



**Maize City Council Workshop
October 6, 2014 @ 6pm**

- 1. Goal and purpose**
 - A. This is an informal meeting of the Maize Council and Staff.**
 - B. No action will be taken**

 - 2. Discussion Topics:**
 - A. Housing & Commercial Tax Incentive Program**
 - B. City Organizational Chart Update**
 - C. Employee Pay Plan Review**
 - a. Format for this item:**
 - Council received memo and attachments from Richard outlining pay plan proposal points
 - Department Heads/Staff will be allowed to address Council at workshop regarding the pay plan proposal
 - Department Head/Staff will be excused from the workshop
 - Discussion among Council members and Richard
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- 3. Objective for Meeting:**

To determine Council input and direction for the above topics
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- 4. Adjournment:**
 - a. Estimated at 8pm**



MEMO:

DATE: 10-2-14
TO: Mayor and Council Members
FROM: Staff
SUBJECT: Economic Development Tax Incentives

The current housing incentive program was implemented in August 2011. Its purpose was to assist and stabilize a struggling housing market. Builders and developers were on the verge of defaulting due to a stagnant housing market and the City at large would have been responsible for the special tax debt incurred by these developers.

The ten-year grant/tax plan provides new homeowners a refund of paid Maize annual taxes on a sliding scale. The first three years is a 100% refund, the next three years is an 80% refund, the next two years is a 60% refund and the final two years is a 40% refund. The incentive is bound to the property and can be transferred if the property is sold during the grant period. The program has been reviewed during the past four years and extended through 2014. Currently 159 homes have qualified for the incentive program. This number does not reflect a majority of the 2014 home permits that have been issued.

The program has been very successful and resulted in the largest increase in new home starts in the history of Maize. In fact, during this incentive period, per-capita, Maize has had more housing starts than any other city in the State, by far. This strategy has established the base for the continuing growth in the city's assessed valuation, the increase in population and the strong balance of the City's financial growth and stability.

The current housing market has improved since 2011, but still requires monitoring and review. Maize taxes still remain 31-mills higher than Wichita, which is our primary competitor in the housing market. Additionally, the majority of the seven housing developments in Maize are getting close to exhausting their lot supplies. So it is anticipated that, regardless of the housing incentives in place, the overall number of housing starts will begin to decrease. It is further expected that the housing market in Maize will remain sturdy and above average when compared to other cities. Attached is a chart showing the number of housing starts from 2008 through September 2014. (*Attachment A*)

After review, Staff is recommending the Council consider modifying the current 10-year tax incentive program to a 5-year tax incentive program beginning on January 1, 2015. This program could be implemented for 1 or 2 years subject to review at any time. The 5-year plan would provide three-years at 100% refund, the fourth year at 75% refund and

the final year at 50% refund. Attached is a chart showing housing grant examples of the 5-year plan. (*Attachment B*)

Some exceptions to this 5-year plan are also recommended.

There are currently several large parcels of land that would be of benefit if they were to agree to being annexed into the City. Staff is recommending a plan be developed to allow these parcels to be eligible for the 10-year tax incentive plan if they consent to be annexed and platting and/or building begins within a certain time frame. (*Attachment C*)

Staff recommends the current Commercial tax incentive plan remain in place and that it be extended through 2015. Staff will also be discussing some flexibility for certain commercial businesses.

				ATTACHMENT A
NEW SINGLE-FAMILY HOME PERMITS	2006	2007	2008	2009
JANUARY	2	4	1	1
FEBRUARY	0	3	0	8
MARCH	0	3	3	3
APRIL	7	6	7	1
MAY	9	5	5	4
JUNE	1	1	3	6
JULY	2	2	0	2
AUGUST	12	2	2	0
SEPTEMBER	6	4	1	12
OCTOBER	1	2	0	1
NOVEMBER	0	4	2	0
DECEMBER	3	0	0	6
YEAR TOTAL	43	36	24	44
TOTAL VALUATION	\$ 7,035,479.00	\$ 7,781,792.00	\$ 6,980,505.00	\$ 7,721,690.00
YEARLY NEW HOME AVERAGE	\$ 163,615.79	\$ 216,160.89	\$ 158,647.84	\$ 175,492.95

ATTACHMENT A, PAGE 2				
2010	2011	2012	2013	2014
1	1	2	8	6
0	1	9	5	12
2	1	2	11	9
2	2	5	12	13
1	3	10	6	4
8	0	2	9	6
1	3	2	7	4
1	4	7	3	6
4	6	6	5	6
0	3	8	9	
2	3	6	5	
2	3	3	6	
24	30	62	86	66
\$ 4,947,210.00	\$ 7,857,824.00	\$ 16,442,660.00	\$ 24,587,351.00	\$ 18,560,075.00
\$ 206,133.75	\$ 261,927.47	\$ 265,204.19	\$ 285,899.43	\$ 281,213.26

