

PERSONNEL COMMITTEE
5:00 p.m., Thursday, October 4, 2018
Council Chambers
1207 Palm Boulevard, Isle of Palms, South Carolina

AGENDA

1. Call to order and acknowledgement 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**
Regular Meeting of September 6, 2018
3. **Citizens' Comments**
4. **Old Business**
 - A. Update on 2018 Employee Appreciation
 - B. Update on progress in searches for City Administrator, Police Chief and Assistant Director of Public Works
 - C. Discussion of developing a policy for merit increases for long-term employees who are at the top of their salary range
 - D. Recommendation for the adoption of the revised Employee Handbook
5. **New Business**
 - A. Discussion of role of City Administrator as defined in the IOP City Code, Title I Government and Administration, Chapter 4, Officers and Departments, Article B, City Administrator, Section 1-4-11, Office Established, Duties
 - B. Consideration of timekeeping software
6. **Miscellaneous Business**

Next Meeting Date: 5:00 p.m., Thursday, November 1, 2018
7. **Executive Session**

Upon returning to open session, the Committee may take action on matters discussed in Executive Session
8. **Adjourn**

PERSONNEL COMMITTEE

5:00 p.m., Thursday, September 6, 2018

The regular meeting of the Personnel Committee was held at 5:00 p.m., Thursday, September 6, 2018 in the City Hall Conference Room, 1207 Palm Boulevard, Isle of Palms, South Carolina. Present for the meeting were Councilmember Moyer and Rice, Chair Ferencz, Interim Administrator Fragoso, Human Resources Director DeGroot and City Clerk Copeland; a quorum was present to conduct business. Jim Mercer, President of The Mercer Group, was also in attendance.

1. Chair Ferencz 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 Rice moved to approve the minutes of the regular meeting of July 5, 2018 as submitted; Councilmember Moyer seconded and the motion PASSED UNANIMOUSLY.

3. **Citizens' Comments** – none

4. **Old Business** – none

5. **New Business**

A. **Introduction of representative of The Mercer Group and comments**

Chair Ferencz stated that Mr. Mercer has been on the island for the past two (2) days meeting individually with Councilmembers and employees relative to the three (3) positions he and his firm will assist the City in filling, i.e. City Administrator, Chief of Police and Assistant Director of Public Works. She reported that she had asked that he attend the Personnel Committee meeting to fill in the members on where the path leads from here.

Mr. Mercer indicated that he expects that filling three (3) positions would likely take one hundred (100) days; based on the data he has collected, he will produce three (3) recruitment brochures, one (1) for each job. The brochures are prepared in two (2) steps; each will begin with the narrative that should come to the City in about ten (10) days. He would expect to receive it back with corrections, additions and deletions as quickly as possible. The second step will be the addition of the color layout; this version with the corrected narrative will come back to the City for a second review and approval. Once the brochures are ready, the City will receive a timeline, which he would like the Committee members to check for conflicts of any kind, and then return to him.

Mr. Mercer explained that the way they conduct a search is to begin with some public sector ads, but the primary way is to marry up the brochure with an invitation letter to be sent out on the internet to several hundred prospective candidates and then to follow-up with phone calls. He informed the Committee that he also has several databases. This area of the search takes approximately six (6) weeks to two (2) months; at the end of that time he will have a group of candidates for each position. They will then compare the candidates to the criteria provided by the City and whittle the number down to twelve or fifteen (12 – 15) whom Mr. Mercer will interview.

After those interviews, he will return to the island to review them with the Committee; walking out of that meeting, Mr. Mercer would like to have seven or eight (7 – 8) candidates that the Committee was interested in, and he would have personal interviews with them. A synopsis of those interviews will be forwarded to the Committee, and he will run thorough background checks on them – usually takes two (2) weeks. At this point, he expects to be down to four or five (4 – 5) candidates. As an aside note, he said that the Committee needs to determine the order in which it wants the positions filled. He will provide an interview guide for the Committee containing things he has learned over the years from clients about how to conduct an interview, some sample questions, some areas to avoid. On each candidate, he will provide the resumé and cover letter, as well as a seven or eight (7 – 8) page summer of the information they gathered on the candidate. From here interviews would be scheduled. He would plan to attend the candidate interviews to see how the Committee interacts with each one (1).

Chair Ferencz recounted that she had spoken with Mr. Mercer about including someone on the interview team who has served in the position in another municipality. She stated that the Personnel Committee would recommend people to serve on the interview team, but Mercer would interview them and decide who would serve. The recommendation is to have no more than seven (7) people on the interview team.

If, after interviewing the candidates, the interview team has not selected one (1) to recommend for the position, Mr. Mercer would seek out another group of prospects.

