



**Administration Committee
Tuesday, August 11, 2020
8:00 A.M.
Via Teleconference - Zoom**

Members Present: Carmella Williams, Chairperson, Council Member
Tres Roeder, Council Member
Rob Zimmerman, Council Member
Kim Bixenstine, Resident Member
James Brady, Resident Member
Brian Rosenfelt, Resident Member

Others Present: David E. Weiss, Mayor
Jeri Chaikin, CAO
William Gruber, Law Director
Sandra Middleton, Human Resources Manager
Frank Miozzi, Information Technology Director

The meeting was called to order by Chairperson Carmella Williams at 8:04 a.m.

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Approval of the June 9, 2020 Meeting Minutes

Chair Williams asked if there were any changes or comments to the minutes of the June 9, 2020 meeting.

It was moved by Member Kim Bixenstine and seconded by Member James Brady that the minutes be approved as submitted.

Minutes of the June 9, 2020 meeting were approved.

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Proposed Revisions to Non-Bargaining Employee Benefits

Mayor Weiss stated the City had undertaken a compensation study last year and was analyzing employee benefits when the pandemic hit and any changes put on hold. Human Resources Manager Sandra Middleton has since asked him to consider some improvements to the benefits package for non-bargaining employees. The proposed changes presented today are a recommended first step.

Paid Maternity/Paternity Leave

Human Resources Manager Sandra explained that currently when employees are out for maternity/paternity leave, they must use their accrued vacation, sick or compensation time. They are permitted to use up to twelve weeks in accordance to the Family and Medical Leave Act (FMLA). The City would like to add a benefit of maternity/paternity leave whereas an employee would receive six weeks of paid leave rather than using their accrued time, which is typically the standard amount of other leave or disabilities. Data was gathered on benefit offerings of other communities and counties in Ohio. There were a number of communities, such as Beachwood and Newburgh Heights that offer paid maternity leave. Benefits vary among cities ranging from six weeks to twelve weeks paid maternity leave.

Manager Middleton stated it is difficult to determine the cost of a maternity/paternity benefit considering there is an X factor. To calculate an estimated yearly cost, Manager Middleton looked at the number of newborns added to the City's insurance policy in 2019. There were a total of eleven. Using the average employee salary (as of February 2020) of \$69,703, calculating the cost for six weeks at eleven births would cost approximately \$88,469. Although this estimate is based on several assumptions, it is a good indicator of the potential budget impact for providing maternity/paternity benefits to non-bargaining employees. The union OPBA police contracts and the Firefighters union contract both contain maternity leave, although approved time must be used.

This proposed benefit will require employees meet set criteria to be eligible. This includes a minimum of twelve months service of working 1250 hours or more, which follows FMLA rules. Some part-time employees may be eligible. Leave may be used for the birth, adoption or foster placement of a child with a maximum duration of six weeks paid at the employee's base salary. Leave must be taken within the twelve-month period following the event. A member stated that maternity leave would have to be used concurrently with FMLA to which Manager Middleton reiterated yes, as the City does not want employees using six weeks maternity leave and then another twelve weeks leave under FMLA.

A member commented about the relevancy of the comparative analysis as it had been conducted prior to COVID-19. Although, the City should be consistent with other municipalities and compensating employees fairly, there were some concerns relative to the budget, affected due to COVID-19. The City may need to make difficult decisions in the near future regarding the budget such as workforce reduction. The Mayor was asked if it would make more sense to hold off on the maternity/paternity benefit in order to maintain another employee's job.

Mayor Weiss responded increases were negotiated with the unionized workforce, but there was sense that the City was lagging behind the market and some of the same increases for non-bargaining employees. The survey responses showed this was meaningful to employees and the City tries to keep parity in how benefits are provided between bargaining and non-bargaining employees. This is a way to add a benefit that is not an across the board increase, yet many could benefit from.

CAO Jeri Chaikin added that the City has been fortunate in attracting a high caliber level of department heads with a recent hire indicating had they planned to have another child, they would

not have accepted the position due to the lack of maternity leave. It is time for the City to catch up in order to be competitive.

The committee discussed budgetary issues and benefits, adding it is critical the City be able to recruit and maintain a talented workforce. The maternity/paternity benefit is not a budget increase as the employee would be receiving the same pay, but would be home rather than work. It was pointed out that if an employee were to be out six to twelve weeks, a department may need to bring in temporary staffing or fill-in with overtime pay, which would be an added cost. Employees may currently take twelve weeks off, either paid, (using sick and vacation time) or unpaid. Manager Middleton added that most employees take paid time off.

Chair Williams stated she thought it was good idea as the City definitely needs to be competitive. As there were no other questions, she asked for a motion to recommend approval.

It was moved by Citizen Member Brian Rosenfelt and seconded by Citizen Member Kim Bixenstine that the Committee recommend approval of the maternity/paternity leave benefit for non-bargaining employees.

The committee unanimously recommended the approval and the item will be presented to Council.

