



**THE CITY OF THE VILLAGE OF DOUGLAS
THE CITY COUNCIL WORKSHOP
MONDAY, MAY 01, 2023 AT 5:30 PM
86 W CENTER ST., DOUGLAS MI**

AGENDA

To attend and participate in this remote meeting of the City of the Village of Douglas City Council, please consider joining online or by phone.

Join online by visiting: <https://us02web.zoom.us/j/87840022931>

Join by phone by dialing: +1 (312) 626-6799 | Then enter "Meeting ID": 8784 002 2931

1. CALL TO ORDER
2. ROLL CALL
3. PUBLIC COMMUNICATION - VERBAL (LIMIT OF 3 MINUTES)
4. PUBLIC COMMUNICATION - No Written
5. NEW BUSINESS
 - A. Employee Wages & Cost of Living
 - B. FY 23/24 Budget Consideration of Additional Staffing
 - C. Employee Health Insurance
6. COUNCIL COMMENTS
7. ADJOURNMENT

Please Note – The City of the Village of Douglas (the "City") is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of this meeting or the facilities, are requested to contact Pamela Aalderink, City Clerk, at (269) 857-1438, or clerk@douglasmi.gov to allow the City to make reasonable accommodations for those persons. CITY OF THE VILLAGE OF DOUGLAS, ALLEGAN COUNTY, MICHIGAN



MEMORANDUM
CITY COUNCIL WORKSHOP
May 1, 2023 at 5:30 PM

TO: Rich LaBombard, City Manager

FROM: Matt Smith, Treasurer

DATE: May 1, 2023

SUBJECT: Employee Wages

The fiscal year 2023-2024 budget includes 18 full-time employees, 1 part-time assessor, a pool of part-time police officers and 2 seasonal public works employees. The budget this year includes a request for an additional police officer to improve coverage for the City, while decreasing overtime costs and reliance on the part-time police officer pool.

In preparation for the next fiscal year, a wage study was completed to ensure that wage levels were appropriate. Inflation numbers (CPI) have been monitored closely. As a result of this work the proposed budget includes a 4.4 percent cost of living increase for non-union employees and, 3 percent negotiated increase for union employees based on the union contract. Other items to note for the proposed budget include a roughly 2.25 percent decrease in MERS contribution rates, health insurance premiums increased 7.2 percent for the current plan, dental insurance premiums remained steady. Some positions turned over in the last fiscal year and their replacements, due to experience or better aligning to the salary study resulted in lower costs to the City. Overall wages and benefits are budgeted to increase 4.06 percent this year.

Fiscal Year	CPI	Douglas COL	Salary Example	Expenses Example	Change
2017-2018	2.9%		\$1,000.00	\$1,000.00	100%
2018-2019	1.6	2.0%	1,020.00	1,016.48	100.35
2019-2020	0.6	2.5	1,045.50	1,023.05	102.19
2020-2021	5.4	2.5	1,071.64	1,078.89	99.39
2021-2022	9.1	2.5	1,098.43	1,175.89	93.41
2022-2023	6.5*	5.0	1,153.35	1,251.79	92.14
2023-2024		4.4	1,204.10	1,251.79	96.19

* Used Calendar 2022 inflation to estimate fiscal year inflation

2023-2024 Projected Budget:

<u>Department</u>	<u>Total Wages</u>	<u>719.000 Insurance</u>	<u>720.000 Payroll Tax</u>	<u>721.*** Retirement</u>	<u>Total Wages & Fringes</u>
101-172	\$113,212.25	\$16,986.63	\$8,850.74	\$33,394.21	172,443.83
101-215	\$189,852.60	48,310.92	14,943.30	30,564.97	283,671.79
101-257	\$55,057.37		4,363.89		59,421.26
101-265	\$39,573.65	6,254.14	2,497.45	3,864.20	52,189.44
101-301	\$432,592.05	120,061.64	34,157.30	51,439.35	638,250.34
101-463	\$105,557.61	23,252.75	7,719.96	11,746.10	148,276.42
101-701	\$93,536.56	19,553.70	7,383.53	14,662.81	135,136.60
101-751	\$50,099.17	8,338.83	3,785.95	5,152.26	67,376.21
202-463	\$73,671.80	14,592.97	5,827.42	9,016.46	103,108.65
202-464	\$28,065.44	5,559.22	2,219.97	3,434.84	39,279.47
203-463	\$70,163.62	13,898.07	5,549.92	8,587.10	98,198.71
203-464	\$21,049.09	4,169.42	1,664.98	2,576.13	29,459.62
Totals 2023-2024	<u>\$1,272,431.21</u>	<u>\$280,978.29</u>	<u>\$98,964.41</u>	<u>\$174,438.43</u>	<u>\$1,826,812.34</u>

