

Council Compensation Committee

December 20, 2021

3:30 – 4:30 p.m.

Members in attendance: Councilmember Susan Gutowsky; Councilmember Julie Pignataro; Councilmember Shirley Peel; Teresa Roche, Chief Human Resources Officer; Ryan Malarky, Assistant City Attorney II; Melanie Clark, Executive Administrative Assistant

Additional Councilmembers in attendance: No other Councilmembers joined the meeting.

Staff in attendance: No other staff joined the meeting.

Public in attendance: No members of the public joined the meeting.

The Compensation Policy Committee (Committee) meeting was held on December 20, 2021, virtually through a Zoom webinar.

Agenda

- **Call Meeting to Order**
 - Review purpose and expectations of today's meeting
- **Selection of Compensation Committee Chair**
- **Public Comments (limited to approximately 2 minutes per speaker)**
- **Discussion Items:**
 - Review of Committee's purpose
 - Provide context and results from the two-year ad hoc Council Committee on direct reports compensation
 - Review projects outlined on October 5 and share additional ideas that could be considered
 - Determine the priority, pacing, and timeline for the 2022 projects
 - If time allows, solicit feedback about the performance management process for Council appointed employees
- **Adjournment**

The meeting began at 3:35 p.m.

Teresa Roche, Chief Human Resources Officer, called the meeting to order and asked for Committee Chair nominations.

Councilmember Pignataro nominated herself as board chair.

Councilmember Gutowsky nominated herself as board chair.

Councilmember Pignataro explained that having this committee stems from a discussion she has been having with Teresa about the scope, and this is part of why she would like to start off leading the committee.

Councilmember Gutowsky stated that if Councilmember Pignataro has the time to be the chair, she supports her as she has been an integral part.

Councilmember Peel seconds the motion to assign Councilmember Pignataro as Committee Chair.

Those in favor of the motion: Councilmember Gutowsky, Councilmember Peel, Councilmember Pignataro.

Teresa reviewed the Committee's agenda for this meeting.

Teresa shared background information on how the Committee was determined, explaining that this committee stems from a two-year ad hoc committee established in March 2019 to review, evaluate, and design strategies for the three Council-appointed employees. Recommendations from that committee were adopted by Council and incorporated in the 2021 Council Resource Guide. In March 2021, a discussion was held to consider a standing Council Committee. She further stated that Councilmembers had expressed interest in expanding the role of a new Council Committee to include other topics.

Teresa explained that the former Ad Hoc Committee reviewed Council-appointed employees and zoomed out to look at how they would attract, retain, engage, develop, and reward their three employees.

Teresa shared the two-year performance management process and list of peer cities. She reviewed that one intention was to have a process so when new Councilmembers come on board, they can yield in while providing consistency for the three Council-appointed employees on performance expectations. She highlighted the decision made for the first year when there is a new Council, they would only consider salary, and the second year they would review the total compensation and contracts could be opened for any new benefits.

Teresa stated that the purpose of this committee, as stated on October 5, is to review, discuss and recommend the total compensation strategy for Council's direct reports annually, review high-level total compensation policy matters for the City organization, particularly concerning topics that bear directly on budgetary and financial decisions of the Council, and to learn more about the comparative market for and evaluate the compensation paid under the City Charter to members of Council.

Teresa shared that she did a market analysis earlier this year of Councilmembers against the same peer cities and found that Fort Collins is below other cities in pay and other items. She stated that this might be something that this Committee would want to look at for future Councilmembers.

Teresa shared other ideas that have come up that this committee would review are to return to the 2021 analysis for a deeper review of your Council-appointed employees. As no merit increases were planned for 2021 for the Council-appointed employees, a decision was made to delay the analysis in 2020 even though the timeline outlined by the ad hoc stated total compensation would be reviewed every two years.

The second idea she shared is process improvements for the performance management process for Council-appointed employees, such as quarterly check-ins and the consideration of three separate sessions: performance dialogue, market analysis for the three employees, and merit consideration. Feedback was given on the new practice in 2021 of having a facilitator present for the performance dialogue, and there was support for its continuance.

Teresa shared a quick preview of several Citywide compensation projects in Q1—the second pay equity study, which began in late November and will continue into 2022, cost of living analysis, and an internal

compensation analysis. She also spoke about the progress on Council's priority to study and recommend childcare options for City employees. This work was being done in partnership with colleagues in Social Sustainability as they are addressing affordable childcare in the community.

Councilmember Pignataro asked if this committee would also look at retirement accounts. Teresa confirmed this was part of the total compensation analysis for the three Council-appointed employees.

Councilmember Peel stated that she is unsure if this committee's scope is this, but she has a few concerns about performance evaluations. She explained that they want to ensure our compensation is adequate and that people are doing a good job. She further stated that she feels very disconnected in the evaluation process as a council member, even with the Council's direct reports. She asked if this was connected to this committee or a separate conversation.

Councilmember Pignataro asked Councilmember Peel to clarify if she wants to be involved with how the reviews are done for all employees or only related to Council's direct reports. Councilmember Peel stated that the process for evaluating Council's direct reports is troublesome to her, and she does not like how they are being done. She further explained that she also wants to make sure constituents are getting what they pay for related to all employees.

Teresa explained that this Committee's purview in making decisions about performance and merit increases is for the Council-appointed employees. It is the City Manager's purview when it comes to City Staff. She stated that an avenue could be found for Council to provide feedback if there is a concern about specific employees. Teresa plans to follow up with Councilmember Peel to solicit specific feedback.

