

MINUTES

COUNCIL FINANCE & HUMAN RESOURCES COMMITTEE

Friday, May 7 – 12:00 PM
City Hall Council Chambers

Members Present: Geraldine Dinkins, Chair, Council Member
Mac Morrow, Vice Chair, Council Member
Jim Fatland, City Manager
Kelley Craig, Human Resources Director

Staff Present: Tom Whitlock, Deputy Finance Director & Tax Collector
Denise Hodsdon, Executive Assistant

A. Welcome & Call to Order

Committee Chair Geraldine Dinkins welcomed everyone and called the meeting to order at 11:59 AM.

B. Certification of Quorum

Quorum was certified by Executive Assistant Denise Hodsdon.

C. Approval of Minutes of December 14, 2020 Meeting

Motion by Mr. Fatland, seconded by Mr. Morrow to approve the December 14, 2020 meeting minutes as presented. Motion carried unanimously.

D. Audit Contract for Year-Ended June 30, 2021

The committee reviewed the proposed agreement to provide audit services from Gould Killian CPA Group. The base fee per the agreement is \$39,900, which is an increase of \$2,000 over last year's fee. It was noted that Gould Killian has been providing audit services for the City since at least 2011 and there was discussion about issuing a Request for Proposals for next year. Following discussion, motion by Mr. Fatland, seconded by Ms. Dinkins to recommend approval of the 2021 contract with Gould Killian CPA Group and to authorize staff to issue a Request for Proposals for the year ended June 30, 2022. The motion carried unanimously.

E. Resolution Establishing Special Revenue Fund for American Rescue Plan Monies

Mr. Fatland explained that the City of Brevard will receive \$2,319,450.27 in American

Rescue Plan stimulus funds. One of the provisions, is that local governments can use stimulus funds to replace lost revenue due to the COVID-19 Pandemic, and another provision allows local governments to make necessary investments in water and sewer infrastructure. Mr. Fatland recommends establishing a separate “Local Fiscal Recovery Fund” and depositing ARP funds into that account. Funds would then be transferred to other City of Brevard governmental funds as approved by the City Council.

Motion by Mr. Morrow, seconded by Ms. Dinkins to recommend approval of the Resolution Establishing “Local Fiscal Recovery Fund” for American Rescue Plan monies. The motion carried unanimously.

F. Employee Self-Funded Medical Plan

a. Plan Update

Ms. Craig reported that we are in the process of renewing the plan. She said we are not looking to make any medical plan changes to our health insurance program going into next year, but we are looking at a projected increase between 4% and 8%. She explained that we are modifying our rate structure slightly to change the rates based on the projections. That will not impact current employee rates this year, but it will impact retiree rates slightly.

Mr. Fatland said he and Ms. Craig would like to take a look at our high-deductible plan because it is putting a lot of stress on employees. They want to look into other program options that are cost effective, but a little more user friendly for employees and respecting their out-of-pocket cost. They will bring information back to the committee for review and discussion.

b. Wellness Program

Ms. Craig said we have taken a look over the last year at our wellness offerings and this committee talked about doing a fitness center reimbursement program instead of a personal trainer onsite. We are proposing to roll out a new program where the City would reimburse employees for the cost of an individual-only membership at a fitness center, up to \$30 per month, which we would process on a quarterly basis. Employees would be required to either have the membership payroll deducted or provide proof of payment, as well as provide proof of attendance for so many visits. Following discussion it was decided that employees would be required to visit at least 12 times each quarter to qualify. Employees would sign an agreement and pursuant to IRS regulations, the reimbursement would be taxed.

Motion by Mr. Morrow, seconded by Ms. Dinkins to recommend to City Council to approve the new wellness program as part of the budget. The motion carried unanimously.

G. Proposed Salary Adjustments for City Employees

- a. COLA**
- b. Merit**

Ms. Craig reported that the recommended salary adjustments for FY 2021/2022 are a Cost of Living increase of 2.5% for all employees and a merit increase of 1.5% for all full-time, non-probationary employees.

Mr. Fatland reported that we have had up to 5 employees in Public Works who are leaving the City for other job opportunities with higher pay. He met with 3 of the employees to talk about their reasons for leaving. The employees told him that they were leaving for higher pay and lack of opportunities for advancement. He noted that we currently have several employees in Pay Grades 8 and 9 who are making less than \$15 per hour. Mr. Fatland has asked Ms. Craig to look at the feasibility of eliminating Pay Grades 8 and 9 so our entry-level jobs are \$15 per hour or higher, which seems to be the current trend, and to establish some promotional opportunities with a Pay Grade of 11 and 12. He noted that we may see some compression of employees already in Pay Grade 10 and their rate of pay may have to go up to get it balanced. He stressed that with losing five employees in a short span, we need move quickly on it and once we get that together, we'll come back to the committee and share some thoughts.

c. Establishing Employer/Employee Match for NC 401K

The City does a mandatory contribution to 401K for law enforcement as required by State statute. Also included in the recommendation for FY 2021/2022 is a Prudential 401K match for all non-sworn employees of 1% for employees who choose to contribute at least 1%. The committee reviewed a report of employer contributions by other North Carolina municipalities and counties. Motion by Mr. Morrow, seconded by Ms. Dinkins to recommend to Council to approve establishing employer/employee match for NC 401K as proposed with a 1% match. The motion carried unanimously.

H. Set Date for Next Meeting

The next meeting of the Finance and Human Resources Committee was scheduled for Tuesday, May 25, 2021 at 12:00 pm.

I. Adjourn

There being no further business, the meeting was adjourned at 12:59 PM.

X

Geraldine Dinkins
Chair, Council Member

Minutes Approved: May 25, 2021

X Denise Hodsdon
Denise Hodsdon
Executive Assistant