

**SPECIAL CALL CITY COUNCIL MINUTES
TUESDAY, JANUARY 27, 2015 3:00 P.M.
CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA**

PRESENT: Richard Winger, Mayor; Jay Kramer, Vice Mayor; Pilar Turner, Councilmember; Amelia Graves, Councilmember and Randy Old, Councilmember **ALSO PRESENT:** James O'Connor, City Manager; Wayne Coment, City Attorney and Tammy Vock, City Clerk

1. CALL TO ORDER

Mayor Winger called the meeting to order and the Clerk performed the roll call.

2. PLEDGE OF ALLEGIANCE

Mayor Winger led Council and the public in the Pledge of Allegiance to the flag.

3. PUBLIC COMMENT

Mayor Winger stated that this was a quasi-judicial hearing on impasse hearings for the City of Vero Beach and Teamsters Local Union No. 769 Blue Collar and impasse hearings for the City of Vero Beach and Teamsters Local Union No. 769 Technical/Clerical. Both cases will be heard together.

Mayor Winger noted that no public comment is allowed except for witnesses that would be called by either parties.

Mrs. Turner was surprised that public comment would not be allowed at the beginning of the meeting. She thought that they had to allow public comment at all of their meetings.

Mr. Wayne Coment, City Attorney, stated that there could be public comments before the proceedings.

Mr. Steve Myers, Business Agent with Teamsters Local Union 769, stated that he was opposed to public comments.

Mr. Jason Odom, City's Management Representative, stated that there is no public comments allowed during a quasi-judicial hearing.

Mr. Coment agreed that a quasi-judicial hearing is exempted from allowing public comments, but if they wanted to allow general public comment that would be their choice.

Mr. Kramer asked if there was a possibility that public comments would somehow corrupt the process.

Mr. Coment explained that quasi-judicial hearings are exempted from the recently enacted law stating that public input is allowed on any matters that Council will make a decision on.

Mayor Winger said that he would be in favor of not allowing public comment unless Mr. Myers or Mr. Odom calls on a witness and then at that time the witness can be sworn in. He made a motion to that affect. Mr. Kramer seconded the motion and it passed 4-1 with Mrs. Turner voting no.

4. ITEMS FOR DISCUSSION:

Quasi-Judicial Hearing

A) Impasse Proceedings – City of Vero Beach and Teamsters Local Union No. 769 Blue Collar

B) Impasse Proceedings – City of Vero Beach and Teamsters Local Union No. 769 Technical/Clerical

Mayor Winger asked Council if they have had any ex parte communications. He stated that he spoke to Mr. Brian Collier about six months ago.

Mr. Odom clarified that the communications would be after the City filed their rejection of the Special Magistrate's recommendation, which would have been on December 5, 2014.

Ms. Graves revealed that she had discussions with the Finance Director about the numbers. She said there were no opinions given, just some questions asked about the numbers.

Mr. Odom gave some background information on how they got to the place that they are today. He said the City has two (2) collective bargaining units, which are the Blue Collar and Technical/Clerical Unit. He said both of their agreements expired in 2013 and the City began negotiations on the agreements. In 2014 the City Council resolved an impasse as to wages and that resolution was with a 3% wage increase across the board for employees from both Units. He said after that the parties resumed negotiations for a successor agreement. There was an agreement reached on all Articles except for Articles 10, 15, 17, 19, 20, 23, and 24. These are the Articles that the parties were on impasse on and they have presented these Articles as a package proposal, which meant that the entire package had to be accepted or rejected. The parties went through the impasse process by having a Special Magistrate appointed, a hearing was held, and that individual recommended a decision on each Article, which Council has in front of them. He said in the report there are some differences between the City and the Unions' position and in some cases the Special Magistrate's recommendation on certain Articles. He said under Florida Statutes it is now the Council's job to decide on those Articles at impasse by taking the interest of the public employees and making their decision on how they are going to resolve those Articles. He suggested they take each Article one at a time. He will give his response on the Article and then Mr. Myers will give his response.

