

**CITY OF TUCUMCARI
CITY COMMISSION
Work Session Notes
March 12, 2015**

The Tukumcari City Commission met in a work session on Thursday, March 12, 2015 at 5:00 p.m. in the City Commission Chambers. Members present were John Mihm, Ruth Ann Litchfield, Robert Lumpkin, Amy Gutierrez and Rick Haymaker.

City staff members present were: Jared Langenegger, City Manager; Doug Powers, Assistant City Manager; and Angelica Gray, City Clerk.

Other guests: Wayland & Marcie Oliver.

Meeting with Wayland Oliver regarding water protest

Mayor Lumpkin started by saying that the City understands that a majority of the City's economy is based on our farms within our area. However, one of the concerns we have been looking at is the substitute for ground water for surface water rights. He stated one of our jobs is to always look for the water future for the City of Tukumcari. He stated we are looking at the possibility of setting a precedence that if you substitute ground water for surface water rights we need to keep in mind the history of the surface water and how much we have been getting. We need to also look at the possibility of all farmers having the same right. In addition, if they all had that same right would it impair the future water availability for the citizens.

Mr. Oliver stated when the farm was for sale they decided to move home from Kansas in 2005. He stated at that point we were in a drought and it only got worse through the years. It was at that point they decided if they are going to keep this farm viable they needed to find alternate sources of water.

Mr. Oliver stated we are very borderline on having enough water in the aquifer. He presented the commission with maps. He stated very little of the county farms in the area have that ability. He stated he understands the concern of the commission as well.

He stated they decided to put in a well, 31 acre pivot and we have 100 gallon per minute well. His grandfather also installed a 100 gallon per minute well. He has two wells on the farm. His grandfather's is what they consider an early well in the system with 15 acre feet of water in that well. He applied and has a permit for water rights for 45 acre feet for the new well. He stated there is fence line on this property that the two wells reference in the permit. He needs to use both wells on the pivot. He stated in order to do that, he needed to apply for the opportunity to combine and comingle these two wells as one. He stated he has 15 acre feet in one and 45 acre feet in the other, which are not protested. He stated he is not asking for more water.

He stated when he presented this to the State's Engineer's Office for a permit, they recommended we also reference our surface water rights, which is Arch Hurley as part of application, which seems to be a "sticking point" for the City.

He stated it is a concern that the State's Engineer's office is trying to figure out how to handle it because it's never been done in Quay County. They are trying to figure out how to best look at their own regulations and determine how to resolve this for him.

He stated the attorney for the City is tough and every time he turns around he has another issue and he feels the State's Engineer's Office will be better suited on how he deals with his water rights and how they respond to my application.

He stated the main issue Mr. Harwood raised in his response was the water public supply of the City. He stated there has been a hydrology report from the State's Engineer's Office that indicates his wells will not affect the City's well. He thought that would have been enough information for the City to say if he's not going to be a problem for the citizens why continue paying the attorney. He asked the commission to consider pulling the attorney off and allow him to finish.

Commissioner Mihm stated it is his opinion that if there is no impact on the existing City wells, and the State Engineer's Office is stating these wells will not affect the City water supply and we have substantiation stating that, he would say, yes.

Commissioner Gutierrez asked how long the wells have been on the property. Mr. Oliver stated that the first one has been there since 1945 and 2012.

Mayor Lumpkin suggested he and the commission visit with Mr. Langenegger and Mr. Harwood and get back with Mr. Oliver.

Mr. Oliver stated Mr. Harwood has raised many points however, the other points are unrelenting. Mr. Lumpkin stated that on a formal point, there are things he cannot discuss however, Mr. Oliver's presentation is very enlightening.

Mayor Lumpkin stated it is important when we have to make a decision that we listen to both sides.

Mr. Langenegger asked if the intent in the application was to not transfer surface rights to ground rights but to just use the ground rights you have. Mr. Oliver stated that was correct and it was the state engineer's office recommendation that he include the surface rights, therefore the permit has a reference to Arch Hurley water rights in it.

Mr. Powers asked Mr. Oliver if he is withdrawing the Arch Hurly part of it. He stated that he cannot.

