

Civil Service /Pension Board

Special Board Meeting Minutes
Thursday, June 8, 2006

Chairperson Eugene Strickland
Vice-Chairperson Roger Haar

Board member Laura Hawley called the Civil Service Board of Lakeland, Florida to order for a special meeting, Thursday, June 8, 2006, at 8:32 a.m., in the Civil Service Conference Room, Department of Civil Service and Retirement, 500 North Lake Parker Avenue, Lakeland, Florida. Present: Chairperson Eugene Strickland, Board Members Phil Allen, Robert Andrew, Roger Haar, Ronald Tomlin and Interim Civil Service Director, Tommy Hamrick.

Purpose

Board member Laura Hawley indicated the purpose of this special meeting is to present options regarding the reorganization of the City of Lakeland human resource structure and pension system.

City Manager Doug Thomas

City Manager Doug Thomas gave a status report on the reorganization efforts of the Civil Service/Retirement Boards; and of the proposal for the new Human Resources Department. He explained that there are currently three separate departments in the City performing various and related human resource functions. This results in confusion for employees and management by creating inefficiency and an overlap of responsibilities in all three departments.

The proposed changes to the position of Civil Service Director would include a yearly review. The reviews would be a multi-part evaluation process by the Civil Service Board, the Director of Human Resources, and the President of the Employee Association, or designee. Another change would be the day-to-day supervision by the Director of Human Resources. However, the Civil Service Board will still appoint the director.

The Civil Service Board will remain a standing board that will meet quarterly or when called by the Civil Service Director or by a chairperson. The board will hear appeals and monitor charter compliance.

The City Retirement System has numerous stakeholders: Employees, Retirees, Fire Supplemental Board, Police Supplemental Board, City Management and the City Commission. Administration of the plan is currently a consolidated approach, with one-stop service for both investment and service.

Meetings have been held to update the various stakeholders concerning the formation of a new Human Resource Department. City Manager Thomas met with the Employees Association on March 16 and May 18; the Civil Service/Pension Board on April 20 and June 8; the City Commission on June 5, the Firefighters Supplemental Board on May 30, and the Police Officers Supplemental Board on May 30. The City Commission will have final approval.

The current retirement system will continue to provide a variety of functions such as investment management, plans design and compliance, employee education, and customer service. Current changes being considered are the administration of the retirement system and employee classification. Administration options discussed were segmented v. consolidated models, consulting v. municipal models, or a hybrid. The second change is in regards to employee classification; whether the current pension employees would remain employed by the City or become employees of the board.

The Employee Association is in support of the following:

- proposed HR reorganization
- proposal of consolidated services for human resources
- suggestion of a joint Civil Service Director performance review that would include Employee Association input.
- proposal of including the Employee Association as a regular agenda item for feedback at Civil Service Board Meetings.
- proposal to bifurcate the Civil Service and Pension Boards.

Additionally, the Employee Association expressed the desire to place active employee representation on the Pension Board. They would like to see the City consider waiving the Lakeland residency requirement and the one-year service requirement for board representatives. The association would also like to see the retention of the existing pension employees as City employees.

The Police and Fire Supplemental Retirement Boards are in support of the following:

- proposed HR reorganization
- consolidated pension services
- bifurcating the Civil Service and Pension Boards

In addition, both boards would like joint input on pension administrator selection and performance reviews and recognized the need for a formal document or Letter of Agreement. They are also open to the Consultant, Municipal or Hybrid models.

The City of Lakeland Association of Retirees attended an informational meeting given by City Manager Doug Thomas on May 11. They were provided with a variety of associated questions and answers. The Board took no formal position on the reorganization options.

During the Civil Service/Pension Board presentation on April 20, the Board recognized the importance of independence for the Civil Service Director, and indicated they were open to the elimination of duplicative human resource functions. No consensus was reached on bifurcating the Civil Service & Pension Boards, nor was a consensus reached as to a particular administrative structure/model. The Board did, however, express concern that reorganization will increase costs and affect the retirement benefits.

The Mayor & City Commission are in support of the following:

- the proposed HR reorganization and physical consolidation of offices.
- bifurcation of the Civil Service and Pension Boards
- the consolidated Pension Administrative Model, with interest in all Municipal and Hybrid options.

Additionally, they support the retention of the existing pension employees as City employees within the Human Resources Department. They are receptive to a charter change to effect the change if required.

