

PERSONNEL COMMITTEE
10:00 a.m., Thursday, May 1, 2014

The regular meeting of the Personnel Committee was held at 10:00 a.m., Thursday, May 1, 2014 in the City Hall Conference Room, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bettelli and Harrington, Chair Ferencz, City Administrator Tucker, Assistant to the Administrator Dziuban and City Clerk Copeland; a quorum was present to conduct business.

1. Chair Ferencz called the meeting to order and acknowledged that the press and public had been duly notified of the meeting in accordance with the Freedom of Information Act.

2. **Approval of Previous Meeting's Minutes**

MOTION: Councilmember Harrington moved to approve the minutes of the regular meeting of April 10, 2014 as submitted; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

3. **Citizens' Comments – None**

4. **Old Business**

A. Status of Gathering Wage Ranges from Other Local Governments and Recommending Changes

Administrator Tucker noted that she had invited Treasurer Suggs to attend the meeting to answer questions related to the schedule of wage ranges and recommendations. The Administrator reiterated that fact that it is very difficult to find like comparisons; the job duties may differ, the populations served are different sizes, differences exist in community characteristics, etc. These differences mean that the position title may be the same, but the position could have different functions. For example, communities with a population similar to IOP typically do not deal with the influx of visitors that come here; they will not likely have the sophistication in both emergency services; in addition, they do not deal with the additional garbage generated by tourists. The schedule included in meeting packets takes all of the local governments that responded to the City's request for wage ranges, averages those, and then the City's ranges are inserted to compute a percent of difference, over or under, between the City's ranges and the average wage for all City positions. In the majority of cases, the City's ranges are below the average for the area.

On page 7 of the schedule, staff has taken the City's positions and made certain adjustments looking at the methodology used for the Fire Department and tried to arrive at a version that makes reasonable sense for consideration.

The City does have a body of positions where the employees in those positions have reached their maximum; this means that the only alternative for that employee to increase his/her salary is to look for employment elsewhere. If these are long-term employees that have been, and continue to be, high performers consistently, the City does not want to lose them. It, therefore, makes sense to evaluate all of the wage ranges, especially, those few at the top of their range. When one talks about a performance-based merit pool for these employees, it is basically meaningless because they are at their maximum.

At the top of page 7 is the grouping of the positions at their maximum, and staff is recommending a change that will help the problem of employees being at their maximum because of the position wage ranges. For these positions, staff recommends that the minimum wage ranges increase from zero to ten percent (0%-10%) and the maximum ranges increase by ten percent (10%).

For the remaining positions in the City, where the City's range is ten percent (10%) less than the other local governments, the recommendation is to raise the wage ranges ten percent (10%); the details are on the bottom of page 7.

On page 8 are the positions in the City for which the recommendation is to increase the minimum wage ranges from zero to five percent (5%) and the maximum by five percent (5%). The middle section contains the positions with a maximum wage range less than five percent (5%) below the local average, the staff recommendation is to make no change.

When the wage ranges are adjusted, there will be some people employed by the City whose current salary is below the new minimum; if that is the case, they need to be raised to the new minimum wage. In addition, there may be people hired two to three (2-3) years ago at the original minimum; with a new minimum, their salaries should be adjusted to avoid salary compression, resulting in someone hired six (6) months ago making the same as someone who has been with the City three (3) years.

The section at the very bottom answers the question, if the City were to take these actions on June 1 to make wage ranges more equitable with other local governments in the region, which were ratcheted down due to various reasons, what is the fiscal impact on FY14 and FY15? To adjust the wage ranges for employees who have not seen any benefit of the merit pool, the City could adjust their wages up to what they would have gotten if they had not been at the top of their range. The total budget impact for the balance of FY14 would be five thousand nine hundred thirteen dollars (\$5,913) and for FY15, sixty-one thousand five hundred dollars (\$61,500); a portion of the FY15 figure would come from tourism funds since some police officers are paid through transfers-in from there.

