

PERSONNEL COMMITTEE

11:00 a.m., Wednesday, April 6, 2016

The regular meeting of the Personnel Committee was held at 11:00 a.m., Wednesday, April 6, 2016 in the City Hall Conference Room, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bettelli and Ferencz, Chair Harrington, Administrator Tucker, Assistant Administrator Fragoso and Clerk Copeland; a quorum was present to conduct business.

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

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

MOTION: Councilmember Ferencz moved to approve the minutes of the regular meeting of March 2, 2016 as submitted; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

3. **Citizens' Comments** – None

4. **Old Business** – None

5. **New Business**

A. **Review of FY17 Operating Budgets for General Government and the Building Department**

Administrator Tucker noted that later in the meeting the Committee will be discussing the addition of personnel, but she emphasized that the impact of those new positions were not reflected in the operating budgets to be reviewed today. If the Committee approves any one, all or none of the positions, the financial impact will be in the next version of the budget.

Initiating the budget discussion, Administrator Tucker reported that the following are global to all Departmental budgets:

- A 3% wage increase for employees composed of a 2% merit and 1% COLA;
- A 1% increase in health insurance premiums effective January 1, 2017;
- Fuel computed on last 2 years average actual cost per gallon and last 12 months actual usage;
- Liability, property, underground fuel tank insurance increase of 5% and flood insurance increased by 15%.

General Government

Overtime expense has been increased based on the actual amount year-to-do; the principal amounts to be paid on the Recreation, Public Safety Building, and Fire Station 2 bonds has increased for FY17 by thirty-two thousand dollars (\$32,000). A small increase has been made to Bank Service Charges, and Memberships and Dues have increased for Desirée to become a member of the International City Managers Association. The South Carolina Beach Advocates meeting is being hosted in Wild Dunes in October, and, typically, based on past experience, when

conferences are hosted here, an outreach is made to the City to donate something or to support it in some way; therefore, Meetings and Seminars was increased by fifteen hundred dollars (\$1,500). The addition of Adobe Acrobat Pro DC subscription for City Hall is behind the increase in Maintenance and Service Contracts for General Government. The need for additional meeting notices and the use of boosting with Facebook have precipitated the increase to Advertising expense. Employee Training expense is the budget for tuition reimbursement for employees who are in good standing to further their education; requests must be submitted and approved each year before budget preparation. Having moved the provisions for the safety sweepstakes and employee of the month to salaries, the budget for Miscellaneous and Contingency has been reduced.

Judicial and Legal

Overtime has been tracking higher than in the past so the expense for FY17 was increased; Printing and Office Supplies are also tracking higher in FY16, resulting in a five hundred dollar (\$500) increase for FY17. The maintenance for the on-line ticket payment has increased the Maintenance and Service Contracts line by three thousand dollars (\$3,000).

Capital Projects – General Government

The changes to Capital Projects were to reduce the amount budgeted for radio replacements to ten thousand dollars (\$10,000) and only with failure and to increase the cost of the tablets by two thousand dollars (\$2,000) based on a price increase. With a new quote for audio/visuals for Council Chambers, the price has been reduced from forty thousand dollars (\$40,000) to seventeen thousand five hundred dollars (\$17,500).

Municipal Accommodations Fee – General Government

Sixty thousand dollars (\$60,000) has been included in the Municipal Accommodations Fee fund for costs associated with signs for the beach access parking plan.

Capital Outlay – General Government

In the Capital Projects Fund/Capital Outlay for General Government, half of the cost of the golf cart path between 20th Avenue and the island Center has been assigned, a figure of forty-five thousand eight hundred twenty-three dollars (\$45,823). The total for that line has become one hundred seventy-five thousand three hundred twenty-three dollars (\$175,323); the remaining half will be budgeted to the Municipal Accommodations Fee Fund. Four thousand dollars (\$4,000) has also been assigned to Municipal Accommodations Fee Fund for forty (40) holiday light pole banners.

Plant a Palm

Ten thousand dollars (\$10,000) has been assigned to the Plant-A-Palm Fund for public art for Front Beach.

Mayor and Council

Meetings and Seminars has been increased by four thousand dollars (\$4,000) to nine thousand dollars (\$9,000), and Telephone and Cable have been increase by two hundred dollars (\$200) based on actual expenses. Administrator Tucker reminded the Committee that the 2016 Municipal Association Annual Meeting will be held here in Charleston and the City will be getting an award.

The large spreadsheet of expenses by fund includes the budgets for Mayor and Council, General Government and Court; for FY17 eighty-six percent (86%) of the expenses will be funded from the General and Capital Projects Funds, thirteen percent (13%) from tourism funds and one percent (1%) from other funds.