Fiscal Year 2022-2023

101-172	\$108,440.85	\$15,311.61	\$8,485.73	\$31,915.12	164,153.31
101-215	\$181,851.15	56,187.96	14,367.61	36,224.26	288,630.98
101-257	\$52,736.94		4,186.38		56,923.32
101-265	\$35,092.27	7,050.28	2,340.68	3,808.39	48,291.62
101-301	\$408,542.97	109,859.32	32,469.54	53,073.01	603,944.84
101-463	\$96,909.61	24,821.19	7,258.82	11,464.84	140,454.46
101-701	\$93,594.40	18,370.02	7,387.97	18,020.31	137,372.70
101-751	\$45,111.70	9,400.35	3,120.92	5,077.84	62,710.81
202-463	\$68,889.97	16,450.61	5,461.60	8,886.23	99,688.41
202-464	\$26,243.80	6,266.90	2,080.61	3,385.23	37,976.54
203-463	\$65,609.50	15,667.25	5,201.53	8,463.07	94,941.35
203-464	\$19,682.85	4,700.17	1,560.46	2,538.92	28,482.40
Totals 2022-2023	<u>\$ 1,202,706.01</u>	<u>\$ 284,085.66</u>	<u>\$ 93,921.85</u>	<u>\$ 182,857.22</u>	<u>\$ 1,763,570.74</u>

Change	\$69,725.20	-\$3,107.37	\$5,042.56	-\$8,418.79	\$63,241.60 3.59%
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MEMORANDUM
CITY COUNCIL WORKSHOP
May 1, 2023, at 5:30 PM

TO: Douglas City Council and City Manager

FROM: Steven M. Kent, Chief of Police

DATE: April 26, 2023

SUBJECT: FY 23/24 Budget Consideration of Additional Staffing

New Full-Time Police Officer Budget Proposal:

A routine duty of organizational management in Law Enforcement is to determine the appropriate level of staffing required to meet the needs of the community and specifically in this case the needs of the City of the Village of Douglas. Over the past several years, an evident trend has emerged concerning the increased expenditure and hours for part-time and overtime staffing in the Douglas Police Department. In 2018 the combination of part-time and overtime hours exceeded 1,800 hours, and the part-time and overtime hours have increased each year since. By 2022 the part-time and overtime hours exceeded 2,300 hours. The increase in part-time and overtime hours is attributed to several factors such as shift coverage for leave time, shift coverage for officer court appearances, shift coverage for officers in training, shift coverage for filing paperwork and obtaining warrants at the Courthouse in Allegan, shift coverage for the pick-up and transport of subjects arrested on our warrants in other jail facilities throughout the state, shift coverage and the staffing of city approved special events, shift coverage for Chief's required administrative duties, necessary training by staff, participation in safety programs at the elementary school, and unforeseen disability leave by staff.

To better outline staffing requirements for law enforcement, it's important to summarize the number of hours required to provide shift coverage in the City of Douglas. At a minimum, year-round coverage (24/365) for the community of Douglas requires 8,760 hours of staffing. Factors as discussed in the previous paragraph reduce the shift coverage hours an officer is available in the community for police presence, patrol, and response.

A typical full-time police officer is paid for 2,184 hours in a calendar year and non-salaried positions are paid overtime when work hours exceed 84 hours in a two-week pay period. After deducting paid leave time for vacation and illness, a typical officer physically works between 1900 and 2000 hours per year depending on seniority and level of leave benefits. Deduct factors listed above, and the number of hours of police presence is reduced even further.