Mr. Myers reported that with Articles 10, 17, and 23, the Union did not dispute any of the proposals that were made by the City, but the City still took these Articles before the Special Magistrate because they were not part of the final package. He said with respect to Articles 10, 17, and 23, the Union's position was to accept those proposals at the very onset of the negotiation process. The Union is still willing to accept the proposals as put forth by the City and reviewed by the Special Magistrate. He said the Union going into the impasse with the City had different positions. Then after going before the Special Magistrate, who was neutral, the Union made the decision to accept the Special Magistrate's recommendation in its entirety. He expressed both parties agreed to a Special Magistrate and both parties agreed to the Special Magistrate that was chosen and it is only fair to the City and the employees that they give some type of merit to the recommendations that the Special Magistrate has put forward.

Mr. Odom started with Article 10 - Layoffs. He said both parties are in agreement as to the language of Article 10. However, Article 10 is part of the City's package proposal, and therefore could only be accepted as part of the entire package. He said that this would include Articles 17, and 23.

Mr. Kramer made a motion to accept Articles 10, 17, and 23. Ms. Graves seconded the motion and it passed unanimously.

Mr. Odom addressed Article 15 – Annual Leave. In Article 15.09, the City proposes that 5 days of annual leave be advanced to employees during the first year of the contract following the freeze of the annual leave bank. The Union proposed that 15 days of annual leave be advanced to employees during the first year of the contract. The Special Magistrate was in favor of 15 days.

Mr. Myers agreed that 15 days was the Union's proposal, which was also adopted by the Special Magistrate.

Mrs. Turner objected going to 15 days because of the burden that it would put on the administration for that length of time. She felt the advancement of 5 days is acceptable and they should accept the City's position.

Mr. Odom explained how the Police Unions' negotiated this. He said the Police Department Rank and File employees went with the five (5) days, and the Lieutenants agreed to 20 days, but they are exempt employees and not paid overtime. He said that there were concessions made.

Ms. Graves suggested cutting down the time to 10 days.

Mr. Odom explained the 10-day advancement to the employee could present some problems to the City Accounting Department.

Mr. Jim O'Connor, City Manager, stated that the employee could still take time out of their frozen bank if they needed to.

Mr. Myers felt that either way it was not costing the City any money. He said whether the employee accrues the time over duration or they are given the time in advance, it is not costing the City any additional money.

Mrs. Turner said if the employee leaves the City then there would be no way to recover those costs.

Mr. Myers explained that this would just be for the start up period of transitioning from the current system to the take it or lose it system.

Mrs. Turner stated those employees with short-term employment who would be awarded 15 days of vacation, would automatically get 15 days of vacation that first year. She said normally an employee would have to work five (5) years to get 15 days of vacation and now they are going to automatically get it right away.

Mr. Odom explained that the City's intent of this by the City was to advance days in year one because the frozen bank is still in place, but an employee cannot add to it, but they can take vacation time from it.

Mr. O'Connor agreed with Mr. Odom that the risk is if someone took 15 days and then came into work and handed their supervisor a resignation letter. The City would not be able to recover those days from the employees' paycheck.

Mrs. Turner made a motion to move forward with the City's position. The motion died for lack of a second.

Mr. Kramer made a motion to change the 15 days to 10 days of annual leave advancement to the employee for only year one. Ms. Graves seconded the motion and it passed 4-1 with Mr. Old voting yes, Ms. Graves yes, Mrs. Turner no, Mr. Kramer yes, and Mayor Winger yes.

Mr. Odom went to Article 19 – Holidays. The City's proposal in Article 19.01 is to eliminate one holiday, which would be Good Friday. In Article 19.03, the City proposes to eliminate the "substitute holiday." The City proposes to pay all employees one days' wages for each holiday. The City also proposes to pay additional time and one-half wages to all employees who actually work the day of the holiday. The Union proposes that the status quo on holidays be maintained.

Mayor Winger requested that they deal with these two issues independently.

