

Longevity pay for City employees

When I write critically about issues faced by city employees, it is nothing personal. I believe, and I've said it here many times, most city employees are hardworking, conscientious, honest and capable. I consider many among my friends.

But my purpose here is to inform readers about the details of issues, not to duck that responsibility because someone may get mad at me. Go to the end of the line.

That said, the longevity "bonus" enacted during the Spiker administration was just a way to provide more money to city employees without disclosing what was being done. Every year that Jack was mayor, city employees received a 5% pay raise and another one-time "adjustment" (the 77¢ raise in 2001) or special gifts (all Christmases until the last one[s]).

Ordinance No. 3583 read, in part: "EFFECTIVE JULY 1, 2004, CITY EMPLOYEES WILL RECEIVE A FIVE PERCENT (5%) WAGE INCREASE." And, "EFFECTIVE JULY 1, 2004, CITY EMPLOYEES WILL RECEIVE, IN ADDITION TO BASIC PAY, LONGEVITY PAY AS SET FORTH IN EXHIBIT B, ATTACHED HERETO AND INCORPORATED BY REFERENCE HEREIN. LONGEVITY RAISES WILL BE EFFECTIVE ON THE EMPLOYEE'S ANNIVERSARY MONTH."

Lest readers forget, there was an election for mayor - the primary election in August and the general election in November - in 2004.

How employee raises have been handled by the City has changed over the years.

Ordinance 3348, effective June 22, 1998 read, in part: "THE CITY AND BOPU SHOULD BUDGET A FULL 5% INCREASE IN BUDGET ALLOCATION LEVELS IN ORDER TO MAINTAIN THE INTEGRITY OF THE MERIT SYSTEM."

Also, "a) The PIC recommends 3% merit increase funding be given the highest priority and not be neglected barring the most dire of financial constraints. b) The PIC recommends the 2% annual increase be maintained whenever possible, but with lower priority than the 3% merit increase. The PIC recommends the annual (2%) increase be addressed annually to determine if it should move up or down based on various factors to include City and BOPU financial status, cost of living increases and the results of biennial reviews recommended in item 3. above."

The merit system did not work and was scrapped after two years. Some department heads took the plan seriously, others did not want to risk alienating those who worked for them and gave everyone in their department the full 3%.

When the merit pay plan was discarded and it became a straight 5% a year pay increase, the 2% "longevity" (some would call it a COLA increase but that never approached the rate of inflation by itself) provision was wrapped into the 5% annual raise. So, the 2004 "longevity pay" was on top of an existing reward for

longevity in city employment.

Make no mistake about it, stability of employees is very critical to productivity and efficiency. But, in most employment cases, employees are already rewarded for longevity by virtue of their basic pay. Someone with ten years with an employer (unless "red-lined") should make more than a new hire and that is because of their longevity. Annual raises address the issue of longevity.

Does this second longevity pay cost taxpayers much? Well, in two divisions of the police department, FY2010 budget calls for \$56,040 in longevity pay. That's only two divisions, not the whole department. The police department is about 21.5% of total spending - maybe a little higher percentage of payroll only.

When added to the pay package in 2004, the "bump" for non-uniformed employees ranged from \$30.00 to \$55.00 a month. Another \$660 a year would look good in your pay envelope, wouldn't it? Especially if you were almost guaranteed of a basic 5% annual raise. The "non-uniformed" heading makes no sense

because police officers receive the spiff just like the office help.

One of the first things a new mayor has to do is determine which city employees he can rely upon to tell him the truth - to tell him painful news. Until that happens, in a tough economy, he will have a helluva time managing. To hear that the governing body spent an hour and included a recess to figure out what Robert's Rules provide - just to elect officers - is crazy.

And, Rick needs to bring a specific proposal to the city council. Let them find other places to reduce spending if they don't like his but don't let them shoot his down with no alternative. Anybody who enjoys laying off employees, furloughing them or reducing their pay has no place in management. It is gut-wrenching. But, because of the financial mess Kaysen inherited, it is now on his plate. He does not have the advantage of unrequited love from the daily newspaper that his predecessor had. But he also hasn't sold out to get it. To this point. So his decisions will be challenged, ridiculed and disparaged by the same people on whose corporate board he served. Such is fame.

WNU lawsuit

The lawsuit filed in Laramie County [Wyoming] District Court on behalf of 67 former students of Kennedy-Western University / Warren National University (see CH website for previous articles and copy of the lawsuit - Docket No. 174-045) has become a painfully slow game of tit-for-tat to this point. There may be much going on behind the scenes, or outside the case file, but little movement can be found in the official record.

