The Arkansas City Board of City Commissioners met for a special meeting at 5:30 p.m. Tuesday, August 12, 2015, in the Commission Room at City Hall. Those present at roll call were Commissioners Brandon Every, Dan Jurkovich and Duane Oestmann, and Mayor Chad Giles. Commissioner Jay Warren was absent.

Also present at roll call were City Manager Nick Hernandez, Public Information Officer Andrew Lawson, City Clerk Lesley Shook, Public Works Director Eric Broce, Assistant Public Works Director Mike Crandall, Human Resources Manager Marla McFarland, Finance Director Kathy Cornwell, City Treasurer Jennifer Waggoner, Police Chief Dan Ward, Fire Chief Bobby Wolfe, and Parks and Facilities Director Tony Tapia.

Cherokee Strip Land Rush Museum representatives in attendance were board member Kanyon Gingher and museum director Sandy Randel.

Citizens in attendance were Michelle Dykes and Traveler reporter Jeni Payne.

New Business

Public Hearing for 2016 Budget Ordinance No. 2015-08-4390

City Clerk Shook presented for discussion an Ordinance adopting the 2016 budget for the City of Arkansas City.

Mayor Giles opened a public hearing on the proposed budget. No one commented. He closed the hearing.

Commissioner Every presented commissioners with a spreadsheet that showed how the proposed 2-percent cost-of-living adjustment (COLA) included in the budget could be redistributed to give more money to employees in the lower pay ranges, and less or none to employees on the higher end of the pay scale. His options included a 3-percent COLA for the lower end and 1 percent for the top end, as well as a 5-percent COLA for the lower end.

City Manager Hernandez asked Human Resources Manager McFarland to address the proposal. She said the proposal combined a COLA with an adjustment to the pay ordinance, which she wishes to address separately.

McFarland said COLA started with the Social Security Administration and is designed for all employees, to help them to retain their earning power, in spite of inflation or regardless of what their overall income is. She also was concerned that not applying the COLA equally to all employees could damage morale. She requested that the commission pass a 2-percent COLA, then she could bring a proposal to adjust the pay ordinance after more study.

Mayor Giles said he appreciated the research Commissioner Every had done, but added that he supported an across-the-board COLA. After that, he would like City staff to evaluate the pay ordinance with a long-term fix.

McFarland said that since 2010, Social Security had raised its COLA by 8.5 percent. Commissioner Jurkovich pointed out that Medicare premiums had risen by 30 percent in the same time frame.

Commissioner Oestmann asked how many employees were in the middle pay grades. There are 103.

Mayor Giles asked if there were any cost estimates regarding the Agri-Business Building. City Manager Hernandez said a meeting of the stakeholders had been scheduled for August 25. He said a couple of bidders were concerned about the roof was installed originally. Parks and Facilities Director Tapia said Mahaney Roofing had bowed out of the bidding process entirely due to its concerns. Mayor Giles asked if the elimination of a battalion truck from the budget would create any limitations on Fire-EMS Department service. Fire Chief Wolfe said his department's operations would not be affected at all.

Mayor Giles asked about the phone system and website proposals that were eliminated from the budget. City Manager Hernandez said they could be addressed internally, with time. He added that City staff supported the commission regarding the budget that had been proposed at the meeting.

Commissioner Oestmann asked Police Chief Ward if the budget would work for him. Ward said that due to reduced staffing this year, there would be some extra funds remaining at the end of the year that could be applied toward departmental upgrades to satisfy CALEA certification needs.

Mayor Giles asked if there was any reason to continue the hearing until August 18. City Manager Hernandez tried to call Commissioner Warren to see if he wanted to weigh in on the budget, but could not reach him. Mayor Giles said he was comfortable moving forward without him since he was present for the initial budget discussion.

Mayor Giles moved to approve the Ordinance adopting the 2016 budget for the City as published. Commissioner Every seconded the motion. A roll call vote was unanimous in favor of the motion.

Mayor Giles declared the agreement adopted and given Ordinance No. 2015-08-4390.

<u>Adjournment</u>

Mayor Giles moved to adjourn. Commissioner Oestmann seconded the motion. A voice vote was unanimous in favor of the motion. Mayor Giles declared the meeting adjourned.

THE ARKANSAS CITY BOARD OF CITY COMMISSIONERS

Chad Giles, Mayor

ATTEST:

Lesley Shook, City Clerk