



## CITY OF SUMMERVILLE SPECIAL CALLED MEETING MAY 22, 2014



**CALLED TO ORDER:** Mayor Harvey called the meeting to order.

**ROLL CALL:** Mayor Harry Harvey gave roll call. Mayor Pro Tem Lloyd "Buddy" Windle, Council Members David Ford, Dale Housch, Joe Money, Jr. and Zachary Martin were present. Also present was City Manager Russell Thompson.

**CALLED TO ORDER:** Mayor Harry Harvey called the meeting to order.

**INVOCATION:** Mayor Harry Harvey gave the invocation.

**PLEDGE OF ALLEGIANCE:** Council Member Dale Housch led the pledge of allegiance.

**AGENDA:** Mayor Harvey asked if there are any changes to the agenda. No changes were requested. Council Member David Ford made a motion to approve the agenda as presented. The motion was seconded by Council Member Zachary Martin and carried unanimously.

**MAYOR'S COMMENTS:** Mayor Harvey stated that the only people, other than elected officials, present are city staff members. Mayor Harvey announced that the Memorial Day holiday will be observed on May 27<sup>th</sup>, Finster Fest will be held May 31<sup>st</sup> and June 1<sup>st</sup>, and the City will hold a Health Forum on May 30<sup>th</sup>.

### **BUDGET WORK SESSION**

**SALARIES/CLASSIFICATION PLAN:** Mayor Harvey stated that this work session is to look at the classification portion of the upcoming budget. City Manager Thompson stated that modifications have been made based on Council's requests. City Manager Thompson presented Council with a handout stating that the sheet gives a brief summary of the changes. City Manager Thompson stated that the modifications equal \$19,904.36. Mayor Harvey stated that what has been proposed is a 3.25% raise with those employees above where they should be receiving a one time bonus which will allow salaries to get more in line. Mayor Harvey stated that the 3.25% consists of a 2% raise and a 1.25% step increase. Mayor Harvey stated that the City Manager is included with this pay increase. Mayor Harvey stated further that he thinks the City Manager should be removed with Council voting on him separately. Mayor Harvey stated further that it is his recommendation that a committee be established to review the classification plan and make suggestions. Mayor Harvey stated that while Council will have final say on what is done, the committee could provide suggestions and insight. Mayor Harvey stated that he is thinking that the committee could consist of the Mayor, City Manager, Council, and two supervisors. Mayor Harvey stated that he has researched inflation over the last several years and has found it to be about 5%. Mayor Harvey stated that he thinks the classification system is a good plan that has been a work in progress. Council Member Dale Housch stated that he sees Christmas pay listed on the sheet. Mayor Harvey stated that the last few years it has been listed in salaries. City Manager Thompson explained that \$24,000 is separated so Council can see the net worth of the item. Council Member Housch stated that he thinks it should be an incentive; paid if the city does well.

