



# City of Columbia, Missouri

## Meeting Minutes

### City Council

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Monday, August 20, 2018  
5:00 PM

Work Session

Conference Room  
1A/1B  
Columbia City Hall  
701 E. Broadway

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#### I. CALL TO ORDER

The meeting was called to order at approximately 5:05 pm. Councilman Ruffin arrived at approximately 5:22 pm.

**Present:** 7 - Ruffin, Trapp, Thomas, Peters, Treece, Skala, and Pitzer

- Planning for City Council employee evaluations

City Manager Mike Matthes noted that we are planning for two closed sessions in September for the evaluation of the three employees that report to the council and wanted to confirm that was the plan. Mayor Treece stated that the council may also hold a closed session for that purpose on Monday, August 27th and stated that he would also like to keep both September sessions closed as well. The council agreed.

- Race, Equity, and Leadership (REAL) Debrief

**Attachments:** [Agenda for 2018 NLC University Forum - Leading Through Disruption](#)  
[Municipal Action Guide - Advancing Racial Equity in Your City - REAL](#)  
[Municipal Action Guide Discussion Questions - REAL](#)  
[301 Worksheet - REAL](#)  
[Agenda - REAL & YEF Council Joint Meeting](#)  
[Agenda - REAL Council Meeting](#)  
[NLC REAL Script](#)

Councilman Skala stated that he wanted to provide a summary of the Race, Equity, and Leadership (REAL) initiative established by the National League of Cities (NLC). The REAL initiative was started in the aftermath of Ferguson in August 2014 and was given full Council status by the NLC in 2018. Mr. Skala was appointed on the NLC Inaugural Council and is a National League of Cities University (NLCU) Fellow this year. He showed excerpts from a session video noting that the session was moderated by the Director of the NLC Clarence Anthony, and Tim Wise. The video noted that undoing racism in our cities is a discussion for city leaders and other experts on local efforts to respond to the national crisis that have elevated issues of race, racism, racial healing, and racial equity. The NLCU is hosting related events with the City Summit in the fall, Congressional Conference in the spring, Joint REAL and Leadership Forums in the summer. The NLC began a curriculum of courses at various levels of depth to lead folks through these issues.

Mr. Skala displayed the NLC Site and directed council members where to find the REAL group information and he briefly reviewed their mission, vision, and values and noted that there are many resources on the site. Mr. Skala played another excerpt from a seminar

which was an exercise on privilege. Mr. Skala summarized that the REAL Council is a wonderful organization helping many communities. He referenced the NLC Real Tactical Team brochure on the NLC site which summarizes the purpose of REAL and what it does. He asked the Council to give the City Manager permission to engage in conversations to see how this may benefit our city. Mayor Treece felt that it would be helpful to hear about new initiatives on this issue. There was a general consensus among the council to proceed with collecting more information on the REAL initiative, especially as we move forward with our next Strategic Plan. Video links and other links to material referenced by Mr. Skala are included on the attachment titled "NLC REAL Script".

- Northwest Medical Isotopes Chapter 100 Briefing

**Attachments:** [NWMI Chapter 100 Presentation](#)  
[NWMI Chapter 100 Attraction Project Scenario handout](#)

Dave Griggs explained that Northwest Medical Isotopes (NWMI) LLC has presented a Chapter 100 application. NWMI is a company that will manufacture a medical isotope that is converted to a critical medical drug that is currently in very limited supply and are unreliable. He provided a brief summary of the project noting that this project is \$109 million in capital investment on a 7.4 acre site at Discovery Ridge, and will bring approximately 104 fully benefited, good paying jobs with an average salary of \$35/hour. This is truly a transformational project that will anchor Columbia and the University of Missouri as a place in the country to make pharmaceuticals.

Mr. Ralph Butler stated that he represents NWMI and provided a brief overview of the project application explaining that NWMI has submitted an application for Boone County, MO Chapter 100 bonds. The objective is to produce a radioactive substance on a weekly basis which will be used to generate a medical image for diagnostic testing. NWMI has been approved to construct a medical radioisotope productions facility at Discovery Ridge Research Park. The building has a fairly large footprint at 52,000 square feet. He reviewed the project status noting that we are ready to move forward with construction. The final design will come in the next few months and construction will be completed in 2020 and operational in 2021. He concluded by explaining that Columbia provided the best overall fit for NWMI. The City and County have shown an ideal balance between supporting businesses through their Chapter 100 tax revenue bonds, creation of new jobs while supporting a commitment to education, technology innovation and protecting the environment.

Mr. Griggs added that this is a highly regulated facility and the reactor already makes two radioactive isotopes used in pharmaceuticals. He stated that Chapter 100 is an important step in finalizing the financing for the project. A handout was provided and Mr. Griggs noted that an abatement of 50% real and personal property was requested on the application and stated that it was estimated that the City of Columbia would receive approximately \$381,350 on real and property tax after the abatement. Mr. Griggs added that the facility was assessed at \$45 million. Mayor Treece stated that he fully supports this project and it is exactly the type of company we want to locate at Discovery Ridge and could encourage others to also relocate to Discovery Ridge. Mr. Griggs stated that they would like the Council to authorize their taxing entity representative on the board, which is the Mayor, to vote favorably for the project. The council was supportive of the project.