Mrs. Turner commented that the City currently has 11 paid holidays and she thought that the County currently had 10 paid holidays. She was told the Police Department agreed to have 9 paid holidays. The Police Department lost two holidays, but were given a compensatory day for their birthday, which would equal 10 days. Mrs. Turner felt that it was important to get to a reasonable number of paid holidays. She suggested getting down to 10 paid holidays across the board. She did not care what holiday they decided to give up. She felt they should have the same number of paid holidays and that they were consistent. She said as far as the substitute holiday pay, she felt it was absurd.

Mr. Myers reminded everyone that this was a quasi-judicial hearing and how important it was to hear both sides. He said the City has had 11 paid holidays for years. The current non-bargaining employees receive 11 paid holidays. He said Good Friday is an important holiday to this Union. The Special Magistrate weighed in on this and recommended that the parties maintain 11 holidays and accept the City's proposal to only pay extra holiday pay to those employees who actually work the day of the holiday, would result in the elimination of the substitute holiday rule.

Mr. O'Connor explained having the extra holiday would have very little impact on the City.

Mr. Kramer asked if the County has 11 paid holidays. Mr. Myers referred to the County's contract and determined that they have 10 paid holidays. He said the majority of entities that he represents have 11 paid holidays a year. Mr. Kramer expressed that they can control the wages and terms within the City, but they are competing in a job market, which is something that they cannot control. He would hate to see that they were getting to the point that they were encouraging people to leave the City of Vero Beach. He said they have a lot of good employees that they would like to keep. On the other hand they do have a budget that they have to stay within. Mr. Myers agreed with Mr. Kramer's comments. He expressed that Good Friday was an important holiday to the employees to have off.

Ms. Graves said to Mr. Kramer's point that they need to be competitive, but also maintain their budget and seeing that this has no financial impact on the City, she made a motion that Good Friday stay as is. Mr. Kramer seconded the motion and it passed 4-1 with Mr. Old voting yes, Ms. Graves yes, Mrs. Turner no, Mr. Kramer yes, and Mayor Winger yes.

Mr. Odom brought up the second part of this Article, which is that the City proposes to eliminate the "substitute holiday."

Mr. Myers conceded to this as it was a part of the Special Magistrate's recommendation.

Ms. Graves made a motion to eliminate the substitute holiday pay. Mrs. Turner seconded the motion and it passed 5-0 with Mr. Old voting yes, Ms. Graves yes, Mrs. Turner yes, Mr. Kramer yes, and Mayor Winger yes.

Mr. Odom referred to Article 20 – Wages. He said the City proposes no wage increase for 2014-2015 fiscal year and elimination of the longevity step plan. The City proposes that wages be negotiated on an annual basis. The Union proposes a 2% wage increase and all employees would be moved up to their appropriate step on the longevity step plan as if the step plan had not been frozen in 2009. Additionally, the Union proposes that certain call taker and customer service employees be advanced in their respective pay scale.

Mr. Myers added that the Special Magistrate's position was that employees be placed in the appropriate step on the longevity step plan; not require any further upward movement on the longevity step plan unless agreed to by the parties through bargaining; no general wage increase for 2014-2015, unless the City gives a pay increase to other employees; and a reopener provision for wages for fiscal year 2015-2016. He said this would be the Union's position today.

Both parties agreed to first discuss whether or not there would be a wage increase for 2014-2015 and then they would take the longevity step plan as a separate item.

Mayor Winger commented that there is not any money in the budget for a wage increase so they would need to look at salary increases down the road.

Mr. Myers commented that sometimes you can't look at just one item, but the entire package that they are at impasse on. If they adopted the Special Magistrate's recommendation in its entirety it would save the City \$300,000 for fiscal year 2014-2015. The Union's proposal before them today, which is the same as what the Special Magistrate recommended, will save the City \$300,000, which is more than what they have budgeted for fiscal year 2014-2015. These savings would come from the City's proposal to move to the defined contribution plan. He said as far as retirement, the Union proposes maintaining the status

quo as to existing employees, except that their contribution rate will be increased to 4.25%. Additionally, the Union proposes placing all newly hired employees into a defined contribution plan.

