at making market-based pay structure adjustments annually in percentage amounts and apply to all numbers on the pay schedules
   • At least equivalent to ECI percent change over past 12 months (currently ~2%); check ECI (Employment Cost Index) and CPI (Consumer Price Index)
   • Also check with cities in market study

Ms. Ray also recommended the following policy changes:

1. Consider adopting a policy that will allow the City of Hutto to provide, when appropriate, lump-sum, performance-based increases for employees who are "tapped out"

2. Consider adopting a policy that would require that any employee receiving a promotion would receive at least a 5% increase, or be placed at the entry for the pay range, whichever is higher

3. Consider adopting a policy that would require that any employee moving from a nonexempt position to an exempt position (no longer eligible for overtime compensation) would receive at least a 12% increase, or be placed at the entry for the pay range, whichever is higher

In addition, Ms. Ray pointed out the following considerations regarding retention and low turnover of employees.

1. Boomers leaving the market/retiring
   - Insufficient numbers of qualified candidates in job market
   - All cities will be struggling with the "brain drain"
   - Maintaining competitive total compensation package important factor

2. Cost of turnover, depending on job, runs from 35% to 400%
   - Hutto's turnover in 2013 way too high; 2014 right in line with "golden"
   - Wise to invest in employees
   - Compensation studies, recognition programs, career development, training opportunities, and creative communication campaigns help to reduce turnover

3. Implementing the recommendations presented makes a statement to City of Hutto employees that the City is serious about retaining its employees

EXECUTIVE SESSION

The City Council recessed into the City Hall conference room at 8:00 p.m. to address the following executive session items.
8A. Executive Session as authorized by §551.072, Texas Government Code, related to the discussion, deliberation, and/or negotiations regarding acquisition of real property from Tex Mix Land, Ltd-Parcel 12, for the FM 685 improvements.

8B. Executive Session as authorized by §551.087, Texas Government Code regarding deliberation, Economic Development Negotiations, including the following: Economic development incentives for Project Titanium.

The City Council reconvened back into regular session at 8:50 p.m.
There was no action taken on the executive session items.

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:50 p.m.

CITY OF HUTTO, TEXAS

Debbie Holland, Mayor

ATTEST:

Christine Martinez, City Secretary