- Pay Plan Options

**Attachments:** [Council Budget Presentation](#)  
[Compensation philosophy/Comp Plan Rules](#)  
[Sales Tax letter from State re: supplemental tax payment](#)

Human Resources Director Margrace Buckler explained that in 2012 and 2013, we got a consultant to review and study our pay and compensation. They reviewed our compensation structures and from that came the Council adopted policy resolution PR193-13, the Compensation and Pay Plan Philosophy. This included move to minimum adjustments, move to midpoint adjustments that are experience based, across the board adjustments, and performance based adjustments. Market data is reviewed annually. If pay ranges are moved, then anyone not making the new minimum must be moved. If we fund move to midpoints, then anyone in their position for five years, should be moved to midpoint. All employees are still eligible for across the board raises. Any pay raise beyond the midpoint are performance based. Ms. Buckler noted that the plan has not necessarily been followed and much of it is based on available funds. Mayor Treece asked if other raises have been issues outside of this plan. Ms. Buckler stated there have been. For several years, there have only been across the board raises. She reviewed the history of employee raises that were part of the compensation plan. She noted that in FY17, FY18 and FY19, we did not move the pay ranges. A new market survey and recommendations are being worked on now by a consultant, but will not be ready until closer to the end of the year.

Mr. Matthes noted that if funds were available and we had kept on pace with the pay and compensation plan, the salaries for linemen would be competitive. Ms. Buckler added that there is an ordinance stating that if someone is promoted to a supervisor, they receive a 5% adjustment, but they also must make more than their highest paid subordinate. Mayor Treece asked if all department directors report to the city manager. Mr. Matthes stated that they do not, some report to the deputy and assistant city managers. Mr. Matthes explained that the General Fund has the largest number of employees and has the highest cost for pay adjustments. Due to declining sales growth and significant increases in pension costs, it has been difficult to fund adjustments.

Mr. Matthes reviewed several pay scenarios that were requested by council. Option 1 is moving employees to midpoint. This would cost \$679,731 more than we have funded in the general fund, and \$524,721 for employees in other funds. This would need to be permanent ongoing funds. This option would honor the pay plan and somewhat addresses compression, but there are still salary pay bands that would not be what the consultant recommended, the low starting rate would still make it difficult to recruit, and mid-points would still be lower than the recommended rate. Option 2 would be to change the salary bands to the recommended ranges. This would be a \$494,746 impact to the General Fund and a \$459,842 impact to the other funds. This would increase the compression issue and employees at 5 years or more still may not be at midpoint, but would help with recruitment by having higher starting pay rates. Option 3 is to change the recommended midpoint ranges and fund them. This would cost \$1.4 million for the General Fund and \$1 million for the other funds. Option 4 is an additional .25 cent across the board pay increase in addition to the already proposed .25 cent increase in the proposed budget. Option 5 is to provide another temporary payment to employees like we did last year at \$40/check for 25 checks. This is a one time payment and would not have a future impact on the budget.

Mr. Matthes reviewed the funding available in the General Fund noting that it is one-time funding. The General Fund Reserves are at \$4.5 million and are above the reserve target. Using these funds is high risk because they may not be available for future use. Mr. Skala commented that some of the higher paid employees could be excluded from a

raise in an effort to raise the minimums for the lowest paid employees and help move employees to midpoint. Ms. Buckler stated that could be done so long as it is in a methodical manner. Another concern is that if only the minimum is moved, then there would be new employees making more than longer term employees. Mr. Matthes reviewed some of the council suggestions for funding pay raises noting that we could change the FY19 sales tax assumption from -2 to -1%. This is considered high risk as we are currently seeing 2.04% decrease over FY17. This assumption change would amount to \$433,177. Mr. Matthes clarified that the check received by the Department of Revenue was a total of \$3 million, but that was only \$1 million over what we normally receive. Another option would be to reduce the amount set aside for paying out long term general fund employees who retire. This is low risk and amounts to \$148,000. There is also \$89,549 in Misc. Contractual that could be spent elsewhere. \$600,000 would be available if we increase police turnover rates. Ms. Peveler reviewed the general fund sales tax data by filing period.

Mr. Matthes stated that he hopes to hear more from council on what direction they would like to pursue on pay plans and he can provide a recommendation for that. Mayor Treece liked the idea of a \$15 minimum pay for full time positions and a move to midpoint.

- Fire Station #11 Options

This was not discussed due to time constraints.

## II. ALL OTHER ITEMS THE COUNCIL MAY WISH TO DISCUSS

None.

## III. ADJOURNMENT

The meeting adjourned at approximately 7:00 pm.