Mr. O'Connor expressed that their unfunded pension is around \$30 million dollars.

Mayor Winger stated that he believed it was mandatory that they enter into a position that they deal with the pension and he does not see how that is possible unless they change the system. He felt that the City must plan for the long-term and take steps so that the unfunded pension does not escalate.

Mrs. Turner recalled that employees received a 3% raise last February and that needs to be considered. She asked Mr. O'Connor if there were any employees who did not receive the 3% increase in wages when the bargaining units did.

Mr. O'Connor explained the City settled the Police contract giving them 3%, then came the Teamsters and they settled with them at 3% and the management employees received 3% the following year. He said he was not too crazy about the me-too clauses because it restricts future action if the Council wants to do something moving forward. He does agree with having the one-year annual wage opener. He said with the step longevity plan in six years there has been one pay increase, which did not involve the step program. He said the steps have almost become antiquated in the process, meaning they don't have any real relevance to what has taken place over the last six years. He felt if they started adjusting the longevity increases that they could have major financial impact on the City.

Mayor Winger asked Mr. O'Connor to explain how the step system works.

Mr. O'Connor explained that when the step program was initially developed it worked. It was put into place to reward the employees who had been employed by the City on a longevity basis.

Mr. Odom added that the longevity plan has been frozen since 2009. He explained in the Teamster's contract it addresses the longevity step plan program. There is a start rate for each position, then a six-month rate, then a 3,5,7,9,10,15, and 20, year step rate. He said after 20 years there is no more further steps. He said the wage increase is a different element to the step increase proposal. The approximate cost of moving employees to the appropriate place on the step plan for Teamster employees would be around \$112,000.

Mr. Myers recalled that he appeared before Council about this same time last year and they talked about wages and the step plan and the situation with the call takers and customer service employees and he remembered that the Mayor gave direction that those are things that need to be fixed in the budget. But, as he recalls this never came up one time in the budget on how Council was going to budget money to fix these important issues. He said as far as the longevity steps go, they have employees who were hired with the expectation on what the increase would be when they move up in the step program. He said this was an expectation that the City would live up to as to what they told their employees. He said this is all they are asking Council to consider today. They have moved off the wage increase for 2014-2015 and are just asking them to adopt what the Special Magistrate has recommended.

Mayor Winger felt that Mr. Myers' point that this should be looked at during the budget session is correct.

Mrs. Turner objected to the step program in concept. She said if there are two people performing the same job at the same skill level why should one person be earning significantly more. She was in favor of paying for performance and not for longevity. She was not in favor of continuing this outdated system.

Mr. Odom went over the different phases of this Article. He said there was the wage increase, the longevity plan, and putting the call takers and customer services employees on their pay plan (cost the City between \$52,000 - \$55,000 to implement this). He said that his job was to bring something back to the Unions to ratify so that they can have some type of agreement so they are not back in negotiations next month and would carry them over until September 2016.

Mr. Old asked if the step system is used in a lot of places.

Mr. Odom explained it is not used in the public sector, but it is common in government.

Mrs. Turner commented that Mr. Myers has mentioned an interesting fact that if they arrive at an agreement to these terms that their contract would be good only until 2016. She said they would not have three years from the time they reach agreement.

Mr. Myers explained the position with respect to the City Union was to have a two-year contract and the Teamsters accepted the proposal. So the duration would be through September 2016, but this was not an issue discussed at impasse.

Mrs. Turner commented that the existing contract expired in 2013. Mr. Odom explained that when they went to impasse the contract was only good for the rest of the fiscal year. He said what Mr. Myers is saying is that if there could be an agreement that the Union would accept and vote to approve then there would be "labor peace" and would not be back at the bargaining table next month. If that does not happen then only those Articles that were imposed by Council today would be imposed for the rest of this fiscal year and the status quo would be in place as to the other Articles.

Mr. Odom cleared a couple of things regarding the longevity step plan. He said if Council chooses not to move employees up on the longevity step plan it does not mean that they have to eliminate the plan. However, they do have to decide whether there will be a wage increase for 2014-2015 and they have to decide whether they will move employees up on a longevity step plan or keep them where they are.