Housing Grant Examples - 5 Year (100/100/100/75/50)

Year	Appraised Value	Grant Amount
1	\$ 100,000.00	\$ 498.21
2		\$ 498.21
3		\$ 498.21
4		\$ 373.66
5		\$ 249.11
Total		\$ 2,117.41

Year	Appraised Value	Grant Amount
1	\$ 300,000.00	\$ 1,494.64
2		\$ 1,494.64
3		\$ 1,494.64
4		\$ 1,120.98
5		\$ 747.32
Total		\$ 6,352.23

Year	Appraised Value	Grant Amount
1	\$ 500,000.00	\$ 2,491.07
2		\$ 2,491.07
3		\$ 2,491.07
4		\$ 1,868.30
5		\$ 1,245.54
Total		\$ 10,587.06

1	\$ 150,000.00	\$ 747.32
2		\$ 747.32
3		\$ 747.32
4		\$ 560.49
5		\$ 373.66
Total		\$ 3,176.12

1	\$ 350,000.00	\$ 1,743.75
2		\$ 1,743.75
3		\$ 1,743.75
4		\$ 1,307.81
5		\$ 871.88
Total		\$ 7,410.94

1	\$ 600,000.00	\$ 2,989.29
2		\$ 2,989.29
3		\$ 2,989.29
4		\$ 2,241.97
5		\$ 1,494.64
Total		\$ 12,704.47

1	\$ 225,000.00	\$ 1,120.98
2		\$ 1,120.98
3		\$ 1,120.98
4		\$ 840.74
5		\$ 560.49
Total		\$ 4,764.18

1	\$ 425,000.00	\$ 2,117.41
2		\$ 2,117.41
3		\$ 2,117.41
4		\$ 1,588.06
5		\$ 1,058.71
Total		\$ 8,999.00

1	\$ 700,000.00	\$ 3,487.50
2		\$ 3,487.50
3		\$ 3,487.50
4		\$ 2,615.63
5		\$ 1,743.75
Total		\$ 14,821.88

Housing Grant Examples - 10 Year

<u>Year</u>	<u>Appraised Value</u>	<u>Grant Amount</u>
1	\$ 100,000.00	\$ 498.21
2		\$ 498.21
3		\$ 498.21
4		\$ 398.57
5		\$ 398.57
6		\$ 398.57
7		\$ 298.93
8		\$ 298.93
9		\$ 199.29
10		\$ 199.29
Total		\$ 3,686.79

<u>Year</u>	<u>Appraised Value</u>	<u>Grant Amount</u>
1	\$ 300,000.00	\$ 1,494.64
2		\$ 1,494.64
3		\$ 1,494.64
4		\$ 1,195.71
5		\$ 1,195.71
6		\$ 1,195.71
7		\$ 896.79
8		\$ 896.79
9		\$ 597.86
10		\$ 597.86
Total		\$ 11,060.36

<u>Year</u>	<u>Appraised Value</u>	<u>Grant Amount</u>
1	\$ 500,000.00	\$ 2,491.07
2		\$ 2,491.07
3		\$ 2,491.07
4		\$ 1,992.86
5		\$ 1,992.86
6		\$ 1,992.86
7		\$ 1,494.64
8		\$ 1,494.64
9		\$ 996.43
10		\$ 996.43
Total		\$ 18,433.94

1	\$ 150,000.00	\$ 747.32
2		\$ 747.32
3		\$ 747.32
4		\$ 597.86
5		\$ 597.86
6		\$ 597.86
7		\$ 448.39
8		\$ 448.39
9		\$ 298.93
10		\$ 298.93
Total		\$ 5,530.18

1	\$ 350,000.00	\$ 1,743.75
2		\$ 1,743.75
3		\$ 1,743.75
4		\$ 1,395.00
5		\$ 1,395.00
6		\$ 1,395.00
7		\$ 1,046.25
8		\$ 1,046.25
9		\$ 697.50
10		\$ 697.50
Total		\$ 12,903.76

