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MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

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Conway, Arkansas  
Wednesday 5:00 pm  
November 18, 2015

On this date the City Council of the City of Conway, Arkansas met in special session. The following members being a quorum were present and acting: Alderman Hawkins, Alderman Grimes, Alderman Pruitt, Alderwoman Mehl, Alderwoman Smith, Alderman Jones, and Alderwoman Whitmore. Also, present and acting: Mayor Tab Townsell and Felicia Rogers. Alderman Ledbetter and City Attorney Chuck Clawson, and City Clerk Michael Garrett were not in attendance.

**Call to Order: Mayor Tab Townsell**

**Roll Call: Felicia Rogers**

**1. Report of Standing Committees:**

**A. Personnel**

**1. Consideration to approve the rate structure of the Arkansas Municipal League Health Benefit Fund for medical benefits for the FY2016.**

Mayor Townsell explained last week we looked at our current tier structure with the Arkansas Municipal League and stated the {Employee + Children} and {Employee + Spouse} tiers are being eliminated which would leave {Employee Only} and {Employee + Family}; the rate will increase for {Employee + Children} and {Employee + Spouse} tiers as these will be collapsed into the remaining tiers, which means the rate is technically staying the same for {Employee + Family}, but is increasing to \$140.00 for {Employee + Children} and \$100.00 for {Employee + Spouse}. Mayor Townsell stated by dividing this up we could obviously go straight to everyone paying the {Employee + Family} cost but we thought that would be an onerous jump, so we have suggested alternatives which you see under the 4 alternative options. Mayor Townsell stated "Levelized 4" would increase both {Employee + Children} and {Employee + Spouse}, but more for {Employee + Children}. Mayor Townsell stated "Levelized 5" increases both {Employee + Children} and {Employee + Spouse} by \$40.00, "Levelized 6" increases both {Employee + Children} and {Employee + Spouse} by \$25.00 and increases {Employee Family} by \$10.00, and "Levelized 7" increases {Employee + Children}, {Employee + Spouse}, and {Employee + Family} by \$15.00 and stated this is equivalent in terms of total cost to the employee and total cost to the city, it is a matter of how much we want to spread the burden to the different former tiers of the employee covering some portion, or all of their family. Alderwoman Whitmore stated Alderman Grimes had mentioned at the last council meeting the utilization that we now have and she does not see this changing, so whatever we do here is somewhat of a small band aid in the big picture of things. Alderwoman Whitmore stated "Levelized 6" is an option which keeps us in line with the percentages more closely to what we currently have and stated Alderman Hawkins had asked how we arrived at the different percentages, but she thinks the more we get away from that then we are going to have to keep justifying as we move along and stated "Levelized 6" keeps us in line with the percentages that the city is currently paying, and it also offers less of an increase on the tier that covers the higher number of employees and motioned to select the "Levelized 6" tier. Alderwoman Smith seconded the motion.

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Alderman Grimes stated Alderwoman Whitmore makes a good point in that this keeps the percentages fairly close to what we currently have, and this will be important going forward. Council concurred. There was no further discussion. The motion passed 7-0.

### **2. Ordinance appropriating funds for the employee appreciation bonuses for City Employees.**

#### **O-15-131**

Mayor Townsell explained this is the standard bonus that we have given to employees in recent years; \$300.00 net for full-time employees and \$150.00 net for part-time employees and stated these will come out of the cash flow portion and explained we are in a better position now, than we have been in a number of years due to reimbursements we have received from the airport grants. Alderwoman Smith motioned to waive the readings of the ordinance. Alderwoman Whitmore seconded the motion. The motion passed 7-0. Alderman Jones motioned to adopt the ordinance. Alderwoman Mehl seconded the motion. Alderwoman Smith motioned to include the emergency clause. Council concurred. Alderwoman Smith motioned to adopt the emergency clause. Alderwoman Whitmore seconded the motion. Ms. Rogers called the roll with the following voting "Aye": Alderman Hawkins, Alderman Grimes, Alderman Pruitt, Alderwoman Mehl, Alderwoman Smith, Alderman Jones, and Alderwoman Whitmore. The motion passed 7-0. Ms. Rogers called the roll for the emergency clause with the following voting "Aye": Alderman Hawkins, Alderman Grimes, Alderman Pruitt, Alderwoman Mehl, Alderwoman Smith, Alderman Jones, and Alderwoman Whitmore. The motion passed 7-0.

Mayor Townsell stated he was apprised today that we will have a leap payroll in 2016 where we will have 27 payrolls instead of 26. Mayor Townsell stated this takes everyone 1 payroll above their salary for the year, which will affect pensions and a variety of other things, and we need to figure out how we are going to handle this. Mayor Townsell stated he has contacted the Municipal League and they are looking at various ways of handling this, but basically we will be giving everybody a 1 payroll raise next year if we keep it the same. Mayor Townsell stated other cities are looking at redistributing it by taking the 2 week salary down and spreading it out over 27 payrolls, or we could simply move to a 2 paycheck a month system i.e. 1st and the 15th or 15th and 31st and eliminate the issue, but obviously this is a million dollar hit on our budget to have the 27th payroll. Tyler Winningham, CFO, stated the first payroll falls on January 1 and banks of course are closed, so he is assuming we would make that payroll effective December 31st as he does not think we would want to make employees wait an entire weekend before they get paid. Mr. Winningham stated he looked at this as how the budget is impacted and the way the calendar days fall we would not have the full 27th pay period, it would be 26 pay periods and a portion of another, so there will be more than 26 but not a full 27. Alderman Grimes stated he does not get all of that, we pay them for how much they work, you pay them for 2 weeks work, every 2 weeks. Alderman Hawkins stated there will be 27 Friday's. Alderman Grimes reiterated you pay them every 2 weeks, for 2 weeks' worth of work. Mayor Townsell stated we have salaries set on an annual basis. Alderman Hawkins asked if the payroll on the 1st is paying for December work. Mr. Winningham stated the 2nd payroll in January is paying for 45% of one year, and 55% of the next year. Mayor Townsell stated it is 27 payrolls in 2016. Alderman Hawkins asked how long do we have to resolve this issue. Alderman Grimes stated we probably need to make a quick decision. Mayor Townsell

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stated we are aware of the situation and will come back with a recommendation. Alderman Grimes stated we will have 3 months with 3 payrolls instead of 2. Mayor Townsell stated that is correct. Mayor Townsell stated if you do not want to do anything we can pay out another million dollars. Alderman Grimes stated this is a good excuse to migrate to 2 payrolls a month and we will not have this type of payroll issue again going forward. Lisa Williams, HR Director, stated we will probably receive quite a bit of push back from certain employee groups as they will feel that this would make it harder for them to have to wait and not have a paycheck every 2 weeks. Mayor Townsell stated we would probably have to clean up payroll, with a special payroll run for the end of the year and then begin a standard 2 payroll a month system. Ms. Williams stated there are 14 retirees who have {Employee + Spouse} coverage whose insurance will increase by \$125.00 and she will notify these employees tomorrow. Alderman Jones asked what are they currently paying. Ms. Williams stated \$595.00; it will increase to \$695.50. Ms. Williams stated it will increase by \$100.50, not \$125.00.

**Adjournment**

**PASSED this 18th day of November 2015**

**APPROVED:**

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**Mayor Tab Townsell**

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**City Clerk Michael O. Garrett**