

Dear Grand View City Employee,

This letter is to provide you notice that the City of Grand View is considering making changes to the Grand View City Employee Policy Manual, as well as potential changes regarding certain City positions. Attached to this email are two documents: 1) **Proposed Changes to the Grand View City Employee Policy Manual**, and 2) a **Budget Reduction Proposal**. You are invited to review these documents and provide any input you have on these **proposed changes** in writing to Mayor Danny Martinez by May 8th, 2020. The City Council will introduce and review these documents at the April 2020 meeting, but no vote will be taken on them until the May 2020 meeting.

Sincerely,

Danny Martinez  
Mayor

### AT-WILL EMPLOYMENT

All employees of the City are at-will and are employed at the discretion of the Mayor and/or the head of the department in which the employee works. Only a signed written contract authorized by the City Council can alter the at-will nature of employment regardless of anything written or spoken by the Mayor or supervisor. Employees have no right to continued employment or employment benefits, except as may be agreed to in writing and expressly approved by the City Council. All provisions of this Policy will be interpreted in a manner consistent with this paragraph. In the event of any irreconcilable inconsistencies, the terms of this paragraph will prevail.

**This Policy is not a contract of employment and does not create a contract of employment.** This Policy does not create a contract, express or implied, guaranteeing you any specific term of employment, nor does it obligate you to continue your employment for a specific period of time. Its purpose is simply to provide you with a convenient explanation of present policies and practices of the City.

The City reserves the right to modify any of the policies, benefit offerings, and procedures, including those covered in this Policy, at any time, without prior notice to, and consent of, city employees. Changes may be made in the sole discretion of the City Council.

## **WAGE & BENEFITS REDUCTION PROPOSAL**

1. Grand View (City) proposes to reduce budget expenditures, and may consider the reduction of employee salary and benefits, as a cost savings measure to be able to help pay for emergency drinking water and mandated wastewater projects. Including, the elimination of medical insurance benefits for employees working less than 32 hours per week, and the elimination of PERSI (retirement benefits) for employees working less than 20 hours per week.

### **2. History/ Business Priorities**

- (a) Idaho Department of Environmental Quality (IDEQ) Drinking Water CAS signed June 2019- requires nitrate mitigation and a compliant back-up well. A facility plan is currently due July 31<sup>st</sup>, 2020. An extension of the due date has been submitted to IDEQ. The facility plan alone is estimated to be a \$50,000 dollar project. Depending on the engineer's findings, the cost of mitigating the nitrates is in addition to the facility plan, which may include requiring a new well. Costs have been estimated as high as \$250,000.
- (b) IDEQ deadline on wastewater system; facility plan was originally due in 2018. Sewer lagoons are out of compliance. A letter signed with IDEQ in 2012 or 2013 stating the City would bring the lagoon into compliance within 10 years. Current estimate is that the lagoons will be at least a one million dollar (\$1M) project.

### **3. City Financial Position / Funding Options for Projects**

- (a) After budgeting for 3 months of recurring regular business expenses, the City has identified and designated \$124,430 in available funds to pay for a portion of the City water and wastewater projects. An estimated \$58,861.60 for water projects, \$32,574.40 for wastewater projects, and approximately \$33,000 in the City's general fund.
- (b) The City has applied for, and will continue to pursue, grants to pay for the upcoming water and wastewater projects. It is understood most federal and state funding sources require the City to match the grant funds. Match ratios vary by funding source. The City's current

\$50,000 IDEQ Drinking Water Grant request has a 50% match, so the City's match portion is \$25,000.

**4. Reduction of the Largest Budget Expenditures**

To actualize the funds needed to pay for the projected infrastructure costs, the City may consider a reduction in the City wage and benefits budget categories.

See Table I for the City Public Works 2020 wages and benefits.

2080 Hours Annually	Wage	Payroll Taxes	Health Ins.	PERSI 11.94%	Total w/Benefits
<b>Employee #1</b> \$23.18 p/hr – ave. 7.06% tax liabilities	\$48,214.40	\$3,404.64	\$2,501.52	\$5,756.80	\$59,877.36
<b>Employee #2</b> \$15.74 p/hr – ave. 6.26% tax liabilities	\$32,739.20	\$2,311.92	\$4,910.40	\$3,909.06	\$43,870.58
<b>Totals</b>	\$80,953.60	\$5,716.56	\$7,411.92	\$9,665.86	\$103,747.94

TABLE I

5. **Proposed Budget Reduction Options- See Table II** – all options may include the City Clerk reading meters.

	Wages	Taxes	PERSI	Total
<b>Proposal 1</b> W&S Emp 30 hrs/week & Contract Lawn Care for 7 months				
W&S Employee	\$36,160.80	\$2,766.30	\$4,317.59	\$43,244.69
Lawn Contractor	\$6,000.00			\$6,000.00
<b>Total Expense</b>				<b>\$49,244.69</b>
<b>Proposal 2</b> W&S Emp 18 hrs p/wk year round & Contract lawn & tree care, bathrooms, garbage, meter reading, etc.				
W&S Employee	\$21,696.48	\$1,659.78		\$23,356.26
Maintenance Contractor	\$14,000.00			\$14,000.00
<b>Total Expense</b>				<b>\$37,356.26</b>
<b>Proposal 3</b> W&S Emp 18 hrs p/wk; Maintenance Emp 18 hrs p/wk & Contract lawn care for 7 months				
W&S Employee	\$21,696.48	\$1,659.78		\$23,356.26
Maintenance Employee	\$14,732.64	\$1,127.05		\$15,859.69
Lawn Contractor	\$6,000.00			\$6,000.00
<b>Total Expenses</b>				<b>\$45,215.95</b>
<b>Proposal 4</b> W&S Emp 30 hrs p/wk; Maintenance Emp 18 hrs p/wk; No benefits.				
W&S Employee	\$36,160.80	\$2,766.30		\$38,927.10
Maintenance Employee	\$14,732.64	\$1,127.05		\$15,859.69
<b>Total Expenses</b>				<b>\$54,786.79</b>

TABLE II

6. **Project Annual Budget Reduction Savings- See Table III**

	Proposal 1	Proposal 2	Proposal 3	Proposal 4
<b>Current 2020 Wage &amp; Benefits Expenses</b>	\$103,747.94	\$103,747.94	\$103,747.94	\$103,747.94
<b>Less Proposed Wage &amp; Benefit Reduction</b>	<b>-\$49,244.69</b>	<b>-\$37,356.26</b>	<b>-\$45,215.95</b>	<b>-\$54,786.79</b>
<b>Projected Annual Savings</b>	<b>\$54,503.25</b>	<b>\$66,391.68</b>	<b>\$58,531.99</b>	<b>\$48,961.15</b>

TABLE III