**RED RIVER REGIONAL DISPATCH CENTER
Budget and Finance Meeting
Wednesday, March 20th, 2024**

**Cass County Courthouse, 211 9 St S, Fargo, ND**

**Commission Room 105W**

**MEETING CALLED TO ORDER by Brandy Madrigga at 1300hrs**

**Present:**

Amanda Glasoe – RRRDC

Brandi Madrigga - Chair

Kevin Campbell, Clay Commissioner

Ryan Nelson, Moorhead Commissioner

Tracy Peters, Cass Assistant County Administrator

**Virtual:**

Lori Johnson, Clay Auditor/Treasurer

Mary Scherling, Cass Commissioner

Jenica Flanagan, Moorhead Finance Director

Susan Thompson, Fargo Finance Director

**Also, in Attendance:**

Robert Wilson, Cass County Administrator

1. **APROVAL OF AGENDA**

Approval of March 20th, 2024 Agenda. Campbell made a **motion to approve the agenda**; Nelson seconded the motion. No discussion. All approved; **motion carried.**

1. **APPROVAL OF MINUTES FROM FEBRUARY 7th, 2024 MEETING**

Approval January 10th and Feb 7th, 2024 meeting minutes. Campbell made a **motion to approve the both meeting minutes**; Nelson seconded the motion. All approved; **motion carried**.

1. **2024 YEAR TO DATE BUDGET**

Glasoe reviewed year to date of January and February of 2024, top line is income, includes savings account interest for RRRDC at First International Bank and Trust. Money had been moved over that was previously in a CD into that savings account and continue to earn interest. Supplemental category is for New World assessment, based on license #'s at contract signing. This includes Civil, Jail, MDC, LERMS, Fire and Records. RRRDC pays that out of the budget.  Life Insurance Benefit at 86%, payroll adjustment needs to be done for that. RRRDC pays for that and then the following payroll RRRDC gets reimbursed those funds. Records management at 92%, it’s one-time maintenance at beginning of the year. Most comes out right away and then not much more the remainder of the year. Dues and Memberships is a bit over. RRRDC has APCO membership, if employees want to be a member dispatch will cover half. This year full dues are covered for RRRDC Admin staff.

1. **Motion from Personnel/Executive Committee to be approved by Budget and Finance**

Peters gave background to market survey done in 2023 evaluating compensation and benefits for RRRDC staff. Was comprehensive study and received results in Nov 2023. Market study was brought to the Personnel Committee in early Jan 2024 and was reviewed by HR directors from the five participating entities. They had drilled down to see where it RRRDC was off from the market. Identified three areas where it’s believed it’s not aligned with the market. These 3 areas were brought to the Personnel Committee and they approved of the items. They were then brought to Executive Committee in late February and was approved by them. Is now being brought to Budget and Finance.

**Motions**: 3 recommendations forward as result of market survey:

1. 3% increase to communication operator wage, effective January 1st, 2024

Salary Ranges for Director, Shift Supervisors, Assistant Director/Radio Coordinator were comparable to market. Salary range for communications operator was slightly below the market. That market range was $50,2000-$75,200. RRRDC was at $49K-$73K. Recommendation from both Personnel and Executive Committees did suggest a 3% raise to make salary more competitive to $50,500-$75,500 which would be on par with market. These dollars are 2023 dollars, and ranges for salary were also for 2023. Have received step raises and COLA raises since then. The 3% would bring them up to par with the market. Because the survey was done in 2023 it normally would have been implemented in January of 2024. This survey had starts and stops and was not approved until now, so the recommendation is to make the change retroactive to January.