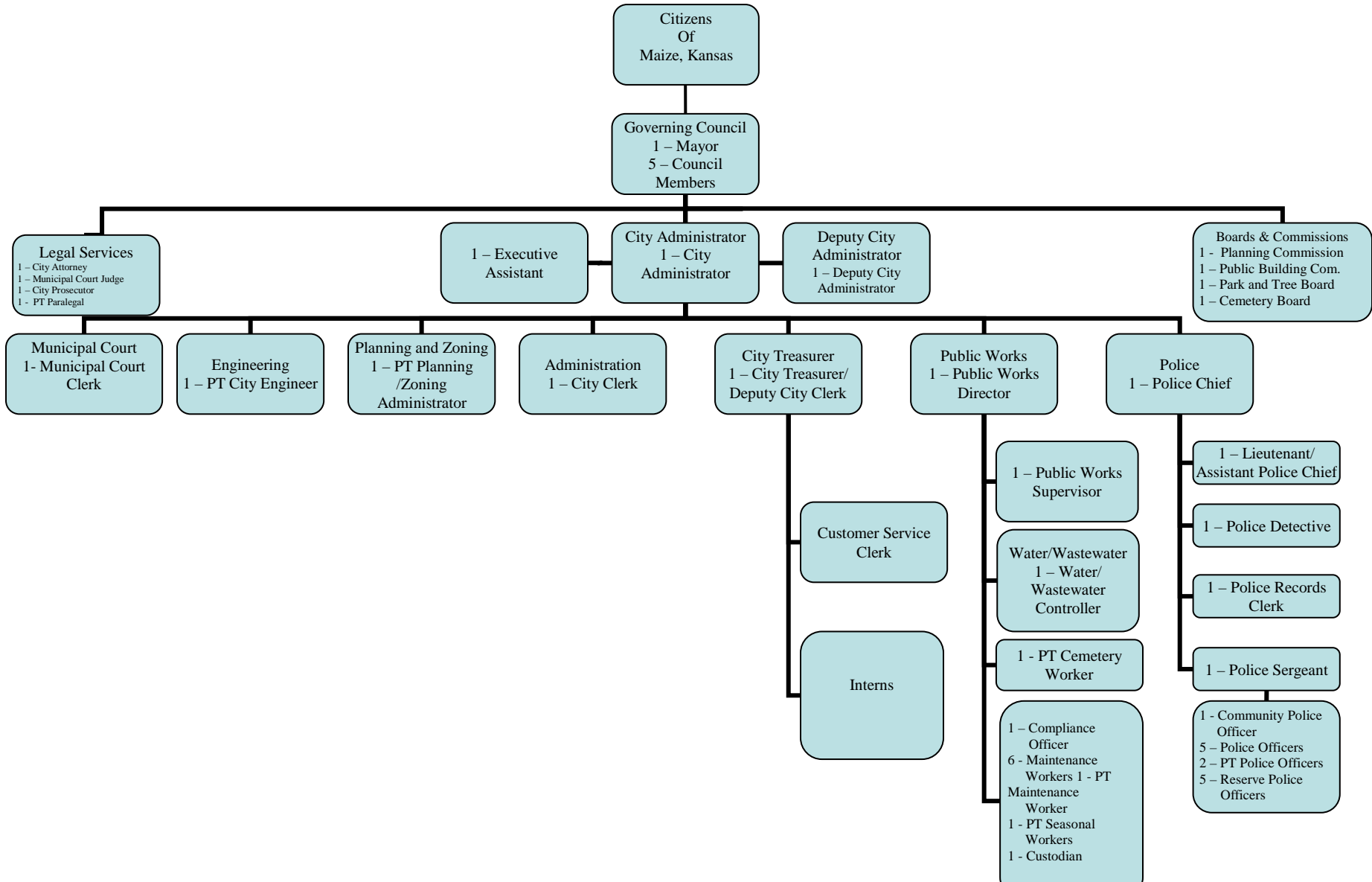
1	\$ 600,000.00	\$ 2,989.29
2		\$ 2,989.29
3		\$ 2,989.29
4		\$ 2,391.43
5		\$ 2,391.43
6		\$ 2,391.43
7		\$ 1,793.57
8		\$ 1,793.57
9		\$ 1,195.71
10		\$ 1,195.71
Total		\$ 22,120.72

1	\$ 225,000.00	\$ 1,120.98
2		\$ 1,120.98
3		\$ 1,120.98
4		\$ 896.79
5		\$ 896.79
6		\$ 896.79
7		\$ 672.59
8		\$ 672.59
9		\$ 448.39
10		\$ 448.39
Total		\$ 8,295.27

1	\$ 425,000.00	\$ 2,117.41
2		\$ 2,117.41
3		\$ 2,117.41
4		\$ 1,693.93
5		\$ 1,693.93
6		\$ 1,693.93
7		\$ 1,270.45
8		\$ 1,270.45
9		\$ 846.96
10		\$ 846.96
Total		\$ 15,668.85