Building and Planning Department

Other than salaries and the expenses associated with them, the only change in this operating budget is in Professional Services for services requested by the Planning Commission and special projects, like the golf cart path.

Councilmember Bettelli asked whether the City was going to go to the Water and Sewer Commission to share the costs for an analysis of the septic versus sewer system. The Administrator indicated that she did not think a professional study was involved, but legal expenses had already been incurred related to an analysis of the legality of requiring citizens to tie-in.

For the Building Department, expenses spread by fund have not changed in terms of the percentages paid from the General and Capital Projects Fund and tourism funds.

B. Discussion of COLA and Merit Increases for FY17 Budgets

The Personnel Committee has always been asked to opine on the amount put in the operating budgets for merit increases and cost of living adjustments. Staff did some surveying of surrounding communities for their projections for budgets, and it was in the *Post and Courier* that Mount Pleasant has just completed a wage study and is proposing a large wage increase for its employees. Administrator Tucker only mentioned the Mount Pleasant proposal because, at times, such a change can convince City employees that “the grass is greener” elsewhere. The City of Charleston and Sullivan’s island are initially proposing a two percent (2%) increase while North Charleston is proposing two and a half percent (2.5%). The Administrator reiterated that the FY17 budget has proposed a one percent (1%) COLA and a two percent (2%) merit increase.

Councilmember Ferencz indicated that she thought the proposal was fair.

MOTION: Councilmember Bettelli moved to recommend to Ways and Means a 1% COLA and a 2% merit increase for employees in FY17; Councilmember Ferencz seconded and the motion PASSED UNANIMOUSLY.

C. Consideration of Additional Personnel

Chair Harrington stated that Council wants the City staff to have the best resources available, but he questioned the need for all of the Department Managers to be in attendance at committee meetings and whether this was the best use of their time. He then suggested the possibility that all committees might not need to meet on a monthly basis; he noted that Council has been working to streamline expenses, time, energy and effort by being more electronic.

Councilmember Ferencz commented on the number of after-hours meetings the City has and asked whether staff members who attend were given either overtime or compensatory time.

Before responding, Administrator Tucker commented to the Committee that this topic was not on the Agenda and suggested that it could be added to today's agenda or be an item on a future agenda. The Administrator stated that the City must adhere to the requirements of the Fair Labor Standards Act of the wage and hour laws. If an employee is asked to attend an after-hour meeting, he or she will receive overtime or comp time, whichever applies, but, if an employee chooses to attend a meeting after hours for his or her personal information, overtime or comp time would not apply.

Councilmember Ferencz then asked whether department managers were required to attend every Council meeting.

MOTION: Councilmember Ferencz moved to add a discussion of the attendance of City personnel at meetings; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

Administrator Tucker reminded the Committee that her personal goal for this year was to develop a succession plan for department managers and herself and that she believes that one way in which succession planning is done is to make sure personnel are shadowing and learning from the individual all of the time. Two (2) managers from the Police Department were present today, and, if one is incapacitated in some way, the other must step in as seamlessly as possible. In addition, the Police Department has positions to propose and are present for that reason; the Fire Department is one (1) of the departments advocating item 5D, explaining their presence; and the Recreation Director is attending because one (1) of the proposed positions would fall in the Recreation Department. Department Managers are not required to attend all meetings, but are a valuable resource when they do; the only staff member required to attend meeting is the City Administrator.

On the issue of fewer meetings or meetings during work hours, either would reduce or eliminate the amount of overtime and comp time.

Councilmember Ferencz noted that, if committees met less frequently, the agendas would include more action items and would last longer, but she thought it was worth investigating.

Director Page said that she always attends Ways and Means, Council and Personnel meetings because she thinks it is important that she know what is going on in the City. She stated that decisions made in the Personnel Committee meetings affect her staff and she can keep them informed rather than dealing with rumors.

Supporting Chair Harrington's position, Councilmember Ferencz stated that this line of communication could also be done electronically by sending them a copy of the audio recording; they would not have to attend, but be allowed to do their jobs.

Chair Harrington also pointed out that there are redundancies between committees, doubling staff efforts.

Having worked in the private sector, both Chair Harrington and Councilmember Ferencz expressed reservations about salaried personnel receiving comp time; by being salaried, these people were expected to do whatever was necessary to get the job done.

Councilmember Ferencz opined that looking into ways that department managers could more efficiently use their work day and not attend meetings was worth study.

