

## **PERSONNEL COMMITTEE**

9:00 a.m., Thursday, January 9, 2014

The regular meeting of the Personnel Committee was held at 9:00 a.m. on Thursday, January 9, 2014 in the City Hall Conference Room, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bettelli, Ferencz and Harrington, Administrator Tucker, Assistant to the Administrator Dziuban and City Clerk Copeland; a quorum was present to conduct business.

1. Administrator Tucker 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. Election of Chair and Vice Chair**

Councilmember Ferencz nominated Councilmember Bettelli for the position of Chair, but Councilmember Bettelli declined.

Councilmember Bettelli nominated Councilmember Ferencz for Chair and Councilmember Harrington seconded; the vote was unanimous for Councilmember Ferencz as Chair.

Councilmember Harrington nominated Councilmember Bettelli as Vice Chair; Chair Ferencz seconded and the election was unanimous.

### **3. Approval of Previous Meeting's Minutes**

**MOTION: Councilmember Bettelli moved to approve the minutes of the regular meeting of November 4, 2013 as submitted; Councilmember Harrington seconded and the motion PASSED UNANIMOUSLY.**

4. **Citizens' Comments** – None

5. **Old Business** – None

6. **New Business**

#### **A. Consideration of Policy on Employees Bidding on Surplus City-owned Assets**

Administrator Tucker reminded the Committee that Council passed an ordinance amendment allowing for employees to bid on surplus City assets; in order to implement that ordinance, the City needs to adopt a policy to be incorporated into the Employee Handbook that gives guidance about under which conditions an employee can bid. The Administrator emphasized the fact that neither the ordinance change nor the accompanying policy allow for elected officials to bid on surplus City-owned assets.

Administrator Tucker noted that City Attorney Halversen has prepared a policy that was included in meeting packets, and she suggested deleting item 3 stating:

“The employee has not used the item being sold in the course of his or her employment.”

The Administrator remarked that, in the past, the City has gotten the best bid from a previous user. This item was included to keep an employee from deliberately neglecting a piece of equipment to rush its being taken out of service.

**MOTION: Councilmember Harrington moved to recommend adoption of the policy on employees' bidding on surplus City-owned assets with the exclusion of Item 3; Chair Ferencz seconded and the motion PASSED UNANIMOUSLY.**

**B. Consideration of Employee of the Month**

Administrator Tucker explained that the Committee was in receipt of a recommendation from Chief Buckhannon relative to Pfc. Hunter Lawrimore's actions during a call when he acted quickly to access a fire extinguisher to extinguish a fire in a resident's home. The Administrator added that all employees receive fire extinguisher training, and this is a situation where that training was put into action.

**MOTION: Councilmember Betteli moved to acknowledge Pfc. Hunter Lawrimore's nomination as Employee of the Month; Councilmember Harrington seconded and the motion PASSED UNANIMOUSLY.**

**C. Discussion of FY15 Budget Process**

Administrator Tucker explained that the budget process followed in the past begins with a review of the ten-year Capital Plan to determine what needs to be replaced in this fiscal year, what can possibly be deferred to another year and what needs to be added to generate the Capital Budgets. The standing committees of Council are given purview of the various City departments; the Personnel Committee is responsible for the budgets for General Government and the Building Department. Following the Capital Budgets, work begins on the operating budgets; staff studies each line of these budgets to determine what needs to be increased or decreased and what should remain the same. And finally the Capital and operating budgets are meshed with the revenue projections for the coming fiscal year.

Over the course of recent budget cycles, staff has gotten the impression that Council would be interested in approaching the budget process differently, and staff is open to suggestions for making the process more comfortable for Council. Chair Ferencz suggested that she would like to see revenues presented earlier in the process; the Administrator explained that was do-able, but Council needed to be aware that the revenue projections would likely be tweaked as the process progressed and historical information was gathered.

Administrator Tucker indicated that she was hopeful that Council would consider tweaking certain revenue sources, such as franchise fees, business license and permitting fees.

Chair Ferencz questioned the need to increase fees when the City ended FY13 with an eight hundred thousand dollar (\$800,000) surplus. The Administrator reminded the Committee that Council has recently approved a significant impact on the budget with the increase in the merit pool to ensure the City employees are competitively paid; in addition, serious consideration is being given to increasing the staffing levels at Fire Station 2 by adding one (1) additional fire-

fighter per shift, a total of three (3) employees. Administrator Tucker noted that, although ending the year with a positive net result makes everyone feel good, it frequently means that actions planned in the budget did not actually happen.

