

**PERSONNEL COMMITTEE**  
8:30 a.m., Tuesday, June 4, 2019

The regular meeting of the Personnel Committee was held at 8:30 a.m., Tuesday, June 4, 2019 in the City Hall Conference Room, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmember Rice, Chair Moye, City Administrator Fragoso and Human Resources Officer DeGroot. Councilmember Ferencz was absent and Clerk Copeland was late; a quorum of the Committee was present to conduct business.

1. Chair Moye 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 Meetings' Minutes**

**MOTION: Councilmember Rice moved to approve the minutes of the regular meeting of May 7, 2019 and the Special Meeting of May 28, 2019 as submitted; Chair Moye seconded and the motion PASSED UNANIMOUSLY.**

3. **Citizens' Comments – none**

4. **Old Business**

**A. Status of Boards and Commissions criteria and selection process**

Administrator Fragoso reported that an Administrative Policy to assist the Committee in selecting persons to fill vacancies on boards and commissions; this policy was presented to the Planning Commission at their most recent meeting to get feedback from them. They asked for more time to study the policy and come back with their input. She noted that HR Officer DeGroot will be working on a draft of the administrative policy and revising the application for boards and commissions. The goal is to have these documents ready by the end of the month and presented to the Committee at the July meeting.

Councilmember Rice reminded the Chair that she would be her vacation and unable to attend the July meeting. On the issue of boards and commissions, she said that she does not want to have appointments for life for any committee or board.

**B. Status of hiring Assistant Director of Public Works**

The Administrator told the Committee that an offer was made last week to Robert Asero currently with the Recreation Department and he accepted it. Since Director Pitts was heading on vacation next week, Mr. Asero will begin his work with the Public Works Department on Tuesday, June 18<sup>th</sup>, and Director Page hoped to fill his position by that date.

Chair Moye expressed his assumption that Mr. Asero was not a licensed CDL driver and if a plan had been established for him to become qualified or certified in all facets of the job as it was envisioned.

A prime objective for this position was to be trained as a Class A operator for the underground storage tanks (UST), and he will be trained in the job beginning his first day. The Administrator added that she did not think that it was necessary for him to become a CDL driver.

Chair Moyer thought that he should receive the UST training before hurricane season gets too far along.

Chair Moyer said that he wanted the Committee along with staff to do a retrospective on the hiring process they have gone through over the past year to identify the things that went well and those that went awry and things that could be standardized.

## 5. New Business

### Discussion of implementation of new policy for 2019 merit adjustments

The Administrator acknowledged that the City has revamped its way of distributing the pool of money assigned to each department for the COLA and merit increases; this year, the City has adopted a full merit based performance evaluation. Council voiced a concern about the compounding effect of past increases over the years allowing the expense to grow at an unsustainable rate.

One (1) concept considered was to focus the merit-based pay increases on those employees who were below the midpoint of their pay range, and to have a separate scale for those employees who were above the midpoint of their pay range. This way of dealing with salaries should slow the growth of wage expenses.

The City staff will be evaluating a new tool for evaluating the performance of employees over the summer, but for the 2018 performance evaluations, the department managers used the same tool the City has used for many years. In the past, each department manager had his/her own scale for awarding the merit increases; Administrator Fragoso has worked to standardize the scale so that employees with the same evaluation score would get the same percentage increase. The evaluation scale is one to five (1 – 5) and the Citywide plan for employees below their midpoint is as follows:

<u>Evaluation Score</u>	<u>Percentage Increase</u>
• Below 3	0%
• 3.0 – 3.49	1.00%
• 3.50 – 3.99	1.50%
• 4.00 – 4.49	1.75%
• 4.50 – 5.00	2.00%

The Administrator and Treasurer Suggs were continuing to calculate increases using varying percentages since each department has a budgeted merit pool of money to work with.

For those employees who are at or above the midpoint of the salary range is as follows:

<u>Percentage Over</u>	<u>Percentage Increase</u>
• 0.00 to 10.0%	2.00% - 0.25% = 1.75%
• 10.01% - 19.99%	2.00% - 0.50% = 1.50%

Generally, a reduction of a quarter of one percent (0.25%) for each ten percent over the mid-point applied to the scale above for employees below their midpoint.

