

**PERSONNEL COMMITTEE MEETING  
COUNCIL CONFERENCE ROOM  
JANUARY 7, 2010, AT 5:45 P.M.**

The Personnel Committee met on Thursday, January 7, 2010, at 5:45 p.m. in the Council Conference Room, 2<sup>nd</sup> Floor, City Hall.

Committee members present were:  
    Councilman Dale Burkett, Chairman  
    Councilman Dave Kirlin  
    Councilman Walker Reid

Additional Council Members present:  
    Mayor Jennie Stultz  
    Councilman John Howren  
    Councilwoman Brenda Craig

**Item 1: Strategic Plan for Recurring Cost Reduction Initiatives Related to Organizational Structure**

Chairman Burkett recognized Jim Palenick, City Manager, for the purpose of staff's presentation.

Mr. Palenick reviewed the **Strategic Plan for Recurring Cost Reduction Initiatives Related to Organizational Structure**, which was discussed at the City Council Retreat in December, 2009. He stated the City of Gastonia continues to experience severe financial impacts from the economic downturn. This has resulted in little to no revenue growth, while expenditures increase. The purpose of this plan is to implement a series of strategic steps to further consolidate non-Public Safety municipal functions and departments, thereby increasing efficiencies and reducing related personnel costs associated with those positions. Mr. Palenick stated the City is already in the **Phase 1** of the plan, "Deletion of Non-Essential, Vacant Job Positions by Attrition."

**Recommendation:**

The Committee voted unanimously to recommend that full Council approve the **Strategic Plan for Recurring Cost Reduction Initiatives Related to Organizational Structure** as presented.

**Item 2: Proposed Retirement Incentive Program**

Chairman Burkett recognized Jim Palenick, City Manager, for the purpose of staff's presentation.

Mr. Palenick stated the purpose of the proposed **Retirement Incentive Plan** is to mutually benefit eligible employees and the City of Gastonia. The plan would offer a lump-sum payment to eligible employees in an attempt to reorganize, combine and/or eliminate some positions within the City. This program offering is of limited duration and thus ends after the time periods specified within the program description. Each eligible employee who elects to participate in this program will be:

1. Entitled to a one-time lump sum payment of \$15,000. Employees electing this option will not be able to return to work for the City of Gastonia in any capacity for a period of not less than twelve months; **OR**

2. Entitled to a one-time lump sum payment of \$7,500. Employees electing this option will be able to return to work for the City of Gastonia on a part-time basis only after they have been retired for 30 days.

Eligible employees would be officially notified and would be required to contact the Human Resources Department and apply for retirement benefits no later than March 15, 2010. The eligible employees who elect to participate in this program would retire no later than July 1, 2010. If full Council approves the program, information will be provided to all City employees on January 20, 2010.

**Recommendation:**

The Committee voted unanimously to recommend to full Council that the proposed **Retirement Incentive Program** be approved by adding that **one would need to be retired from the City for a period of time of not less than twelve (12) months before returning to work here in any capacity after having received the \$15,000 payment.**

**Item 3: Proposed Reduction in Force Policy**

Chairman Burkett recognized Jim Palenick, City Manager, for the purpose of staff's presentation.

Mr. Palenick stated the purpose of this policy is to provide guidelines to be used in a **Reduction in Force** (RIF). In the event of a RIF, official notification would be given to affected employees as soon as possible, not less than 30 calendar days prior to the effective date of separation. Regular full-time and regular part-time employees who are terminated would receive 30 days severance pay in addition for accrued, but not used, annual vacation leave, as applicable, up to the maximum allowed by related policy. In addition, healthcare coverage would be provided for six months beyond the employee's termination date. Employees affected by RIF will be able to apply for any vacancies that become available and remain open during the force reduction; however, the employee must be able to effectively perform the essential functions of the new position within a reasonable period of time. Mr. Palenick stated that employees scheduled for termination would receive enhanced consideration for any vacancies that occur during the RIF. The City Manager also stated that terminations through RIF are not eligible for appeals or grievances due to the fact this is not disciplinary in nature. The Committee recommended an amendment to the RIF policy by adding "**within twenty-four (24) months,**" referring to the time span in which an employee could return to work for the City and have their seniority and benefits restored.

**Recommendation:**

The Committee voted unanimously to recommend to full Council that the proposed **Reduction in Force Policy** be approved as amended.

**Item 4: Other Business**

Having no other business, Chairman Burkett adjourned the meeting at 7:50 p.m.