1	\$ 700,000.00	\$ 3,487.50
2		\$ 3,487.50
3		\$ 3,487.50
4		\$ 2,790.00
5		\$ 2,790.00
6		\$ 2,790.00
7		\$ 2,092.50
8		\$ 2,092.50
9		\$ 1,395.00
10		\$ 1,395.00
Total		\$ 25,807.51

SECTION XIV - ORGANIZATIONAL CHART "CHAIN OF COMMAND"



Draft October 1, 2014



MEMO:

DATE: 10-2-14
TO: Mayor and Council Members
FROM: Richard LaMunyon
SUBJECT: 2015 Pay Plan Adjustment

Background and Economic factors:

The current pay plan became effective in January 2011. The edifice of the plan was adopted after much research and study. Overall it's a good pay plan that provides a structure that employees can observe and one in which they can participate. It allows an employee the ability to pursue a personal plan of growth and development. It also offers the key factor required for any successful business, that being, a future with personal confidence. It has provided both employee security and fiduciary stability for the city.

The plan has served the city well and is doing what was intended. However, while the structure of the plan remains valid, good business practices and city policy, require a periodic review and adjustment of the pay levels within the plan. The recommended pay plan adjustment, outlined in this memo, is based on several factors that have occurred since its implementation.

Some of these factors include:

- The original plan was implemented in 2011.
- The data utilized to establish the pay levels for each step was predicated on 2007 study information provided by the League of Kansas Municipalities. In that study many of the suburban cities did not participate. However, at the time, the plan did provided the structure the city needed.
- Demand for City services continues to increase. Maize is the fastest growing City in the state. We have minimal employee turn over and those that do leave, primarily leave for a higher paying position. To maintain our experienced employee base, it's important the pay plan grow accordingly.
- The Midwest Consumer Price Index (CPI) from 2007 to 2014 indicated an increase of 15%.
- During this time each employee's KPERs deduction has increased 2%
- Also during this time each employee out-of-pocket health care costs have increased due to the down-grading of the health plan and overall health care cost increases.

- Even considering the annual step increases for employees, when you factor in inflation, the CPI, the increase in KPERS deduction and the increase for out-of-pocket expenses to our employees it has been difficult to remain even at best.
- Additionally three of our long time, top grade employees are at the remain of their pay scale and are not eligible for annual pay adjustments.
- Entry-level salaries for some employees are below market value and need to be adjusted accordingly.

Pay Plan Adjustment Specifics:

Based on economic factors and other factors, listed in this memo, an adjustment of 10% is recommended for the current pay plan effective January 1, 2015.

Pay plan adjustment factors include:

- Two salary surveys - One is referred to as the "Miscellaneous Study" and the other is the "2011 KLM Study".
- The high and the low pay summary for these studies are listed on *Attachment A - Lt Blue Highlight*.
- Both of these salary studies will be provided to Council via separate e-mail.
- The pay plan would be adjusted 10% (*Attachment A - Yellow Highlight*)
- Based on the current employees pay, the average increase for all employees would be about \$0.42 cents an hour or 2.2%. Most lower than 2.2% with a few higher. (*See Attachment B*)
- Employees would "slide back" in the pay plan allowing additional growth potential.
- Employees currently topped out would be allowed additional growth potential
- Entry level pay would be enhanced
- Cost for the pay plan adjustment is about \$32,000 or less than 1% the 2015 operating budget

Other Factors to Consider include:

- The pay plan is in need of an adjustment and based on current data and Maize circumstances 10% is reasonable and justifiable.
- As with any successful organization, employees are our greatest asset and Maize employees are among the best in the industry.
- Employee loyalty to the City is a key for success as is City loyalty to employees.
- The quality, flexibility and multi-tasking capabilities of our employees.
- The ever increasing demand for services.
- The City's strong growth and development.
- The City's financial condition is strong and at its highest level in history.

- Our employees are held accountable and to a high standard.
- The City employee team is effective, experienced, capable and well trained.
- The strength of any organization is predicated on competent employees who are compensated accordingly.

Conclusion:

- Our City and its employees are the "shining example" for all to see.
- Consider the financial constancy and operational excellence we have come to expect in Maize.
- This can only be accomplished by utilizing our greatest asset and our strongest supporters: "Our Employees".
- They have brought us to the level of competence that we have all come to expect and enjoy.
- The 10% recommended pay plan adjustment is reasonable, affordable and, I believe, within good reason.