Employee Vacation Accrual Credit for Previous Non-Public Sector Employment in Addition to Public Sector Employment

Manager Middleton stated there is a disparity in the vacation accrual of new hires. Currently, the City accepts up to ten years credit for new hires having previous public employment service, but experienced hires with no public service receive no credit towards vacation accrual. A new hire with ten years of public service would start with four weeks of vacation accrual while a hire with relevant experience but no public experience, would start with two weeks of vacation. In essence, a new hire with experience would be leaving their previous employment where they received four weeks of vacation and starting over with two weeks. Although salary may be competitive, this makes Shaker a little less attractive in the marketplace when a potential hire is considering the overall benefits package. The department is recommending applying the same policy for a maximum ten-year credit of service for a maximum vacation accrual of four weeks to those hires coming from the private sector. The current policy does permit more vacation accrual time for new hires without public service at the discretion of the Mayor, although it is rare, and has only occurred at the director level on a case-by-case basis. Approval of this benefit would standardize the process for all new hires.

Mayor Weiss added that if we are making an offer to someone from the private sector, then they must have relevant and/or equivalent experience. If we want to continue to offer positions to a wide range diverse group of potential applicants, they should receive the amount of vacation they are accustomed to. Not doing so, puts Shaker at a disadvantage to attract someone from a higher paying position to a public position. This change will give Shaker greater flexibility and make us more attractive to an employee.

Manager Middleton stated, to put this in perspective as to the number of people affected, one out of four hires, with experience, in 2019 started at two weeks' vacation. To date in 2020 there have been five hires with relevant experience that started with two weeks' vacation accrual.

It was asked how one would judge relevant experience, and if the proposal moves forward, whether it would be retroactive for recent hires. Manager Middleton responded judgement is somewhat subjective, and provided a couple of examples. The City hired an accountant from a small accounting business, and a communications and marketing specialist that worked for Cleveland.com and wrote for the Jewish Federation was hired in the Communications and Marketing Department. Both were considered to have relevant experience. If relevant experience is unclear, then a new hire may not get credit. This would be discussed with the CAO for clarification. It was suggested there be some oversight by the mayor or council before approval was given for credit.

A member commented on the difference between the public sector and private sector where vacation accruals may be closely tied to pay grades or positions levels versus experience coming in. It was asked why the idea of relevant experience is the only factor considered as opposed to the job, job level or pay grade.

CAO Jeri Chaikin responded that the City conducted a PE and job classification study last year that was near completion, but due to budget cuts, it was put on hold. During the process, the concept of considering other factors besides experience did not come up, but perhaps it can be looked into when funding is available to implement the pay study. She added when evaluating relevant private experience so that people are treated equally, the City looks for similar situations across all departments with regard to positions and the parameters of each. Manager Middleton looks at comparable hires across departments to ensure the factors and parameters used in judging relevant experience is applied as equally as possible.

Law Director Gruber added that with local government all information regarding an employee's pay and benefits is public record. Anyone, including employees, has the ability to compare salaries and benefits, which may cause dissension. Pay and benefits, such as vacation time, may be negotiated for director positions, Council sets the vacation and sick time policies by ordinance.

Chair Williams followed up on the question of whether this policy will be retroactive. CAO Chaikin asked what the committee would recommend.

The committee discussed the issue of making the new policy retroactive taking into consideration how many non-director employees have been hired from the private sector in most recent years and how far to go back. If the policy is not retroactive, there is a possibility that a hire under the new policy with 15 years private experience could end up with more vacation time than a current employee that has been working for the City for ten years.

Manager Middleton responded to a previous inquiry about how the current policy came about. According to previous Human Resources employees, public service benefits in the public sector were important because base salaries were not always competitive, yet the benefits package was rich. This was an incentive to attract experienced hires from other public sector positions.

Chair Williams stated the policy is a good idea, and will help the City be competitive. There will potentially be a cost factor, but it would be worth it. The recommendation lies with the committee since it does not require Council approval. She asked the committee if they agreed this is a policy Shaker Heights should implement, to which members indicated agreement.

The committee then further discussed making the policy retroactive. How far back should it be retroactive or whether it should apply across the board for all employees. Members indicated the policy should apply to all employees and asked for the Mayor's opinion. He conceptually agreed going back a number of years. Manager Middleton could figure out the right break point.

A question arose asking whether retroactive would include anybody that did not qualify to begin accruing at the new rate or going back and crediting all the hours they would have received. Going back and issuing credit for all the time an employee would have earned would result very differently than adjusting an employee accrual rate moving forward.

CAO Chaikin thought it should just go forward and questioned what the impact would be citywide for all non-bargaining employees, which is approximately 140 employees. If making the policy retroactive for all versus going back a few years is impactful, results could be reported back to this committee.

Discussion continued among the committee regarding retroactive points with one member stressing it was not a good idea to go back only a few years as it may result in unfavorable results for current longtime employees.

The Human Resources Manager could conduct an analysis of all non-bargaining employees relative to vacation accrual. Manager Middleton stated this could be done using the MUNIS system and reviewing hire dates and accruals.

Chair Williams asked the committee if would like to review the data/spreadsheets from the research or if the Mayor and administration review and make the best decision. Members agreed they did not need to review the information and that the Mayor would make the best decision.

Both Mayor Weiss and Manager Middleton thanked the committee for their feedback and input.

Their comments were very helpful in clarifying things. Councilmember commented this is something they have wanted to do, make updates and be sure employees are fairly treated.

The committee unanimously supported the recommendation of policy revisions for vacation accrual of private sector new hires.

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There being no further business, the meeting was adjourned at 8:53 a.m.

Carmella Williams, Council Member, Chair
Administration Committee