Councilmember Bettelli agreed that study would be worthwhile, but he appreciated staff's presence because they frequently have valuable input on a subject. He also voiced agreement about duplication of efforts in committees and suggested that the scope of work and responsibilities for standing committees needed to be more clearly defined.

The Administrator reminded the Committee that the responsibilities of each committee were defined in the City Code, and, on the subject of duplications between committees, the Administrator noted that the agendas are set by the Committee chairs. If the chair wants a subject on his committee's agenda, the Administrator can only advise him that the item falls under the purview of another committee, but the chair has the final word on the agenda.

Councilmember Ferencz stated that aspects of a project might fall under two (2) committees, and the Administrator agreed.

To encourage this discussion in the other committees, Administrator Tucker suggested that Chair Harrington include the discussion in his report of the meeting at City Council and ask that the other committees consider whether they could streamline meetings to have fewer of them and examine their duties as a committee to avoid duplication.

To be considered by the Committee is the addition of four (4) positions in FY17 and the possibility of others in the future if the City were to decide to handle its NPDES functions.

MOTION: Councilmember Ferencz moved to include the addition of 2 police officers to the Agenda; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

1. **Payroll and Human Resource**
2. **Two Police Officers**
3. **City Parks and Facilities Specialist**

The need for a human resources person was touched on at the March meeting, and staff was asked to develop a job description with the expenses associated with it. Currently Clerk Copeland is performing the dual function of management of human resources where she enrolls new

employees, keeps track of all personnel records, keying in and generating the bi-weekly payroll and making payroll deposits in addition to the duties of City Clerk. The accounting that is necessary for meeting the new requirements of the Affordable Care Act (ACA) and other state and federal regulations are growing steadily. In an effort to manage the City Clerk's position and the human resource function when the duties related to the history of the City, minutes of meetings, have increased in volume, the need for a human resources person has become more evident. The record keeping associated with human resources must be accurate and carefully handled; on more than one (1) occasion, the City has been asked for the contents of an employee's entire record. The person in this role would assume those duties as noted in the attached job description (a copy of which is attached to the historical record of the meeting.). The recurring expense is estimated to be approximately sixty-two thousand six hundred fifty dollars (\$62,650), with one-time expenses of twenty-four thousand dollars (\$24,000). In order to make space available for this new person in City Hall, twenty thousand dollars (\$20,000) of the one-time costs is to reconfigure the office space.

Councilmember Ferencz asked how much overtime was being accumulated to get all of the tasks done. Clerk Copeland responded that more overtime is accumulated during the months of budget preparation because the meetings tend to run much longer; the work week was fifty to fifty-five hours (50-55 hrs.) in March and April of last year. The human resources side of the position does not get the attention that it should, and filing is not done on a timely basis.

Administrator Tucker stated that staff had pondered whether the job could be done by a part-time person, but the consensus was that the position requires a high level of responsibility. She stated that she has heard that some companies have attorneys in the human resources role. The Administrator questioned that a part-time person would have the level of commitment and responsibility necessary.

Based on Clerk Copeland's term with the City, Councilmember Ferencz thought it might be better to put her in the human resources position and to hire a part-time clerk. Clerk Copeland stated that there was too much work in the clerk's position to have a part-time person twelve (12) months a year.

Administrator Tucker stated that this position was to keep the City from finding itself in a situation where it has failed to do something that it was supposed to do because someone is too tired because they are performing too many duties.

The goal of this discussion is to decide which position(s), if any, were to be included in the next version of the budget by approving the job descriptions directing staff to increase salaries and associated line items.

Chair Harrington reminded the Committee that Council was looking for ways to make staff more efficient, giving them more time to get their work done.

Councilmember Ferencz said that she would like to see how staff's work can be made more efficient before adding more people.

Councilmember Bettelli indicated that he would like to see these new positions presented to Ways and Means in the budget.

Administrator Tucker explained that, in order to prepare a full budget and look at how it all balances out and determine what will be funded by which fund, staff needed to include things, not exclude them.

If all four (4) of the positions were to be approved, the Committee would be adding two hundred fifty thousand dollars (\$250,000) in fixed costs to the budget according to Councilmember Ferencz.

Expanding staff is an expense that is ongoing every year, so it is a big decision with a big budgetary impact. But it would be wrong for Department Managers not to inform the decision-making body when there is a need to add personnel.

Councilmember Ferencz did not argue that help was needed, but she wanted to see if fewer meetings and more efficient use of time could reduce the need for added people.