Thank you for your consideration.

**City of Maize, Kansas
PAY PLAN**

ATTACHMENT A

Full Time Employees

POSITION	CURRENT PAY PLAN plus 10% *1			Current Plan Median
	10 % Adjustment:			
	<u>1</u>	<u>8</u>	<u>15</u>	
City Treasurer/Deputy City Clerk	19.22	22.96	27.29	20.87
Municipal Court Clerk	13.85	16.52	19.64	15.02
Executive Assistant	13.21	15.77	18.75	14.34
Customer Service Clerk	12.91	15.42	18.36	14.02
Police Sergeant	18.92	22.58	26.84	20.53
Community Police Officer	15.27	18.22	21.66	16.56
Patrol Officer	15.16	18.11	21.53	16.46
Police Records Clerk	13.21	15.77	18.75	14.34
Public Works Supervisor	22.71	27.10	32.22	24.64
Water & Wastewater Controller	18.92	22.58	26.84	20.53
Compliance Officer	14.25	17.00	20.21	15.45
Maintenance Worker I	11.11	13.27	15.79	12.06
Maintenance Worker II	12.74	15.21	18.08	13.83
Maintenance Worker III	14.25	17.00	20.21	15.45
Custodian	11.60	13.86	16.47	12.60

RESEARCH INFORMATION FOR STUDY

Misc Information Study		2011 LKM Study
LOW	HIGH	AVE
21.13	30.70	18.99
15.30	21.74	14.08
		14.86
12.92	18.83	13.40
22.15	31.28	22.10
16.91	25.04	16.50
14.32	20.48	15.26
23.49	34.34	22.06
22.38	30.82	23.33
15.51	22.38	
12.99	18.91	11.98
15.35	22.14	13.75
16.51	23.46	15.46
11.77	17.24	10.49

Salaried Positions

POSITION	<u>1</u>	<u>8</u>	<u>15</u>			
Deputy City Administrator	52,411.41	62,573.94	74,380.75	56,885.40		69,638
City Clerk	44,441.53	53,058.72	63,070.15	48,235.20	45,980	66,220
Chief of Police	58,129.01	69,400.19	82,495.01	63,091.08	66,580	99,860
Lieutenant/Assistant Police Chief	46,693.79	55,747.69	66,266.48	50,679.72	51,792	61,568
Public Works Director	56,649.08	67,633.28	80,394.71	61,484.80	67,558	100,130

Part Time Employees

POSITION	<u>1</u>	<u>8</u>	<u>15</u>			
City Engineer	31.48	37.59	44.68	34.17	31.07	45.81
Planning & Zoning Administrator	27.29	32.57	38.71	29.61		
Code Enforcement Officer	15.42	18.43	21.90	16.75	15.51	22.38
Detective	16.97	20.27	24.10	18.43		
Patrol Officer	15.16	18.10	21.51	16.458	16.91	25.04
Maintenance Worker	11.12	13.27	15.79	12.06		
Seasonal Maintenance Worker	-	11.06	13.15	10.05		
Intern	-	8.99	10.68	8.17		

*1 Midwest Consumer price index from 2008 to 2014 was 10% (when the first League study was done)
 *2 Consumer price index from 2011 and 2014 was 5% when the second League study was accomplished.

Comments

This is summarized research. Staff recommends a 10% pay plan adjustment. (Old Pay Plan plus 10%). This would require some employees to shift to different steps.

EMPLOYEE 10% PAY PLAN ADJUSTMENT

<u>Employee</u>	<u>Increase</u>	<u>Percentage</u>
1	0.34	2.0%
2	0.33	2.0%
3	0.32	2.1%
4	0.32	1.8%
5	0.45	2.0%
6	0.29	1.9%
7	0.29	2.0%
8	0.27	1.7%
9	0.24	1.8%
10	0.21	1.9%
11	0.47	2.1%
12	0.23	1.9%
13	1.54	7.3%
14	0.3	2.0%
15	0.33	2.1%
16	0.36	2.1%
17	0.39	2.1%
18	0.39	2.1%
19	0.2	1.7%
20	0.46	2.1%
21	0.55	2.0%
22	0.47	1.9%
23	0.57	2.0%
24	0.48	2.0%
25	0.56	1.9%
26	0	0.0%
27	0.6	1.7%
28	0.31	1.9%
29	0.18	2.0%
30	0.31	1.9%
31	0.36	1.9%
32	0.7	1.8%
33	0.3	2.0%
34	0.38	2.0%
35	1.06	10.5%
	\$0.42	2.2%