The Committee agreed that Mr. Mercer was providing the Committee with the framework but that they had a lot of details to be decided among themselves.

Mr. Mercer said that he would also be available to help the City to make a decision and could also do the negotiating if the City so desired or advise the City Attorney.

Another point that Mr. Mercer asked the City to consider was that most communities are now offering a contract or agreement of some kind, and he has seen that candidates are more comfortable with a contract.

By way of follow-up, Mr. Mercer stated that they typically contact the placement once a quarter for the first year, and he would be willing to come back in the first thirty to sixty (30 – 60) days to assist with establishing performance criteria.

How Mr. Mercer would communicate confidential information to the Committee members while maintaining complete transparency generated a lengthy discussion; Interim Administrator Fragoso indicated that she would consult the City Attorney.

B. Discussion of employee handbook revisions

The revised employee handbook was included in the meeting packet; it represents changes made by the City's employment attorney and by City staff; Interim Administrator Fragoso reviewed the changes she thought the Committee should be made aware of as follows:

- Pg. 10 Addition of Workplace Violence Statement that establishes zero tolerance; also included in this policy statement are bullying and harassment by employees and citizens.
- Pg. 11 Added "Prohibits retaliation against an employee who brings a complaint of violent, threatening or hostile behavior.

Pg. 14	Addition of section detailing when an employee is allowed to bid at public auction for equipment or supplies that have become obsolete, unusable or otherwise unsuitable for public use.
Pg. 20	Addition of clarification of compensatory time.
Pg. 25	Eliminated language related to Safety Sweepstakes.
Pg. 26	Addition of two (2) holidays, i.e. President's Day & Veterans Day.
Pg. 29	Addition of bereavement policy.
Pg. 32	Addition of Pregnancy Accommodation Statement.
Pg. 42	Addition of language to the City's Disciplinary Policy.

Councilmember Rice asked if the City had prepared a room where employees can nurse or pump, and she was told that a room has been made available in the Police Department.

Chair Ferencz questioned the alternate language that was deleted on page 20

"Employees who are exempt from overtime receive a salary that compensates them for all hours worked in the workweek. Such employees do not receive overtime pay or compensatory time off. However, department heads may grant additional paid time off to exempt employees who have worked unusual amounts of time in excess of the normal schedule, but no exempt employee has a right to such additional paid time off. There is no payment for such additional time upon separation and/or termination."

The Chair asked if this language had been taken out of the handbook as part of the revision because it was language she was accustomed to seeing.

Human Resources Officer DeGroot stated that this was alternate language she had found in other handbooks she had referenced in the revision process.

The Chair recommended that the alternate language be included in the handbook, and the Interim Administrator said that the only exempt employees were department heads, the HR person, City Treasurer and herself; all other employees were hourly.

Councilmember Moye thought that the alternate language was "a bit harsh," and he asked if the thought was that the policy might be abused.

Interim Administrator Fragoso commented that department heads at the Isle of Palms seldom work forty (40) hours a week, and they all respond when the City has an emergency, for instance, Director Pitts may come in on a Saturday or Sunday to operate the pumps on flooded streets.

Chair Ferencz also thought that in *Performance Evaluations* the word "annual" should be replaced with periodic since the City would be going to more frequent employee evaluations.

Councilmember Moye explained that, especially for considerations of merit increases, the periodic evaluations roll into an annual evaluation.

Since the merit increase is awarded annually, the Interim Administrator thought that the use of the word "annual" in that context did not need to be changed.

The annual leave accrual rates were listed on page 27; Chair Ferencz asked if these were in line with other local governments in the area.

When staff reviewed the schedule, they noticed that employees with up to twelve (12) months of service are addressed and employees with two to five (2 – 5) years of service are addressed; employees with one to two (1 – 2) years of service are omitted. The Committee has two (2) options, and they are as follows:

1. To allow employees with up to two (1) years of service accrue at the five (5) days per year rate; or
2. To allow employees with one to five (1 - 5) years of service accrue at the ten (10) days per year rate.

The Committee decided to allow employees to earn ten (10) days of vacation per year after the first year of employment.

Since the handbook states that City Council would select the employees who would sit on the Grievance Committee, the Chair asked how the members were selected. In the Clerk's tenure, the City has had one (1) grievance, and the City Administrator had submitted a recommendation to Council of possible members to be appointed.

MOTION: Councilmember Moyer moved to accept the revised employee handbook with the changes recommended by the Personnel Committee; Councilmember Rice seconded and the motion PASSED UNANIMOUSLY.

The revised handbook will be sent back to the City's labor attorney for one (1) final review before being presented to City Council for adoption.