Chief Buckhannon said that he only attends meetings that he has to attend and then addressed the reasoning behind the request for two (2) additional police officers. The Chief commented that the area is experiencing tremendous growth, and the Department last added to staffing in 2007 with the hiring of the Livability Officer. The newspaper recently stated that Charleston County is growing by forty-eight (48) people per day, and the island has been feeling the impact of that growth as well over the last several years. At this time, the Department is struggling to meet the demand of some of the calls they are receiving; some take several hours to accomplish; some of the calls are more aggressive in nature with more guns and hard drugs involved. The City had its first homicide last year; when that case comes up for trial, the Department could have six or seven (6-7) officers gone for three to four (3-4) weeks. Shortly after that incident, an attempted kidnapping occurred in Wild Dunes when someone was held at gunpoint; it could have easily become another homicide or an officer involved shooting. With the numbers of people coming to the beach in season, officers are tied up with directing traffic at the expense of other duties. The increasing numbers year over year is taking its toll on the Department, and the efficiency is starting to wear on the command staff. Officers are now required to get a certain number of hours in training every year; while that officer is training, the City is short one (1) man on the road. Chief Buckhannon said that he needs help in both investigations and livability.

The recurring costs of adding two (2) officers is projected to be one hundred fifteen thousand eight hundred dollars (\$115,800) with one-time costs of approximately ninety-seven thousand one hundred dollars (\$97,100) for a total Year One cost of two hundred twelve thousand nine hundred dollars (\$212,900).

Administrator Tucker informed the Committee that she had expected this request last year, and the City has received some complaints about lag-time between the initial call for assistance and the arrival of the officer. And, in January and February, the City will continue to get complaints that the City has too many officers on the road.

The minimum staffing per shift is two (2) officers, but the City runs three (3) per shift presently.

If approved, these officers would be assigned where they are needed – one to investigations and one to livability. They will be sworn officers who will assist with patrol when needed.

When Councilmember Ferencz asked whether the increase in call volume could be attributed to the tourist season, Chief Buckhannon stated it is no longer true that things happen between May and September and that the season is now all year. More and more events are being held on the island and each one puts a strain on the department. In the month just ended, the Department had forty-eight hundred (4,800) calls for service; in the summer months, the number of calls will fall between fifty-five hundred and six thousand (5,500-6,000). The majority of calls originate outside Wild Dunes.

For the next position, the job title and description were taken from the Recreation Department and will likely be changed if approved; the new position will be similar to this position but it will be City-wide. For some time, the City has been lacking a person who is responsible for all of the City's buildings and grounds. With a person assigned to care for the building and a person assigned to care for the grounds, the Recreation Center always looks lovely; that cannot be said for other City properties. Typically, small problems become big problems by the time someone realizes that, for example, a hedge is dying, not just a bush. This person's role would be to supervise what contracts the City has, like landscaping, to be responsible for checking and maintaining all of the City's buildings, to assist with budgeting and planning to make sure things happen on schedule and to have an ongoing awareness of the state of City properties.

In assessing this position, staff discussed which department he would be assigned to, and Public Works was the obvious choice, but Director Pitts has all he can handle with garbage and debris pickup and removal. Since Director Page is already supervising this function for the Recreation site, an assignment to the Recreation Department was a good fit.

Director Pitts stated that the Public Works function has evolved with the beach cleaning of disposable chairs, the tents, the upkeep of the beach barrels, overseeing the contracts for garbage and recycle removal, maintaining the compactor and dumpsters.

Director Page stated that she currently has a lot of talent at the Recreation Department and they can help him get certain things done; Recreation staff has helped with mowing the rights-of-way, weed-eating and edging, trimming trees, etc.

Councilmember Ferencz asked where the budget was for this person to do all of the things discussed, and Director Page replied that there are maintenance and repair costs in all departmental budgets that should cover what this person is being asked to do.

Treasurer Suggs envisioned this person maintaining a log of his daily activities to be able to charge the appropriate department's maintenance budget for what he does.

Chief Graham added that the City could likely save money by consolidating certain contracts, namely, landscaping, pest control, elevator maintenance, etc.

MOTION: Councilmember Bettelli moved to recommend the 4 positions discussed and to incorporate them into the budget for the Ways & Means Committee; Chair Harrington seconded and the motion PASSED on a vote of 2 to 1 with Councilmember Ferencz casting the dissenting vote.

Councilmember Ferencz explained that, in the time she has been on Council, the City has added three (3) firemen, communication specialists and six (6) Beach Services Officers, and, in her opinion, the City cannot just keep adding people.

Councilmember Bettelli said that he agreed in theory with her, but that the personnel were necessary; the parking plan could not have happened without the additional BSOs. He stated that Council needs to do what is necessary to keep the City moving forward.