Mayor Winger asked in their budget discussion for 2015-2016, could they bring something forward to fix the longevity plan. Mr. O'Connor said he could include the costs at budget time to do this.

Mr. Myers told Mayor Winger by doing that all he was doing was assuring them that they would be back in negotiations in the next few months.

Ms. Graves was concerned that they have this plan they are not using and it has been frozen. She said Council agreed they would do something about it and they did not. The problem with the wage increase right now without addressing the longevity plan is what the Special Magistrate talked about it being a growing disparity. She would like to see them have a concrete plan that they actually would use. She didn't see any reason of having a plan that is frozen and creating inequities across the board. They need to have a plan that they can utilize to reward employees who perform well and show loyalty to the City.

Mr. Myers expressed that the City has produced records showing where each person would be if they were using the longevity step plan and that dollar figure comes to \$112,000, plus an additional \$50,000 for the customer service and call service reps to be included in the step plan.

Mr. Odom reiterated to Council to keep in mind the only issue at impasse is the wage increase for 2014-2015. He said the City's proposal concerning the longevity step plan was to eliminate it, which Council may not choose to do.

Ms. Graves said that she would not want the longevity plan eliminated today because if they do it may become a forgotten issue and never brought up again.

Mr. Odom recommended to Council that they decide on the wage increase for 2014-2015, then decide whether they are going to move employees up on the step plan for this year, and then decide whether or not they are going to eliminate the longevity step plan.

Mayor Winger asked if they agreed to implement the longevity step plan, when would it go into effect. Mr. O'Connor said probably around March 1.

Mr. Odom explained to Council that whatever they approve today would go to the Union to vote and if the Union voted the contract down the Articles that Council votes on today would go into effect. The remaining Articles would fall by the wayside and the status quo would be in place.

Mayor Winger made a motion that there will be no wage increase. Mrs. Turner seconded the motion and it passed 5-0 with Mr. Old voting yes, Ms. Graves yes, Mrs. Turner yes, Mr. Kramer yes, and Mayor Winger yes.

Mr. Kramer made a motion to address the wages on an annual basis through a reopener clause in the contract. Ms. Graves seconded the motion and it passed 4-1 with Mr. Old voting yes, Ms. Graves yes, Mrs. Turner no, Mr. Kramer yes, and Mayor Winger yes.

The last issue to discuss was whether or not they agree to move the employees up on the longevity step plan to where they would have been before the freeze. The City's position is not to do that and the Union's position is to do it, which is what was recommended by the Special Magistrate.

Mr. Old asked what amount of money are they talking about if it was retroactive to October 1st. He was told it is around \$160,000 and this would be a reoccurring cost.

Ms. Graves brought up the call takers and customer service reps who are on a different progression scale than other employees. She asked if there was a greater disparity in the wages with these particular positions compared with other positions. Mr. Myers said that it is greater. He said that each step is only separated by 15 cents per hour. He explained that in 2009 the City came to the Union and said they could not afford the longevity step plan at this time and the Union ratified it to freeze the step plan with the expectation that it would be implemented down the road as soon as the economics in the City turned around. He said they are not talking about large increases given to the employees. Ms. Graves was concerned that this type of disparity is addressed across the board. She asked if they do not use the longevity step plan, can they come up with something else that everyone agrees with. Mr. Myers agreed they could always move and transition to some other type of system, but in doing so

knowing they have been with a certain system for 15 years there will be a lot of inequities within a new system that they have created.

Mr. Kramer asked if the \$160,000 figure mentioned is inclusive of the customer service, dispatchers, and moving each employee to the step that they need to be at.

Mrs. Turner stated that she was a strong proponent for pay for performance and not based on longevity.

Council agreed to table this item and come back to it after they have discussed Article 24.