The police chief position has a dual role of administrator and patrol duties in our department and unlike most agencies our Police Chief works as part of the schedule rotation working alternating weekends to maximize coverage and service to the city. Due to having this dual role as Chief of

Police I am attempting to stay current on complaint responses and investigations, traffic enforcement in general—and in problems areas, and proactive contacts and patrol while attempting to address necessary court business, address citizen concerns and complaints, attend necessary meetings, prepare mandatory reports (local, state, & federal), address all department equipment issues including fleet service and repair, meet with event organizers and prepare planning/staffing for events, stay current with my personal training and address needs/trends in staff training, and provide supervision and coaching to department staff. As an additional note, as Chief is a salaried position, I have been working beyond my scheduled work hours to help accomplish the needs of my position. In 2022, on average I worked in excess of 86 hours per pay period which doesn't sound like that much however it calculates to be two additional pay periods or nearly one month of additional work hours each year. This additionally does not include responding to emails, texts, and telephone calls during off hours.

To clarify our staffing levels, the licensed and sworn law enforcement staff of the Douglas Police Department in 2023 is comprised of:

- Chief of Police-(1 full-time salaried position) Chief Steven Kent
- Police Corporal-(1 full-time hourly position) Corporal Lori Warsen
- Police Officers-(2 full-time hourly positions) Officers Tino Reyes & Tony Brown
- Part-Time Regular Officer-(1 hourly position) Officer Trevor Dyer
- Part-Time Irregular Officers-(3 hourly positions & 1 training instructor only hourly position)

To assist in your decision-making process, I have listed below the total part-time and overtime hours worked by our officers from 2019 to 2022, the total budgetary expenditures for part-time and overtime from fiscal year 2018/2019 through the projected end of 2022/2023, the projected reduction in part-time and overtime hours with the addition of one full-time officer. Also listed is the type of work required to be performed, the ways in which this added position will improve the services provided by this department to our city, and the projected part-time/overtime hours that would be needed with the added full-time officer position in the 2023/2024 fiscal year budget.

Total Hours & Overtime Hours by Part-Time Licensed & Sworn Department Staff per Calendar Year:

- 2022: 2,357.5 hours
- 2021: 2,024.25 hours
- 2020: 1,921.5 hours
- 2019: 1,813.5 hours
 - Note: 2,184 hours is a typical full-time employee position.

Total Expenditure for Part-Time & Overtime Work by Department Staff per Fiscal Year:

- 2022/2023: \$66,246 (Projected)
- 2021/2022: \$75,554
- 2020/2021: \$48,370 (Pandemic decreased part-time and overtime hours worked)
- 2019/2020: \$38,644 (Pandemic decreased part-time and overtime hours worked)
- 2018/2019: \$53,709
 - Note: FY 23/24 Cost for a full-time officer with benefits: \$87,859.20

Projected Reduction of Part-Time & Overtime Hours w/ the addition of the Full-Time Officer:

Dayshift Coverage for Leave Time (Senior Officer, Corporal, & Chief)	-532 hrs.
Subpoenaed Court Time Coverage	-64 hrs.
Court Paperwork & Warrant Run Coverage	-250 hrs.
Coverage while Officer(s) attend Training	-60 hrs.
Coverage for Sunday Dayshifts (26)	-312 hrs.
Coverage for Elementary School Programs	-90 hrs.
Coverage for Administrator (Police Chief) Holidays	-144 hrs.
Coverage for Administrator (Police Chief) Meetings	-60 hrs.
**Total projected reduction in part-time and overtime hours:	-1,512 Hours

Proposed benefits of adding an additional full-time officer:

