



CITY COUNCIL WORK SESSION MINUTES

Pelham City Hall
Council Conference Room
August 5, 2024 – 4:15 p.m.

Proper notice of the regularly scheduled work session of the Pelham City Council was given in advance of such a public meeting and the notice remained posted throughout the scheduled meeting.

Members of the Pelham City Council met on Monday, August 5, 2024 at 4:15 p.m. The regular work session was held in the Council Conference Room at Pelham City Hall and was open to the public.

Call to Order

The work session was called to order by Council President Mercer at 4:15 p.m.

Record of Attendance

The following elected officials were present:

Council President Maurice Mercer
Councilmember David Coram
Councilmember Chad Leverett
Councilmember Rick Wash
Councilmember Michael Harris, Jr.
Mayor Gary Waters

The city clerk/treasurer recorded the attendance of the elected officials and announced a quorum was present. City Manager Gretchen DiFante and City Attorney Josh Arnold were present.

Media Present: Shelby County Reporter

Others Present: City department heads, city employees, and members of the public.

Approval of Minutes

A motion was made by Councilmember Coram to approve the July 15, 2024 Regular Work Session Minutes.

The motion was seconded by Councilmember Harris. There being no further discussion, the council president announced the motion passed by a unanimous voice vote of those members present.

New Business

1. Discussion – AmWaste

City Manager Gretchen DiFante led the discussion regarding recent performance issues with the city's residential garbage contractor, AmWaste. Shadeed Spence, Operations Manager with AmWaste, and residents from Glengerry were in attendance. Mr. Spence addressed the ongoing hydraulic fluid leaks in Pelham. He introduced his AmWaste team members and said they are actively pursuing the hiring of a route manager dedicated to Pelham. He noted the proactive efforts of AmWaste to reduce fluid leaks to include preventive maintenance on the garbage trucks. Mr. Spence said cleanup efforts are underway today in the Glengerry neighborhood. He said AmWaste is working toward a 95% reduction in the hydraulic fluid leaks. He explained their planned rapid response to future leaks. Conversations continued between the AmWaste representative and the city council regarding improving customer service.

Council President Mercer asked Mr. Spence to provide maintenance records on the trucks and leaks.

Executive Session

Council President Mercer stated for the record the purpose of the Executive Session is to discuss the legal ramifications of and legal options for pending litigation, controversies not yet being litigated, but imminently likely to be litigated if the governmental body pursues a proposed course of action pursuant to Section 36-25A-7(3)(a), and to discuss the consideration the governmental body is willing to offer or accept when considering the purchase, sale, exchange, lease, or market value of real property under Section 36-25A (6), Code of Alabama 1975, as amended.

City Attorney Josh Arnold stated the purpose of tonight's Executive Session is appropriate under Section 36-25A-7(3)(a), and Section 36-25A(6), Code of Alabama 1975, as amended.

A motion was made by Councilmember Coram to enter an Executive Session of the city council for the stated purposes. Said motion was seconded by Councilmember Leverett. Council President Mercer asked the city clerk/treasurer for a roll call vote. The vote to adopt said motion was recorded as follows:

Maurice Mercer, Council President	<u>Yes</u>
David Coram, Council Member	<u>Yes</u>
Chad Leverett, Council Member	<u>Yes</u>
Rick Wash, Council Member	<u>Yes</u>
Michael Harris, Jr. Council Member	<u>Yes</u>

Council President Mercer asked the members of the city council, Mayor Waters, City Manager Gretchen DiFante, City Attorney Josh Arnold, Director of Development Services & Public Works Andre` Bittas, Police Chief Brent Sugg, Director of Economic Development Michael Simon, and City Clerk/Treasurer Tom Seale to attend the Executive Session. Council President Mercer stated he expected the city council to return from the Executive Session in approximately 40 minutes. The city council went into Executive Session at 4:45 p.m.

Councilmember Coram moved to adjourn the Executive Session. Said motion was seconded by Councilmember Wash. The motion passed unanimously by voice vote of those members present and the Executive Session was adjourned at 5:49 p.m.

Council President Mercer called the work session back to order at 5:49 p.m.