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**SALARIES/CLASSIFICATION PLAN CONTINUED:** Council Member Dale Housch asked if the 3.25% increase means everybody gets a 2% across the board. City Manager Thompson responded that on paper everybody gets 2% then 1.25% step with those that are frozen getting a one time bonus. City Manager Thompson stated that this will help close the overage gap. Council Member Housch stated that he realizes a plan is needed but has a problem with that type of raise. City Manager Thompson explained that salaries are seven tenths of the annual budget. Council Member Joe Money, Jr. stated that the bonus part is confusing. Council Member Money stated that he doesn't understand why people that are salary frozen get a bonus. City Manager Thompson stated that he wanted some sense of equity noting that some of the staff members that are frozen are the ones that have helped the City have one of the best years. Mayor Harvey stated that if the City does not have a good year then steps will not be done. City Manager Thompson stated that nothing in the plan is automatic; Council votes on what is done. Mayor Pro Tem Lloyd "Buddy" Windle stated that he doesn't want to penalize folks for being paid too much because some got raises not voted on by Council. Mayor Pro Tem Windle stated that if somebody gave him more money he wouldn't turn it down either. City Manager Thompson stated that the City has rewarded customers with holding utility costs down and wants staff rewarded for their contribution to making that possible. Mayor Harvey stated that about six employees are within three to four percent of where they should be. Mayor Harvey stated that next year finances will be reviewed and use a committee to review the pay plan. Mayor Harvey stated further that he reviewed the DCA web site for salary comparisons for the Police and Fire Departments. Mayor Harvey stated that the City is not at the bottom of the pay scale. Council Member Dale Housch stated that he thinks Council needs to get the base pay in order and hope for a cold year. Council Member Housch stated that he understands employees need money but would like to see a reduction to gas rates. Mayor Harvey stated that he agrees. Mayor Pro Tem Lloyd "Buddy" Windle stated that this budget is balanced without any increase in utilities. Mayor Pro Tem Windle stated further that if Council doesn't "do it now we won't ever do it". Mayor Pro Tem Windle asked about the City Manager's raise. Council Member Dale Housch stated that he thinks the City Manager needs to be evaluated in Executive Session and considered separately. Mayor Harvey stated that the City Manager is not part of the classification plan so he does not need to be included in these raises because he has a contract. Mayor Harvey stated that the City Manager falls into the same category as the City Attorney and City Judge. Council Member Dale Housch asked if all employees with a classification of 20 or above are considered salaried. Mayor Harvey answered that to qualify as salaried an employee must earn a minimum salary of \$52,000, have supervisory requirements, and not be out in the field. Mayor Harvey stated that he is not sure of all specific requirements. Council Member Dale Housch stated that he would like the information of exactly what is required to qualify as a salaried employee. City Manager Thompson interjected that what has been seen is Federal Law and he isn't sure if that is applicable to municipal government. Council Member Dale Housch stated that one person's base salary might not be enough to qualify but his overtime causes him to make more. City Manager Thompson stated that he will get City Attorney Albert Palmour to provide a recommendation. Mayor Harvey stated that overtime is something the committee could review. Mayor Harvey stated that a decision is needed on accepting the plan as presented or look at more modifications. Council Member David Ford stated that he thinks a committee to review the classification plan is a good idea.

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**SALARIES/CLASSIFICATION PLAN CONTINUED:** Council Member Joe Money, Jr. stated that he would like to have some people outside of the city participate on the committee. Mayor Harvey's response to Council Member Money's statement was that he personally feels that if people outside of the city would not understand what goes on. Mayor Harvey stated that he wants to make sure that the committee discusses jobs and classification not personnel. Council Member Dale Housch asked if GMA could do a review and provide an opinion. Council Member Ford asked if another municipality could help do a review. Council Member Housch stated that there isn't time to do that now but it might be of use in January. Mayor Harvey asked if there are any other questions. Council Member David Ford asked if the contribution to the Chamber of Commerce could be discussed. Mayor Harvey responded that the Chamber could be discussed after salaries. Mayor Harvey stated that he proposes to move forward with the 3.25% plan as proposed without the City Manager being included noting that there will need to be a first and second reading. Council Member Dale Housch asked what impact it would have on the budget if the raises are held at 2% and cut all bonuses. Mayor Harvey responded that it would take off 1.25%. Council Member Joe Money, Jr. asked if the plan will ever be right if some people are above where they should be. City Manager Thompson responded stating that if Council chooses to grandfather those employees then any steps in pay would be fair game to all employees. Council Member David Ford stated that we "can't just take money away from them". City Manager Thompson stated that there are two choices; cut them or grandfather them in. Mayor Harvey stated that the committee could look at this aspect of the plan and develop a five year plan. Council Member David Ford stated that Council needs to do something. Council Member Zachary Martin stated that he agrees with the 3.25% and remove the City Manager. Mayor Pro Tem Lloyd "Buddy" Windle stated that would put everything closer to where it was intended to be. Mayor Harvey stated that there are 6 or 7 positions that need to be reclassified but work is needed to set the criteria before that is done. Council Member David Ford stated that he feels that progress has been made. Council Member Dale Housch asked if the Better Hometown position is included. City Manager Thompson stated that the salary for a full time Better Hometown position is included. Council Member David Ford stated that the City has had a good year so approving 3.25% now will work because raises might not be possible next year. Council Member Ford asked why the City Manager would be taken out of the plan. Mayor Harvey responded stating that the City Manager is a contract position that is not in the classification plan. City Manager Thompson asked if he needs to expropriate himself or have an executive session. Mayor Harvey responded that he should expropriate himself then have an executive session. Mayor Harvey stated that the City Manager has an annual review then consideration is given to modifications for his compensation package.

**MOTION – SALARY & COMPENSATION PLAN 2014-2015 ANNUAL BUDGET:** Council Member Dale Housch made a motion to accept the plan as presented with 3.25% raises, frozen staff members to receive a one time bonus, remove the City Manager from the plan as presented and go into Executive Session to discuss the City Manager's compensation. The motion was seconded by Council Member David Ford and carried unanimously.

