

Date September 23, 2019

**RECEIPT OF REPORT FROM CHAIR OF PERSONNEL SUBCOMMITTEE  
AND APPROVAL OF RECOMMENDATIONS CONTAINED THEREIN**

WHEREAS, the Des Moines City Council's Personnel Subcommittee has convened pursuant to Iowa Code Section 21.9 to evaluate the employment conditions of the City Manager, the City Attorney, and the City Clerk; and

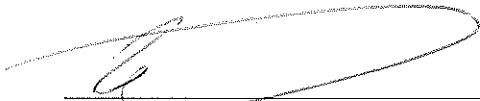
WHEREAS, the Chair of the Subcommittee has submitted a report and recommendations concerning Council's direct reports to the City Council; and

WHEREAS, said report contains recommendations concerning the compensation of such direct reports and Council has determined it is in the best interests of the City of Des Moines to accept such recommendations.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa that it hereby approves and adopts the recommendations of the City Council's Personnel Subcommittee and the Finance and Human Resources Departments are hereby directed to implement such recommendations and direction contained therein without further action of Council, but only after provision of notice to the Chair of the Personnel Committee.

Moved by \_\_\_\_\_ to adopt.

APPROVED AS TO FORM:



Lawrence R. McDowell  
Deputy City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
COLEMAN				
GATTO				
GRAY				
MANDELBAUM				
WESTERGAARD				
TOTAL				

MOTION CARRIED

APPROVED

**CERTIFICATE**

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

\_\_\_\_\_ Mayor

\_\_\_\_\_ City Clerk

## Memorandum

To: Des Moines Mayor, Council and Citizens  
From: Des Moines City Council Personnel Committee (Coleman, Cownie, Boesen)  
Date: September 19, 2019

Recently, the Mayor appointed the Council Personnel Committee of Connie Boesen, Frank Cownie and Chris Coleman (Chair) to review the performance of and make recommendations regarding compensation for the three direct reports of the Council: City Manager Scott Sanders, City Attorney Jeff Lester and City Clerk Diane Rauh.

In order to develop a performance review process that incorporated feedback from the entire Council and could be used in future years, the Personnel Committee engaged Heston & Associates Consulting to develop and facilitate the performance review process. In addition, Heston & Associates was asked to assess the competitive compensation market for the three positions and assist the Personnel Committee in making recommendations regarding compensation.

Over the past several weeks, performance feedback tools were developed and used to collect information from the Council and each of the three employees regarding performance, goals, and professional development. Meetings were held with each of the three employees to discuss the Council's evaluation, her/his self-evaluation, how the Council can support continued growth, professional development interests, and goals to focus on in the future.

The specific details of the process and conversations with the individuals are confidential; however, some overall themes emerged as follows:

- The Mayor and Council have high regard for the integrity, honesty, loyalty and work ethic of all three individuals.
- The Mayor and Council feel fortunate to have all three individuals leading their respective areas of the organization.
- The Mayor and Council recognize the rapidly changing landscape in which the individuals lead and appreciate the challenges faced by each.
- The Mayor and Council have a high level of confidence in the competency and talent of these leaders.

During each of the discussions, there was frank and honest dialogue regarding performance and the challenges facing the City and each individual's area of responsibilities. Here are a few specific highlights from the discussions with each of the individuals:

### Diane Rauh – City Clerk

- The Mayor and Council are incredibly appreciative of the dedication, leadership and exceptional performance Diane has exhibited over her entire tenure as City Clerk.
- As Diane approaches retirement at the end of September, the Mayor and Council want to recognize and thank Diane for her many contributions to the City over her 35+ years of service and wish her the very best in her retirement.
- The Mayor and Council appreciate the support, guidance and advice Diane has provided them, both collectively and individually, over the course of their service to the City.
- Diane has done a great job building her team and the City Clerk's office is well positioned for continued success serving the citizens of Des Moines.
- Diane has a significant amount of institutional knowledge that will be greatly missed after she retires.

### Jeff Lester – City Attorney

- Jeff is diligent and thorough in his responsibilities and exercises very good judgment.
- The Council relies on Jeff's depth of knowledge regarding city government issues and his thorough analysis of difficult and complex legal issues. He provides sound and well thought out advice to the Council.
- Jeff negotiates effective settlements and works hard to represent the best interests of the City and achieve the most positive outcomes possible.
- There continues to be added complexity and ambiguity in the legal issues facing the City and Jeff works diligently to stay on top of and ahead of these issues.
- Jeff is a very good listener and shows sensitivity to others.
- The Council appreciates that Jeff is extremely responsive and accessible. He responds to inquiries and requests quickly and appropriately.
- Jeff is a very effective communicator, both verbally and in writing.
- Both the Council and Jeff recognize the staffing challenges the City Attorney's office will face as long-tenured staff members retire. Staffing issues are further complicated by changing and emerging legal issues facing the City. The Council encouraged Jeff to do a thorough analysis of existing and future staffing needs, expertise, etc. and establish a plan to meet those needs through development of current staff, attraction of specific expertise and talent, or augmentation from external sources.

### Scott Sanders – City Manager

- The City Manager's performance is exceptional, and he continues to lead the City organization very well.
- Scott is diligent and thorough in his responsibilities and exercises good judgment.
- The Council appreciates Scott's willingness to innovate and explore options when addressing issues. When a new idea is presented, he does an excellent job of researching and identifying headwinds that may exist and then formulating a plan to execute on the idea.
- Scott is an excellent problem solver and develops sound and effective strategies to resolve issues and problems.
- The Council commends Scott for effectively leading the City through many major projects and initiatives that continue to lead the City in a positive trajectory.
- The Council feels Scott does a very good job of implementing Council actions in accordance with the intent.
- Scott does a great job of listening to citizens and responding to their requests; he is dedicated to doing what is right for the City and its citizens.
- The Council recognizes that Scott's fiscal management skills are exemplary, and he does an outstanding job of overseeing the fiscal health of the City.
- Scott works very long and hard. There is concern among the Council (and Scott) about work-life balance and future burnout. Managing communication among and between the Council and City Manager effectively is time consuming. Because Scott is so responsive to the Council, he is often involved in communication amongst Council members that may be more appropriately handled directly. This is an area where additional attention should be dedicated to developing strategies to improve efficiencies and streamline communication.
- The City Manager has done a good job of hiring strong individuals for his team. He is an effective leader who creates a positive culture. The Council feels Scott would benefit from looking for ways to delegate more, which would help with the work-life balance and potential burnout issues.
- A true strength of Scott's is his ability to work with other cities and jurisdictions to affect solutions to issues that go beyond the City. The Council is truly appreciative of the leadership and effectiveness he demonstrates in leading regional efforts.
- Scott is an effective communicator, both verbally and in writing. He is easy to talk to, listens well, and shows interest in the interests of others and sensitivity to their perspectives.

Heston & Associates also collected and analyzed compensation data for comparable positions in comparable municipalities to ensure the City remains fair and competitive regarding the compensation packages afforded the three individuals. Compensation was discussed with the individuals in the respective meetings with the Personnel Committee. The City Manager and City Attorney have strong interest in continuing to work for the City of Des Moines, but the fact remains that there are opportunities for both and it is in the best interest of the Council to ensure the compensation package provided each individual is competitive and reflective of the responsibilities and contributions they make to the success of the City.

### Benefits

Effective July 1<sup>st</sup>, 2019 the benefits package for the City Manager and City Attorney (and City Clerk until her retirement on 9/30/19) will continue at the following levels:

- Car allowance of \$500 per month
- Mobile data allowance of \$1500 annually
- Vacation accrual at the same level as granted by policy or contract. Each is allowed to convert up to two weeks of vacation to a payment equal in value for such vacation time in that year. In order to ensure employees are striving for work/life balance, the Chair of the Personnel Committee must approve each request and report to Council.
- Eligibility for City health insurance with the employee paying 15% of premium costs, employees will be eligible for the wellness benefit and premium discount afforded other City employees.
- Vacation leave accrual per existing policy. All three employees are eligible for the existing employee policy that grants conversion of vacation leave to cash payments, and will be executed by right of employees as monitored by Human Resource Director.
- Longevity Pay. Three employees are eligible to participate under the same provisions as other City employees. City Attorney and City Manager longevity pay is frozen at 1% as a result of their decision to participate in the retention bonus (described below).
- Deferred Compensation Investment program and option will continue; administered as in the past at the existing rates.

### Retention Bonus

The City Council offers a retention bonus to the City Manager and City Attorney as an incentive to remain at the City. It is the desire of the Mayor and City Council to have stability in leadership, therefore providing an incentive for the City Manager and City Attorney to stay provides that stability. The current retention bonus program for the City Manager and City Attorney was implemented in 2017 with a payout if they are employed on April 1<sup>st</sup> each year. The retention bonus program is for 5 years and currently will end in 2022 or before if they leave the City. The rate started at 3% of total monetary compensation and increases ½ percent each year of the program. The retention bonus program for the City Attorney and City Manager will be extended until 2024 under the same provisions currently in place.

### Salaries

In 2017, each of the three employees received significant salary increases after not receiving merit increases for the previous three years. In 2018, each of the employees received a 1.7% increase which was equivalent to the increases SPM employees received.

Effective July 1<sup>st</sup>, 2019 the Council increases the salaries for these employees as follows:

- Diane Rauh, City Clerk to \$134,451 (1% increase)
- Jeff Lester, City Attorney to \$210,447 (1% increase)
- Scott Sanders, City Manager to \$267,264 (3% increase)

We want to thank Diane, Jeff and Scott for their hard work, service and leadership. They all bring significant value and dedication to the City and deserve the respect and recognition of the Council and citizens of Des Moines. Diane will be greatly missed, and we wish her the very best in her retirement.

Mayor Cownie, Councilmembers Boesen and Coleman (Chair)  
City Council Personnel Committee