Councilmember Rice expressed strong concerns about the plan because she felt that long-term employees were being punished.

Chair Moyer said that it was not a penalty when an employee was getting a merit increase.

She added that she did not have an answer, but did have a concern. Councilmember Rice continued that the employees above the midpoint should have and deserve to have the same opportunity for pay increases; in her opinion, these employees worked just as hard as those below the midpoint did.

According to the Administrator, this model was used across the country, private companies as well as local governments. She responded to Councilmember Rice that employees do not have any other opportunity to get pay increases in any other fashion since the COLA adjustment has been eliminated.

Councilmember Rice contended that the cost of living continues to increase, and the pay adjustments proposed for employees over the midpoint would not offset the increases of goods and services.

Chair Moyer reminded Councilmember Rice that Council was working with finite resources in a finite budget. Simultaneously, Council must be stewards of the taxpayers' money and the City's employees.

Administrator Fragoso told the Committee that each position in the City has a salary range that was increased every year by the CPI. She noted that, for the past ten years, the CPI has averaged two point one or two point two percent (2.1% - 2.2%); she suggested that the cap of the merit scale be two point two percent (2.2%) not two percent (2%) as presented. After more discussion, she suggested using the year's CPI, published by the US government in February, as the ceiling for the merit adjustments.

3

---

Chair Moyer asked if the goal for the meeting was to make a recommendation to Council of the plan and the numbers.

The Administrator indicated that she wanted feedback from the Committee and a discussion of the plan with the numbers; after the discussion at Ways and Means, she anticipated a recommendation for City Council's approval the following week. She acknowledged that the proposed plan was a work in progress and that evaluations were still being turned in from the Police Department. Tangential to this discussion was the need for a new evaluation tool and the training to follow; she added that little training happened with the current tool and she was not sure that it was being used objectively. The Administrator said that she would send each Committee member the schedule showing how this plan played out in FY19, and she hoped that she would get feedback on it before the Ways and Means Committee meeting.

Chair Moyer opined that a new evaluation tool was "critical" because staff must have faith in and trust the evaluation tool to measure an employee's performance. He thought it would be difficult for Council to make a final decision on the proposed merit increase plan going forward without seeing, studying and discussing the new employee evaluation tool.

Councilmember Rice remembered the ceiling for the performance-based merit increases to be two point five percent (2.5%).

Administrator Fragoso responded that the Treasurer would run the numbers with a two point five percent (2.5%) ceiling so she could see the impact it makes on the merit pool for each department. The Ways and Means Committee will see the total of merit increases done the old way and the proposed new plan with a two and two point five percent (2.0% - 2.5%) ceiling for comparison.

The Chair said that he, Councilmembers Rice and Ferencz would like to see the other entities that are using the model being presented.

Chair Moye asked if they had looked at other models and discarded them for whatever reason(s), and the Administrator answered that they have focused on this model.

Councilmember Rice stated that Council had to be cognizant of the fact that the City of Isle of Palms was not a part of the private sector but a local government and to try not to compare one (1) against the other.

The Administrator and Treasurer have disused the possibility of bringing back the longevity proposal, an established dollar amount for a one time performance-based adjustment; this would be applied to those employees who are consistently evaluated at the top and have reached the top of their wage range due to the number of years worked.

Again, Councilmember Rice was uncomfortable with this proposal; in her opinion, employees must have a reason to remain employed with the City and to continue to perform at a high level.

## **6. Miscellaneous Business**

Councilmember Rice asked if a date had been set for the 2<sup>nd</sup> Annual Employee Appreciation Day, and HR Officer DeGroot answered not yet.

Next Meeting Date: 8:30 a.m., Tuesday, August 6<sup>th</sup> in the Conference Room

## **7. Executive Session**

**MOTION: Chair Moye moved to go into Executive Session at 9:02 a.m. to discuss personnel matters; Councilmember Rice seconded and the motion PASSED UNANIMOUSLY.**

The Committee returned to open session at 9:06 a.m., and the Chair announced that the Committee had not taken a vote or any other action while in Executive Session.

## **8. Adjournment**

**MOTION: Councilmember Rice moved to adjourn the meeting at 9:07 a.m.; Chair Moye seconded and the motion PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland  
City Clerk