**EXECUTIVE SESSION BEGUN:** Council Member Dale Housch made a motion to go into Executive Session to discuss the City Manager's compensation. The motion was seconded by Council Member David Ford and carried unanimously.

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**EXECUTIVE SESSION ENDED:** Council Member David Ford made a motion to close the Executive Session. The motion was seconded by Council Member Zachary Martin and carried unanimously.

**CITY MANAGER REMOVED FROM COMPENSATION PLAN:** Council Member Dale Housch made a motion to take the City Manager out of the compensation plan and not have him listed in the 3.25% raises. The motion was seconded by Council Member David Ford and carried unanimously.

**CITY MANAGER RECEIVES BONUS:** Council Member Dale Housch made a motion to give the City Manager a bonus of \$2,652 in the 2014-2015 Annual Operating Budget. The motion was seconded by Council Member Zachary Martin. The motion passed with Council Members Ford, Windle, Housch, and Martin voting in favor of the motion. Council Member Joe Money, Jr. voted in opposition to the motion.

**CHAMBER OF COMMERCE:** Mayor Harvey stated that discussion about the Chamber of Commerce has been requested. Council Member David Ford stated that he would like to see the contribution to the Chamber of Commerce cut from \$400 down to \$100 with the \$3,600 redistributed to the Better Hometown. Mayor Harvey questioned how the contribution to the Chamber of Commerce is determined. City Manager Thompson explained that it is determined by population; ours is a little over 4,000. City Manager Thompson explained further that the Chamber is a private organization and they could reject our membership. Mayor Harvey stated that he would like David Tidmore of the Chamber to come talk with Council before any decision is made. Mayor Harvey stated that he thinks that the City of Summerville should be a part of the Chamber of Commerce but with Better Hometown taking on economic development he can see Council Member Ford's reasoning. Council Member Joe Money, Jr. interjected that the last time the Chattooga County Chamber of Commerce web site was updated was May 2013. Council Member Money stated further that there is no promotion for the City on their web site. Council Member Money stated that the web is integral to promoting the City. City Manager Thompson stated that if Council agrees he will prepare two copies of the budget; one with the Chamber of Commerce contribution and one without the Chamber contribution. Mayor Harvey asked if the budget is advertised and then Council decides to not fund contribution to the Chamber of Commerce could those funds be rolled to a contingency fund. City Manager Thompson responded that is possible then Council could do a budget amendment in July or August.

**QUESTIONS:** Mayor Harvey asked if there are any questions or comments from anyone.

**CHAMBER OF COMMERCE:** Jason Espy of *The Summerville News* asked if the Chamber of Commerce promised last year that they would visit Council and report activities. Council Member David Ford responded that David Tidmore did say he would visit and update Council on their activities but that has not been done.

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**BETTER HOMETOWN POSITION:** Jason Espy of *The Summerville News* asked if \$30,400 salary for the Better Hometown position included taxes. City Manager Thompson responded that it does not noting that when someone is hired they are given a salary or pay then the taxes are handled outside of that number. Jason Espy also asked if there was anyone in mind for the position. City Manager Thompson responded stated that the position will be open for applications in June. City Manager Thompson stated further that he has asked the Better Hometown Board for help with interviewing and making a recommendation for the position.

**SALARIES:** Jason Espy of *The Summerville News* asked if the City would be willing to cut salaries if money got tight. City Manager Thompson responded that the City has always met their financial obligations and during hard times there have been lay offs. City Manager Thompson stated that there is enough in the fund balance to weather a storm. City Manager Thompson stated that it is his job to present a balanced budget and if lay offs are necessary in the future that could occur. Jason Espy asked if anyone knew of any jobs in Chattooga County making 40,000 to 50,000 a year. Council Member Dale Housch stated that he knows there are people in the school system making that kind of money. Mayor Harvey interjected that he would like to establish a committee to work with the City Manager concerning the classification plan. City Manager Thompson stated that he would like to have an employee on the committee too so that there would be some employee ownership for the group. Mayor Harvey stated that Council will have the final decision on who is on the committee and what is put into place concerning the plan.

**ADJOURN:** Mayor Pro Tem Lloyd "Buddy" Windle made a motion to adjourn. The motion was seconded by Council Member Zachary Martin and carried unanimously.

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**HARRY HARVEY – MAYOR**

Attest:

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**JILL DURHAM – CITY CLERK, G.C.M.C.**