Old Business – None

New Business (Continued)

1. Review – Ordinance No. 267-04 – Compensation of the Mayor and Councilmembers.

Council President Mercer reviewed the current compensation for the mayor and councilmembers which became effective on November 2, 2016. He stated any changes to the current elected official's compensation must be approved no later than February 26, 2025, six months prior to the municipal elections. He noted there have been no changes in the compensation since November 2016. City Clerk/Treasurer Tom Seale provided the city council with a statewide survey conducted by Clanton's City Clerk/Treasurer Jonathan Seale regarding mayor/council compensation. The city council requested the survey include the number of employees in cities similar in size to Pelham.

2. Discussion – Updated Employee Compensation Plan

Human Resources Director Tracy Hill introduced the proposed Employee Compensation Plan. She stated the Plan was reviewed and approved on August 1, 2024 by the Employee Benefits Committee and the Pelham Personnel Board. Mrs. Hill reviewed the employee compensation plan, the city manager's employment contract, and the benefits plan.

She noted the Plan, if approved, would be effective on October 1, 2024. Mrs. Hill said there is a 3.00% cost-of-living adjustment (COLA) in the proposed FY2025 budget for consideration by the city council.

SCOPE ELEMENTS:

1. Conduct collaborative job analysis for 117 benchmark position titles, consisting of job description review and interviews with managers to develop understanding of essential duties, responsibilities, minimum qualifications, and reasonable recruitment areas.
2. Conduct FLSA exemption reviews on all positions.
3. Compile market compensation data for each benchmark position.
4. Confirm Council's compensation philosophy and any variances for particular job families.
5. Update and/or develop pay grade and range classification system. Recommend the proper slotting of positions within salary grade structure.
6. Evaluate internal and external equity for each position.

SOURCES OF DATA FOR MARKET STUDY:

- Economic Research Institute®
- CompAnalyst
- National Golf Owners Association
- Alabama County Wage & Salary Survey
- All data aged forward to 1/1/2025 by 4%
- Municipality data was for Fire/Police Plans

SCOPES USED – WHERE IS TALENT RECRUITED?

- Geographic: Alabama, South (Region), Birmingham and surrounding areas, Southeast Region
- Industry:
 - Non-profit
 - Government-All FTEs, Government-200-500 FTEs
 - Government Support Services-All Employees, Government Support Services-Employees 350
 - Scopes specific to Golf Course Survey

SOURCES OF DATA FOR MARKET STUDY (SELECTED BY PELHAM POLICE AND FIRE CHIEFS)

- Police and Fire Cities
- Alabaster
- City of Birmingham
- Homewood
- Hoover
- Mountain Brook
- Shelby County
- Vestavia

METHOD FOR ASSIGNING PAY GRADE TO POSITION

- All jobs placed into one of two different step plans : *Employee Plan* and *Public Safety Plan*
- Actual average of the salary survey data was used for the competitive market rate in the step plan
- Goal is for the employee to reach market rate by step 6 for all jobs
- Methodology is 3.5% per year/step for employee plans.
- Police and fire need to be more competitive as they compare to other municipalities. Therefore, 4.5% per year was used for those step plans.

COMPETITIVE POSITION

- Previously, the Pelham City Council established a long-range compensation goal to pay between the 50th & 75th percentile of the market in most job families and 80% for fire/police jobs.

PUBLIC SAFETY PAY PLAN

- All grades have 4.5% between steps
- 2% adjustment across the plan
- Specialty Unit extra pay steps will cease and employees currently receiving the extra step for serving in a specialty unit will not have their pay negatively affected.
- The new plan will have 9 total steps for certified police officers and sergeants.
- Pay steps 1 and 2 will be removed. Employees currently paid at step 1, 2, or 3, will move to the new step 1.
- Current stipends will remain in place (FTO, K9, Bilingual)
- Police staff assigned to squads 3 and 4 will receive a night shift differential of \$100.00 per pay period.
- An additional pay grade was added for Fire Department personnel in the Apparatus Operator position.

CITY MANAGER

- Based on market data which includes city population, size of city budget and number of proprietary funds, the average competitive salary for the city manager is \$227,000.00.

- It is important to note there are only three credentialed City Managers in the State of Alabama, including the CM for City of Pelham.
- Our City Manager's current annual salary is \$164,000.00. At 38% of the market, this salary falls well below our target of P50.
- HRM's recommendations to ensure internal hierarchy and compensation structure are balanced while also being competitive, can be achieved by establishing the city manager's salary just below P50 at a range of \$180,000.00 to \$220,000.00.
- With implementation of this proposed plan, the next highest paid employee will be at \$167,137.00.
- For purposes of this compensation plan, we recommend moving the city manager to a salary of \$180,000.00 for the remainder of her current contract.
- At that time, the incoming council and city manager will address a new contract.