Councilmember Pignataro stated that she agrees with Peel's first comment and would like to see a schedule change with Council's direct reports as they are required to provide feedback within the first couple months of being on Council. Teresa explained that the ad hoc committee acknowledged this and believed that while not ideal, returning Councilmembers would be able to provide continuity while new Councilmembers came up to speed.

Councilmember Pignataro asked how reviews are currently being done for staff and if they are done based on an employee's start date. Teresa explained the process and stated the City has an annual schedule of quarterly discussions, with two of them being entered into the system of record. If there is an annual merit budget, merit increases are decided in the early winter of each year and effective the first month of the following year.

Councilmember Gutowsky stated that the process has changed since she started. She likes the current process better and having a two-way discussion. She loved that the employees told them what they had done and provided a narrative that became a discussion.

Councilmember Pignataro stated that Mayor Arndt had mentioned the potential need to have a full-time assistant that supports Council only and reports to Mayor. Teresa noted that this could be discussed and perhaps considered during the BFO process.

Councilmember Gutowsky asked for more information about this idea. Councilmember Pignataro explained that sometimes it is helpful to have someone a little more familiar with the issues being

discussed at Council so that the Mayor and Councilmembers are prepared for the various meetings they attend.

Councilmember Peel added that it is also about having a dedicated person.

Councilmember Pignataro stated it would be helpful to have full-time support to ensure all Councilmembers have what they need to perform their duties.

Councilmember Pignataro stated that all Council direct reports are outlined in the Charter and would need to go on the ballot. Ryan Malarky confirmed this. Teresa suggested they consider separating the position need from the reporting structure and that she would share this feedback with Interim City Manager Kelly DiMartino.

Councilmember Pignataro asked if the public comment section was optional or required. Ryan stated that he would double-check and referred to a memo recently sent by City Attorney Carrie Daggett.

Teresa asked if the Committee wanted to look at pay and benefits for Councilmembers as it has been several years since this was considered. Councilmember Pignataro stated that the Election Code Committee is reviewing several issues required to go on the ballot, and this would need to be considered considering other decisions.

Councilmember Pignataro asked Ryan if he knew when the Election Code Committee recommendations would come before Council. Ryan stated that it would go before the Election Code Committee in January, where they will discuss if they want it to go before the full Council and if so, it would be a February Work Session.

Councilmember Pignataro suggested that she and Teresa sit down to create two possible timelines. Teresa suggested she outline what is known, what might be the 2022 calendar for the performance management cycle, and propose dates for other projects.

Councilmember Pignataro stated that all Council direct reports are outlined in the Charter and would need to go on the ballot. Ryan confirmed this. Teresa explained that the discussion about support could be independent of the Election Code Committee.

She also stated the reporting structure could be to the City Manager.

Councilmember Pignataro asked how often the Committee would be meeting. Teresa stated that it would be easier to have a regular monthly meeting and asked if that would work for everyone. Councilmembers Peel and Gutowsky agreed that it would. The committee decided to meet on the 3rd Monday of every month from 3:30 to 4:30 p.m., with any meetings falling on a holiday being moved to Tuesday.

Teresa stated that she and Councilmember Pignataro would map out a project plan in preparation for the January meeting.

Teresa asked for feedback on the review process for the Council-appointed employees. Councilmember Gutowsky stated that she enjoyed her time with Regina and said she found her to be very perceptive, engaging, and she liked the way Regina summarized what she said. She further explained that she did not feel the previous consultant heard what she said and reflected it accurately.

Councilmember Peel stated she thought the questions could have been better. She shared that Regina told her that not all Councilmembers filled out the questions. She asked if the questions were necessary or if Councilmembers should just come prepared with what they want to evaluate. She stated she did not see much value in having the facilitator there the night of the evaluations other than having someone there to ask the questions.

Teresa stated that Mayor Arndt felt like she could be a participant as she did not have to be the facilitator.

Councilmember Pignataro stated that she feels similar to Councilmember Peel and Gutowsky. She explained that there were quite a few typos in one of the write-ups, but it was not a huge issue. She, too, was curious why there was a facilitator initially but found value in the facilitator taking notes.

Councilmember Gutowsky asked Teresa's impression. Teresa felt that Regina heard the Councilmembers well, though she was aware of one discrepancy stated by a Councilmember.

Gutowsky asked if we would do another RFP or give it another try. Teresa stated that because she is hearing from most of the Council that they were satisfied, she would encourage another year with CPS-HR with some coaching; however, she wants to check with the two Councilmembers she has not spoken to yet.

Councilmember Peel stated three different jobs, and the questions were not tailored to the jobs or designed to solicit good feedback. Teresa explained that the questions used to be customized, and the previous ad hoc Committee wanted to establish a common set of questions applicable to all three employees. Teresa believes it can be a "both and" allowing this committee an opportunity to suggest revisions before the 2022 annual evaluations are conducted.

Teresa stated that as an effective leadership practice, Council's employees need to what their performance will be measured on for their evaluations.

Councilmember Gutowsky asked if the Committee's work will be updating the information in our peer cities. Teresa stated that unless extenuating circumstances exist, such as in 2021, a market analysis on salaries and other cash benefits is done annually. The plan is to do a more comprehensive review of total compensation every two years.

The next meeting falls on a holiday. The Committee suggested meeting on Tuesday, January 18, before the council meeting.

Next Meeting: January 18 – 3:30 – 5:00 p.m.

Meeting adjourned at 4:41 p.m.