Mr. Odom brought up Article 24 – Retirement. The City proposes that the defined benefit pension plan be frozen and all employees offered a defined contribution plan. The City would contribute 7% to the plan. Existing employees would contribute 3% and new hire employees would contribute 5%. The Union proposes maintaining the status quo as to existing employees, except that their contribution rate will be increased to 4.25%. Additionally, the Union proposes placing all newly hired employees into a defined contribution plan. This was also the Special Magistrate's position.

Mr. Myers stated that the Union's position is that the employees would contribute 1% more, which will reduce the City's liability moving forward. He said if nothing was done and all the employees were transferred to the defined contribution plan it would not eliminate any current liability that the City has in regards to the pension. The employees additional 1% contribution would be approximately \$167,000 annually towards the pension, which would mean the Union's proposal would save the City \$597,000 for fiscal year 2014-2015. The City budgeted this year approximately \$430,000 to transition into the defined contribution plan, so there would be a total of \$597,000 for a complete savings for fiscal year 2014-2015. When the City Actuary made his presentation to Council on the pension plan on May 5, 2014, he said if no changes are made to the plan it would be 75% funded within five years and could possibly be hundred-percent funded within 13 years. So with the proposed 1% that the Union has said they will contribute those numbers could possibly be seen sooner with no changes to the plan. Also, in 2009 the City came to the Union and stated they have to have pension reform. The Union accepted the pension reform and moved all of the employees from a 2.5 multiplier to a 1.6 multiplier moving forward. They allowed the increase of early penalty retirement if they retire early. He said they have sacrificed and made those changes and believes that with the pension reform that has been done the plan is on its way to recovery. He said by adopting the Union and Special Magistrate's position it will bring forward a strong pension in the future.

Mayor Winger told Mr. Myers that under State law the pension plan has to be fully funded within 13 years.

Mr. Myers explained what he meant to say is the plan could possibly be one-hundred percent funded based on no changes. He said they are now just starting to see the results of the changes that were made in 2009/2010.

Mayor Winger told Mr. Myers that the City is putting in \$3.5 million dollars every year for catch up. He said what changes in three to six years is the City will be in a more sustainable position with the defined contribution plan then it otherwise would be.

Mr. Myers respected Mayor Winger's position, but disagreed with it.

Mrs. Turner commented that their current defined benefit plan is based on a return of 7½% in the fund and in order for the City to gain ground to keep getting this funded not only do they have to reach that percentage as far as a return, but they have to exceed it so they can start catching up with this unfunded pension that they have. She said what they are doing with the defined benefit plan is imposing all the risks and uncertainty on the taxpayers. The City needs to stop increasing this liability and pay as they go.

Mr. Kramer disagreed with Mrs. Turner's comments. He said putting a little extra money into the fund does get it paid off quicker, but he does not like the idea of spending \$300,000 to entice their employees to leave. He said they could see their best employees leave and then all of sudden jobs are not being done. He liked the idea of ending the pension system and agreed with the Magistrate's recommendation.

Mr. Myers pointed out that the Union made the decision in bargaining that new employees would be placed into a defined contribution plan and it is something that the new employee knows coming in. He said what the City proposes could severely impact an employees retirement because their retirement is based on their best five year salary.

Mr. Kramer reiterated that he liked the Magistrate's position that the current employees keep their pension and the new employees get a 401K.

Ms. Graves stated that this is a very dramatic shift from what they had been doing and that their employees came here and put their time in under. Her issue with the switch is that they are not hitting a percentage in the defined contribution plan that hits the 12% that the Actuary said would approximately be needed to equal out the benefits. She said if they are going to switch a plan this dramatic then there has to be some leeway on that percentage. She said if the employees are contributing 3% then the City should be contributing somewhere around 8% or 9%, which would get them closer to the 12%.

Mrs. Turner did not understand Ms. Graves' proposal.

Ms. Graves explained if the City was contributing 7% and the employees are contributing 3% that equals 10% and if the City Contributed 9% it would get them to the 12%. She was trying to acknowledge that since this was such a dramatic shift shouldn't they work harder to be at the 12%.

Mr. Odom explained that one additional percent would amount to \$167,000. He said out of the General Fund it would be \$60,000 and the other \$137,000 would come from Enterprise Funds.