- Improved Police Service within the Department and to the Citizens of Douglas.
- Increased availability of the Chief of Police during regular business hours to citizens, business owners, and City officials and staff.
- Ability for the Chief to handle all administrative and supervisory duties as required and to have the necessary patrol staff to address the daily road patrol duties (Complaint Response & Investigation, Traffic Issues & Enforcement). This ensures that both service areas receive the necessary and proper attention.
- Ability to have coverage in the city when follow up investigations, warrant transports, court related duties, officer trainings, transport of evidence to and from the MSP Crime Lab, vehicle transfers for service or repairs, equipment pick up, and required meetings take department staff out of the city, and additionally leave time can be taken without calling in additional staffing.
- Improved case investigations by the continuity/efficiency of a full-time officer handling almost all investigations and the improved supervision/coaching of staff due to the Chief of Police having regular face-to-face interaction with all Officers.
- Two officer response (On Duty Officer & Chief) to any critical incident during the regular hours of operation of city businesses, organizations, and our school building.
- Two officers (On Duty Officer & Chief) available for call response during overlapping city incidents during regular business hours.

- Improved staff retention - Our history shows that full-time officers have stayed as long-term employees of the department and assets to the city, whereas part-time officers need to seek full-time employment and are eventually lost to other agencies. This means a significant loss when considering the amount of time and resources put into the training of each officer.
- Availability of Licensed Officers - The reduced availability of licensed police officers in the state of Michigan and nationwide is a real issue. The majority of officer candidates in police academies are being hired to full-time positions prior to completing their training while many agencies are sponsoring (hiring and paying) officer candidates to attend the police academies in hopes of filling openings with short term retention agreements in place. Due to these factors finding part-time licensed officers has become quite challenging.

Projected Part-Time & Overtime Hours with the addition of One Full-Time Officer:

Projected Total Part-Time and Overtime Hours needed for FY 23/24 with the Approval of the Full-Time Officer Position: 513 Hrs.

Part-Time & Overtime Hours requested for FY 23/24 Budget Year with the New Officer Position: 500 – 600 Hrs.

Additional Consideration:

Michigan Commission on Law Enforcement Standards required MITN Report recently submitted indicates that the total hours worked by our licensed officers during 2022 is the equivalent to five plus (5+) full-time officers. In the previous three (3) years we have been approaching the five plus (5+) equivalent in full-time status—taking into consideration our hours worked submission to MCOLES. To clarify, the Department surpassed the five plus (5+) full-time officer status in hours worked and Douglas' current staffing level is four (4) full-time licensed officers.

In Conclusion:

Adding one additional full-time officer position is the next logical step for our Police Department as this would greatly improve department daily operations and the quality of service to the City residents, business owners, and visitors in the ways that I have outlined in this report at a reasonable budgetary increase. I cannot stress enough the shortage in available licensed police officers in the State of Michigan and nationwide due to retirements, officers leaving the profession pre-retirement, and the low number of recruits in police training academies. With all these considerations in mind, I respectfully ask for your support and approval to add this additional officer position to our department staff beginning in Fiscal Year 2023/2024. Thank you for your time and consideration in this important matter.

Dear Chief Steven Kent:

Thank you for completing the 2022 CSLLEA.

We have reviewed your responses and we would like your help to resolve some outstanding questions related to the items listed below:

- You entered \$752,970 as your agency's total operating budget for the fiscal or calendar year that includes June 30, 2022. We expected that number to be between \$1,629,115 and \$2,443,673 . Can you confirm that \$752,970 is correct?
- You entered \$678,796 as your agency's total operating budget for the fiscal or calendar year that includes June 30, 2021. We expected that number to be between \$1,557,242 and \$2,335,863 . Can you confirm that \$678,796 is correct?

You can address these items by using the credentials below to log back into the CSLLEA website at <https://bjslecs.org/CSLLEA2022>. The issues will be displayed on screen as you progress through the survey. If you prefer to send your responses by email, please reply to this message.

Username [REDACTED]
Password [REDACTED]

We look forward to receiving your responses. Thank you again for your participation in the 2022 CSLLEA .