**Discussion:** Campbell- asked if upgrade grid effective Jan1, then on top of that any 23 step raises or Colas would be under the new grid? Peters said yes, that would be on top of the new grid. This would fix the positioning of that grid. Madrigga asked how many employees and how much is overall financial impact? Glasoe said currently we have 39 full time employees, this would affect a number but not all since some started in 2024. Some employees have left. It would be approximately $52K for the entire year. Nelson asked if study was done in 2023 with numbers from 2023? Will the 3% increase bring new rate for the PST to the market rate of 2023 going into 2024? Or does it put them at 2024 market rate?  Peters stated this would bring them to the 2024 rate, Cola moved them up and this would move them up more on par with 2023 market. We think this will bring them within range of the market. No further questions.

* 1. **Motion to approve and to include it be it retroactive to Jan 1st made by Nelson, second by Campbell.**  Roll call vote completed, **All in favor, motion passes.**
1. 401k employer/employee contribution to start at time of hire (entry quarterly) with graduated vesting of 50% for first year and 100% at two years.

Benefits were on par with Market and Paid time off. Only thing lagging was the 401K and the manner in which it’s implemented. Currently new employees can contribute when they start but employer match doesn’t start until they have been working for a year. That was different than what they have been seeing in survey. Recommended match would start at hire. They would be 50% vested after one year, fully vested after 2 years. This will allow so that they can take advantage of the employer match right away. Recommendations has been approved by both Personnel and Executive committees.

**Discussion:** Campbell said this makes sense and may encourage new people to stay knowing they have additional funds waiting for them. Flanagan asked cost analysis of this?  Glasoe said it would be $650 per employee, per quarter. In discussing with financial manager, the 3% Safe Harbor would be vested at 100 % which is a requirement for the Safe Harbor contribution. It would be the 8.05% that would be the 50% vested and then 100 % vested after 2 years. It’s set up to avoid highly compensated employees and further compliance testing for the plan. There was a question at last meeting how this would benefit current employees. If they are not vested, they would not receive those funds when they leave. The funds that are accrued can be paid for plan changes or spread out among employees. It would be a benefit to current employees. Campbell asked if the 401K contribution is voluntary or mandatory.  Glasoe said it is mandatory. Currently it's mandatory at 1 year of employment so it's not a true employer match. We deduct 5% out of their wage and RRRDC contributes the full amount towards the 401K. Campbell questioned if this is mandatory then dispatch itself pays more than the one-to-one ratio?   Glasoe said that's correct, RRRDC pays 6.05 %. Madrigga asked if any employees that have gone through the first year without a contribution and now new employees that are starting now are in the same spot as them? Glasoe said this wouldn't be affected until Jan 1st, 2025. It will take time with Alerus to make that change. We will have a number of employees that will make that so it yes, it will affect their eligibility but since they are one year in, it would benefit them to stay. We do see employees leave a few months in so those contributions they made would be left in the pot and could be spread out amongst current employees.  Financial advisors say this would take months and don't think it would take effect until the first quarter of 2025.  No further questions.

* 1. **Motion to approve made by Nelson, second by Campbell.** Further discussion, Campbell asked if this wouldn’t actually be implemented until Jan 2025. Glasoe said that is correct because the plan has to go through a plan amendment. Would need to work with Alerus to have them write the plan amendment. The financial advisor said that would take months. Campbell wanted to confirm this would be planned in the 2025 budget. Glasoe confirmed that is correct. Roll call vote completed. **All in favor, motion passed**.
1. Retention bonus of $100/month employed in 2023 for non-probationary employees, part time employees to receive pro-rated bonus. Effective for employees employed on April 1st, 2024.

The last couple of years employees have received retention bonuses paid out of staffing dollars allocated for positions that went unfilled. There were sufficient funds to pay the bonuses, with thought being the people who were there doing the work for the staffing shortage. There is money in budget this year for bonuses to be paid out. Previously they were paid out to full time staff at $100 per month for every month worked in the prior year. For every month they worked in 2023 they would get $100 bonus for a $1200 maximum. Part time staff were prorated depending on hours worked. Other similarly situated dispatch centers do this in other forms so it's not uncommon. The recommendation from the Personnel and Executive Committee is to establish the retention bonuses similar to what they have done in past couple of years.

**Discussion:** Campbell noticed it said effective for employees employed on April 1, 2024. Peters - That April 1st date was recommended because it will go to the full board tomorrow for final approval tomorrow, March 21st.  Since they are on a bi-weekly pay period, so the April 1st date was the next pay cycle after final approval. We wanted to implement them as soon as we could.  Madrigga asked about the financial impact. Glasoe said it would be $33,300. Madrigga asked if this would be annual expectation since it's not the first time we have offered bonuses in this method. Glasoe said she did not foresee it to be. We do have more trainees that are staying so staffing is looking to be better this year. Madrigga asked if this was paid last year.  Glasoe yes, it was paid the first of the year in 2023 for 2022.  Madrigga question if this was not included in the budget?  Glasoe said it was not included in the budget.   Scherling asked if this was considered during the salary survey that we are retroactively correcting now? Was last year's bonus considered as part of the salary for 2023? Peters said she was not sure. The market range would not have included any bonuses that were paid, that would be on top of that. Scherling suggested maybe we are in market range more than we think we were. Scherling struggles with bonuses and feels there is ways to do recruitment where you get a bonus if you personally recruit someone, and they stay for so long.  We don't need to do bonuses.  Madrigga asked Glasoe has salaries for 2023, how far under budget we were?  Glasoe said the salary savings for 2023 was $223K under budget. Glasoe added there is employee incentive for employment referral for new employees, hasn't been wildly successful yet. Also have a retention bonus where you would receive $500 at completion of training, which takes about 6 months to complete, and another $500 at the completion of your first year of employment, which would be end of your probationary period. So new employees would receive $1K if they decide to stay on with RRRDC.  Nelson commented the market range noted wouldn't have reflected bonuses from market range from other entities. Nelson said this isn't expected year to year and we are trying to get dispatch out of a hiring deficit so I am good going forward with it and we can re-evaluate every year.  Campbell does agree with Scherling that in terms of bonuses aren't typically a way to do things in government.  In the same point, we need to look outside the box to fix issues. I believe there is strong case for that because they have extra demands on them while not being fully staffed. Agrees with Nelson that this isn't an ongoing thing, this has to be considered when it's needed. Peters said these compensation studies are done every 3 years so we haven't had one since 2020. It might be the situation where we have fallen behind the market the last few years. This will help us get more in line with the market which may help with retention, recruitment and staffing. Madrigga also added the market survey adjustment of 3% increase is reflective of 2023. However, we are going into 2024 to correct that.  Employees would have spent the entire 2023 in under market position. This bonus would help make up for that gap in retrospect. No further discussion.

* 1. **Motion by Nelson to approve bonuses as mentioned, second by Flanagan.** Roll call vote completed, all voted Yes except Scherling with No. **Motion passed**.
1. **OTHER BUSINESS**

Glasoe had meeting with Fargo IS about cost with IS capital equipment. We set aside funds each year, for 5 years, for IS to come in and do a refresh of our environment. Production server refresh was $346K. Budget set aside was for $402K. Will take about 4 weeks to get into place and then City of Fargo will invoice RRRDC and we will pay them out for the cost of this refresh. IS will also be working on budget preperation for 2025 and also looking at the next 5 years for RRRDC. Initial the first three years, the cost set aside was $72K. In 2023 they recommended the budget be increased because they were expecting the cost to increase. They still expect cost to increase. They don't expect hardware and software to go down in the future but we don’t know what the recommendation is yet for the next 5 years.

**Discussion:** Madrigga asked when does that get paid out? Glasoe said signed quotes today to move forward to purchase for refresh. They will work with vendors. Will take approximately 4 weeks to get someone on site to get us moved to new environment. Madrigga asked if this would be 2024 and Glasoe said yes.

**ADJOURNMENT**

Meeting adjourned by Finance Chair Madrigga at 1346hrs.

**Next Meeting:**

*Meeting minutes by: Kristi Kanski, RRRDC*