C. Update on calendar for boards and commissions candidates

Included in the meeting packet was the schedule of expiring terms and the candidate pool, as well as the applications and resumes of the new applicants. Based on email responses, Clerk Copeland stated that all persons with expiring terms want to be re-appointed, except the two (2) people on the Code Board of Appeals, whom she has not been able to contact by phone or email. Although the time has passed when applications were due, Clerk Copeland stated that applications were accepted whenever they were sent to her. The Committee agreed to hold interviews with the new applicants the first thing in the mornings of Tuesday, October 2 and Wednesday, October 3, and the Clerk will schedule the individual interviews.

D. Discussion of procedure for City Attorney and City Judge appointments

When the Chair asked how the City Attorney and Assistant City Attorney were selected, Interim Administrator Fragoso reported that these two positions are appointed every year to serve for a calendar year. Attorney Halversen was originally appointed upon a recommendation by the former City Attorney Nick Sottile, and Attorney Halversen recommended Attorney Copeland to serve as Assistant Attorney when Clay McCullough resigned. The Interim Administrator reported that Attorney Copeland was highly regarded by her peers, would be interested in being appointed City Attorney and charges the City a very reasonable rate; if that were to happen, the City would need to hire an Assistant City Attorney.

The Interim Administrator's recommendation was to issue a Request for Proposal for both positions to test the waters; she also cautioned that the City could be looking at a higher hourly rate when the proposals are received. Assuming Attorney Copeland is interested, she could submit a proposal along with other local attorneys.

MOTION: Councilmember Rice moved to issue a Request for Proposal for a City Attorney and Assistant City Attorney; Councilmember Moye seconded and the motion PASSED UNANIMOUSLY.

The City Judge and Assistant Judge are appointed for two (2) year terms, and the most recent appointment was in January 2018.

E. Update on employee evaluation schedule and tool

Since the City is currently in the search process for the City Administrator and Chief of Police, the Interim Administrator suggested that any decision related to evaluations wait until these positions were filled.

F. Update on 2019 Employee Appreciation Day

Interim Administrator Fragoso recalled that for many years the City held a Christmas Party at *The Windjammer* as a means of thanking employees for the year's work; when the event ended up having more members of the community than employees, attendance dwindled. The City then tried a baseball game/picnic at *The Joe*, but that, too, was not well-attended. In 2018, employees were given tickets to the SC Aquarium, and employees seemed to like that since many had never been and they could go at their leisure. In discussions about a possible event for FY19, HR Officer DeGroot and Interim Administrator Fragoso thought that it should be a time for all employees and City Council to get together and to celebrate employee milestones. They are proposing the "First Annual Employee Recognition and Appreciation Day" when City offices would be closed for two (2) hours on Friday, October 19th, and a catered lunch would be provided in the parking area behind City Hall. Games, prizes and drawings will be awarded for attendance and participation. As proposed, the cost would be approximately thirty-seven hundred dollars (\$3,700).

The Interim Administrator told the Committee that eleven thousand dollars (\$11,000) was included in the FY19 budget for Employee Appreciation.

The Committee thought the idea of an Employee Appreciation Day was wonderful and thought that the entire eleven thousand dollars (\$11,000) should be spent for it to insure that employees truly felt appreciated.

MOTION: Chair Ferencz moved to spend up to \$11,000 for the Employee Appreciation Day planned for Friday, October 19th; Councilmember Moye seconded and the motion PASSED UNANIMOUSLY.

G. Discussion of developing a policy for merit increases for long-term employees who are at the top of their salary range

Per the employee handbook, the merit pay policy states that "the merit pay increase cannot place an employee's compensation outside the pay range for his position." This past year, one (1) employee was at the top of his salary range, and, although he would have qualified for an increase based on his work performance, he was not given the merit he was due because it would put his salary outside the job's salary range. The Interim Administrator reported that she had reached out to her counterparts throughout the state to see how they handle such situations and learned that the overwhelming majority issue a one-time, lump sum merit pay equal to the amount they

would have received through the merit; some municipalities pay out a percentage of the merit increase.

The advice from the prior City Attorney, based on several Attorney General opinions, was that public funds could not be used for extra compensation over and above the City's contractual and legal obligation. After talking with her counterparts, Interim Administrator Fragoso reached out to the current City Attorney Julia Copeland in an effort to figure out how these local governments do this without violating state law. Therefore, staff is not ready to make a recommendation at this meeting, but will continue to research viable means of compensating this employee and future employees.

This discussion brought to the Chair's mind the money left to the City by Leola Hanbury for the City to make an annual award; she noted that parameters need to be established to do that.

Since the money from Ms. Hanbury would come from an outside source, HR Officer DeGroot reported that its award would not lead to a violation of the law.

6. Miscellaneous Business

Next Meeting Date: 5:00 p.m., Thursday, October 4, 2018

7. Executive Session – not needed

8. Adjournment

Motion: Councilmember Moye moved to adjourn the meeting at 6:58 p.m.; Chair Ferencz seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk

ARTICLE B. - CITY ADMINISTRATOR^[2]

Sec. 1-4-11. - Office established; duties.

- (a) The office of City Administrator is hereby created. The City Administrator shall be appointed by a majority of Council.
- (b) The City Administrator shall be responsible for the overall administration of the City.
- (c) Council shall employ an Administrator to administer the affairs of the City and implement the policies of the Municipal Council.
- (d) The term of employment of the Administrator shall be at the pleasure of the Council and he shall be entitled to such compensation for his services as the Council may determine.
- (e) The Administrator shall be the chief administrative officer and head of the general government branch of the municipal government. The Administrator shall be responsible to the City Council for the proper maintenance of all affairs of the City. All City department heads shall report to the Administrator. The Administrator shall prepare the budget annually, submit it to the City Council and be responsible for its administration after adoption. The Administrator shall assume such other responsibilities as Council may, from time to time, assign.
- (f) The Administrator shall perform duties in accordance with the provisions of the City personnel manual. The Administrator shall further deal with employees pursuant to the City personnel manual, which shall not be construed to constitute a contract of employment for any employee.

(Code 1994, § 1-4-11; Ord. No. 1992-14, 12-22-1992; Ord. No. 1994-4, § 13, 4-26-1994)

Secs. 1-4-12—1-4-20. - Reserved.

Staff Recommendation:

Staff recommends the City contract with NOVAtime for Time and Attendance software based on 3 factors:

- 1 NOVAtime is the low cost option for both rent and purchase, albeit by a very small margin
- 2 NOVAtime received the most votes from employee users who heard all 3 vendor presentations
- 3 NOVAtime was identified as a preferred provider by BS&A Software

Staff also recommends that the City rent rather than purchase the clocks. The additional NOVAtime cost to rent vs. purchase over 5 years is \$15,504, but renting gives the City more flexibility to upgrade to newer technology if it becomes available. Also, as these devices will be used multiple times a day, it is likely they will occasionally malfunction, and under the rental program, any broken equipment can be replaced at no cost to the City.

City of Isle of Palms
 Time & Attendance System Research
 October, 2018

FY19 Budget = \$28,000

PURCHASE TIME CLOCKS

	NOVAtime			Paychex			TimeClock Plus		
	per item cost	monthly cost	annual cost	per item cost	monthly cost	annual cost	per item cost	monthly cost	annual cost
Purchase timeclocks (biometric wireless or ethernet with battery backup) (incls 9% tax)	2,290		12,481	2,400		13,080	2,752		14,998
Monthly subscription (est 120 employees)	3.20	352	4,224	4.00	480	5,760	31.08	31.08	3,730
Monthly subscription - Supervisors (est 10)	5.00	50	600						
Implementation Cost			3,270			1,200	(\$199/hr for 35 hrs)		6,965
1st Year Software Maint			1st yr free			-			-
1st Year Hardware Maint			1,475	360		1,800			2,119
Total Year 1 Costs			22,050			21,840			27,812
Subsequent Yr Software Maint			895			-			-
Subsequent Yr Hardware Maint			1,475			1,800			2,119
Annual Cost for years 2+			7,194			7,560			5,849
5 Year Total Cost			50,826			52,080			51,207

NOTES:

includes UNLIMITED ADMIN & Supervisor training.

Support services charged as needed at \$225 per hour

City of Isle of Palms
 Time & Attendance System Research
 October, 2018

FY19 Budget = \$28,000

RENT TIME CLOCKS

	NOVAtime			Paychex			TimeClock Plus		
	per item cost	monthly cost	annual cost	per item cost	monthly cost	annual cost	per item cost	monthly cost	annual cost
Monthly rent (5 terminals)	110	550	6,600	105	525	6,300	No rental program		
Monthly subscription (est 120 employees)	3.20	352	4,224	4.00	480	5,760	31.08	31.08	3,730
Monthly subscription - Supervisors (est 10)	5.00	50	600						
Implementation Cost			3,270			1,200			included
1st Year Software Maint			1st yr free				(\$199/hr for 35 hrs)		6,965
1st Year Hardware Maint			1st yr free	360		1,800			2,119
Total Year 1 Costs			14,694		1,005	15,060			n/a
Subsequent Yr Software Maint			895			-			
Subsequent Yr Hardware Maint			590			1,800			2,119
Annual Cost for years 2+			- 12,909		1,005	13,860			- n/a
5 Year Total Cost			66,330			70,500			n/a

NOTES:

includes UNLIMITED ADMIN & Supervisor training.

Support services charged as needed at \$225 per hour