Regards,
CSLLEA Data Collection Team



MEMORANDUM
CITY COUNCIL WORKSHOP
May 1, 2023 at 5:30 PM

TO: Rich LaBombard, City Manager

FROM: Matt Smith, Treasurer

DATE: May 1, 2023

SUBJECT: Employee Health Insurance

As an employer of 18 full-time employees, the City of the Village of Douglas currently provides employees with health and dental benefits through Lighthouse Group. They provided 17 proposed health options for consideration. The Options were from Priority health, Blue Care Network, and Priority Health – West MI Partners. Additionally, we received quotes from MESSA and the West Michigan Health Insurance Pool.

As the City considers healthcare coverage for its employees it needs to balance the financial benefits and constraints to the City, the benefit needs of the employees, and regulatory requirements such as Public Act 152.

In 2011 the State Legislature passed Public Act 152 which limits the amount a public employer can contribute towards employee health care. The Act limits local units of government to three options: 1) paying for 80 percent of employee health insurance, 2) a hard cap-based amount, or 3) to exempt itself (opt-out) from these requirements and determine on its own the appropriate amount to contribute. Annually the City must select one of these options. The option selected is valid for one year. The City has historically elected the opt-out option.

Going over these options, option 1 is straightforward. The City would pay no more than 80 percent of an employee's premium. With option 2, the State sets a dollar amount threshold based on the type of plan. For plans beginning in 2023 the annual premium limits are \$7,399.47 for single coverage, \$15,474.60 for individual plus one coverage, and \$20,180.43 for family coverage. Finally, option 3 allows the City to make its own determination on what is appropriate.

The hard cap number for the City is subject to change based on new hires, employee departures, marriages, divorces, new dependents, and/or dependents coming off the plan. In June 2021 when Council approved the health insurance plan, the City was projected to be \$2,000 over the hard cap. At the end of the fiscal year the City ended up \$3,200 over the cap. At the beginning of the current fiscal year in June 2022, initial projections were \$4,800 over the cap. With one month's premium to finish out the updated projection is \$200 under the cap. For fiscal year 2023-2024 following the recommended plan and taking into account pending retirement and employee changes the City is projected to be \$410 under the hard cap.

Based on review of the options, and considering the plan that best meets the financial and benefit needs of the City and its employees, renewing the current plan is being recommended. Renewing the City's current Delta Dental plan will not result in any change in premiums.

City Council has expressed interest in shifting some of the costs for healthcare coverage to the employee. The attached table represents the current plan and two alternative options:

	Current Plan Renewal	West Michigan Partners	West Michigan Health Insurance Pool
Deductible (Single/Family)	\$475/950	\$200/ 400 tier 1 \$600/1,200 tier 2	\$475/950
Out of Pocket Maximum (single/Family)	\$2,000/4,000	\$3,500/7,000	\$2,000/4,000
PCP Visit copay	\$15	\$10/30 (tier1/2)	\$15
Specialist copay	\$40	\$30/90 (tier1/2)	\$40
Urgent care copay	\$75	\$75/150 (tier1/2)	\$75
Emergency room/ ambulance	\$250 after deductible	\$250 after deductible	\$250 after deductible
Lab copay	\$20	\$10/30 (tier1/2)	\$20
Xray Copay	\$45	\$40/120 (tier1/2)	\$45
Prescriptions tier 1a/b	\$5/15	\$5/15	\$5/15
Prescriptions tier 2	\$40	\$40	\$40
Prescriptions tier 3	20% (max \$200)	20% (max \$200)	20% (max \$200)
Prescriptions tier 3	20% (max \$300)	20% (max \$300)	20% (max \$300)
Amount below the hard cap	\$410	\$23,164	12,853 over the hard cap
Premium increase	7.2%	(1.9)%	
Annual Premiums	\$252,605	\$229,441	265,458

West Michigan Health partners offers a less expensive alternative to the City overall and a decreased deductible depending on the tier used; however, it does require a fairly dramatic increase in out-of-pocket expenses to the employee. For that reason, it's not an attractive option for employees earning a lower wage. The tier system is for preferred network providers for tier 1 versus non-preferred providers for tier 2. Based on the last year, 80 percent of the visits were to tier 1 participating hospitals

The next table represents scenarios that can be considered for cost cutting / cost sharing options.

