

Village of Bellaire

ADMINISTRATION AND PERSONNEL COMMITTEE

David Schulz, Chairman

Dan Bennett

Bryan Hardy

COMMITTEE MEETING MINUTES

February 6, 2017

6:15 p.m.

1. **Call to Order:** Chairman Schulz called the meeting to order at 6:17 p.m.
2. **Attendance**
 - Members Present:** Chairman Schulz, Trustee Bennett and Trustee Hardy
 - Members Absent:** None
 - Staff Present:** Lori Luckett, Clerk and Cathy Odom, Treasurer
 - Others Present:** None
3. **Approval of Agenda:** The agenda was amended to include Employee Performance Reviews under Old Business; Chief of Police Contract and DPW Employee Resignation under New Business. The agenda was approved as amended.
 - Motion by Trustee Bennett, seconded by Trustee Hardy, to approve the agenda as amended. Motion carried by voice vote.**
4. **Approval of Minutes:** The Administration Committee minutes of the January 31, 2017 meeting were approved as presented.
 - Motion by Chairman Schulz, seconded by Trustee Hardy, to approve the minutes of January 31, 2017 as presented. Motion carried by voice vote.**
5. **Public Comment on Agenda Items:** None presented.
6. **Old Business:**
 - a) **2017-2018 Budget Items:** Chairman Schulz reported that Treasurer Odom had received information from the auditors regarding additional requirements of Act 51 that affect Major Streets and Local Streets funds. Audit fees, of \$500 per fund, were added to the budget. Under Public Safety, the referenced funding from the tribal grant was removed because the grant was not received. The Cemetery fund now reflects the amounts from general fund and Forest Home Township. Amounts for new employee, seeding and fertilizing are included. There was discussion about engineering fees under Planning and Zoning. Clerk Luckett has requested that an engineering firm be identified to provide technical expertise on an as needed basis. There was brief discussion about the escrow provision in the zoning ordinance. Chairman Schulz requested that staff contact Fleis & VandenBrink and put together a memorandum of understanding identifying a cost estimate for services as needed. Chairman Schulz noted that Treasurer Odom had made the necessary budget adjustments using fund balance. Discussion moved to the directives from village council. The first was to move \$5000 over to the Sewer Fund for wages of a second employee to help with the sewer clean out. This will be

**VILLAGE OF BELLAIRE
ADMINISTRATION AND PERSONNEL COMMITTEE**

accomplished by prorating DPW wages amounts from other funds for allocation to the Sewer Fund.

- b) **Annual Merit Bonuses:** The second charge from village council was to review the budget and identify amounts that could be removed in order to address merit increases. Chairman Schulz identified office carpeting, approximately \$4300, for elimination from the budget. There was review and discussion of the merit increase percentages as correlated to the performance ratings. Chairman Schulz identified extraordinary items in the budget including DPW and Public Safety vehicles. He noted that tax revenues are not keeping pace with the cost of insurance and inflation on costs of items expended. Fund balance has never been as low. If there is no merit bonus, Chairman Schulz stated that he would like to see a benefits summary including the .32 per hour wage increase, 10% retirement contributions, and health insurance benefits. Trustee Bennett noted that with all expenses there is still a 5% fund equity. This is not bad considering all that has been purchased and done. He indicated that it is not the employees' function to subsidize the village. Insurance rates are much lower than expected. After further discussion, the percentages of merit increases were reduced. Treasurer Odom requested that the committee and council pay attention to the budget. There is a healthy fund balance in the General Fund but Major Streets and Motor Pool are extremely tight. General Funds support these funds and Public Safety. Tax revenues are less than employee wages. Eventually fund balance will not be healthy. Fund equity does not mean there is cash to pay for items. Staff expressed their appreciation for the generosity shown to the employees. Chairman Schulz reviewed his calculations for the reduced merit increases. According to Chairman Schulz, it boils down to recognizing the staff versus purchasing new carpeting. Trustee Bennett expressed his preference to recognize staff. Chairman Schulz agreed. Trustee Bennett wondered what staff thought about merit pay. Trustee Bennett believes that staff is a big part of the success of Bellaire. Staff expressed their appreciation. Chairman Schulz made the motion to recommend that merit bonuses be paid in March 2017 based on the employee performance in fiscal year 2016-2017; if employee received a rating from 3.0 up to but not 3.5 they receive .5 percent merit bonus; a rating from 3.5 up to but less than 4.0 they receive .75 percent; a rating from 4.0 up to but less than 4.5 they receive 1 percent; a rating of 4.5 to 5.0 they receive 1.25 percent.