City Manager Doug Thomas concluded that if a consensus is reached to separate the Civil Service and Pension Boards, other current outstanding activities will include the development of a proposed Table of Organization for a consolidated Human Resources Department and separate Pension Department and associated proposed budgets, and the development of a proposed composition of Pension Board of Directors. There will also be a need to finalize a review of organizational structures/models and develop a recommended model. Additionally, time will be spent on legal review and drafting of the amended ordinances, as required.

When the proposal is completed, it will be presented to the City Commission.

Discussion from Board Members

Board Member Ron Tomlin indicated that he was concerned that the City of Lakeland employees would retain their ability to utilize the appeals process. He then asked the employees in the audience if they were comfortable with the appeals process. Alan Lukhaub, speaking as Vice President of the Employees Association, indicated that he has not heard of any specific problems and he indicated that he felt most employees are in agreement with the proposed new structure.

Board Member Phil Allen commented on the new review process for the Civil Service Director, which will include the Employees Association President, and said that he is concerned how that protects the Director. City Manager Doug Thomas indicated this is the same process that the City Commission uses and that the process will provide a reality check for the Director. In other words, is he/she achieving his/her goals as to the Civil Service functions? Board Member Phil Allen said he is in support of the input that would be received from the President of the Employees Association and expressed his concern about the independence of the Civil Service Director and how this person is

going to be independent. He commented that the Civil Service Director should remain independent, not subservient. The new director will need to be functionally responsible to the Human Resource Department and the Board. He said he is not trying to eliminate the Director's independence. He has seen this approach work and does not see this process as insurmountable. Board Member Allen asked City Manager Thomas if he has the authority to terminate the Civil Service Director. City Manager Thomas said he could not answer that question and he would need to consult with City Attorney McCausland.

Board Member Gene Strickland then indicated that he visualizes the new Civil Service Director's day to day responsibilities as being mostly clerical in nature and wants to know what other functions he/she would have. He also commented that he does not see enough duties left to appoint a new Civil Service Director. He felt that 99% of Mr. Clark's duties as director were pension related. City Manager Thomas indicated that the Civil Service Director's duties would be involved in recruitment and more Human Resource functions and that he sees it as a second level position. Board Member Strickland then commented that it might be possible that we do not need a Civil Service Director; the Board could meet for appeals when needed. City Manager Thomas then said that there are certain responsibilities that need oversight such as testing and recruitment.

Former civil service director and now consultant to the Pension Board, Gary Clark, commented that these are Human Resource functions, however, around the state others, such as Orlando, have created a Civil Service Liaison position, which is a 3rd tier position, and this person handles appeals and whatever else is needed. He indicated that this could also be an option.

Interim Director Tommy Hamrick then indicated that there are many things in the department that could be handled in more detail. He stated that while he stays very busy; he also feels more like an administrator on a day-to-day basis.

Board Member Strickland then asked City Manager Thomas: "What do you want from us today?" City Manager Thomas then asked the board members: "Do you as a board support this new structure?" If so, he indicated that he would need a Letter of Agreement from them in their role as Civil Service Board Members.

Board Member Art Rowbotham asked City Manager Thomas what he saw as the pros and cons. City Manager Thomas commented that if the right person is selected with the right skill set for the job, it will work.

Motions

Board Member Robert Andrew made a motion to separate the Civil Service and Pension Boards into two separate boards. Board Member Roger Haar seconded the motion. Further discussion ensued. Board Member Robert Andrew indicated that a person from the Fire/Police Board would need to be added to the Civil Service Board. Board Member Laura Hawley asked if all board members were in agreement. Motion carried. Ayes 7, Nays 0.

Comments from audience members

Penney Chappell relayed the thoughts of the Retirees Association:

- They do not want the director's position outsourced; they want a City of Lakeland employee to handle the pension fund.
- The retirees need someone to look after their needs.

Jane Gschwender asked if the seven employees in the Training Department at Lakeland Electric would be included in the new Human Resource Department. Mr. Thomas indicated they would be included.

Betsy Levingston then indicated that she had been informed that the above-mentioned seven employees would remain in the Lakeland Electric Department, to be supervised by her. Mr. Thomas commented that there would need to be further discussion on this point.

The next meeting scheduled for July 25 was cancelled and rescheduled for August 22, 2006.

Adjournment – Upon motion meeting adjourned at 10:01 a.m.