Since Chair Ferencz noted that the City is not far off with average minimums for salaries, Administrator Tucker posed the question as to the fiscal impact of not making any changes to minimums, eliminating the problem of salary compression, but increasing the maximums, which will mean that people will have the opportunity to receive performance-based raises. The Administrator referenced the work done on the Fire Department ranges and stated that this was done because the City was experiencing a pretty dramatic out-migration in the Fire Department of entry-level positions. Chief Buckhannon has stated that he has no problem getting people in the Police Department, but, when they have been with the City for a couple of years, the salaries being offered by North Charleston and Charleston County are such that they are taking IOP's patrol officers. Officers can go to either of these two (2) departments and earn between thirty-six and forty thousand dollars (\$36,000-\$40,000). With that information, staff decided that they would be remiss if they did not report that there is a problem with the minimum wage range in the Police Department; the same is true with positions in the Recreation Department.

Treasurer Suggs explained that raising the minimums as suggested only affects four (4) patrol officers in the Police Department and the recreation supervisor at the Recreation Department – all entry-level positions. These five (5) persons represent the salary compression issue in the City.

Councilmember Harrington again asked about funding a recreation position from tourism funds.

Chair Ferencz stated that her reservation about that is if the City continues to tap those funds, they will have been completely depleted in the third year. The Chair agreed that tourism funds are increasing year over year, but fixed costs are also increasing year over year; she noted that the City is spending the tourism funds that come in every year, but are also tapping into the reserve funds each year.

Administrator Tucker turned to the fourth page of the fund balance schedules at the beginning of the budget document and pointed out that the Hospitality Fund will have a very small FY15 year-end balance.

Treasurer Suggs directed attention to the tourism funds in total and noted that the net income in the tourism funds at the end of FY15 is a negative five hundred eighty-six thousand dollars (\$586,000). The ending balance for FY15 is projected to be two million two hundred eight thousand dollars (\$2,208,000).

In Councilmember Harrington's opinion, the conundrum from the Council meeting was that the City must reduce expenses or raise revenue, but he sensed a reticence on Council's part to increase the parking kiosks or property taxes. If the City is going to continue to provide services to the residents, it must also be fair with the wages it pays its employees.

Chair Ferencz said that her opposition to a millage increase is that the increase affects four thousand (4,000) residents who are not getting any special services that they do not now receive. In the meantime, the City has a flood of people coming here who are not contributing to sustain the services they receive when on the island.

Councilmember Harrington agreed and added that the day-visitors are the reason that the City has the level of public safety and public works employees.

The Administrator stated that one (1) way to increase the day visitors' contribution to the City's revenues is increasing the per hour rate at the parking kiosks; the revenue generated would certainly pay for the wage range recommendations presented today.

Chair Ferencz stated that she was supportive of the recommendations made by staff, but she also thought that this FY15 budget increase would not be received well at the Ways and Means Committee meeting.

Councilmember Bettelli voiced the opinion that the Ways and Means Committee should be made aware of the information gathered and subsequent recommendations; Councilmember Harrington agreed.

Stating that the recommendations could be implemented in phases, Administrator Tucker suggested that the Committee agree to act on the first recommendation which is to capture the unpaid merit increases for the group of seven (7) positions where people are at their maximum, have been for a while and have seen no benefit from the performance-based raises although they would be entitled to based on their annual evaluations. For the balance of FY14, this action will cost thirteen hundred forty-six dollars (\$1,394), and, for FY15, the cost is fourteen thousand dollars (\$14,000). The Administrator explained that the amounts were a budgeted impact which assumes that each one (1) of these seven (7) people was to receive a six percent (6%) increase, which is not the case; therefore, the actual amount will probably be less than fourteen thousand dollars (\$14,000).

The Administrator commented that she is reminded that staff was criticized for not bringing the problem in the Fire Department to Council's attention soon enough, and, if no action is taken at this time, the City will look at repeating the situation.

Chair Ferencz indicated that the Committee should recommend adopting "all or nothing." The study could be presented to the Ways and Means Committee with its subsequent recommendations and a statement that the Personnel Committee recommended the adoption of the three (3) staff recommendations in order to remain competitive in the local market.

For these seven (7) people, the only increase they see is based strictly on the CPI on July 1 of each year; typically, the CPI is in the one percent (1%) range. Their evaluations are not in the calculation.