Motion by Chairman Schulz, seconded by Trustee Hardy, to recommend to village council that merit bonuses be paid in March 2017 based on the employee performance in fiscal year 2016-2017; if employee received a rating from 3.0 up to but not 3.5 they receive .5 percent merit bonus; a rating from 3.5 up to but less than 4.0 they receive .75 percent; a rating from 4.0 up to but less than 4.5 they receive 1 percent; a rating of 4.5 to 5.0 they receive 1.25 percent. Motion carried by voice vote.

Village council will receive the employee-rating tally in support of the recommendation.

- c) **Employee Performance Reviews:** There was discussion of the review procedures. Last year the entire committee met with each department supervisor. A committee member and respective supervisor then met with each department employee. Staff was directed to assign a committee member to meet with each employee. The entire committee will meet with department supervisors. A committee meeting was scheduled for Thursday, February 9, 2017 at 7:30 a.m.

7. New Business:

- a) **Employee's Wages:** There was a question about whether wage increases on the five-year wage scale were effective on an employee's anniversary date or at the beginning of the fiscal year. Treasurer Odom thought wages increased at the beginning of the fiscal year; village

**VILLAGE OF BELLAIRE
ADMINISTRATION AND PERSONNEL COMMITTEE**

council recently agreed that wages increased on the employee's anniversary date. The confusion resulted in a DPW employee being under paid. The employee had inquired why his wages had not increased on his anniversary date. After discussion, the committee agreed to recommend that a budget amendment for the employee's wages be done to make the employee whole. Trustee Bennett made the motion to recommend that Bradley be made whole.

Motion by Trustee Bennett, seconded by Chairman Schulz, to recommend to village council that Bradley be made whole. Motion carried by voice vote.

- b) **Chief of Police Contract:** The committee reviewed the Chief of Police contract. Chairman Schulz noted that years ago council had indicated that when there is a transition in supervisory staff, the first contract is to be for one year. If council is happy with the employee's performance, at the anniversary date of the first contract, a new contract for a term of three years will be put into effect. The new Chief of Police contract is for a term from March 10, 2017 to March 9, 2020. The wage rate is specified as well as paid leave. A correction to the wage scale language was suggested and will be included in the contract for village council approval. Chairman Schulz requested a motion to recommend approval of the employment contract with the addition of the wage scale step language.

Motion by Chairman Schulz, seconded by Trustee Bennett, to recommend to village council approval of the proposed contract for the Chief of Police with the addition of the wage scale step language. Motion carried by voice vote.

- c) **DPW Employee Resignation:** Chairman Schulz reported that a DPW employee had tendered his resignation earlier in the day. According to Chairman Schulz, the employee expressed his reasons for submitting his resignation. The employee also indicated that he would not attend an exit interview. A recent incident was described. The committee requested that the employee reconsider and suggested a cooling off period. The committee reviewed the progressive disciplinary provision in the personnel policy and agreed that all communications and discussions will be documented in writing. There was discussion of supervisor responsibilities and accountability. The committee indicated that the employee's resignation has not been accepted.

8. **Discussion Items:** None presented.
9. **Communications/Informational:** None presented.
10. **Member/Public Comment:** None presented.
11. **Adjourn:** The meeting was adjourned at 7:19 p.m.

Minutes compiled by:
Lori Lockett, Clerk
Minutes are subject to approval.

Approved: _____

Date: _____