BENEFITS - AS PART OF THE TOTAL COMPENSATION PACKAGE: PROPOSED CHANGES

- We are proposing a change in the premium employees pay for family health and dental insurance. Currently, the City pays 70% of the family premium, and the employee pays 30%.
- We propose that the City pay 75% of the family premium, and the employee contributes 25% of the premium.
- The City will continue to pay 90% of the single premium.
- While we do not yet know what our 2025 premiums will be, employees know that our health/dental premiums increase virtually every year. By lowering the % the employee's pay, we hope to offset any increase the carrier may implement.
- Implementing the main employee pay plan and the public safety pay plan plus the increase in the City's percentage of the health premiums should result in continuation of a competitive compensation plan.

ESTIMATE COSTS

- The cost of implementing both pay plans including taxes, pension contributions, proposed benefit changes, and other associated costs is estimated to be approximately \$700,000.00.
- After the compensation plan is approved by Council, the financial impact for each individual employee will be confirmed and department heads will share that information with staff.

COMPLETED STEPS

- Leadership Team reviewed updated job descriptions and recommended pay plans
- HR Director presented plan to Personnel Board for review and recommendation to Council
- Pelham Personnel Board forwarded recommendation to Council

NEXT STEPS

- City Council approves funding for pay plan - target date August 19, 2024
- City Council amends employment contract for City Manager
- Target implementation date for pay plan - October 1, 2024
- Develop communication plan and plan for rollout.

NOTE: The City of Pelham's Proposed Compensation Plan – 2024 presentation was accompanied by several detailed charts.

Review of August 5, 2024 City Council Agenda

Council President Mercer reviewed the August 5, 2024 city council agenda.

E. Consent Agenda

A consent agenda is presented by the presiding officer at the beginning of a council meeting. Items presented on the consent agenda are considered routine and/or non-controversial and are organized apart from the rest of the agenda and are adopted by general consent and vote by the city council without debate. Items may be removed from the consent agenda on the request of any member. Removed items may be taken up either immediately after the consent agenda is approved or placed later on the agenda at the discretion of the presiding officer and City Council.

1. Approval of the August 5, 2024 City Council Agenda
2. Approval of the July 15, 2024 Regular Council Meeting Minutes
3. **Resolution 2024-08-05-01** for consideration to approve a night shift compensation stipend for officers of the Pelham Police Department.

Human Resources Director Tracy Hill explained the night shift compensation. Chief Sugg noted the difficulty in maintaining staffing for the night shift in the Police Department. He said the additional pay demonstrates the commitment of the city to those employees. Councilmember Wash spoke in favor.

4. **Resolution 2024-08-05-02** for consideration to approve internal guidelines for part-time, non-classified employees, regarding cost-of-living adjustments (COLAs).

City Manager DiFante explained part-time employees are not included in the compensation pay plan and have not received a pay increase in several years.

5. **Resolution 2024-08-05-03** for consideration to accept a grant award from the State of Alabama through the Alabama Department of Tourism for the Pelham Parks & Recreation special event programs.

Parks & Recreation Director Brian Cooper stated having received a grant in the amount of \$3,900.00. He requested approval of Resolution 2024-08-05-03 accepting the grant.

6. **Resolution 2024-08-05-04** for consideration to approve a four-year hardware service agreement with Panasonic Corporation North America to provide Panasonic Toughbook computers for the Pelham Police Department. This project was budgeted in FY2024.

IT Director Chuck Crocker explained the need to continue upgrading the computer hardware in the Police Department. He said the original plan was to purchase new computers over a four-year period. Mr. Crocker said the IT Department is requesting to lease all the computers now and use the new equipment for four years. Chief Sugg spoke in favor of the lease agreement.

7. **Resolution 2024-08-05-05** for consideration to declare certain personal property (Public Works/Water/Sewer Departments Vehicles and Equipment) of the City of Pelham, which are no longer needed for public or municipal purposes, as surplus.

Director of Development Services & Public Works Andre` Bittas stated he recommends approval.

8. **Resolution 2024-08-05-06** for consideration to approve a final summary change order for the Ballantrae Back-Up Water Supply Project. This project was budgeted in FY2024.

Director of Development Services & Public Works Andre` Bittas stated he recommends approval.

9. **Resolution 2024-08-05-07** for consideration to approve a final summary change order for the Shelby County Highway No. 11 PVC Water Main Replacement Project. This project was budgeted in FY2024.

Director of Development Services & Public Works Andre` Bittas recommended approval of Resolution 2024-08-05-07.

10. **Resolution 2024-08-05-08** for consideration to approve a public works contract with Summit Waterproofing, Inc. to replace the insulation and coatings on the roof of the Pelham Civic Complex & Ice Arena, Option No. 2. This project was budgeted in FY2024.

Director of Development Services & Public Works Andre` Bittas said he recommends approval of the Resolution to repair the roof ridge vent at the Pelham Civic Complex & Ice Arena.

11. **Resolution 2024-08-05-09** for consideration to approve a contract for the lowest and most responsive quote from Spectrum Industrial Services, Inc. to aid in the water service line material inventory per Alabama Department of Environmental Management (ADEM) guidelines and to amend the Pelham Water Department's FY2024 operational budget.

Director of Development Services & Public Works Andre` Bittas noted this was not a planned project in FY2024. He said ADEM is requiring the survey to identify lead pipes in the city's water delivery system. He stated 3,500 service lines have been checked. Mr. Bittas said the city needs assistance to complete the survey by the October 2024 deadline. He further stated this is a standby agreement, if needed by the city.

F. Public Hearing(s)

1. To consider Ordinance No. 256-01 regarding the renewal of the Alabama Power Company electric franchise agreement which shall continue until August 5, 2054 (30 Years).

G. Mayor's Report/Comments

H. Proclamation(s) by the Mayor and Others – None

I. Report of the City Manager

J. Report of the City Attorney – None

K. Request(s) to Address the Council

1. Cinthia Saenz, Director of Community Engagement, Rivera Communications, regarding the 8th Annual Hispanic Independence Day Festival on Saturday, September 14, 2024.

L. Old Business / Resolutions / Ordinances / Orders and Other Business

1. **Ordinance No. 256-01** for consideration to approve the renewal of an electric franchise agreement with Alabama Power Company which shall continue until August 5, 2054. **SECOND READING**

City Manager Gretchen DiFante explained the request by Alabama Power Company to renew their electric franchise agreement with the City of Pelham for an additional 30 years until August 5, 2054.

Anna Catherine Roberson, Relationship Manager with Alabama Power Company, was present to answer questions from the city council.

M. New Business / Resolutions / Ordinances / Orders and Other Business

1. **Resolution 2024-08-05-10** for consideration of an ABC License application(s) for a 160 – Special Retail – More Than 30 Days for applicant Partners Brothers and Friends, LLC operating under the trade name Poppa Gs Billiards located at 2408 Pelham Parkway, Suite 100, Pelham, Alabama 35124.

Chief Sugg stated they have met all the requirements of the city. He said the ABC 160 license allows minors to be present when alcohol is served. Tommy Barton and Chance Barnett were present and addressed the city council. They explained their business concept, located at Campus No. 124. Councilmember Coram asked if the employees had been through the Responsible Vendor Program. They said yes. They explained the alcohol is inventoried at opening and closing each day. He stated no employees under 21 years of age would be serving alcohol.

(End of the August 5, 2024 Agenda Review)

Councilmember Wash made a motion to recess the August 5, 2024 council work session. The motion was seconded by Councilmember Coram.

There being no further discussion the motion passed unanimously by voice vote and the work session was recessed at 6:55 p.m.

Council President Mercer excused himself prior to calling the work session back to order.

Council President Pro Tempore Coram called the meeting back to order at 7:53 p.m.

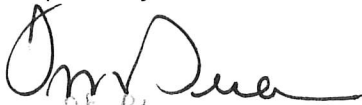
The city council continued asking questions regarding the proposed compensation pay plan.

City Manager DiFante stated the compensation pay plan would be on the August 19, 2024 city council agenda for consideration.

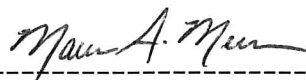
Adjournment

A motion to adjourn the work session was made by Councilmember Wash and seconded by Councilmember Harris. The motion passed unanimously by voice vote of those members present and the work session was adjourned at 8:23 p.m.

Respectfully submitted this 5th day of August 2024.



Tom Seale, MMC, City Clerk/Treasurer



Maurice Mercer, President of the Council

[SEAL]