

## VILLAGE OF ITASCA FINANCE COMMITTEE MEETING MINUTES

March 8, 2016 – 6:45PM

- Call to Order:** Mayor Jeff Pruyn called the meeting to order at 6:51PM.
- Roll Call:** Present: Trustees – Marty Hower, Jeff Aiani, Frank Madaras, Ellen Leahy, Lucy Santorsola; Deputy Village Clerk – Jacob Lawrence.
- Also present: Village Administrator – Evan Teich; Community Development Director – Nancy Hill; Finance Director – Julie Ciesla; HR/Risk Management Coordinator – Cristina White.
- Absent: Village Trustee – Mike Latoria; Village Clerk – Melody Craven.
- Audience Participation:** None.
- Discussion:** Chairperson Hower presented discussion and possible action concerning an employee merit pay system. Trustee Hower summarized the staff memo provided by Cristina White. Trustee Hower outlined his concerns for both of the options presented in the memo. He stated that in light of new discussions, the tabled vote to approve Option #1 must be withdrawn.
- Trustee Hower made a motion to rescind the original motion to approve Option #1; Trustee Leahy seconded the motion.  
Motion carried by a unanimous voice vote.
- Trustee Hower stated that Option #1 felt a lot like the current Cost of Living Adjustment (COLA) system. He felt there was no incentive to go beyond expectations. In order for the Village to afford pay increases in the future, then there must be productivity increases. Everyone must be in the same mindset of continuous improvement in order to merit a pay increase. Trustee Hower also observed on staff's concern for competitive comparisons.
- Mayor Pruyn thanked members for taking time off to discuss this issue. Mayor Pruyn stated he did not approve of guaranteed percentage increases. His thought was to appropriate salaries through the budget process. If staff thinks they need a set floor, then that's what they need to do. The Board should control wage inflation by appropriation.
- Trustee Madaras stated that he's fine with staff making decisions on how to allocate increases on the merit pay system. He doesn't want the merit pay system to be a tool to adjust salaries. Trustee Hower stated that he wants it to be tied to performance only and does not want it to be automatic.

Trustee Leahy stated the more we spend the more pressure we put on our residents. She shared her concern about the pressure a merit pay system puts on our businesses.

Trustee Santorsola agreed with using the budget process appropriation tool and letting staff distribute. Discussion ensued on the differences between unions and exempt employees.

Discussion ensued over the categories of the merit pay system.

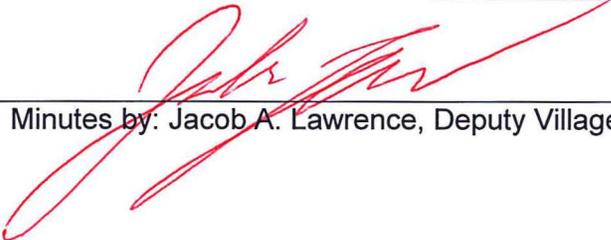
Trustee Madaras discussed the timeline for salary proposals.

Mayor Pruyn suggested to leave it at 3 ½% for the budget proposal. Allocation of the 3 ½% would be up to staff. There was consensus of the committee.

Trustee Leahy made a motion to adjourn; Trustee Madaras seconded the motion. Motion carried by a unanimous voice vote.

**Adjournment:**

Trustee Latoria made a motion to adjourn the Village Board meeting at 7:58PM; Trustee Santorsola seconded the motion. Motion carried by a unanimous voice vote.



---

Minutes by: Jacob A. Lawrence, Deputy Village Clerk