Months have been consumed by maneuvering to first withdraw and then reinstate two plaintiffs. It's beginning to look more like a meter running battle between counsel for each side than a lawsuit moving toward resolution. Cases move through the courts at glacial speed all too often and this is just one more clogging the system while frivolous motions are filed and hearings are scheduled, rescheduled, postponed and cancelled. Long story short: Two plaintiffs asked to withdraw from the litigation. Judge Michael Davis (newly assigned to the case) granted the motion. The defendants asked for reconsideration. Before that hearing could be held, first one, then the other plaintiff who had withdrawn asked to be "reinstated." First one, then the other, was reinstated. The time lost to get back to where the case was earlier was two months.

The defendants' counsel only sought to challenge the dismissal *without* prejudice because they didn't want the plaintiffs to be able to jump in and out of the case. In the end (as of January 6), the number of plaintiffs on file right now has returned to 67.

On December 15, 2009, an Order Setting Scheduling Conference was issued by Judge Davis. That scheduling conference has been rescheduled to be held February 28, 2010 at 1:30 pm. Five will get you ten that it will be delayed or rescheduled again.

Parking garage siphoning mineral royalties and cash from the general fund

When the City Center surface parking lot was abandoned and a new parking structure replaced it at Carey/Pioneer - Lincolnway/17th Street, it would "break even" within three years, the mayor and bond underwriter promised. Things have only got worse since the garage opened in 2005. Gross revenue, according to the 2009 audit, is the lowest it has been since the new garage opened and dropped by \$65,053 from 2008. The direct loss on the garage in '09 was \$137,954 and did not include depreciation or amortization. Straight line depreciation on a \$7.5 million structure over 30 years would add \$250,000 to that loss - depreciated at 50 years, it would add \$150,000 annually.

In 2000, the City had the Cox Garage (by the Civic Center), the City Center parking lot, the Heritage Square parking lot (in front of the depot) and the unpaved 15th Street parking lot (Pioneer to Bent). By eliminating the City Center lot and the Heritage lot and adding the new garage, revenue has increased from \$249,666 to \$415,710 in 10 years. And, \$117,000 of that \$166,044 increase is from recycled public money through "contributions" from the DDA and the CACVB. For that \$7.5 million investment in an unwise parking garage, residents have seen less than a \$50,000 increase in real parking revenue. And a \$346,171 increase in expenses (not including depreciation or amortization). It would be much worse than these figures indicate except the bond principal repayment is back-end loaded and a mere \$75,000 is paid annually toward the total \$9.575 million indebtedness. Had principal been evenly retired over 30 years, it would take \$319,167 annually. So much about the garage is untrue. Almost a fraud.

Here's what really happened in 2000-2001 with the city council pay raise

In 2000, several city council members did not seek re-election. Two of them, Jack Spiker and Scott Roybal, ran for mayor. In Ward 1, Joe Phelan did not seek re-election and Roybal gave up his seat to run for mayor. In Ward 2, Helen Allen (and Jack Spiker, who also ran for mayor) did not seek re-election. In Ward 3, Don Pierson and C.J. Brown did both run again - successfully. Council members in the middle of their terms were Jimmy Valdez (Ward 1), Judy Case (Ward 2) and Joe Bonds (Ward 3) - the 3 J's.

The 3 J's were in the middle of their terms and could not receive an increase in salary or emoluments under the Constitution. They and four departing council members as well as Don and C.J. still had a vote on the belated idea of raising salaries for council members. The raise would begin with the 2001 swearing in. The 3 J's had served two years while newcomers Floyd Lopez, Tom Scherr, Patrick Collins and Tom Segrave hadn't served a day, yet the latter four would be paid \$450 more than the former two.

The most controversial point about the raise, to me, was that it had not been brought up for debate in the 2000 campaign. Neither the raise nor the interval since the last increase concerned me at all. But candidates should have had to take a position on whether they would accept it or not in the campaign and voters may have voted differently. May have.

Only the two re-elected incumbents could have their cake and eat it too. And did. They could vote for the increase and they would receive it when their following term began. Those two (Pierson and C.J.) and four new members would get the raise yet three sitting members would not.

C.J. Brown, to his everlasting credit, said that if he would take the increase - and he would, he said - he would vote for it. Pierson accepted the raise but wouldn't vote for it unless his would be the tie-breaking vote. He said the first publicly and the second privately. Hypocrisy is not a new condition with the city council.

Judy Case made the argument that council members serve as a civic duty, not for the pay and voted against the raise. But, *she* couldn't have gotten the raise anyway - whether she voted for it or against it - assuming the raise was approved. She was in the middle of her term. The raise was a "gift" pushed by departing council members to Collins and Segrave particularly but Lopez and Scherr also benefited from the raise to \$1,000 a month from \$550. It has not changed since 2001.

There is some disagreement as to whether Judy took the position that she would vote against that increase and would not accept the raise if she were re-elected in 2002. She did say that. Case voted no, Phelan was absent, Pierson abstained and the other seven voted "yes."