D. Consideration of BenAssist Actuary Fee of \$3,000 to Evaluate the OPEB Liability for GASB 45 and 75 (Retiree Health Insurance)

As a long time City employee who hopes to retire from it, Chief Graham stated that she has been concerned for years that, when an employee leaves the City, they take nothing with them – no health insurance, no life insurance, etc. If a retired employee wants to retain his health insurance coverage, he not only pays one hundred percent (100%) of the premium but is also charged an additional thirty percent (30%), which she considers to be a penalty. She wanted to know if the penalty could be taken away from retiree health insurance coverage.

Responding to Councilmember Ferencz' question about the additional thirty percent (30%), Treasurer Suggs explained that, when the City was with the South Carolina Local Government Assurance Group (SCLGAG) they had an unblended rate, i.e. a separate rate for retirees and for active personnel. When the new GASB rule came down, the City had to recognize a very large liability for the unfunded liability on the retirement system; there is a similar GASB rule for unfunded liability and retiree health insurance. The City has never paid anything for retiree coverage, and, while the City was still with SCLGAG, Council decided to allow retirees to be a part of the City's group but responsible for one hundred percent (100%) of the premium.

The GASB rule says that, if retirees pay the same amount as full-time active employees, there exists what is referred to as an implicit subsidy; this subsidy comes about because both groups pay the same premium when, in fact, retirees, as a group, have a higher cost. The government entity, therefore, was to recognize a liability equal to the actuarially determined present value of that future liability. When the city moved to the State Health Plan, the rates are blended so the implicit subsidy exists.

At the time, the City had no retirees interested in coverage, so the Treasurer advised Council to establish a model, like another municipality had already done, whereby employees can participate in the City's group health insurance plan, but they will be charged the implicit subsidy, meaning that the City does not have to recognize the liability on its books. The thirty percent (30%) comes from the Municipal Association and Public Employee Benefit Authority (PEBA) who were told by their actuaries that it was the implicit subsidy.

The Treasurer reported having had this conversation with a couple of retirees who asked where the thirty percent (30%) goes, and she had to tell them that the City keeps the money to offset the ongoing health insurance expense.

Today the City has employees who are nearing retirement and are asking questions about what kind of coverage they can have through the City and the thirty percent (30%) upcharge has come back around.

The item on the Agenda is to pay an actuary to determine what the City's implicit liability would be, so that City Council can make an informed decision about whether or not the City wants to change its requirements for retiree health insurance coverage.

According to Treasurer Suggs, this actuarial service should be repeated every two or three (2-3) years.

One important fact is that the implicit subsidy only applies to pre-65 retirees, which should serve to reduce the City's liability.

Treasurer Suggs stated that this company was recommended to her by the previous auditor, and they have a very good reputation.

The Treasurer commented that this cost could be paid from the current budget under Professional Services.

MOTION: Councilmember Bettelli moved to recommend to Ways and Means to spend \$3,000 for BenAssist to evaluate the OPEB liability for GASB 45 and 75; Councilmember Ferencz seconded and the motion PASSED UNANIMOUSLY.

E. Discussion of Permanent Nametag for Councilmembers and Department Managers

Councilmember Bettelli asked that this be added to the Agenda; he stated that he would like to have a permanent nametag to wear to meetings and public events as a bit of added professionalism.

MOTION: Councilmember Harrington moved to authorize the Administrator to get permanent nametags for Councilmember and Department Managers; Councilmember Bettelli seconded and the motion PASSED on a vote of 2 to 1 with Councilmember Ferencz casting the dissenting vote.

F. Discussion on Non-resident Participation on Standing Committees

Chair Harrington said that people who own property on the island, but do not live on the island have no voice in the City, and he thought it would be interesting to get their perspective.

Administrator Tucker stated that standing committees are set by City Code as being members of Council; if there was interest in expanding them, it would mean amending the Code.

Councilmember Bettelli noted that full-time residents are not allowed to serve on standing committees, and he added that every meeting has a period for citizens' comments when anyone is allowed to come and speak.

The Administrator remarked that the Real Property Committee had originally been an *ad hoc* committee of Council with a local business person as a member, but the Code was amended to make it a standing committee because it was being given so much work for the City.

The Chair commented that possibly an *ad hoc* committee was what the friend was referring to.

The Administrator stated that, if another committee was added, it would have to be staffed to give them guidance on what they could or could not do.

6. Miscellaneous Business

Next Meeting Date: 11:00 a.m., Wednesday, May 4, 2016 in the Conference Room.

7. Executive Session – not needed

8. Adjournment

MOTION: Councilmember Ferencz moved to adjourn the meeting at 1:25 p.m.; Councilmember Bettelli seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk