



**Special Administration Committee Meeting
Tuesday, December 12, 2023, 3:00pm
1207 Palm Boulevard, Isle of Palms, SC and
broadcasted live on YouTube: <https://www.youtube.com/user/cityofisleofpalms>**

MINUTES

1. Call to Order

Present: Council members Bogosian, Pierce and Streetman

Staff Present: Administrator Fragoso, Director Kerr, various department heads

2. Purpose

Discussion and consideration of wage and compensation study results and recommendations

Council Member Bogosian said the financial analysis provided matches the Committee's thoughts on the plan for salary increases. He noted that some departments will have more pay adjustments than others. He suggested that hiring and retention practices be discussed by the new Administration Committee.

He then reviewed the proposed change to wages and salaries that will result in an approximate 14-15% pay increase for Public Safety employees via a \$550,000 pool of money for Administrator Fragoso and department heads to distribute appropriately.

Administrator Fragoso noted that \$550,000 is not a fully-loaded cost and "we're looking at a 45% in fringes that we would need to add to that." The suggested pay increases also affect the overtime budget. She said the fully-loaded cost, including vacancies, will cost between \$1.0-\$1.5 million.

Noting that the budget forecast currently has the City running ahead of budget, Council Member Bogosian believes the FY24 budget can absorb this proposed increase. However, City Council will need to consider other ways, including a tax increase, to properly fund these increases in FY25 and beyond.

Administrator Fragoso said, "In FY24, we have predicted that we will end the year with about a million dollars of surplus that would be transferred out to the Capital Projects [Fund]." She believes based on the \$1.7 million transfer to Capital Projects from FY23 and current trends that revenues for FY24 will also exceed the budget. She said, "I feel comfortable saying in FY24 a six-month impact of these adjustments could be absorbed, but for FY25 moving forward, even though we do end every year with a positive net result that is pretty healthy, we need to count on

that to continue to fund our capital projects to the point where a new revenue source will be imperative at that point.”

She suggested a more aggressive use of tourism funds in the future. Currently, tourism funds cover 5 positions in the Police Department, 9 in the Fire Department, and 50% of temporary labor in Public Works, representing 12% of personnel costs. She said City Council could adjust transfers of 25% from tourism funds if they wanted to do so.

She spoke to the general methodology of how the pool of money provided by City Council will be distributed among employees.

MOTION: Council Member Bogosian made a motion to recommend to City Council the funding of pay increases as described within the Administration Committee meetings. Council Member Pierce seconded the motion. The motion passed unanimously.

4. Miscellaneous Business

The Administration Committee will make its recommendations to City Council at a Special Meeting on Monday, December 18, 2023 at 5pm.

5. Adjournment

Council Member Streetman made a motion to adjourn, and Council Member Pierce seconded the motion. The meeting was adjourned at 3:24pm.

Respectfully submitted,

Nicole DeNeane
City Clerk