Mr. Langenegger stated he needs to discuss this matter with the water attorney and the commission and go from there.

Mr. Oliver stated the State Engineer's Office is sworn to protect all the public and not just the City of Tucumcari and he thinks they will come to the right decision and he thinks he can get there with them and without the assistance of the City.

Mr. Langenegger stated he will call the attorney and get a date of availability and he will schedule a meeting.

Mr. Oliver stated the general outline of time is if they do not come to a resolution, he will establish a witness list this summer; we produce exhibits by the fall and a three or four day hearing in December. He stated he is trying to avoid this.

Review of Compensation Plan

Mr. Langenegger stated that in putting this compensation plan we had three goals, which were employee classification, performance evaluation system and to implement a pay scale standardization.

He stated the employee classification reduced the number of position descriptions from 130 to 94 positions. He stated each description includes position summary, position duties, physical requirements, work environment, qualification requirements, knowledge, skills and abilities, and compensation scale classification.

He stated these classifications ensure the job advertisements are consistent and ensures new hires will be aware of the requirements of the position. In addition, ensures that when a new hire comes on board they will know what the job description entails including licenses and certifications. He stated this will also clearly communicate requirements and pay scale information.

He stated performance evaluations outlines expectations and goals both to the supervisor and employee. It provides documentation for employee actions which will allow pay increase, promotion, counseling and discipline. In addition, it provides guidance to the employee and fosters growth and development and improves the communication between employee and supervisor. He stated each performance evaluation includes brief job description, includes expectations and responsibilities, allows employee and supervisor to set attainable goals for performance, requires justification for all ratings, semi-annual evaluation periods, tied to compensation. He stated 90% of evaluations are implemented.

He stated the compensation portion develops standardized compensation structure for all positions in the City based off their individual value. He stated he utilized the US Bureau of Labor Statistics guidelines for evaluating pay, which evaluates positions based on knowledge, job controls, contacts, and physical environment.

He stated US Bureau of Labor Statistics guidelines include all possible careers in the country classified into different groups. He stated he went into all positions and answered the questions and it assigns a number value, 1-15, with 1 being the least responsible, requires the least knowledge, and 15 being the highest. He stated with the number scale put together, we then developed the pay band, which includes minimum, midpoint, and maximum pay for each classification of 1 through 15. The bands are based off the State Personnel Office pay band system and we implemented to ensure that lowest permanent staff member salary is \$8.47 per

hour. He stated there is a pay band 1 which starts out at \$7.81 per hour however, it is reserved for seasonal/part time staff.

He stated this compensation also implements an annual increase of 2% per year for employees who meet expectations. If the employee does not meet expectation, they will not receive the increase. He stated an employee starting with the City and staying for their entire career at 2% increase would reach the maximum pay band by 30 years.

He stated the police department will receive a different compensation pay band. He stated they have a different retirement at 25 years versus 30 years. In addition, there is a lot of competition with other municipalities for police officers. He stated the police department will start at their minimum pay band and upon certification through the State Police Academy officers will receive a 10% increase.

He stated after assigning the pay bands, the positions were compared to other similar size municipalities to ensure competitiveness. In addition, after meeting with department heads and reviewing comparable municipalities' final adjustments were made to classifications and pay band assignments. He stated this implementation will include moving all employees currently below the minimum of their assigned pay band to the minimum. In addition, employees who are currently within their assigned pay band will be given a 2% increase. However, employees with less than one year of service will not receive the 2% increase until the July following their 1 year anniversary based upon their performance evaluation.

He stated the estimated implementation cost is \$340,000 which includes insurance increase of 10% or \$85,000. In addition, he stated this implementation is based on every position being filled for the entire year, which never happens.

He stated any movement up in the pay bands is considered a promotion. He stated employees being promoted will be placed appropriately within the pay band they are being promoted to, but not less than minimum. He stated that generally for qualified individuals promoting will consist of a 10% increase unless the minimum of the pay band is more than 10%.

He asked why do we want to do this? He answered this ensures competitiveness. He stated the City of Tucumcari is competing with other municipalities and State agencies for quality individuals. He added if we are not competitive we will not get the best qualified individuals to move the City forward in the way we need to. In addition, it is important for retention of employees. He stated we want to ensure employees are compensated based on the job they are doing, impartial evaluation of compensation, and it improves employee performance.

He would like to implement the compensation system on the pay period beginning March 31, 2015. He stated if this is implemented this year, we will not start the 2% increase until next July.

Mayor Lumpkin stated the rating system ties to compensation and eventually it looks like merit pay. He stated it could become a reward system. Mr. Langenegger stated he understands what Mayor Lumpkin's concern is however, how the evaluation system is set up it is not just up the supervisor what the evaluations are for that employee. The supervisor needs to go to the next

higher level for their approval before it is given to the employee. It also goes to the HR department. If there is an issue, when the evaluation is reviewed by the reviewer and the justification is not based off work performance, the reviewer will ask why the rating was given. It will be at that time where the justification of rating will come in.

Commissioner Gutierrez stated the same method is used at the bank. She stated it is very descriptive. She stated their evaluations are not just on a rating system.

Mayor Lumpkin asked if there were employees in her business who did not get the raise. Commissioner Gutierrez answered that there are employees who do not get a raise and its due to performance. Mayor Lumpkin stated he understands and he still thinks it could be merit pay. He added it can improve the performance from the person who gets the raise and impede the performance from the person who does not get the raise.

Mayor Lumpkin stated he is opposed to merit pay because he has seen how it affects the work performance of everyone other than the person who gets the raise; it works backwards on people who do not get the raise.

Mr. Langenegger stated the other side of this is if we have a system where everyone gets a raise regardless of their performance then you have employees who are upset because the employee does not do their job and they continue to get raises.

Commissioner Mihm stated in the corporate setting one of the taboo things is you do not discuss pay and if you do and if someone comes to talk to you about the raise someone else received, they would be terminated.

Mayor Lumpkin stated the City is not a corporation and employees pay is public information.

Mr. Langenegger stated there are questions basically on how well they do what they are supposed to do and we total the scores for that section, which there are several sections in our evaluations.

Mayor Lumpkin stated if the number is below a certain number then they don't get a raise and if they are above that certain number they get the raise. He stated this is very objective and every one of those decisions can be skewed.

Mayor Lumpkin wants the employees to get this raise by March 31 and he does not want to be a part of delaying this however, he is concerned about the subjectivity.

Mr. Langenegger stated this is the reason why the employer and employee meet to discuss what the expectations are and inform the employee ahead of time and they feel it is not fair, the employee can go to human resources and ask them to review it and ensure that it is correct.

Mayor Lumpkin stated if I would want to vote on this he would vote with the stipulation that the subjectivity be left out as much as possible. Mr. Langenegger stated he believes he has done this.

Mr. Langenegger stated this is not a friendship system but rather a reward system for doing your job.

Mr. Langenegger stated the evaluation process was not discussed with other municipalities but he did discuss the pay band with other municipalities.

Mayor Lumpkin stated let's approve this trying to get the subjectivity out of it as he described. Mr. Langenegger asked for direction on getting this done. Mayor Lumpkin stated on the point system it would need to very descriptive on what caused the employee not to get the raise.

Commissioner Gutierrez stated there will always be employees who are not happy however; bottom line is if you are doing your job, you are, and the employee should be rewarded for it however, but if you're not, you know that.

Mr. Langenegger stated what we are trying to do is make sure we have the employees paid for the job they are doing, that we are competitive, that we can retain and recruit individuals and address some of those issues. He stated we will never make 100% of the people happy.

Commissioner Haymaker asked if the only way this can be passed this evening is if the merit system goes along with it. Mr. Langenegger stated he thinks the commission can pass the compensation portion without the evaluation portion.

Mayor Lumpkin stated the commission can then re-evaluate the evaluation portion.

Mr. Langenegger stated in order to have an effective plan in place, everything needs to be tied together.

Commissioner Haymaker stated the motion should be to approve the compensation plan with the exception of the evaluation plan to be re-evaluated at later date.

Commission adjourned at 6:02 p.m.

Submitted by:

Angelica M. Gray
City Clerk