Mr. Old commented that he understood because of this new benefit plan being in place it would be equivalent to 12%.

Mr. Odom said that was the rationale. Mayor Winger added that it is equivalent to 12% for new employees and for existing employees it is equivalent to 7% plus 5%.

Mr. Myers asked Council to keep in mind that whether it is 9% or 7% and there is a different Council every year so the percentage could again change. By doing what the Union is proposing, new employees would know what to expect when they are hired and there would be a cost savings this fiscal year. He said in 2016 if this did not work then they could renegotiate it. He encouraged Council to

adopt the Union's proposal, which will save them money this fiscal year and save them money next fiscal year.

Mrs. Turner made a motion that they adopt the City's proposal that the defined benefit pension plan be frozen and all employees offered a defined contribution plan. The City would contribute 7% to the plan. Existing employees would contribute 3% and new hire employees would contribute 5%. Mayor Winger seconded the motion. The motion passed 3-2 with Mr. Old voting yes, Ms. Graves no, Mrs. Turner yes, Mr. Kramer no and Mayor Winger yes.

Mayor Winger asked that they go back and discuss Article 20 - Longevity Step Plan.

Mayor Winger had some concerns that they have a system, which they are not using and resume what they froze at the six month point.

Mrs. Turner commented that they have a bad system and the Mayor's suggestion would be just to go back and reinstate it. She felt the longevity step plan needed to stay frozen until they can come up with some kind of acceptable system that rewards employees for performance, skill and loyalty.

Mr. Kramer commented that they passed a budget and just spent between \$300,000 - \$400,000 with the retirement plan so it would be hard for him to agree to spend more money.

Mrs. Turner made a motion to continue to freeze the step system. The motion died for lack of a second.

Mr. Kramer commented that if they have an opener, and budget season is coming up they will start talking about this in another three or four months then this would be a moot point. He suggested tabling it. He was told by Mr. Odom that they have to vote on it.

Mrs. Turner made a motion that they continue to freeze the step system. Mayor Winger seconded the motion.

Mayor Winger amended the motion that they make a commitment to look into a permanent fix during the budget session. Mr. Kramer seconded the amendment. The Clerk polled the Council on the amendment to the motion and it passed 5-0 with Mr. Old voting yes, Ms. Graves yes, Mrs. Turner yes, Mr. Kramer yes, and Mayor Winger yes.

The Clerk polled the Council on the original motion to continue to freeze the step system and it passed 4-1 with Mr. Old voting yes, Ms. Graves yes, Mrs. Turner yes, Mr. Kramer no, and Mayor Winger yes.

Mr. O'Connor stated that since Council has voted to try to come up with a plan for the next budget season, he asked that the Union give the City some concepts similar to what they are negotiating in order to place that into the decision making for the City Council.

Mr. Myers felt they just did that. He did not believe the vote just taken was a legal vote.

Mr. Odom noted there were a couple of things that needed to be addressed. He said the first, which was the City's proposal to eliminate the longevity step plan. He said if it is Council consensus to look at the step plan in the next budget year, he knows what that vote would look like. He said for completeness purposes the Council needs to vote on that. The other item is that there needs to be a

motion that does not include language that they would like to review something for next year. He said that it is not part of this fiscal year's budget. He said there needs to be a motion not to move the employees up on the step plan.

Mrs. Turner made a motion to accept the City's position not to move the City employees up on the progression system this year. Mr. Old seconded the motion and it passed 5-0 with Mr. Old voting yes, Ms. Graves yes, Mrs. Turner yes, Mr. Kramer yes, and Mayor Winger yes.

Ms. Graves made a motion not to eliminate the step plan. Mr. Old seconded the motion and it passed 4-1 with Mr. Old voting yes, Ms. Graves yes, Mrs. Turner no, Mr. Kramer yes, and Mayor Winger yes.

5. ADJOURNMENT

Mr. Kramer made a motion to adjourn today's meeting at 4:52 p.m. Mayor Winger seconded the motion and it passed unanimously.

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