<u>Options</u>	<u>Approx Savings</u>	<u>Total Premium</u>	<u>Over(Under) Hard Cap</u>
No Vision reimburse	\$ 5,400		
No Dental coverage	16,600		
No Life/Short term Disability	6,800		
Renewal of current plans	-	252,605	(410)
health insurance H.S.A. Only - current plan *	7,798	244,807	(7,798)
health insurance H.S.A. Only - option 9 **	15,479	237,126	(15,480)
All employees \$20/month	4,320.00		(4,730)
All employees \$50/month	10,800.00		(11,210)
All employees \$80/month	17,280.00		(17,690)
All employees \$100/month	2,160.00		(2,570)
All employees 2.5% of premium - renewal	6,305.00		(6,715)
All employees 5% of premium - renewal	12,610.00		(13,020)
All employees 10% of premium - renewal	25,220.00		(25,630)
\$20/ Dependent / month	6,000.00		(6,410)
\$50/ Dependent / month	15,000.00		(15,410)
\$80/ Dependent / month	24,000.00		(24,410)
\$100/ Dependent / month	30,000.00		(30,410)

* Assumes has contribution \$500 less than deductible for single or family and average of single/family contribution for 1+1

** Assumes has contribution \$500 less than tier 1 deductible for single or family and average of single/family contribution for 1+1

City of the Village of Douglas
 Renew Current Plans
 FY 23-24

Org	Opt out Full Premium Health	80%		20%		hard cap	
		employer	employee	employer	employee	employer	employee
Employee 1	14,302.44	\$11,441.95	2,860.49	7,737.30	6,565.14	1+1	
Employee 2	2,912.94	\$2,330.35	582.59	3,699.74	(786.80)	single	
Employee 3	15,105.78	\$12,084.62	3,021.16	10,090.22	5,015.57	family	
Employee 4	2,912.94	\$2,330.35	582.59	3,699.74	(786.80)	single	
Employee 5	15,565.92	\$12,452.74	3,113.18	20,180.43	(4,614.51)	family	
Employee 6	24,760.60	\$19,808.48	4,952.12	20,180.43	4,580.17	family	
Employee 7	13,110.60	\$10,488.48	2,622.12	15,474.60	(2,364.00)	1+1	
Employee 8	4,881.84	\$3,905.47	976.37	7,399.47	(2,517.63)	single	
Employee 9	9,854.40	\$7,883.52	1,970.88	15,474.60	(5,620.20)	1+1	
Employee 10	15,527.76	\$12,422.21	3,105.55	20,180.43	(4,652.67)	family	
Employee 11	19,551.48	\$15,641.18	3,910.30	20,180.43	(628.95)	family	
Employee 12	11,842.44	\$9,473.95	2,368.49	15,474.60	(3,632.16)	1+1	
Employee 13	20,924.52	\$16,739.62	4,184.90	15,474.60	5,449.92	1+1	
Employee 14	9,306.12	\$7,444.90	1,861.22	7,399.47	1,906.65	single	
Employee 15	23,990.04	\$19,192.03	4,798.01	20,180.43	3,809.61	family	
Employee 16	19,572.88	\$15,658.30	3,914.58	20,180.43	(607.55)	family	
Employee 17	11,122.56	\$8,898.05	2,224.51	7,399.47	3,723.09	single	
Employee 18	5,825.88	\$4,660.70	1,165.18	7,399.47	(1,573.59)	single	
Employee 19	5,825.88	\$4,660.70	1,165.18	7,399.47	(1,573.59)	single	
Employee 20	5,298.12	\$4,238.50	1,059.62	7,399.47	(2,101.35)	single	
Totals	<u>\$252,195.14</u>	<u>\$201,756.11</u>	<u>\$50,439.03</u>	<u>\$252,604.79</u>	<u>-\$409.65</u>		

employees 18.00 Plus 2 for potential retirement Hard Cap Numbers
 dependents 25.00 Plan starting in 2023

family	20,180.43
1+1	15,474.60
single	7,399.47

employee premium 140,842.34
 dependent premium 111,352.80

Item 5C.