

Amberley Village Council: - Compensation and Benefits Committee
Minutes of December 4, 2012 Meeting of the Compensation and Benefits Committee

5 **In Attendance:** R. Warren, W. Doering, T. Muething, J.K. Byar, E. Hattenbach, R. Bardach, Manager S. Lahrmer, Chief R. Wallace, Solicitor K. Frank, K. Harcourt, S. Rasfeld, R. Kemp, W. Davis, P. Conway, T. Neumann, R. Regula, N. Browder, T. Chesney, and S. Lefton,

The meeting was brought to order.

10 The minutes from June 21, 2012 were distributed. An addition on line 40 was added to read, As of the effective date of the ordinance, employee placement in a tier will be fixed. The minutes were approved.

Sick Day Ordinance Review and Proposal

15 Mr. Warren began the meeting by pointing out that the intent of any proposed changes to sick day benefits was to calibrate our benefit structure relative to other jurisdictions and non-government employees. There were several guiding principals in this process. There would be meetings with village employee representatives, the Village Manager, and a member of this Committee (Mr. Doering) to come up with a proposal. The proposal which was outlined in the June 21 minutes
20 featured elements that (a) no one would lose accumulated sick time, (b) there would be a required retirement provision for a separation payment, and (c) a tier system was created that defined a separation payout schedule based on hours accumulated and years of service.

25 After the June 21 meeting and with the advice of the Solicitor, there was a need to distinguish employees who had 10+ years of service to the village. According to the current ordinance, those with 10+ years of service were now eligible for separation. Consequently, four employees were moved into the 'top tier'.

30 Mr. Warren pointed out that with this move the potential maximum liability (in hours) to AV could increase by 13% from 16,080 hours to 18120 hours. Mr. Warren proposed that we can continue the four-tier system as defined, or create a 2-tier system. The 2-tier system would maintain the top tier of 10+ years of service and a lower tier having a maximum separation payout of 240 hours (25% of 960 hours) with a few exceptions of employees already having accumulated more than 960 hours. This would have a consequence of increasing a potential maximum liability to 16447 or
35 2.3%. While representing 2-tiers instead of 4-tiers, comments from both Mr. Doering and Ms. Harcourt pointed that this 2-tier system would be very cumbersome to manage.

40 Mr. Neumann acknowledged and agreed to the proposed reduction in sick days from 24 to 15 days, but preferred that changes in the separation payout schedule only apply to new employees. Despite having employee meetings, noted above, Mr. Neumann offered that employees might have been intimidated if changes were not agreed to.

45 Mr. Doering commented that all governments have been reviewing their benefit structure and pension plans. These have been modified and will likely continue to be modified as needed. He also noted that the 'separation kicker' a feature in the current ordinance, can no longer be justified, and has been phased out in other jurisdictions and organizations, i.e., the University of Cincinnati. Mr. Warren commented that Federal employees do not have a separation payout.

50 Mr. Muething noted that while this has been a difficult process, the Committee and Council acknowledge the efforts of all employees to control and reduce expenses. It is incumbent on the

Village to regularly review its benefit structure, and make changes as appropriate and engage employees in the process.

5 Ms. Conway expressed that in light of how village expenses have been reduced/managed by village employees, no change be made to the current ordinance. Ms. Conway asked what the savings to the Village would be with the new proposal. Mr. Doering explained that with a retirement requirement one could not precisely determine the village liability. For example, if an employee were to leave the village prior to retirement, the village would have no obligation for a sick time payout, in contrast to the current 10 year tenure provision.

10 Ms. Browder asked for clarity as to how hours would be calculated, i.e., those employees bringing their hours with them from another jurisdiction. The Committee and Mr. Lahrmer informed her that total accumulated hours would be used to determine a tier placement, i.e., hours brought in from another jurisdiction and hours accumulated with Amberley. Ms. Browder asked the
15 Committee why a new tier formula was being presented that now excluded Total Years of Service and was narrowed to Amberley Years of Service. Mr. Muething noted that the Village has never been obligated to pay what other jurisdictions have in place at the time an employee starts working in Amberley

20 A motion was made and passed (3-0) y the Committee to make the following adjustments to the proposed Sick Day ordinance.

1. Maintain a 4 Tier System. Three tiers will be assigned to current Village employees.
2. Accumulated sick day time will be paid out upon retirement from the Village.
- 25 3. Tier 1 will include Village employees with 10+ years of service and the retirement payout of accumulated sick time will follow the current ordinance.
4. Tier 2 will include those with 1000+ accumulated hours and a minimum of 5 years of Amberley service. The retirement payout of accumulated sick time will be up to 480 hours.
- 30 5. Tier 3 will include all other current Amberley employees. A retirement payout will require a minimum of 5 years of Amberley service and retirement payout will be up to 360 hours.
6. Tier 4 will include all new employees. A retirement payout will require a minimum of 5 years of Amberley service and retirement payout will be up to 240 hours.
7. There will not longer be a cap on accumulated sick hours.

35 Mr. Frank was directed to construct an ordinance for review at the next Committee meeting in January.

Center for Local Government Benefit Pool. Mr. Lahrmer provided an update on the CLGBP financial status. For the 3rd year of the plan which ended July 2012, the debt for pool members declined by approximately \$800,000 from \$3.5 million to ~\$2.7million. The actual debt burden for
40 Amberley has not been disclosed yet. The CLGBP will begin seeking health care brokers to manage the pool. It is hoped this will drive costs down in the future.

There be being no further business, the meeting was adjourned.

45 Chair: _____
Ray Warren