Councilmember Bettelli pointed out that the uses for the positive net result also need to be considered; a large piece of it went to build up the Disaster Recovery Fund.

Councilmember Harrington asked if there was goal for the Disaster Recovery Fund; the Administrator responded that the goal is three millions dollars (\$3,000,000). Administrator Tucker stated that, in a disaster, cash is king; the City would need access to cash and access it in a hurry. The Administrator voiced the opinion that the City is better insured than it was prior to Hurricane Hugo, but the City would need cash until the insurance and FEMA money are paid.

Administrator Tucker stated that staff has considered asking Council to have more input on how expenses are divided amount the various revenue funds, rather than presenting Council with a balanced budget as it has in the past.

Chair Ferencz commented that her experience with budgets for non-profit entities always started with revenue projections and progressed from there, but she was unsure if that really could be done with the City's budget process.

The Committee agreed that they looked forward to more discussion at the Ways and Means Committee meeting.

#### **D. Discussion of Calendar Year 2014 City Administrator's Performance Goals**

Administrator Tucker explained that several years in the past, the process by which the City Administrator was evaluated was changed to make it more objective and less subjective by adding performance measurements, and the bulk of the City Administrator's evaluation was based on the degree to which she met those goals. The Administrator indicated that she anticipates presenting the 2014 goals at the next meeting; typically, fifty-percent (50%) of that score has been based on bringing the operating budget in at three percent (3%) or better under budget. The Administrator stated that she no longer feels that is a realistic goal given recent decisions made relative to the operating budget unless Council were to discuss increasing revenues by three to five percent (3%-5%). In the Administrator's opinion, it is going to be difficult or impossible to meet the three percent (3%) under; therefore, Administrator Tucker would like to propose and alternate financial component, but, she is unsure what that will be at this moment. The Administrator remarked that decisions are made at the Council level that override the efforts made by the Administrator and department managers to save money, such as the decision to increase the merit pool by three percent (3%) – which was the right decision.

Both Chair Ferencz and Councilmember Bettelli stated that there should be a provision in the Administrator's evaluation that makes allowance for circumstances outside of the Administrator's control, but that is not the case at this time. The Administrator's point is that a goal should be attainable, not impossible.

Councilmember Harrington voiced the opinion that the agreed upon budgetary goal should be based on the budget that was in place at the time, rather than extraordinary actions taken by Council during the budget year.

Chief Graham noted that the Fire Department has had more overtime this year due to the turn-over and that the vehicle maintenance has been high because, in the past, the City had the services of a mechanic who traveled to the island to work on the vehicular fleet rather than taking the equipment off-island for maintenance. This mechanic has taken full-time employment that makes him available to the City infrequently. The Chief's point was these expenses are uncontrollable and it seems unfair to hold the City Administrator accountable.

Administrator Tucker commented that, with the savings the departments saw from this mechanic, staff reduced the vehicle maintenance lines in the budget; now that he is no longer available, costs have escalated while the budget has been reduced.

When Chair Ferencz suggested offering this mechanic a job with the City, the Administrator replied that staff would have to create a position. Councilmember Harrington expressed his opinion that the suggestion warranted further study; Chair Ferencz agreed and asked that data be presented at the next meeting.

The Administrator reported that there has been an effort in the past to add a person to do building maintenance; presently building maintenance is reactionary and not proactive. The Administrator added that discussions of adding people bring pushback, but based on the facts that the City's buildings are used by the public and exist in a harsh marine environment, the City's assets need more attention than they are receiving currently.

## **7. Miscellaneous Business**

Councilmember Bettelli remarked to Chair Ferencz and Councilmember Harrington that the MASC's Municipal Elected Officials Institute offers excellent information, and he encouraged them to attend the sessions held on February 4<sup>th</sup>.

**Next Meeting Date: 10 a.m., Tuesday, February 11, 2014 in the Conference Room.** On an on-going basis, the Committee agreed to hold its meetings on the first Thursday of the month at 10:00 am.

**8. Executive Session – not needed**

**9. Adjourn**

**MOTION: Councilmember Bettelli moved to adjourn the meeting at 10:00 a.m.; Councilmember Harrington seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland, City Clerk