Off subject, Chair Ferencz asked how many dispatchers were retained by the City; the Administrator responded four (4) to ensure coverage twenty-four (24) hours a day, seven (7) days a week. Since the dispatchers are now performing other duties, the Chair asked when their services would no longer be needed or was there a plan to meld them into other positions in other Departments. Their primary job tasks are:

1. Monitoring calls to Consolidated Dispatch as a failsafe for Isle of Palms and Sullivan's Island; and
2. Responding to ten minutes hits (When an officer has a traffic stop and, by running the tag, the officer learns that the person is wanted, that officer has ten (10) minutes to confirm whether the entity looking for the individual wants to spend the money to get the person back.)

If the dispatchers are not here to perform that task, the City would need to hire an outside agency to do the ten-minute (10 min.) hits.

Assistant Dziuban added that the dispatchers provide a presence for the Police Department since they were re-located to the reception area.

The dispatchers now also handle hurricane stickers and data entry as they are monitoring calls.

Councilmember Bettelli urged the Chair to share the information with the Ways and Means Committee without a recommendation if she were more comfortable doing that.

The Chair agreed to present the assignment, the data that was gathered and the subsequent recommendations, but the Committee was not prepared to make specific recommendations at the meeting. Councilmember Harrington added that the Ways and Means Committee be encouraged to ask questions and discuss it.

B. Status of Staffing City-wide

The City Administrator stated that nothing has changed since last month.

C. Consideration of City-wide Mechanic vs Contracted Services

Administrator Tucker indicated that staff does not have much new information other than getting some hourly rates from vendors, i.e. FireLine was one hundred dollars (\$100) an hour plus the same rate for travel time. One option considered was to contract with Charleston County to use their mechanic, but this person cannot assist the Isle of Palms' fleet because their work load has increased considerably with the addition of the recycling trucks; the mechanic did offer roadside assistance if, for instance, a truck was en-route to or from Bees Ferry.

The Administrator noted that one (1) Mack flatbed has lost its drive shaft, and the Mack dealership that has refused to work on it. Director Pitts explained that a couple of the City's Mack trucks were manufactured by Renault. The truck is at the dealership waiting for someone to work on it.

The Director confirmed that parts were something of an issue in that they must come from France. When asked how old the trucks were, Director Pitts responded that the replacement of these trucks has been deferred several times; in the Director's opinion, these are good trucks, without regeneration units, and he will defend keeping them on the road for several more years.

Administrator Tucker reported that the City is getting behind on preventative maintenance on the vehicles because of not having anywhere to take them and the mechanic who has worked on them in the past does not have time to devote to assisting the City.

At a staff meeting earlier in the day, the suggestion was made to hire a part-time mechanic; he/she would work thirty (30) hours a week and be eligible for benefits. The Administrator stated that she does not have an estimate of the cost to do this, but she will gather them.

Councilmember Harrington asked again if the City had enough work to keep a part-time mechanic busy; Administrator Tucker and Director Pitts assured him that this person would be busy.

Councilmember Harrington was of the opinion that this position has been more than justified and should be included in the FY15 budget.

Assuming that the position will be included in the FY15 budget, Chair Ferencz asked what other costs the City would incur to make him/her ready to work. Administrator Tucker stated that there was a place in Public Works for this person to work, but he would also be able to go to the Public Safety Building to work on their trucks. A qualified mechanic will have his own tools and he could be reimbursed for mileage, rather than provide him a vehicle.

The Administrator indicated that she would provide the Chair with the costs for a part-time mechanic before the Ways and Means meeting.

MOTION: Councilmember Harrington moved to recommend to the Ways and Means Committee the addition of a part-time mechanic to the City's staff; Chair Ferencz seconded and the motion PASSED UNANIMOUSLY.

D. Update on Progress toward a new City-wide Employee Evaluation Tool

Administrator Tucker reported that the Department Managers have decided to generate an evaluation tool, using the Omni form as a model to develop the City's original form. Chief Buckhannon has agreed to be the architect; once the form has been completed and reviewed by the Department Managers, it will be presented to the Committee for their review.

Assistant Dziuban added that the new evaluation tool will be identical to the existing Omni form and have the same content. The only change will be the software.

E. Discussion of Strategic Plan and Comprehensive Plan

Chair Ferencz repeated that she has put this on the agenda as the result of a "great" presentation by Rock Hill at the MASC meeting on the difference between a strategic plan and a Comprehensive Plan; the City has a Comprehensive Plan. A strategic plan allows the community to look more globally on a three to five year (3-5 yr.) basis, rather than budget to budget year. Since the Committee has much work to do, the Chair suggested that the subject be deferred to a point in the future when there is time to dedicate to it.

MOTION: Councilmember Bettelli moved to defer discussion on a strategic plan vs a Comprehensive Plan; Councilmember Harrington seconded and the motion PASSED UNANIMOUSLY.

F. Discussion of FY15 Budget

With the Chair's permission, Administrator Tucker went directly to an item that Chair Ferencz mentioned at the April Council meeting, i.e. the Miscellaneous and Contingency lines. The Administrator commented that the name of these lines in the budget is somewhat deceiving because they do not contain money that is sitting as a cushion if a department goes over budget on another line. The Miscellaneous and Contingency lines of the operating budgets are places that are normally repeated year after year but do not meet the descriptions on other lines. As an example, she directed the Committee's attention to the Miscellaneous and Contingency line in the General Government budget, page 3 line 57; expenses for that line include the employee

recognition program, the safety sweepstakes, the Charleston Crisis Chaplaincy, the annual donation to Holly Reynolds, the employee recognition event, General Government refreshments, and the employee morale and Incentive Program/suggestion awards/recruitment awards. There is very little for “wobble room” in this line; but there are things that the City will repeat. Items that have been charged to this line in FY14 include flu shots, photo album pages, replacement American flags, newspaper subscriptions, bottled water, coffee, diesel filters, air hoses and checks, flotation devices for water equipment, name badges, police and fire line tape, tide charts, etc.

The Administrator added that, if these lines are cut, at the end of the year, the City will be over-budget because these things still needed to be done. The Administrator stressed the fact that, if the City does not need to spend the total amount budgeted for the line, the money is rolled into the Capital Projects fund as part of the positive net result. Globally trimming that line will produce only a small impact on the FY15 budget and reduce the amount that can be rolled into the Capital Projects fund.

Chair Ferencz stated that she had studied the schedule detailing fixed costs versus discretionary costs; she noticed immediately that revenues have increased by seven percent (7%) while fixed costs have increased by nineteen percent (19%). The Chair stated that she had been drawn to those expense items that have dramatic increases between FY11 and FY15, and she first questioned the sharp increase in legal services.

Administrator Tucker recalled that she tries to remind Council of these types of situations at Ways and Means meetings. The Administrator explained that the City had to respond to a federal complaint related to hiring practices and that the City still does not know the result of the complaint despite the facts that the City has sent them everything requested. As a result of that complaint, completely re-vamped applications for employment and completely re-vamped the hiring process. That entire process created a significant portion of legal expense from the City’s attorney but also the personnel attorneys in Columbia. This situation was totally unexpected and, therefore, not budgeted. A second factor to the increase in legal services is that the City has incurred significantly more expense from the City’s prosecuting attorney; prior to Lt. Wright’s retirement, he was able to use his vast experience in the courtroom to handle much of what the City Prosecutor does now as part of his job functions. There also have been bond issues to refinance City’s debt.

Chair Ferencz remarked that the FY15 budget appears to anticipate another complaint in the coming fiscal year. The Administrator responded that the prosecutor situation is not going to change, and the FY15 increase is the addition of twenty-five thousand dollars (\$25,000) for the prospective bonding to re-finance the Recreation Center bond.

The Chair then noted that “Non-Capital Tools and Equipment” has increased by one hundred seventeen percent (117%). Administrator Tucker explained that the City changed its capital threshold from one thousand dollars (\$1,000) to five thousand dollars (\$5,000); therefore, all items less than the new threshold are now expensed in this line.

Since “Street Signs” have increased by seventy-six percent (76%), Chair Ferencz asked whether only City street signs were being replaced or all signs on the island. The Administrator

explained that that City budgeted to do the wayfinding signs, and these signs are a better quality and a more expensive type of sign than typical sign replacements. The City relies on SCDOT to replace their signs unless it is a circumstance where someone could be hurt if the sign is not replaced immediately. Captain Eagle added that the Fire Department had placed signs on the beach indicating the avenue number which was a sizable project.

Responding to the Chair, the Administrator noted that advertising varies depending on whether or not it is an election year, but advertising is primarily public notices, bid notices and other items mandated by state law, such as the notice of the budget that states the millage for the coming year.

The Chair asked for clarification on "Volunteer Fire Points" that has risen by ninety-two percent (92%); Administrator Tucker commented that this was something over which the City has no control. The Administrator explained that volunteer fire point were awards that the Fire Department gives to volunteers for participation and that it a good thing to that number increase.

Chair Ferencz concluded that there is very little that can be done that will have a substantial impact to the General Fund.

The discussion concluded with Committee members and staff commenting on the success of the change in the budget process for the FY15 budget.

5. New Business

A. Discussion of Training Reimbursement

Chair Ferencz indicated that this item was on the agenda in response to a request made at the last City Council meeting.

The Administrator stated that the City offers a tuition reimbursement program, and the details of that program are spelled out in the Employee Handbook. If, for instance, an employee expresses the desire to pursue a degree in criminal justice beginning in June or September and if the employee is in good standing with the City, he/she can get the approval of their department manager to pursue this additional education. The employee is reimbursed for the course(s) based on the grade achieved. If that employee leaves the City's employ having recently been in this program, there is a requirement for reimbursement to the City, and the amount is withheld from the employee's last paycheck.

The other situation that involves training reimbursement is the attendance of an entry level police officer at the Criminal Justice Academy; that training reimbursement is set by state law and states that, if the City puts an officer through the police academy and that officer leaves the City's employee within a defined period of time, the local government that hires them must reimburse the City that paid for the training based on the number of years.

Administrator Tucker stated that she thought Councilmember Loftus was referring to EMT certification; the amount included in the FY15 budget is forty-five hundred dollars (\$4,500) for three (3) EMT for the new firefighters. The Administrator stated, relatively confident, that other local

governments do not seek reimbursement for EMT training because they want everyone to become certified and that she was unsure whether the City could require reimbursement for this training without getting into issues like Councilmember Buckhannon pointed out where it becomes more like contracted labor rather than an employer/employee relationship. The Administrator also commented that the training is relatively inexpensive at fifteen hundred dollars (\$1,500) per firefighter. The Administrator listed the levels of certification as firefighter, first responder, EMT and paramedic; Captain Eagle reported that all members of the City's Fire Department are either first responders or EMTs.

Councilmember Harrington voiced his understanding that the City's police officers are not first responders but all know CPR.

Chair Ferencz summarized that the City has mechanisms for training reimbursement for tuition and for the police academy, but conflicts with labor laws prevent the City from pursuing reimbursement for EMT training.

B. Discussion of Vacancies on Boards and Commissions

Administrator Tucker stated that the Committee will need to make a couple of mid-year appointments; there is a vacancy on the Code Board of Appeals, which meets very infrequently, and one (1) vacancy each on the Board of Zoning Appeals and the Planning Commission. The Committee will still be looking to make new appointments beginning in August for January 2015. Michael Layman on the Board of Zoning Appeals and Penny Lewis on the Planning Commission are moving off the island.

For the June meeting, the Committee will be supplied with the information on the candidate pool that exists for board and commissions appointments.

Relative to the appointment to the Board of Zoning Appeals, Director Kerr has asked that it would be good if the appointee has a legal background; Michael Layman is an attorney and has provided needed legal advice.

Responding to the Chair's question, the Administrator noted members of boards and commissions whose terms expire December 31, 2014 will be sent letters in August asking whether they want to be considered for re-appointment.

The mid-year appointments will serve the balance of the unexpired term of the person being replaced.

In reviewing the process, Administrator Tucker stated that the Personnel Committee goes through the candidate pool, makes recommendations of appointees for 2015, and makes a motion to forward that list to City Council. In November, Council has the opportunity to accept the list as presented or to accept part of the list and make recommendations themselves; Council normally accepts the Committee's recommendations in full. Council will vote on the appointments in December and again in January.

6. Miscellaneous Business

Next Meeting Date: 10:00 a.m., Tuesday, June 3, 2014 in the Conference Room.

7. Executive Session – not needed

8. Adjournment/Conclusion

MOTION: Councilmember Bettelli moved to adjourn the meeting at 11:38 a.m.; Chair Ferencz seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk